

Zdeněk Škromach
Deputy Prime Minister, Minister of Labour and Social Affairs
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DG EMPL - CAD A/	25852
Date:	15 -11- 2005
CF:	E
C:	QA

Prague 26. October 2005
Our Ref. 2005/51.608-71

Dear Ms Quintin,

In response to the Communication from the Commission dated in Brussels, 16. 3. 2005, COM(2005) 94 final, enclosed please find Contribution of the Czech Republic and Resolution of the Senate of the Czech Republic on the Green Paper on „Confronting demographic change: a new solidarity between the generations“. I would like to thank you for the attention you permanently pay to this issue and I look forward to our further co-operation.

Yours sincerely,

Ms. Odile Quintin

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**Contribution of the Czech Republic to the European Commission Communication
Green Paper on “*Confronting demographic change: a new solidarity between the
generations*”**

Many surveys show that the processes of demographic decline and the ageing of the population are more intensive in the Czech Republic than in other EU countries. Since the early 1990s, aggregate fertility figures have declined dramatically, and today, fertility in the Czech Republic is one of the world's lowest (aggregate fertility rate = the average number of children per 1 woman was 1.18 in the Czech Republic in 2003). At the same time, the average mean life expectancy has been growing continuously (detailed information about the mean life expectancy of men and women is provided on p. 11). According to certain projections, in 2005, the ratio of dependent old people in the Czech Republic (ratio of people aged 65 and more to people aged 20-64) will be nearly 40%, i.e., twice the 2000 figure.

During all discussions to date, the Czech Republic stressed the importance of the social aspects of the Lisbon Strategy, especially from the point of view of the current and expected demographic changes. The Czech Republic supports the progress of reforms and like the European Commission, considers partnership for change and respect for the inter-generational dimension to be their necessary precondition. Given those attitudes and the current demographic situation, the Czech Republic considers the **EC communication entitled Green Paper on “*Confronting demographic change: a new solidarity between generations*”** a very topical document, and supports the main ideas embodied therein. This support was also expressed by the participation and presentation of the Deputy Prime Minister and Minister of Labour and Social Affairs Zdeněk Škromach at the Brussels conference (the full text of the presentation is attached), which launched the public discussion concerning that document.

The aim of the public discussion on the Green Paper is to gather time-tested processes used by the member states in forecasting and managing demographic change. The responses to the individual questions, provided below, are the Czech Republic's contribution to the public discussion on demographic change. They show the position of the Czech Republic to the document presented, and to addressing these issues:

Do you take the view that the discussion on demographic trends and managing their impact should take place on the European level?
If so, what should be the objectives and which policy areas are concerned?

Although many issues related to demographic development fall within the competence of individual countries, we are of the opinion that these issues go beyond borders and should be not only discussed on the European level, but that attempts should also be made to find adequate solutions to the Europe-wide demographically adverse

situations. Aside from Europe-wide discussions on demographic development, the **mutual exchange of experience in an open co-ordination method** could contribute to the formulation of adequate measures, as a tool suitable for finding effective strategies. Given that this is a cross-section issue, not only social policy and social protection systems, family, housing or financial policy should be involved in addressing it, but essentially all sectors and field of human endeavour should contribute by their measures.

There should be different policies on different levels, with different objectives in the context of demographic ageing. A key question is the **concept of family policy**. As for the ageing of the workforce and the development of human resources, **support for life-long learning** and further education through out life are key, as well as the availability of retraining and education for older employees. On the regional and local levels, opportunities for **social inclusion** must be created, a friendly environment for people of all ages, local housing policies, transport policies, and other spheres. Questions which are a theme for discussion in individual member states as well as a joint theme for the entire EU include **pension systems**, co-ordination of social security systems, **educational and health policy** (support for functional health, etc.), and the standardisation of the quality of healthcare and social services.

Over many years, the Union has been making considerable efforts to achieve equality between men and women and has coordinated national social protection policies. How can a better work/life balance help to tackle the problems associated with demographic ageing?
How can a more balanced distribution of household and family tasks between men and women be encouraged?
Should the award of certain benefits or advantages (leave, etc.) be linked to an equal distribution of tasks between the sexes? How best to ensure an adequate income for both parents on parental leave?
How can the availability of child care structures (crèches, nursery schools, etc.) and elderly care structures be improved by the public and private sectors?
Can a reduced rate of VAT contribute to the development of care services?
How can parents, in particular young parents, be encouraged to enter the labour market, have the career that they want and the number of children they want?

We think that the issues of equality of men and women are important from the point of view of the position of women, and measures in this sphere may probably have a mitigated impact on the birth rate. There are, however, differing opinions of whether a greater and more equal involvement of women on the labour market leads to an increase or decrease in the birth rate. Measures leading to a greater harmony between the work and family lives can be seen as very desirable. From the point of view of demographic developments, the impact of this aspect is, in our view, minimal.

In efforts to achieve equality between men and women and efforts to aid a more balanced division of obligations in the household and in the family between men and

women, we must consider **the period of time for which a woman should not work due to pregnancy and motherhood**, and for which an employer should not be allowed to assign work to a woman, separately from the period of caring for a child. Even though we are attempting to achieve equality of men and women, we must not forget their biological differences which prevent "absolute" equality of the sexes. For the time-period for which a woman is not allowed to work due to pregnancy and motherhood, she should get a compensation of lost income from the disability insurance system on the same level as she would during her health-related inability to work. During this time, the role of woman – mother, is irreplaceable. The provision of a compensation of lost income for the reasons stated herein is the objective of the disability insurance system.

In the Czech Republic, it is yet not common, and probably not necessary, for both parents to be on parental leave at the same time. In the case of both parents being on parental leave, the most suitable option would probably be **a combination of parental leave with part-time employment**, during which neither parent would lose contact with his/her job, and would not be impeded in returning to the labour market.

We see potential for measures enabling a greater harmony between the work and family lives in labour legislation (although labour law clearly bans discrimination in labour-law relations due to, among other factors, gender, age, marital and family status or obligations towards family), social insurance benefits, services, including care for small children and support for companies which create favourable conditions for employees with families and children. Parenthood should not be an obstacle to professional application, even in an environment which supports individualism and high professional commitment. In this respect, we are drafting a **Concept of family policy in the Czech Republic**. One of its main goals is to create favourable conditions for family, in terms of supporting its creative behaviour (for details, see the text below).

A more balanced division of obligations in the household and family between men and women can be supported primarily by removing the existing stereotypes. The granting of benefits and advantages equally to both sexes in connection with parenthood is not possible as of yet, but from the point of view of family policy, we will need to create, in a "sensitive" way, better conditions for men who would like to take care of children, so that they would actually use this option.

To improve the supply of care for children, we would not only have to **increase the number of facilities for children under 3 years of age, but to also broaden the offer of the types of services provided**. The state should promote measures leading to supporting **business in the sphere of services** in the care for pre-school children. Specific measures could include **support for employers** who enable "baby sitting" of their employees' children during work hours at the place of their work, or the reflection of the individual requirements of parents for more flexible opening hours of crèches and kindergartens (also during school holidays). A more balanced distribution of obligations in the household and family may also be aided by awareness activities, education, and training, media and advertising initiatives, and by the personal examples of significant

figures.

Aside from the development of institutional care for children and seniors in institutional facilities, also family care for children and seniors in need must be supported, i.e., in their natural environment. That means that support should be given to especially to **support and filed services and measures to supporting family members** who take care of children or dependent persons. New principles of the social service system are embodied in the draft Act on Social Services, which should come into force in January 2007. Under that statute a person requiring care or another service shall receive a sufficient financial contribution from the state and will be able to choose a service corresponding to his needs. This act should contribute to the development and availability of services which correspond to the needs and preferences of persons requiring care.

Also in the future we may expect that a portion of seniors will continue to demand residential facilities and common housing (pension homes, homes with home-based care). The question of the inclusion of the private sector is certainly a topic worth discussing. Discussion should also be conducted about the direction of enterprise in social services. Neither the Czech Republic nor the EU should however, definitely not prefer institutional solutions of providing care and aid to seniors, given that they are more expensive and are not in line with the aim of social inclusion of vulnerable groups of citizens. It is also necessary to improve the conditions for care provision in families, but not to the detriment of collective institutions.

Improvements in the range of services offered are determined primarily from the need to ascertain the actual needs of the service users, but also by the overall situation in the financing of those services. **The Czech Republic supports the active role of the individual** - the (potential) user of services and **of self administrative bodies** – within the meaning of (community) planning of services through which a citizen is given the opportunity to express his wishes as to the services required (from his point of view) in the given town or city. Also, the intended introduction of a contribution for care for a specific circle of persons should make it possible for users to have a greater say in deciding which services suit them, and pay for those services, which means, that ultimately, they would support those services which are required.

The addressing of the problem of a harmonised family and work life and of returning from parental leave to the labour market constitute a part of the activities of the Operation Programme for the Development of Human Resources, which is being realised with the financial aid of the European Social Fund. The aim of the measure is to, among other things, support the creation of new jobs and access to the labour market, a broadening of the offer of jobs with flexible work-hours, part-time jobs, etc. The activities receiving support include making available further education and re-training to women returning to the labour market after parental leave, and other activities contributing to their professional application and the harmonisation of the family and work lives.

The Thessaloniki European Council in June 2003 declared that an EU integration policy for immigrants should help to meet the new demographic and economic challenges currently facing the EU. This is the debate initiated by the Green Paper adopted last January.

To what extent can immigration mitigate certain negative effects of demographic ageing?

What policies should be developed for better integrating these migrants, in particular young people?

How could Community instruments, in particular the legislative framework to combat discrimination, the structural funds and the Employment Strategy, contribute?

An attempt for any significant artificial intervention in the structure of the population inhabiting a specific area, whether through managed migration or by other means, may cause greater problems for the social protection system in the future than would occur without such interventions. Immigration (migration) as a solution to the problem of financing social (pension) security is a questionable issue. For example the rate of the ageing of the Czech population will be so fast that the effects of the realistic migration balance are insignificant in the long-term. The effects of migration therefore should not be overestimated and we must focus on the **development of the potential of our own population** and on structural reform of the social systems.

The following were identified as the main obstacles to the socio-economic **integration of immigrants**: the administrative difficulty of obtaining a work permit (and, on the other hand, the relatively easy Access to trades licence), the immediate expiration of the work permit with the loss of a job, the inability to change jobs before the expiration of the work permit without the validity of the work permit being effected, wide-spread illegal employment of foreigners, the impossibility to participate in the public health insurance system for family members (especially children) until they obtain permanent residence in the country, if they are living in the Czech Republic due to the amalgamation of the family and are not employed. That shows that to cover current and mid-term needs, we must offer a flexible administrative system which will be based on the main criterion – the situation on the labour market.

The purpose of integration measures is to prevent social segmentation and the formation of closed communities. These measures should be focused, primarily, on the acquisition of the host-country language, on providing information about the conditions of living in the given country, the assumption of the values of the society, and contact between the members of the majority society and foreigners. It is also important to support the economic self-sufficiency of foreigners.

Integration of foreigners is a very expensive matter even for economically strong countries. For the Czech Republic, where integration policy is still just starting out, Community funds constitute an important source of information, although they only cover certain parts of the integration of foreigners. The Czech Republic is therefore in favour of creating a source of funds on the Community level focused specifically on the integration of foreigners. The condition is, however, that any such source of funds

would respond to the specific reality of any given country, and that the manner of implementation would not be excessively onerous.

Co-operation in the "National Contact Points on Integration" is seen as very important. Exchange of experience with experts from other member states in this informal group is very beneficial for the drafting of a policy for integrating foreigners. It is a flexible way of co-operation, which should continue to be supported and deepened. Aside from this form of co-operation, we see as important the creation of a single source of financing for individual EU member states related to foreigner integration issues (a web-page in preparation).

Economic self-sufficiency is seen as a key condition of the successful integration of foreigners. A close and intimate relation primarily with employment strategy therefore seems very desirable. Only then can we prevent the doubling of certain activities in the field, and on the other hand, set the existing tools in a way as to best correspond to the intentions of integration policy.

The first step to creating a future integration policy of the Czech Republic is the pilot project "Selection of Qualified Foreign Workers", which has been implemented by the Ministry of Labour and Social Affairs since July 2003. Its goal is to create such an environment and living conditions which would bring to the Czech Republic experts who are able to integrate themselves and their families into this society and fill gaps on the labour market, which are currently opened up in certain professions and regions.

The project is set up so that experts from foreign countries work in areas with a lack of labour force, and at the same time, do not represent a future burden on the country's social system, as their joining in the project is tied having a job agreed in advance. On the contrary, based on experience from other countries, qualified foreign workers help create new jobs and they are net contributors to the social security system, which is beneficial for the income-side of the pension system.

The efforts to strengthen the internal labour market with foreign experts is not a Czech specialty. Most developed countries need this kind of immigration. Currently, the Czech project is opened to experts from Belarus, Bulgaria, Croatia, Canada, Kazakhstan, Moldova, and Serbia and Montenegro. Next January, the Ukraine will also join in that number. Also foreign graduates of Czech universities and foreign countries, regardless of their country of origin, who completed their studies in 1995 or 2000 may sign up for the project.

European objectives have been laid down for the prevention of long-term youth unemployment, combating early school leaving and raising the level of initial training. The structural funds help to attain them at grass roots level.
How can Community policies better contribute to fighting the poverty of children and incomplete families and to lowering the threat of poverty and social exclusion for young people?
How can initial training and adult training schemes be improved? What can non-formal

education and voluntary activities contribute? How can the structural funds and the instruments for achieving better access to the knowledge society contribute? How can the structural funds and the instruments for achieving better access to the knowledge society contribute?

How can the bridges between school and working life and the quality of young people's employment be improved? What role should social dialogue play? What can dialogue with civil society, in particular youth organisations, contribute?

What forms of solidarity may be built between the young and the old?

The Czech government is of the opinion that **family cannot be excluded from the sphere of public interest** and reserve it entirely for the private sphere. This is primarily due to the fact that future demographic developments depend on the prosperity of the family, and together with them the future economic, cultural, and social development of society. According to the Concept of Family Policy in the Czech Republic, which is being drafted, care of children should not diminish the standard of living of the family, even of families in the low-income group. The protection of family with children should address especially difficult life-situations not caused by the families themselves, so that the relations and bonds between the parents (or partners) or between the parents and the children were not harmed, and that the quality of the upbringing of children not be diminished, as that, together with their highest possible education in the future form the basis of not only the economic potential of the society, but also of its general qualitative increase.

The fact that in the last 15 years, an increasing number of families with small children are threatened by poverty, is a Europe-wide problem. We cannot accept that children should be withheld education and active participation in social life due to their parents' poverty. These matters pose a great challenge to us, and finding a solution will not be easy. We must analyse what aspects of economic and social policy have in the last 15 years contributed to the fall of certain families into poverty, in order for us to be able to find adequate methods for resolving the problem. It is already evident, however, that the implementation of certain measures will require the co-operation of the government as well as the non-governmental, primarily non-profit sector. The resolution of the problem should be the subject of a social dialogue, not only on the national, but Europe-wide level.

For **increasing the quality of initial education**, sufficient systematisation is required on each educational level and the horizontal penetrability of the educational system, primarily on the secondary level. In secondary education, we must unconditionally work with partners such as individual ministries, chambers of commerce and professional associations, employer associations, unions, and other professional organisations. In employment preparation, we must give more space to practical training, not only in schools but at the work places created by natural and legal entities, so that graduates would have the appropriate practice. The educational system cannot respond entirely flexibly to the rapid changes on the labour market and the requirements of employers as for the qualification of the labour force, but overall, a more flexible reaction than that we see from the educational system today, is required.

Educational programmes in higher specialised education are currently subject to accreditation. The accreditation committee comprises specialists from practice, universities, and hither specialised schools. Furthermore, these educational programmes are also evaluated by experts from practice and from the relevant ministries. Professional practice constitutes a part of every higher specialised educational programme. The educational programme must state the contents of the subject of professional practice, and propose the natural or legal persons at whose workplace the professional practice will take place. Applications for the accreditation of educational programmes must contain information about the development of co-operation with professional practice, the explanation of the social need of the educational programme, including statements by professional associations and legal entities.

Adult education is realised both in the school system and outside. We must primarily precisely define the powers and responsibilities of individual ministries, and to resolve the system of co-financing. In our opinion, the main benefit of informal education is that it can flexibly respond to the requirements of the labour market, allows for the expansion or supplementation of a worker's qualification, and the acquisition of the knowledge required to find a new job. From this point of view, it contributes to increasing the chances of finding a job, as well as to maintaining and stabilising the profession itself.

Currently, many measures are applied in the Czech Republic which improve the **transition from schools into work life**. Centrally managed and equipped Information and Advisory Centres were set up with every labour office, which provide consulting in job selection and job change. These centres are designed primarily for pupils and students, their parents, and the general public, and provide information about the development on the relevant labour market, and about the expected demand for qualified labour. At the same time, they collect the offers of educational programmes offered by secondary schools and universities, and descriptions of various jobs, both in writing and in an audiovisual form. They also offer computer and internet programmes which make it possible to study whether there is a harmony between the ideas and the abilities of individual clients, and help select the optimum educational path.

From their inception in the early 1990s, **public employment services**, i.e., labour offices, have devoted increased attention to finding jobs for applicants aged up to 25, and for university graduates for 2 years since the completion of their studies, up to 30 years of age. This obligation arises directly from the employment act, which also defines the obligation to offer them, under the programme for the prevention of long-term unemployment, the compilation of an Individual Action Plan, which sets the progress and the time-schedule for taking various measures leading to the employment of young people and to increasing their employability given their qualification and state of health.

On 1 January 2004, the programme for the prevention of long-term unemployment was

launched at all labour offices, called "The First Opportunity", which is designed for all young job applicants aged under 25 who have been on file for up to 6 months (including graduates). The aim of the programme is to offer every young unemployed person a job or to increase his employability, by providing consulting, training, re-training, professional practice, or other measures, in the period of the first six months of their unemployment. In 2005, approximately 22 thousand people will participate in the "First Opportunity" programme, in 2006 approximately 25 thousand.

Labour offices pay special attention to older job applicants. Workers aged over fifty are an at-risk group, and increased care is provided to them under the active employment policy. For this age group, broader consulting and the compilation of Individual Action Plans is being planned, including potential re-training.

Of the existing EU structural funds, primarily the **European Social Fund** could be used to address the impact of demographic change. On the basis of the applicable regulations concerning the ESF, measures were included in the Czech Republic's programme documents for using aid from the ESF in the shortened programme period 2004 – 2006 (OP RLZ, JPD 3, and CIP EQUAL) which will enable to direct ESF support towards the integration of foreigners and to increasing the quality of initial education and adult education, as well as for the support of equality between men and women, prevention of social exclusion, development of life-long education, etc. Also the regulation concerning ESF for the upcoming EU programme period 2007 – 2013 (currently under discussion) makes it possible to use ESF funds to address the issues of the so-called ageing of the population at least to the same extent as in this programme period.

The legal regulation of ESF therefore currently does not limit, and will probably not limit in the future the possibilities of addressing the issues of the ageing of the population of Europe. A limiting factor may be the **lack of suitable and effective programmes** and projects. From the point of view of preparing legislation for making use of structural funds in the upcoming EU programme period, and the relevant program documents, there is currently a lack of substantial initiatives for adding further priorities focused specifically on addressing the impact of demographic development on society. For that reason, in our opinion, discussion on those topics must be supported, and analyses of demographic change and its impact on society must be conducted regularly. These analyses could form the basis for formulating the relevant policies and for their better interconnection.

In order to foster the transition to a knowledge society, EU policies promote the modernisation of work organisation, the definition of lifelong learning strategies, the quality of the working environment and "active ageing", in particular raising the average retirement age. Demographic changes reinforce the importance of these policies, whilst raising new questions: How can the organisation of work be modernised, to take into account the specific needs of each age group? How can young couples' integration in working life be facilitated and how can we help them to find a balance between flexibility and security?

to bring up their children, to train and update their skills to meet the demands of the labour market? How can we enable older people to work more?
How can work organisation best be adapted to a new distribution between the generations, with fewer young people and more older workers?
How can the various stakeholders in the Union contribute, in particular by way of social dialogue and civil society?

Labour-law regulations do not distinguish between younger and older employees. In labour-law relations, discrimination is prohibited, among other reasons due to age. The legal regulation mandates an employer not to permit an employee to perform work which does not correspond to his abilities and health. Because older employees usually have greater health problems than younger ones, it is up to the employer to reckon with that and not to order these employees to perform tasks which do not correspond to their health.

We are of the opinion that specific needs are not age-dependent, rather, they arise from family obligations and personal preferences. Other specific needs concern health. There will always be employees of diverse ages in companies, and certain research shows that work teams with workers of various ages and sexes are more effective. The experience of the older employees plays an irreplaceable role in the relation between the older and the younger generation of employees, which would be then handed over to the young employees. Employers should make maximum use of this approach.

Older people may be enabled to work by being motivated to remain in their positions by their employers, and by their work after reaching retirement age being appreciated by their environment and the public (today, it is the opposite), and by a gradual decrease in their workload, and a combination of pensions (even partial) with employment. The basic measures consist of a modification of the pension insurance system and of getting rid of the opinion that an older person should "make way" for the young only due to his age. On the other hand, younger employees must be supported, and their age-discrimination prevented. With older people leaving the labour market, the income from taxes and insurance will drop, but employment and the problems of young people on the labour market will not be resolved.

Retirement age should be set by law. At the same time, however, that law should make it possible to continue in gainful activity (employment) after reaching retirement age, and to enable gradual retirement over a certain period of time, prior to reaching retirement age (flexible retirement age). It would be up to the discretion of the insured person, although the decision would reflect in the amount of pension (with actuary principles being respected).

On 1 July 2005, **act no. 251/2005 Coll., on labour inspection**, took effect. Section 2 of the act establishes the State Labour Inspection Authority and regional labour inspection authorities, which are administrative authorities. The State Authority and individual inspection authorities check, among other things, on the adherence to legislation in the

sphere of labour conditions and remuneration, safety at work regulations, regulations specifying the safe operation of technical facilities, legal regulations concerning the employment of juvenile employees, employees taking care of children, etc. Information gathered through the inspection work is provided to other administrative authorities, and serves to further improve the protection of health and safety at work.

According to the data published by the Czech Statistical Authority, the number of employed persons aged over 50 increased between 1995 – 2003 by approximately 30 % (from approximately 950 thousand to nearly 1.25 mil.). As for persons aged over 60, there was a significant drop in the number of employed persons (approximately by 20%) between 1995 – 2000, and after 2000, there has been an increase in that number (by nearly 25 %). The number of employed persons aged over 60 was, in 2003, approximately comparable to 1995. The share of employed persons over 50 years of age in the overall employment rate increased, between 1995 – 2003, from 19% to 26 %. For people over 60, this ratio was roughly 3.5% in 2003, which is slightly more than in 1995.

The above information shows that older people find application on the labour market relatively successfully. Nevertheless, in order to increase the efficiency of the measures taken, we must analyse to what extent this development is caused by the increasing retirement age and to what extent measures focused on promoting the employment of those persons are having an effect.

As for the **development of voluntary activities** in which seniors could participate, such as as volunteers in social services, the activities of seniors (and all other persons) are regulated by act no. 198/2002 Coll., on voluntary services. Voluntary centres which support the participation of seniors not only in social services, but also in other spheres of life, exist in Prague and many other Czech towns. Aside from the Association of Pensioners, there are other organisations in the Czech Republic focusing on working with seniors, such as *Život 90 (Life 90)*, *Sue Ryder Home*, or the professional focused *Life of an Artist*, which supports young artists and addresses the social and health problems of seniors who remained alone, without families, in old age. **Non-governmental organisations** focusing on the needs of the older population focus more on social services, education (“3rd-age universities”), or on leisure time activities, rather than on the economic sphere. We are not aware of these organisations having any formal role in the development or implementation of government policy.

The European coordination of retirement scheme reforms is promoting more flexible bridges between work and retirement.

Should there be a statutory retirement age, or should flexible, gradual retirement be permitted?

How can elderly people participate in economic and social life, e.g. through a combination of wages and pensions, new forms of employment (part-time, temporary) or other forms of financial incentive?

How can activities employing elderly people in the voluntary sector and the social economy be developed?

What should be the response to pensioner mobility between Member States, in particular with regard to social protection and health care?
How should we be investing in health promotion and prevention so that the people of Europe continue to benefit from longer healthy life expectancy?

We are of the opinion that setting a retirement age from the labour-law point of view, and the related termination of employment upon the reaching of the retirement age, would be in contradiction to the prohibition of age-based discrimination, and to the principle of equality in labour relations. We are in favour of **flexible and gradual retirement**, depending especially on the health of the specific employee. We recommend maximum involvement of seniors in the work process, using flexible forms of employment, primarily in the form of shorter work hours and time-limited jobs.

Social protection of pensioners (including, among others, healthcare provision) migrating among EU/EEA countries is ensured by Council Regulations (EEC) 1408/71 and 574/72. In the country of his residence, a pensioner is entitled to all healthcare, which is provided to him regardless of whether he is a citizen of that country. When staying in another member state, a pensioner is entitled to healthcare in the scope required given his state of health and with a view to the length of his stay. The cost of healthcare provided to pensioners is paid by the institutions of that member state which is responsible for paying out his pension.

The social protection system is not a harmonised sphere, and its concept remains in the hands of national authorities (given the number of member states and the regulatory nature of these concepts, a full harmonisation would be essentially impossible). A pensioner migrating within the EU/EEA must therefore reckon with the fact that national regulation of various social security fields in various member states differ. If a pensioner is entitled to pension payments from multiple states, and at the same time makes use of the possibility to continue to engage in gainful activity in one member state, it is possible that in another member state – given its regulations – his pension payments will be cut down or stopped, or that he will only be able to engage in part-time or time-limited employment, etc. Nevertheless, the mobility of pensioners is, in our opinion, even in spite of the differences among member states, as for social and health protection, ensured on the maximum level possible.

The basic legal regulation concerning the protection of the health of the citizens of the Czech Republic is system of **Act no. 285/2000 Coll., on the protection of public health**, as amended, which also regulates the protection of health at work. All regulations in the sphere of safety and protection of health at work are harmonised with the requirements of the relevant EU regulations.

The recent preventive measures to improve the health of older people concerned, among other things, the realisation of the *Coloproctologic Programme*. This programme has served, since 2001, for an early detection of the carcinoma of the large intestine and the rectum. Persons over 50 years of age are examined for occult bleeding in the stool. Those whose tests are positive are examined further and in the case of a finding,

treatment is provided. This should lead to an early detection of this disease, to a decline in the incidence of the latter stages of that disease, to a decrease in the costs of treatment, and to increased survival of persons with this disease, which is widespread in the Czech Republic. The other preventive programme is *mammography screening*, which has, since 2001, served in the search (early detection) of the carcinoma of the breast in women. This is again designed to ensure treatment in the early stages of the disease, similar to the previous case. The Ministry of Health defined the rules for both of those programmes, and oversees their quality.

Evidence of the improved health situation in the country are the so-called **indicators of the chance of survival** (in years), which dramatically increased after 1989:

	1980	1990	2000	2004 (estimate)
men	66.8	67.6	71.4	72.2
women	73.9	75.4	78.1	78.7

Under the National Programme of Preparation for Aging for 2003-2007, the Czech Government has adopted a number of health promotion measures. These include, among others, better informing citizens about health issues, improved consulting, the use of rehabilitation, improving the environment, creating special projects for supporting active ageing and healthy lifestyle, support for integrated home healthcare, health programmes for seniors, etc. An important part of this system is the presentation of good projects which can thus gain the necessary publicity. To this end, the Ministry of Health awards the annual prize "Makropulos", which gets its name from the Karel Čapek play. This prize is awarded to a city or town in the Czech Republic which is implementing a project which significantly helps to address issues in care for seniors. Given that ageing of the population is a phenomenon concerning the entire society, it would be good to consider establishing a similar prize on the European level.

The coordination of national social protection policies is due to be extended to long-term care for the elderly in 2006. How can this help to manage demographic change? In particular, should a distinction be drawn between retirement pensions and dependency allowances?

How do we train the human resources needed and provide them with good quality jobs in a sector which is often characterised by low salaries and low qualifications?

How do we arrive at a balanced distribution of care for the very old between families, social services and institutions? What can be done to help families? What can be done to support local care networks?

And what can be done to reduce inequality between men and women when they reach retirement age?

How can new technologies support older people?

Statutorily defined retirement age and flexible and gradual retirement cannot be seen as mutually exclusive options. **The possibility of retiring should be left to the discretion of the individual as much as possible**, but actuarial principles must be

thoroughly reflected in the granting of pensions, so that no specific decision be given preference or restricted. On the other hand, certain limits must be established, either in the form of a minimum retirement age, or regular retirement age, with the possibility of premature retirement, with precisely defined conditions of qualifying for early retirement, which will limit the freedom of decision, in order to maintain financial and social sustainability of the pension system. These limits must be set by a statute. Too low a limit could lead either to the possibility of too early a retirement with a relatively and probably even absolutely low pensions, which would make the system socially unsustainable; or to increased pressures for greater expenditures, which would make it financially unsustainable. The Czech Republic's laws provide relatively extensive retirement options and establish certain limits, primarily by regulating the length of the time-period when premature retirement is possible.

The question "**Should a distinction be drawn between retirement pensions and dependency allowances?**" probably means whether there should be special benefits or contributions for care or other financial support instruments in case of the loss of self-sufficiency. We think that it is desirable, in order to ensure social services for low-income persons. It would-be, however, suitable to consider whether these services would not be better financed through special care insurance. Citizens should bear a portion of responsibility for preparing for old age and for situations when their self-sufficiency is decreased or lost, and this option should be offered to them. This possibility should be at least considered.

To the question of **how to train the necessary human resources** and offer quality jobs in the field in which wages and qualification are often low, we can only say that this is up to the job applicant, whether he accepts a less-paid job. An employee is obliged to continuously improve his qualification required for the job stipulated in his employment agreement, and the employer may oblige the employee to take part in training to deepen his qualification. When participating in training or studies related to employment in order to deepen his qualification for the job stipulated in his employment agreement, the employee is entitled to his wage, as this time is considered to be the same as executing his job. In the work process, the employee may participate in training and studies, in which he is to gain the qualification required by the regulations or requirements for the due execution of the job stipulated in his employment agreement. In increasing his qualification, an employee is not entitled to a paid leave of absence, but the employer may grant him that.

The question of qualification and labour conditions of human resources in social services is fundamental and has a direct impact on the quality of those services. Education in this sphere should be recognised even if acquired in another country. Nevertheless, we cannot rely on immigration only, there are certainly more countries in the EU which experience a lack of workers in social services. The system of education of social service employees must be developed and people working in this sector must be offered opportunities and advantages which will motivate them to stay in this sphere. A desirable form of care for seniors with decreased self-sufficiency may be considered the care provided by a professional home nurse, who can provide both health-related

and non-health services on a professional level, and who has the requisite knowledge or education, including in gerontology.

As for the **distribution of care between the family, services, and institutions**, desirable is support for care provided within the family, with the assistance of field and community social services. Because a number of entities work in these sphere, with different profiles, **contact points** must be established on the local level, which will enable the family or a person perform a complex evaluation of his needs and get oriented on the basis of that evaluation, and select a specific service. Permanent or long-term hospitalisation in homes or health-care facilities is expensive and ineffective, and has a negative impact. Organised collective facilities decrease the autonomy of users by not providing them natural living conditions. Support for life inside the family must therefore be developed, for example by providing effective and professional aid, in the form of financial remuneration, consulting, respite care, and by means of other measures.

To the question of **“how to decrease inequality between men and women when they reach retirement age“**, we can say that this inequality is being practically decreased due to the levelling out (at least in the Czech Republic) of the statutory conditions of pension insurance, primarily the minimum retirement age. And to the last question of **“how to use new technologies in supporting seniors“**? New technologies are undoubtedly a significant factor which may greatly contribute to independence in the case of decreased self-sufficiency and worsened functional health. Every investment into technologies should, however, be efficient, should correspond to the benefit brought by its use. Definitely, we must prefer those technologies which enable life outside of institutions and to technologies used in rehabilitation, and only then should we invest into equipping residential facilities. In this respect, we must also support research, emphasising the application of technologies which remove or overcome barriers restricting movement in cities, i.e., in buildings, public transport, and elsewhere.

Should the European Union be promoting exchanges and regular (e.g. annual) analysis of demographic change and its impact on societies and all the policies concerned?
Should the Union's financial instruments – particularly the structural funds – take better account of these changes? If so, how?
How could European coordination of employment and social protection policies better take on board demographic change?
How can European social dialogue contribute to the better management of demographic change? What role can civil society and civil dialogue with young people play?
How can demographic change be made an integral part of all the Union's internal and external policies?

As we have emphasised above, the exchange of experience in the EU is certainly very useful. Nevertheless, a “regular annual analysis of demographic change” is, in our opinion, ineffective. For example, from the point of view of the pension system, long-

term demographic projections are relevant, as opposed to annual prognoses. Also, active employment policy can do with national analyses and projections. From the methodological point of view, it could also prove problematic to analyse these changes and their impact on "all related policies". We consider the Green Paper and the ensuing public discussion to be a step in the right direction, away from analysis and identification of problems towards the gathering of approaches tested by member states. The European social dialogue should be, in our opinion, focused more on family policy concepts and on the position of older people and seniors on the labour market.

**Presentation of the Deputy Prime Minister and Minister of Labour and Social
Affairs at the Conference
“Confronting demographic change: a new solidarity between the generations“
Brussels, 11 and 12 July 2005**

Dear Mr. Chairman,
Dear ladies and gentlemen,

I am genuinely pleased that I can make a presentation at this conference, whose objective is to gather time-tested experience and procedures used by member states in the forecasting and management of demographic change. For us, this theme is very topical and necessary. A number of surveys are showing that the process of demographic decline and ageing of the population is very intensive in the Czech Republic. Around the early 1990's, the overall fertility rates declined dramatically, and today, Czech Republic's fertility is among the lowest in the world. At the same time, the average life expectancy keeps increasing. According to certain projections, in 2050, the ratio of dependent old people (ratio of persons aged 65 and more to the population aged 20-64) will reach nearly 40%, double the 2000 value.

Although the problem of adverse demographic developments in the Czech Republic have been known for a sufficiently long time, adequate measures to reverse this trend are being born with difficulty, and depend greatly on political will. In my presentation, I would like to focus on one of the central questions: the issue concerning support for the family – a topic which has only become the subject of public discussion and political debate in the Czech Republic in recent years. After 1989, the new political establishment thought that the question of the family, including who has how many children, is a purely private and individual matter, in which the state should not intervene. With these optics, even the share of state financial support for children dropped dramatically as compared to the pre-1989 situation.

But I am convinced, and with me the Government, of which I am a member, that family must not be excluded from the sphere of public interest, and relegated to the entirely private sphere. This is primarily due to the fact that future demographic developments depends primarily on the prosperity of the family, and with it the future economic, cultural, and social development of our society. Our new coalition government has therefore focused much more intensively on family policy, and has included these issued in its programme statement. In order to adhere to the Government declaration, the Ministry of Labour and Social Affairs set up a special Department for Family Policy and Social Work. For the first time since 1989, a conceptual work-place was created, which is focused on family policy issues.

Last year, the *National Report on the Family* was produced, which provided complex information about the situation of Czech families, and about the instruments for their institutional and legislative support. Based on this report, the *Concept of Family Policy* is now being elaborated, which should form the basis for creating a complex system of state measures in supporting the family. It should define the priorities and principles by which the Czech Republic will be governed in implementing family policy. I firmly trust that this policy will create good conditions for citizens, so that they can harmonise their family, work, and public duties without fearing that they are compromising the care of their children.

In our opinion, care of children cannot diminish the standard of living of the family, not even of low-income families. Furthermore, being a parent regardless of the form of marital status is an inalienable right and a significant life value. Neither should be a factor limiting the decision of how many children to have, and for how many children to care. Children cannot lead to problems in gaining employment, primarily for mothers with dependent children. The family policy concept will also strive to ensure that a favourable atmosphere is created for parents and their children, not only in terms of family benefits, but also in the broad range of state, regional, and municipal policy and other publicly beneficial activities.

The concept of family policy will be based primarily on the needs of the family, respect for parenthood, and the need to ensure dignified living conditions for families with children. Both parents, the father and the mother, must be seen as equal partners with equal rights and duties to the child and to each other, regardless of the legal form of their relationship. Protection for families with children should concern primarily grave life situations of the family, which are not caused by the family, so that the relations and ties between the parents (or partners) and between the parents and the children are not damaged, and so that the quality of the children's upbringing not be compromised, as that, together with their highest possible education, forms the basis not only of the growth in economic potential, but also of the general increase in the quality of society.

It is unquestionable that the development of an effective family policy, in favour of healthy population development, is in the interest of the future, and indisputably corresponds to the desires of our citizens. I consider the improvement of the demographic situation by creating conditions for increased birth-rate in the Czech Republic to be one of the fundamental tasks of our social policy, and an indicator of the belief of the young generation in the future of our country.

A person is, however, not only a parent, but at the same time, a citizen with a right to work, to participate in public life, and in all cultural and social activities. He is also the adult child of his elderly parents, to whom he has moral and legal obligations. In that, we see the core of solidarity between generations, which is the topic of our discussion today. Help to families should, therefore, not be seen as something eating away at the government budget, but in the broadest sense, as a significant investment into the future and as an indicator and precondition of solidarity between the generations.

One sphere to which we should also pay attention, is the prevention of social exclusion of certain types of families, or their individual members. By that, I mean especially parents caring for small children on maternity and parental leave, families with handicapped members, families caring for a senior, families of seniors, Romany families, families of immigrants, as well as families in such difficult social situations such as the unemployment of a family member, the leaving of the family by one of the parents of an underage child, etc.

Social exclusion may be caused not only by the non-existence of adequate contacts, but also by the non-existence or inaccessibility of certain services. Social exclusion is often caused by poverty. Today, that does not mean material or physical suffering, but the inability to actively participate in social life due one's inability to afford it. Social exclusion of the family has much graver consequences than could seem at first glance, which must be taken into account when considering the social exclusion of children. We cannot accept children being rid of the opportunity to get education or to actively participate in social life due to their parents' poverty.

Social exclusion due to poverty is a very topical problem of single-parent families, of families with unemployed members, families with many children, and, nearly generally, of families with small children. In all of Europe, in the last 15 years, a growing number of families with small children are threatened by poverty. These issues pose a great challenge to us, and it will not be easy to find a solution. But it is already evident today that the implementation of certain measures will require the co-operation of the governmental and non-governmental, primarily the non-profit sector.

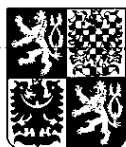
Dear Mr. Chairman,
Dear ladies and gentlemen,

Please allow me to conclude this presentation by stating my conviction that our approach to family policy, which I have briefly outlined, will be successful and inspiring. In all discussions to date, the Czech Republic has emphasised the importance of social aspects of reform, primarily with a view to the current and expected demographic change. The Czech Republic supports the progress of reform and considers partnership for change and respect for solidarity between the generations to be its necessary basis. I want to express the conviction that the public discussion on the *Green Paper* will be conducted in the same spirit and will be as successful and inspiring.

Thank you for your attention.

PARLIAMENT OF THE CZECH REPUBLIC

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RESOLUTION OF THE SENATE

From the 7th session, dated 6 October 2005

On the Green Paper on “Confronting demographic change: a new solidarity between the generations“ /Senate print no. K 14/05/

The Senate

- **Realises** the significance of the document pointing out the seriousness of demographic changes, which have a Europe-wide dimension and influence the economic and social policy of member states. Decline in population, which nearly all of Europe is facing today, is connected with the ageing of the population and an increasingly more difficult sustainability of social security standards. The possibilities of adequately responding to the process must therefore be studied, and new forms of solidarity between the generations discussed.
- **Appreciates** that the issues of integrating young people into the work process have been opened. The setting of European goals in this sphere, co-ordinated with a reform of structural funds, may contribute to the necessary changes, as much as the determination of the form of education as such is a matter of the member states.
- **Calls on** the Government of the Czech Republic to take an active approach to the preparation of a pension reform, which would go beyond mere cosmetic changes to the existing system.
- **Is of the opinion** that especially the family continues to play an important role in solidarity between the generations. It is therefore evident that due social recognition of family, based on the mutual solidarity of multiple generations, is a condition for further successful development of society.
- **Notes** however, that many initiatives mentioned by the Green Paper might be on the level of family policy modifications, which must, in line with the principle of subsidiarity, remain the exclusive domain of member states. Co-ordination of the solutions of the problem of demographic change does not fall within

the sphere of competence of the European Union, and should not be executed even in open co-ordination or any other non-legislative procedure.

- **Considers** it therefore unsuitable for the potential pro-population measures mentioned in the document to be directed into the sphere of role-division in family. The question of the division of obligations in a household, the choice of a suitable way of caring for children, or the form of harmonisation of family and work lives are to be left to the individual consideration of citizens or families and such and must not become the subject of government or any other regulation. Also the granting of contributions and benefits (parental leave, etc.) cannot be tied to the division of obligations in the household between the sexes, as this is an issue of the autonomous choice of a family.
- **Notes** that certain questions outlined in the Green Book are of a significantly suggestive nature. No discussion can be conducted about how to increase the supply of collective care facilities for children under 3 years of age, unless there is an agreement as to the benefits of such a measure. The Czech Republic does not support any collective care for children under 3, and therefore the said potential measure is contradictory to its direction in this respect. The Czech government should, on the contrary, support individual all day parental care for children under 4 years of age, and understand it as a socially relevant and adequately evaluated full-time job.
- **States** that in the past, population policy has become a tool of non-democratic regimes. Therefore, the possibilities of regulating the current demographic changes, conditioned on a number of cultural and civilisation factors, must be approached with caution. Social and tax policy instruments cannot change long-term population development trends, they can only constitute an adequate response to them. The goal of European countries should therefore be support for the family and its natural functions, whose execution may be simplified by the state (or, in a partial segment, an international organisation), but not regulate or take upon itself.
- **Calls** therefore upon the Government of the Czech Republic that it would base the formulation of family policy priorities on the need to maintain the autonomy of the family in the fulfilment of its natural functions as the main goal. To that end, such instruments must be used which will not heighten the feeling of dependence of families on the social policy system, and which will, at the same time, express the willingness of the state to appreciate child-care in the family as an activity relevant for the society.

Přemysl Sobotka
Speaker of the Senate

Josef Novotný
Senate Verifier

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