ESPN Thematic Report on Progress in the implementation of the 2013 EU Recommendation on “Investing in children: Breaking the cycle of disadvantage”

Czech Republic

2017
European Social Policy Network (ESPN)

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The European Social Policy Network (ESPN) was established in July 2014 on the initiative of the European Commission to provide high-quality and timely independent information, advice, analysis and expertise on social policy issues in the European Union and neighbouring countries.

The ESPN brings together into a single network the work that used to be carried out by the European Network of Independent Experts on Social Inclusion, the Network for the Analytical Support on the Socio-Economic Impact of Social Protection Reforms (ASISP) and the MISSOC (Mutual Information Systems on Social Protection) secretariat.

The ESPN is managed by the Luxembourg Institute of Socio-Economic Research (LISER) and APPLICA, together with the European Social Observatory (OSE).

For more information on the ESPN, see: http://ec.europa.eu/socialmain.jsp?catId=1135&langId=en
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1 Summary

The risk-of-poverty rates and the social exclusion risks are very low in the Czech Republic. This is an outcome of the pre-transfer low poverty risks and a relatively effective transfer system, which provides broad coverage and a combination of universal and targeted cash benefits. On the other hand, problems have been identified in access to equal opportunities/breaking the cycle of disadvantage in the case of some groups of children who are disadvantaged due to the very low social status of their parents. Policies such as inclusive education, active labour market policies (ALMPs), early education and child care, housing policies and social inclusion policies still deserve more effort, although certain improvements have been observed since 2013 and the advent of a new caretaker government (in 2013) and centre-left government (in 2014).

An integrated multi-dimensional strategy and synergies between policy areas and actors are indicated only in the numerous programme documents and related action plans; in reality, the policies are still fragmented and poorly coordinated. There are some indications of an improvement in children’s rights and in mainstreaming children’s policies. Sustained investment in children and families has improved to some extent, however, mainly thanks to support from the European Structural Funds. Systematic steps to sustained investment have yet to be taken in social housing, early childhood education and care (ECEC), inclusive education, ALMPs and social inclusion. There has also been some improvement in the balance between universal and targeted policies. Lack of universal access to some services (such as ECEC and housing) still represents a big challenge.

Also, insufficient ECEC capacities remain a challenge. Although the right to childcare has been enshrined in legislation for children aged 2 years, this will come into effect only in 2020; and no guarantees have been given for children aged 1 year or less. There has been a huge delay over the bill on social housing, which was submitted to the government only at the beginning of 2017.

There has been a considerable turn in ALMPs since 2013, visible in increasing expenditure on ALMPs, which doubled between 2013 and 2015. High caseloads represent the main obstacle to a more effective individual service/support.

A reform of the parental leave scheme was prepared in 2016. This will establish better conditions for reconciling work and family life, by providing parents with more flexibility in making their choice in terms of the benefit amount and its duration. Child tax relief was gradually increased in 2015, 2016 and 2017 for families with more than one child. The personal care allowance (cash benefits) for people in need of long-term care was raised by 10% in 2016, for both children and adults. The amount of the allowance for children remains considerably higher than for adult beneficiaries, especially in the case of those on the lowest allowance level (see Table 1).

A new Decree on the education of pupils with special educational needs and of gifted learners has been adopted, coming into effect in September 2016. It specified the implementation measures aimed at integrating disadvantaged pupils into mainstream education. However, it is apparent from the data on school enrolment in school year 2016/2017 that no important changes have emerged from the new measures designed to redirect pupils from practical/special schools to mainstream schools. The system of child rights protection underwent substantial change and advancement during 2009–2016. However, no progress has been observed in implementing the mechanisms suggested in point 2.3 of the European Commission Recommendation from 2013, which seeks to promote children’s participation in decision making.

More attention to children’s poverty and well-being is paid in the documents related to the European Semester. Regarding the usage of EU funds, some improvement has been achieved when compared to the previous financing period, especially in Thematic Objective 8. Still, more effort needs to be devoted to social inclusion and education. Also,
a question remains about the synergy between national and EU social investments, as EU funding often to some extent displaces national resources.

The prioritised recommendations for the enhanced implementation of the Recommendation on "Investing in children" are as follows: rapid progress is needed in increasing the capacity of public pre-school facilities, mainly for children aged 0–2 years, accompanied by strong investments in public ECEC, as children’s groups represent only a marginal solution. Implementation of the inclusion of disadvantaged children (primarily Roma) into mainstream education should be strengthened, by ensuring sustainable financing of the related measures. Rapid adoption of the act on social housing is needed, alongside investments to increase the capacity of social housing. There also needs to be increased capacity for field social work in the excluded Roma localities, and application of the complex approach to social inclusion there. The absorption rate of Investment Priorities 10 and 9 should be improved.
2 Overall situation with regard to child poverty and social exclusion

The Czech Republic has long enjoyed low values for the basic indicators of both relative and absolute poverty. The rates for those at risk of poverty (AROP) and at risk of poverty or social exclusion (AROPE) were the lowest (9.7% and 14.0%) in the EU (average: 17.3% and 23.7%) in 2015; the severe material deprivation (SMD) indicator (5.6%) is one of the best in the EU (8.0%). Figure 1 shows slightly worse values if we use the same indicators to assess the situation of dependent children (for details, see the statistical annex to Frazer and Marlier, 2017). Even here, however, the Czech Republic shows lower values than the EU average. The relatively worse position of households with dependent children is due, in particular, to the very good position of old-age pensioners.

Table 1: Composition of AROPE indicator for the Czech Republic (at risk of poverty; severely materially deprived; living in quasi-jobless (QJ) household) for children (0–17) and the whole population (in %, EU-27 in parenthesis)

<table>
<thead>
<tr>
<th></th>
<th>Children (0–17)</th>
<th>Whole population</th>
</tr>
</thead>
<tbody>
<tr>
<td>AROP</td>
<td>6.7 (11.6)</td>
<td>5.2 (10.2)</td>
</tr>
<tr>
<td>SMD</td>
<td>1.6 (3.0)</td>
<td>1.1 (2.4)</td>
</tr>
<tr>
<td>QJ hh</td>
<td>3.3 (2.7)</td>
<td>1.6 (2.8)</td>
</tr>
<tr>
<td>SMD</td>
<td>3.1 (3.7)</td>
<td>1.7 (1.8)</td>
</tr>
<tr>
<td>AROP</td>
<td></td>
<td>2.5 (3.2)</td>
</tr>
<tr>
<td>SMD</td>
<td></td>
<td>0.2 (0.6)</td>
</tr>
<tr>
<td>QJ hh</td>
<td>81.5 (73.1)</td>
<td>86.0 (76.3)</td>
</tr>
</tbody>
</table>

Source: EU-SILC, Statistical annex to ESPN Synthesis Report (Frazer, H. and Marlier, E. (2017))

The AROPE rate for households with children was 15% in the Czech Republic in 2015, whereas the EU average was 25.1%. Rather good values were achieved for households with one child and for households with two or more adults. On the other hand, the value for single-parent households (44.0%) was quite high, at almost the EU average (48.0%). The same can be said of households with two adults and three or more children (27.8%, compared to 31.5% for the EU as a whole).

The low values of the AROP indicator are mainly influenced by the low unemployment rate in the Czech Republic and by the average level of wage differentiation. In this situation, the loss of one income (the case of a single-parent family) or having more children in the family will cause a higher risk of income poverty.

Figures 2 and 3 below show the development of monitored indicators of poverty or social exclusion (measured by the number of people living in households that can be assigned to one of the situations) between 2008 and 2015. On the basis of the figures, the following can be concluded:

1) The 2015 values of all indicators for the whole population and for dependent children were almost identical to those in 2008. While the number of AROPE children remained unchanged, the total AROPE figure fell slightly.

2) The impact of the economic crisis was reflected in the EU-SILC 2010 and 2011 surveys, when the numbers of AROP people and children grew slightly. Despite a modest decline in 2013, AROP figures are slightly higher today than they were in 2008.
3) The number of people and the number of children living in SMD households decreased slightly in the monitored period. It seems that the economic development did not negatively affect the consumption patterns of the households monitored.

**Figure 2. Trends in number of people (whole population) at risk of poverty or social exclusion, thousands, 2008-2015, Czech Republic**

![Trends in number of people (whole population) at risk of poverty or social exclusion, thousands, 2008-2015, Czech Republic](image)

*Source: EU-SILC, Statistical annex to ESPN Synthesis Report (Frazer, H. and Marlier, E. (2017))*

**Figure 3. Trends in number of children aged 0-17 at risk of poverty or social exclusion, thousands, 2008-2015, Czech Republic**

![Trends in number of children aged 0-17 at risk of poverty or social exclusion, thousands, 2008-2015, Czech Republic](image)

*Source: EU-SILC, Statistical annex to ESPN Synthesis Report (Frazer, H. and Marlier, E. (2017))*
3 Assessment of overall approach and governance

During 2007–2013, the commitment of the centre-right government to social investments was minimal – due not so much to the impact of the crisis, but rather to a deliberate political/ideological inclination to cut public expenditure. These cuts impacted not so much on mandatory measures (benefits), as on social services. The new centre-left government from 2014 signalled, and later showed, a change of approach in some areas that are linked to investment in children: transfers targeted at children and families, active labour market policies (ALMPs), early childhood education and care (ECEC), inclusive education, social housing, and social inclusion measures in excluded (Roma) localities. Although the concept of a social investment approach/package is present neither in Czech public and policy discourse nor in any of the numerous strategic documents produced by the administration, the government’s priorities in this area are protection of the vulnerable and the principle of solidarity. Nevertheless, social investments are mainly understood as “expenditure” rather than investment. This approach is especially strongly embedded in the Ministry of Finance’s thinking. Actually, the change in national expenditure on children and families observed since 2013 has been rather small.

An integrated multi-dimensional strategy and synergies between policy areas and actors are indicated only in the numerous programme documents and related action plans; in reality, the policies are still fragmented and poorly coordinated. There are numerous examples to substantiate this statement, such as the uncoordinated approach of different ministries (and local actors) in ECEC, social housing, long-term care and social inclusion. For example, Čada et al.’s (2015) findings indicate a need for systematic, long-lasting, complex and coordinated policy action, whereas implementation of the Strategy to Combat Social Exclusion suffers from lack of effective and multilevel governance.¹

There are some indications of improvement in children’s rights and in mainstreaming children’s policies. These can be seen in an increasing emphasis on child-related transfers, ECEC, inclusive education, social housing and in the reforms of the social and legislative system of child protection. The respect for children’s rights and attention to vulnerable groups have improved to some extent – as can be seen in the reform of the social and legislative protection of children and in the effort to develop the foster care system.

Sustained investment in children and families has improved to some extent, however, mainly thanks to support from the European Structural Funds. Systematic steps toward sustained investment have yet to be taken in social housing, ECEC, inclusive education, ALMPs and social inclusion.

There has also been some improvement in the balance between universal and targeted policies: traditionally, the Czech social transfers system is effective at eliminating (children's) risk of poverty, combining universal and targeted benefits; these have been further improved since 2013, although their generosity is often meagre. Lack of universal access to some services (such as ECEC and housing), as well as insufficiently targeted measures (of inclusive education or social work in excluded communities), still represents a big challenge, in spite of some positive steps forward.

Involvement of the relevant stakeholders is also a problem (such as involvement of municipalities in social housing). Similarly, the key stakeholders, such as municipalities or some national bodies, do not always fulfil their roles in social inclusion measures in the

¹ For this reason, the Agency for Social Inclusion started the project Coordinated Approach to the Socially Excluded Localities, financed by the European Structural and Investment Funds (ESIF), in 2015. This initiative, however, covers only a minor part of the excluded localities, whose number has been growing consistently.
excluded localities. Involvement of children themselves in the decision-making process is actually non-existent.

The evidence-based approach is only slowly gaining priority, as key stakeholders are rather reluctant to take effective steps in this direction. There is lack of evidence on the needs and policies in areas such as social exclusion/inclusion, inclusive education, social housing, and the social and legislative protection of children.

4 Pillar 1 – Access to resources
Policies to support parents’ participation in the labour market

There has been a considerable shift in ALMP since 2013, due to the change in the colour of government. This has mainly been visible in the increased expenditure on ALMP, which doubled between 2013 and 2015 (with a considerable contribution of ESF funding of about 90%), and in the rapidly growing proportion of ALMP participants (from 15% to 32.4% of the stock of unemployed). In 2016, ALMP expenditure was above the level of 2013 and 2014 (i.e. CZK 6.9 billion/EUR 255.5 million), some 61% higher than in 2013.

Nevertheless, the European Commission (2016) stated that “the outreach capacities of public employment services, together with appropriate and well-targeted active labour market policies, will be crucial for increasing the labour market participation of vulnerable groups. This, in particular, concerns individualised services for Roma and young unemployed, with specific consideration for non-registered young people who are not in employment, education or training.”

These challenges remain unmet. Although the personnel capacity of the public employment services has increased, it is mainly the social assistance benefits agenda that has benefited. High caseloads represent the main obstacle to a more effective individual service/support and to more effective management of long-term unemployment. In April 2015, the Employment Office reported a caseload of 311 unemployed per front-line member of staff. Given the decreasing numbers of unemployed, that figure may now be as much as 25% lower (that is, 230–240 on average).

On the other hand, methods of counselling were developed under the project MIKOP (Methods of Individual and Complex Work with the Clients of the Employment Office), conducted between January 2013 and November 2015. A new project entitled Effective Employment Services/EFES will ensure continuity.

Policies to provide adequate living standards through an optimal combination of cash and in-kind benefits

In response to recommendations by the European Commission (country-specific recommendations (CSRs) in 2012, 2013 and 2014 concerning the lower women’s participation in the labour market), a reform of the parental allowance scheme was prepared in 2016 (for details, see Parliament, 2016; MPSV/MLSA, 2016d). In late June 2016, the government submitted an amendment of the State Social Support Act to Parliament, which approved it on 8 June 2017 (it now needs to be signed by the president as the last stage in the parliamentary process; Parliament may overrule any presidential disagreement). The amendment establishes better conditions for reconciling work and family life, by providing parents with greater flexibility in deciding on the benefit amount and duration. Given the right to a place in kindergarten for children aged 2 years (see section 4), parents are expected to try to make use of this possibility. The

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2 In 2016, with the decreasing unemployment rate (which is among the lowest in the EU), also the number of ALMP participants and expenditure decreased.

3 For detailed data, see the web portal www.mpsv.cz

4 See http://www.esfcr.cz/projekty/metodika-individualni-a-komplexni-prace-s-klienty-up-cr
winners in this will be women with no labour income so far and three-quarters of the women with labour income in the first quartile of the income distribution. A reduction in the benefit duration will increase the amount of the monthly benefit and thus improve the social situation of households. An earlier return of women to the labour market will mitigate the negative consequences of motherhood for the gender pay gap.

Parental allowance is a significant benefit, which compensates for the loss of income suffered while taking care of a child. In April 2017, the average monthly benefit was CZK 6,860 (about EUR 259) (MPSV/MLSA, 2017a). On the other hand, the child allowance, which is an income-tested benefit, targets mainly the poorest families with children, where it helps combat poverty. In April 2017, the average monthly benefit was CZK 600 (about EUR 23) (MPSV/MLSA, 2017a). The level of this benefit and the eligibility criteria have not changed since 2008, and its overall impact on families with children is now negligible. Social assistance benefits and housing allowance are designed to facilitate housing affordability and provide families with sufficient funds to cover their basic needs.

Apart from the benefits mentioned above, relatively generous tax reliefs are provided for families with children. The most important is the child tax relief, which has been gradually increased in 2015, 2016 and 2017 for families with more than one child. We can say that the effects of the child tax relief on income poverty reduction are fairly negligible. Social assistance benefits and housing allowance are designed to facilitate housing affordability and provide families with sufficient funds to cover their basic needs.

The Cabinet recently adopted a bill introducing advance payment on alimonies. If Parliament passes it, the government will pay the alimony due to children from poor households if the parent in question does not fulfil his/her court-imposed duty for more than 3 months. In 2016, the government launched the School Lunches programme with the help of the Operational Programme for Food and Material Assistance. The aim of the programme is to reduce food deprivation among children in serious social need, by providing free meals in school catering facilities (kindergartens, elementary schools and selected grammar schools).

5 Pillar 2 – Access to affordable quality services

Early childhood education and care

The inadequate ECEC capacity remains a challenge (Council of the European Union, 2016; European Commission, 2017). There have been only slight improvements in the capacity of kindergartens since 2013: between school years 2012/2013 and 2015/2016, that is during the last 2 years, the capacity of kindergartens increased from 354,000 to 367,000 children, that is by 3.7%.

In contrast, high numbers of applicants for kindergarten places were refused during this period – although their number dropped from 59,000 in 2012/2013 to 41,000 in 2015/2016 (when 126,000 applications were submitted).

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5 The bill does not affect the setting up of the parental leave scheme. The employer must provide the parent with parental leave (the condition is that the child must be under 3 years). The parent can interrupt the leave at any time or switch with the spouse. As the parental allowance and parental leave schemes are not interlinked (links were disrupted in the last 10 years), the parent can receive the parental allowance and, at the same time, perform an economic activity. Since the parental leave scheme is linked to a job, the parent may benefit from parental leave and, at the same time, engage in economic activity with another employer (and, with certain restrictions, even with the employer that simultaneously provides the parental leave).

6 Thus, the Czech Republic still lags far behind the Barcelona targets. According to the European Commission (2013), there was only a 5% enrolment of children aged 0–2 in formal childcare (33% target, 28% EU average) and a 74% enrolment rate of children from 3 years to school age (90% target, 84% EU average) in 2011. Data from the OECD for 2014 indicate a 5.6% enrolment rate of children aged 0–2 in 2014. This means that only negligible increases can be reported.
successful).\textsuperscript{7} Children below 3 years of age are traditionally less successful than others in gaining a place if there is lack of capacity: of the 354,000 children aged below 3 years in the school year 2012/2013, 32,000 were in kindergarten, while in 2015/2016 the figure was more than 42,000 out of 367,000 children (for more data, see MŠMT/MEYS, 2017).

The main financial support has been targeted at the development of children’s groups (which fall under the remit of the Ministry of Labour and Social Affairs) since October 2015, when CZK 1 billion/EUR 37 million were allocated. Childcare provision can take any of the following forms: children’s groups for the public, company children’s groups and childcare provided by registered childminders (either licensed professionals or unskilled childminders). The subsidy can reach CZK 22,500/EUR 834 per child per year. According to MPSV/MLSA (2017b), in March 2017 there were about 300 children’s groups in the country, with nearly 4,000 children placed.

On 20 April 2016, Parliament approved an amendment to the Education Act which introduced an obligatory year of pre-school education (with free access) from school year 2017/2018; next, the right to a place in a kindergarten will be given to children as follows – to children aged 4 from school year 2017/2018; to children aged 3 from school year 2018/2019; and to children aged 2 from school year 2020/2021.

This all indicates slow progress in capacity building and a continuing poor synergy of policies, given that since 2012, when the Ministry of Health gave up its responsibility, no public authority has been legally obliged to establish ECEC facilities for children aged 0–3. Although the right to childcare is established in legislation, for 2-year-old children it will be in effect only from 2020, and there is no guarantee for children aged 1 year or less.

**Inclusive education**

According to the available estimates, the proportion of Roma children placed in the so-called practical (segregated) schools/classes was about 35% in school year 2009/2010 (ČŠI/CSI, 2010) and has not dropped much in recent years: it was still 30.6% in 2015/2016 and 30.9% in 2016/2017, whereas among non-Roma children the figure was 1.1% in 2016/2017 (see ČŠI/CSI, 2015 and MŠMT/MEYS, 2016a, own computations). The period 2015–2016 can be considered a watershed that has brought considerable progress. The amendment to Act No. 561/2004 Coll. on Education (Školský zákon) adopted in March 2015 and in effect since September 2015 (Act No. 82/2015 Coll.) removed some exclusionary elements from the education system and stipulated new principles of inclusive education. In January 2016, a new Decree on the education of pupils with special educational needs and of gifted learners was adopted, and came into effect in September 2016. It further specified the related implementation measures.

In June 2016, a call for project proposals in the “simplified reporting regime” (zjednodušené vykazování) was put out to kindergartens and primary schools, promising to provide them with about EUR 167 million (CZK 4.5 billion) for inclusive education measures during 2016–2018. The available support includes personnel (school assistants, psychologists, special and social teaching staff, and childminders for kindergartens), training and development of personnel, children’s transition from kindergartens to primary schools, cooperation with parents, and extracurricular activities for pupils (MŠMT/MEYS, 2016b). The Ministry of Education, Youth and Sport has also undertaken systematic steps to guarantee financing of the supportive measures from its own developmental programmes, as from 2017.

In the new framework of inclusive education, attention is also paid to pre-school children. In 2015, Parliament approved an amendment to the Education Act, under which so-called preparatory classes will become obligatory from school year 2017/2018.

\textsuperscript{7} We have to note that most parents submit more than one application in order to increase their chances of getting a place in a kindergarten. The real deficit in the supply of ECEC in kindergartens is thus difficult to assess.
From the data on enrolments in the school year 2016/2017, it is apparent that no important changes emerged from the new measures aimed at redirecting pupils from practical/special schools to ordinary schools: 150,307 pupils were enrolled in standard schools (2,309, that is 1.5%, more than in the previous school year); 2,028 pupils were enrolled in special/practical schools – 74 pupils fewer than in the previous school year (MŠMT/MEYS, 2016c).

**Long-term care**

Personal care allowance (cash benefits) for people in need of long-term care is supposed to be the essential source of social services funding. However, a significant part of the care allowance is still retained by the recipients and is not used for purchasing services.

The criteria for granting a certain allowance level are specified in the law on social services. There are four levels of allowance, according to the recipient’s degree of dependency on support. The highest level of dependency entitles the recipient to a care allowance of around half the average salary and a slightly above-average pension. Since August 2016, this major resource for funding long-term care has been raised by 10% (see Table 1) for both children and adults. The allowance for children remains considerably higher than for adults, especially in the lowest category (see Table 1).

<table>
<thead>
<tr>
<th>Category</th>
<th>Monthly benefit CZK/EUR</th>
</tr>
</thead>
<tbody>
<tr>
<td>Age</td>
<td></td>
</tr>
<tr>
<td>&lt;18</td>
<td>3,300/122</td>
</tr>
<tr>
<td>18+</td>
<td>880/33</td>
</tr>
<tr>
<td>Level 1 (mild dependence)</td>
<td>6,600/244</td>
</tr>
<tr>
<td>Level 2 (medium dependence)</td>
<td>9,900/366</td>
</tr>
<tr>
<td>Level 3 (heavy dependence)</td>
<td>13,200/488</td>
</tr>
<tr>
<td>Level 4 (full dependence)</td>
<td>13,200/488</td>
</tr>
</tbody>
</table>

*Source: MPSV/MLSA (2016b).*

In healthcare, there are no serious problems envisaged regarding accessibility and quality; rather it is the financial sustainability of the sector that is an issue.

**Social housing**

There has been a huge delay surrounding the Bill on Social Housing, which was submitted to the government only at the beginning of 2017 and which aims to prevent social exclusion and poverty. The Bill was introduced to Parliament on 21 March 2017 (Parliament, 2017). In view of the upcoming parliamentary elections (end of October 2017), there is a risk that the current Parliament will not have enough time to discuss the Bill. For details concerning the evolution of the Social Housing Act preparation.

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6 Pillar 3 – Children’s right to participate

Policies to support the participation of all children in play, recreation, sport and cultural activities

Children’s participation in play, recreation, sport and cultural activities is supported by various means. It is a highly decentralised area, with a strong and intensive role of municipalities and regions. They, besides the Ministry of Education, Youth and Sport and the Ministry of Culture as the main actors, provide various schemes of grants and subsidies to promote children’s participation. Sports clubs, schools and various non-governmental organisations (NGOs) are typical beneficiaries. ESF programming is used to support these activities to a limited extent, mainly via the Operational Programme (OP) for Employment.

In 2016, the government adopted a "Sport Promotion Policy 2016–2025". It contains the main principles suggested in the European Council Recommendation of 2013. However, as with many other government policies, the number of strategic goals included in the document seems quite high (33 in total). The policy will undergo complex evaluation in 2018. The impact on children’s participation is hard to predict.

Mechanisms that promote children’s participation in legal decision making in areas that affect their lives, in afterschool activities and general attention to vulnerable groups of children

The system of child rights protection underwent substantial change and advance during 2009–2016, based on strategic documents such as the national action plan for transformation and unification of the system of care for vulnerable children for 2009–2011, the national Strategy to protect children’s rights and the Action plan for fulfilment of that strategy for 2012–2015.

The measures aim at supporting families and preventing the removal of children from their biological families, restricting institutional care and expanding foster care. Optimisation of the care system, implementation of innovative methods of social work and enhancement of the competences of social workers are related objectives. Still, the problem of internal fragmentation persists and is apparent in the lack of cooperation and synergy among those actors involved in the network of services for families with children. Some measures are being taken to improve the system.

Measures have been taken to change the system of foster care, by replacing institutional care with foster families. The allowance for children in foster care was increased by more than 20% in January 2013, and the foster care allowance payable to foster parents was also increased – it roughly doubled in the case of care for one or two children. While in 2011 there were 8,300 foster families entitled to this allowance, in December 2015 the number was 12,043 (MPSV/MLSA, 2016a). On the other hand, the number of children in institutional care dropped from about 10,000 to 6,000 between 2009 and 2015 (Government 2016a).

There exists a government board for children’s rights. Although it does not seem to have a great impact on policy making, it has recently contributed to some pressing issues, such as the Children’s Groups Act or support for social housing for lone parents with a child aged below 6 years (Act No. 100/2016 Coll.)

9 See the link to a list of NGOs currently involved: http://znv.nidv.cz/neformalni-vzdelavani/volny-cas/participace/adresare/adresar-organizaci-zabyvajich-se-participaci
10 For more information, see http://www.mpsv.cz/cs/14308
To sum up, we do not see much progress in implementing the mechanisms suggested in point 2.3 of the European Council Recommendation of 2013 to promote children’s participation in decision making.

7 Addressing child poverty and social exclusion and child well-being in the European Semester

It appears from the statistics (see section 1) that the Czech Republic will be able to meet its Europe 2020 target – a reduction by 30,000 in the number of persons at risk of poverty or social exclusion by 2018. In 2015, the indicator was already 122,000 lower than the reference figure (in 2008). Although the Czech Republic adopted some measures in this period (described in detail in the documents of the European Semester), there was no change in the AROPE rate for children (0–17) between 2008 and 2015.

The European Union’s documents in the context of the European Semester process do not usually explicitly mention the issue of child poverty and social exclusion and child well-being in the Czech Republic. Particular exceptions are the issue of Roma children, in terms of their poor educational outcomes (paragraph 11 in the CSR 2016), and women with young children, in terms of the affordability of childcare services (paragraph 12 in the CSR 2016). The Council of the European Union (2016 and 2015) (and the Commission) recommended that the Czech Republic should develop appropriate initiatives in 2016 and 2017. In the case of the education of disadvantaged children (including Roma), a similar recommendation was given to the country in the recommendations from both years.

In the National Reform Programme (Government, 2016b), the government presents dozens of specific measures. Many of these deal with child poverty and social exclusion. Particular attention is given to the issue of the education of children from “socially, economically and culturally disadvantaged backgrounds”, especially Roma children. Attention is paid to the above-mentioned draft of the Social Housing Act, the adoption of which has been considerably delayed. Another document is the Action Plan for the Strategy to Combat Social Exclusion 2016–2020, which was prepared by the Agency for Social Inclusion (managed by the Minister for Human Rights) in mid-2016 (Agency for Social Inclusion, 2016). The Action Plan sets out a set of measures to be taken by 2020 to reach the aim of the Strategy. The Action Plan will be revised in 2018 on the basis of the interim performance report.

The issue of childcare services was tackled, first by introducing a tax deduction for the enrolment of children in pre-school care, including kindergarten, of up to the minimum wage amount (the so-called kindergarten deduction), which came into force back in 2014, and, secondly, by the already mentioned Children’s Groups Act. From 2015, the Czech Republic adopted measures to reduce the tax burden of families with children. The tax deduction for the second and any subsequent child was increased in 2016.

8 Mobilising relevant EU financial instruments

Nearly EUR 3.444 billion has been budgeted for the Czech Republic in the Operational Programmes’ Financial Plan. Thematic Objective (TO) 8 Employment amounts to 38.9% of this sum (here children profit indirectly, through the improved position of their parents on the labour market); TO 9 Social Inclusion accounts for 24% (here, also, the effect on children is mostly indirect, with Investment Priority (IP) 9ii – support for marginal Roma communities – particularly important); and TO 10 Education accounts for 30.5% (IP 10i – early school leaving prevention and ECEC – representing 20.4%, provides crucial direct support for children). The remaining 6.6% is allocated to TO 11 and TA – technical assistance.

Under TO 8 Employment, most resources are devoted to IP 8i – access to employment (17% of total resources); IP 8iv – equal opportunities for men and women and
reconciliation (7.8%); IP 8v – adaptation of employees, employers and entrepreneurs (8.4%); and IP 8vii – modernisation of ALMP institutions (5%). Under TO 9, most resources are budgeted under IP 9i – equal opportunities, active inclusion, employability (9.7%); IP 9iv – access to health and social services (6.2%); and IP 9ii – marginalised communities/Roma (5.8%). Less than 1% is allocated to IP 9iii (discrimination). Under TO 10 Education, apart from the above-mentioned early school leaving (ESL) and ECEC (20.4%), IP 10i – tertiary education – got 10.2% of the total resources available.

As of January 2017, the commitment rate (committed resources to budgeted resources) was 42.6%, but this was unevenly spread across the TOs. TO 8 exhibits a high commitment rate of 64% (about 100% in the IPs covering access to employment and support for the employment of young people, but only 30% for the IP covering equal opportunities and reconciliation of work and family life). By contrast, the commitment rate in TO 10 is only 12% (17% for IP 10i – ESL and ECEC). In TO 9 it is 38% (59% in IP 9i – equal opportunities, active inclusion, employability; 82% in IP 9iii – discrimination; and 32% in IP 9iv – health and social services). But in IP 9ii – marginalised communities, Roma – it is only 16%.

Expenditure rates (resources spent to total budgeted resources) are rather low (6.5% in total). While the expenditure rate in TO 8 Employment is 16% (though only 2% in IP 8iv – equal opportunities and reconciliation of work and family life), it is less than 1% in TO 9 and TO 10, including the important IPs for children, such as ECEC or marginalised communities/Roma.

If we consider the commitment rate of EU funding only to the budgeted amount, then the commitment rate is 35%, and again it is unevenly spread across the Investment Priorities. While TO 8 exhibits a high commitment rate of 53.1% (77.5% and 99.7% in the IPs covering access to employment and support for the employment of young people, respectively, but only 24.5% in the IP covering equal opportunities and reconciliation of work and family life). The commitment rate in TO 10 is only 9.7% (14% in IP 10i – ESL and ECEC); and in TO 9 it is 31.2% (53.1% in IP 9i – equal opportunities, active inclusion, employability; 59.7% in IP 9iii – discrimination; and 25.7% in IP 9iv – health and social services), but only 13.7% in IP 9ii – marginalised communities/Roma). See Figure A1 in the Annex.

Expenditure rates – computed as the committed EU funding spent – are 18.6% in total. While the expenditure rate in TO 8 Employment is 30.1% (but only 9.3% in IP 8iv – equal opportunities and reconciliation of work and family life), it is 2.7% in TO 9 and 0.6% in TO 10, with 0.6% in IP 10i – ESL – and 4.1% in IP 9ii – marginal communities/Roma. See Figure A1 in the Annex.

To summarise, except for TO 8, which seems to have been absorbed well in the past 3 years, there is a danger that the budgeted resources in TO 10 Education (early school leaving prevention and ECEC) cannot be absorbed successfully, and similar reservations concern TO 9 Social Inclusion, where absorption of the resources is slow, for example with regards to marginalised communities. The strategic and managerial capacity appears to be the main obstacle.

The mobilisation of EU resources was assessed as good by the Ministry of Labour and Social Affairs in the OP Employment programme, where nearly half of the budgeted resources were committed by the end of 2016 (while in the 2007–2013 programme period it was only about a quarter in the same period) (MPSV/MLSA, 2016c).

In addition – although the preparation of the Social Housing Act is severely delayed (see section 4) – the Ministry of Regional Development announced two calls for the construction of social housing in 2016. They are financed mainly from the European Regional Development Fund (ERDF), which allocated CZK 983 million (EUR 37 million). It is expected that over 90% of the allocated amount will be drawn from these first two calls. In 2017, the ministry is going to announce two new calls in this area, with a total allocation of CZK 2 billion (EUR 75 million) from the ERDF.
From another angle, the question remains about the synergy between national and EU social investments. It seems that EU resources displace national resources, to some extent: for example, they represent about 90% of ALMP expenditure and, similarly, a substantial fraction of the inclusive education expenditure, most of ECEC expenditure on children’s groups and expenditure on social inclusion in socially excluded localities and social services. This brings a problem involving the long-term sustainability of social investment in children. On the other hand, it is clear that were it not for EU funding, we would have seen only a negligible increase in investment in inclusive education, socially excluded localities, social housing or ECEC, as these areas are not considered key policy priorities.

The new instrument of ex ante conditionalities has led to (or facilitated) elaboration of national action plans that propose policy reforms; in these plans, EU funds play a substantial role. The most relevant plans are the Strategy to Combat Social Exclusion 2016–2020; the Social Inclusion Strategy 2014–2020; the Employment Policy Strategy until 2020; the Strategy of Roma Integration 2015–2020; and the Action Plan for Inclusive Education 2016–2018.
References


Progress in the implementation of the EU Recommendation on “Investing in children”

Czech Republic


MPSV/MLSA, Ministry of Labour and Social Affairs. 2017b. Počet evidovaných dětských skupin se vyšplhal na 300 [The number of the evidenced children groups climbed to 300] Press release, 13 April.


## Annex: Summary Table – Progress since February 2013

<table>
<thead>
<tr>
<th>Policy area or approach</th>
<th>Overall have policies/approaches been strengthened, stayed much the same or been weakened since February 2013 (in the light of the EU Recommendation)?</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Stronger</td>
</tr>
<tr>
<td><strong>Governance</strong></td>
<td></td>
</tr>
<tr>
<td>• Multi-dimensional strategy with synergies between policies</td>
<td>X</td>
</tr>
<tr>
<td>• Children’s rights approach &amp; effective mainstreaming of children’s policy and rights</td>
<td>X</td>
</tr>
<tr>
<td>• Evidence-based approach</td>
<td>X</td>
</tr>
<tr>
<td>• Involvement of relevant stakeholders (including children)</td>
<td>X</td>
</tr>
<tr>
<td><strong>Access to resources</strong></td>
<td></td>
</tr>
<tr>
<td>• Parents’ participation in the labour market</td>
<td>X</td>
</tr>
<tr>
<td>• Child &amp; family income support</td>
<td>X</td>
</tr>
<tr>
<td><strong>Access to services</strong></td>
<td></td>
</tr>
<tr>
<td>• ECEC</td>
<td>(X)</td>
</tr>
<tr>
<td>• Education</td>
<td>(X)</td>
</tr>
<tr>
<td>• Health</td>
<td>(X)</td>
</tr>
<tr>
<td>• Housing &amp; living environment</td>
<td>(X)</td>
</tr>
<tr>
<td>• Family support &amp; alternative care</td>
<td>X</td>
</tr>
<tr>
<td><strong>Children’s right to participate</strong></td>
<td></td>
</tr>
<tr>
<td>• in play, recreation, sport &amp; cultural activities</td>
<td>X</td>
</tr>
<tr>
<td>• in decision making</td>
<td>X</td>
</tr>
<tr>
<td><strong>Addressing child poverty and social exclusion in the European Semester</strong></td>
<td>(X)</td>
</tr>
<tr>
<td><strong>Mobilising relevant EU financial instruments</strong></td>
<td>X</td>
</tr>
</tbody>
</table>

Note: (x) is used to indicate cases when some changes were implemented in legislation or in programme materials, but not yet accompanied by significant real impacts.
Figure A1. Commitment rate and expenditure rate (regarding funding committed) of TO 8, TO 9 and TO 10 and respective relevant investment priorities – April 2017
Source: authors, based on data from the European Commission