

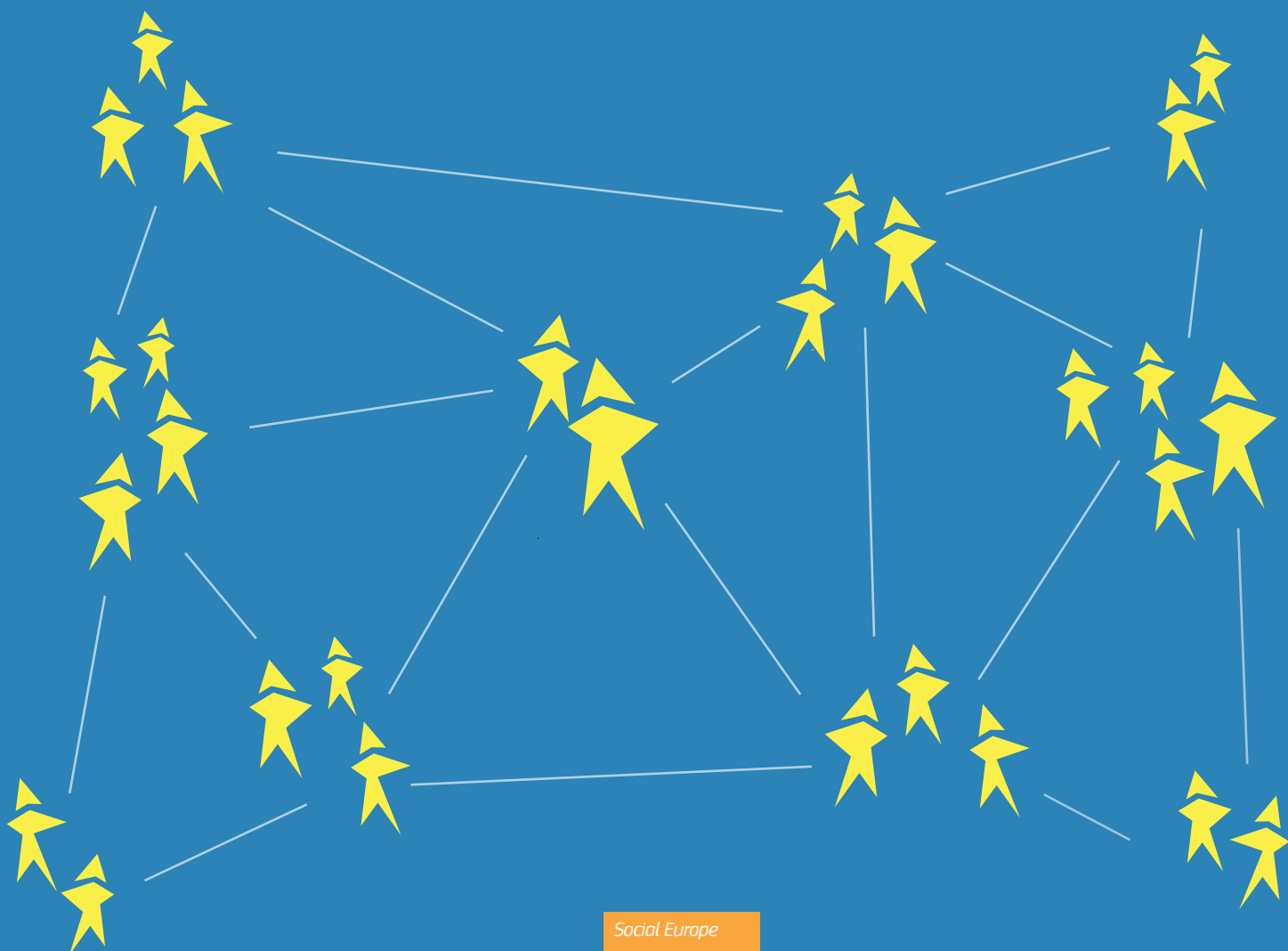


EUROPEAN SOCIAL POLICY NETWORK (ESPN)

National monitoring frameworks for public social spending

Czechia

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Social Europe

EUROPEAN COMMISSION

Directorate-General for Employment, Social Affairs and Inclusion
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European Social Policy Network (ESPN)

**ESPN Thematic Report on
National monitoring frameworks
for public social spending**

Czech Republic

2022

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Manuscript completed in January 2022

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QUOTING THIS REPORT

Sirovátka, Tomáš, Jahoda, Robert, Malý, Ivan (2022). *ESPN Thematic Report on National monitoring frameworks for public social spending – Czech Republic*, European Social Policy Network (ESPN), Brussels: European Commission.

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Summary

There is no integrated monitoring framework dedicated to public social spending in the Czech Republic, except for the Classification of the Functions of Government (COFOG) and European System of Integrated Social Protection Statistics (ESSPROS), but several separate monitoring frameworks do exist. This means that different ministries have the power to monitor expenditure in the specific social policy areas which correspond to their competences. Other authorities that monitor public social expenditure and are part of COFOG/ESSPROS are the Czech Social Security Administration (CSSA) and the health insurance companies. The Czech Statistical Office (CZSO) collects information from the ministries and regularly publishes most of the data available, including data on public social expenditure by the ESSPROS classification (in the Statistical Yearbook of the Czech Republic). The CSSA prepares statistics on pension and sickness insurance at regular intervals (mostly every quarter).

Most public social expenditure is monitored by the Ministry of Labour and Social Affairs (MLSA) whose competence over social affairs and employment policy is the most extended. The CSSA issues various information publications (annual reports and statistics on social security benefits paid). All of these materials are available to the general public.

The monitoring framework for healthcare spending combines the activities of four major institutions: the Institute of Health Information and Statistics of the Czech Republic (IHIS); the CZSO; the Ministry of Finance (MF); and the Ministry of Health (MoH) itself. Health Accounts are compiled according to an internationally valid methodology (OECD, WHO, Eurostat). The most comprehensive source of information is probably the annual draft state budget of the Czech Republic. Whereas the draft state budget looks at social spending *ex ante*, the State Final Account evaluates it *ex post*.

In the MLSA Statistical Yearbook on Labour and Social Affairs, information on public spending is broken down by sectors, types of cash and in-kind benefits, and (for some kinds of benefits) by regions. The System of Health Accounts is a tool used to comprehensively cover all current (non-investment) expenditure on healthcare. The main dimensions are: (1) source of funding; (2) type of healthcare provided; and (3) provider type. As such, it provides a satisfactory level of granularity. A weakness of these monitoring schemes is the predominance of data related to expenditure and capacity, as opposed to performance, quality and benefits generated. More generally, the Czech authorities do not regularly publish reports that assess the effectiveness of public social spending, understood as the achievement of specific societal objectives. It is rather left to applied research to address this area. Public authorities make use of statistics and the results of monitoring mainly in the exercise of their policy-making and strategic powers. The strength of the monitoring system(s) is that detailed spending is recorded by responsible bodies in various areas and fed into a general overview. There are currently no discussions in this area, and no changes or reforms are planned.

The Statistical Yearbook on Pension Insurance can be used, to a limited extent, to evaluate social policy. The information includes, among other data, the number of pensions by amount (pensions below the poverty line), and the effect of the duration of pension receipt (the effect of periodic indexation) on the size of pensions. It also shows the impact of the changes that have been made, and the trends within the pension system. There are no sub-national frameworks that would make it possible to assess public social expenditure at the regional and local level.

In the area of pensions, the current pension law recognises two situations where periodic reviews take place indirectly and where the government must respond to the findings. Inflation is the first one, and the relationship between the statutory retirement age and life expectancy is another one. The Czech Constitutional Court plays a crucial, albeit random, role in assessing social spending and the equivalence of social benefits, in cases where legal action is taken.

1 Country-specific monitoring frameworks for public social spending

1.1 Country-specific dedicated monitoring framework(s)

There is no integrated monitoring framework dedicated to public social spending in the Czech Republic except COFOG/ESSPROS-related obligations, but several separate monitoring frameworks do exist. This means that different ministries have the power to monitor expenditure in the specific social policy areas covered by the ESSPROS classification which correspond to their areas of competence. The responsible ministries are the following: the MLSA, MoH, Ministry of Regional Development (MRD), and MF. Other authorities that monitor public social expenditure are the CSSA and health insurance companies. The MF monitors all public social expenditure, along with overall public expenditure, and provides a yearly overview in a Government Bill.

The CZSO collects information from the ministries and regularly publishes most of the data available, including data on public social expenditure by the ESSPROS classification (in the Statistical Yearbook of the Czech Republic).

Most public social expenditure is monitored by the MLSA, whose competence over social affairs and employment policy is the most extended. The MLSA is responsible for running information systems on several agendas within its competence. These systems include (among other areas) public social expenditure on specific policy areas. The most important information systems and related databases are OKpráce/OKlabour, OKdávky/OKbenefits, OKnouce/OKmaterial need, OKslužby/OKservices, and an information system on average earnings (in the public and private sectors). Data from these systems are used as statistical evidence: several statistical overviews on different agendas, including information on public social expenditure, are provided regularly (typically yearly). There is a Department for Budget and Accounting at the MLSA, which collects information on public social expenditure. There is also a Department of Statistics at the MLSA, which collects all types of relevant information, including public social expenditure data, and also prepares an overview of public social expenditure by the ESSPROS classification.

The main statistical outputs from the MLSA are as follows.

- Statistical Yearbook on Labour and Social Affairs (*Statistická ročenka z oblasti práce a sociálních věcí*) (mpsv.cz).
- Statistical Yearbook on the Labour Market (*Statistická ročenka trhu práce*) (mpsv.cz).
- Development of Basic Living Standard Indicators in the Czech Republic (*Vývoj vybraných ukazatelů životní úrovně v České republice*) (mpsv.cz).

There is also monthly information on the expenditure on all types of cash social benefits provided by the MLSA, including the number of benefits paid in a given month and from the beginning of the year, compared with the same month in the previous year.

The MLSA co-operates with the Research Institute of Labour and Social Affairs (RILSA), which publishes an annual Main Economic and Social Indicators of the Czech Republic Bulletin.¹ The bulletin also includes integrated information on public social expenditure (collected in co-operation with the MLSA). However, the methodology underlying the bulletin data is not identical with the ESSPROS methodology.

The monitoring framework for healthcare spending combines the activities of four major institutions: the IHIS, the CZSO, the MF, and the MoH itself.

The IHIS, as a special statistical office established by the MoH, runs the National Healthcare Information System (NHIS) under Act No 372/2011 Coll. on Health Services and its

¹ <https://www.vupsv.cz/download/bulletin-no-35-kveten-2020/?wpdmdl=7082&refresh=617437d9dcd311635006425>

implementing regulations. The NHIS is a uniform system of public administration designed for processing data on: the health status of the population; the activities of providers and their economy; healthcare professionals; and the reimbursement of health services covered by public health insurance. The purposes are to: generate information on the scope and quality of health services for evidence-based managerial and policy decisions; ensure transparency in the provision and financing of health services; promote equal access to health services; and provide indicators for evaluating the quality and safety of health services. The NHIS includes data from a departmental Programme of Statistical Surveys and from statistical surveys carried out by the MoH, national health registers, the National Register of Providers, the National Register of Healthcare Professionals, data on the cost of hospitalisations, and some other resources.

The CZSO first processed the Health Accounts of the Czech Republic for the reference year 2000. Before that, it was necessary to resolve questions concerning the reliability of data sources and the suitability of existing methodological tools (particularly classifications). It was considered advisable to rely primarily on administrative data sources maintained by health insurance companies (public health insurance), commercial insurance companies (travel and other health insurance) and the MF (expenditure from public budgets). Where appropriate administrative data were not available, the results of statistical surveys of the CZSO were used (e.g. household budget surveys were used for household health expenditure). It should be noted that the Health Accounts processed by the CZSO do not represent the only approach to quantifying health spending in the Czech Republic. For example, both the MF and the MoH use data submitted by health insurance companies (providing public health insurance) on a quarterly basis. There are differences between these two sets of data on healthcare spending. The Health Accounts have a more comprehensive scope, including all prevention expenditure (including in the corporate sphere), expenditure on long-term care provided in social care institutions, social benefits, and overheads incurred in the health sector. The decisive difference between the two data systems is that the Health Accounts are compiled according to an internationally valid methodology (OECD, WHO, Eurostat). It is clear from this fact that they go beyond narrow national concepts, thus representing the only set of data on healthcare expenditure that is internationally comparable (CZSO 2021).

The CSSA is the largest financial organisation of the Czech public administration, with annual income and expenses of almost 15% of GDP. The CSSA (see: CSSA 2021a) operates under the authority of the MLSA. It covers social security issues for more than 85% of the country's population. It collects social security premiums (these consist of pension insurance, sickness insurance, and a contribution to the state employment policy). On the expenditure side, it takes decisions on pension and sickness benefits and arranges for payment of these. The CSSA delivers various information publications (annual reports and statistics on social security benefits paid). All of these materials are available to the general public.

The CSSA's obligations are set out in Act No 582/1991 Coll. Among the responsibilities linked to the monitoring of social spending are: drawing up plans and budgets to ensure the operation of the institution; keeping records of the data needed for decision-making (e.g. benefit assessment); developing and maintaining an information system; and co-operation with the MLSA on mutual exchange of information and with the MF on budgetary matters.

The CSSA prepares statistics on pension and sickness insurance at regular intervals (mostly every quarter, with a lag of one quarter). They contain information on system income and expenditure, as well as on benefits and beneficiaries. Basic breakdowns are provided. The most important document is the annual Statistical Yearbook on Pension Insurance, which is available for 2002-2020 (see: CSSA 2021b). In approximately 100 pages (data are usually published with a 15-month lag), it contains basic summaries of pensions in payment and newly awarded pensions, in terms of various characteristics (e.g. type of pension, region, income, age and gender of the beneficiary).

In addition to the above-discussed statistical summaries, the organisation offers an open data catalogue, which now includes 77 different datasets in the field of social insurance (see: CSSA 2021c). However, the use of these datasets is rather minor since it offers just basic contingency tables, which are also available in portable document format (pdf) in the documents described above.

The strength of the monitoring system(s) for pensions is that detailed spending is recorded by the responsible body. The data are provided in a consistent manner for the last 20 years. On the one hand, this is an advantage – the time series obtained allow the government to use the statistical evidence in preparing the public budgets and discussing reform proposals. On the other hand, it shows the rigidity of the system which, despite the great development of ICT over the last 20 years, is unable (and its operators unwilling) to provide data in more detailed breakdowns according to user requests or even to provide anonymised microdata for further analysis. We have systematically and for a long time highlighted this need, since the preparation of the Pension Adequacy Report 2018.

The CZSO also takes over the data and uses them as a source² for the COFOG/ESSPROS statistics. Further information on the development of social protection expenditure according to ESSPROS is available on the website of the MLSA (see: MLSA 2021a).

1.2 Separate monitoring framework(s) linked to schemes provided by employers

There exist no schemes provided by employers. Employers only participate in payments of sickness benefits (this is obligatory) and contribute to private supplementary pension insurance (this is not obligatory): see below.

The Labour Code (Act No 262/2006 Coll.) provides for employers to pay sick pay in the first 14 days of illness. From the 15th day onwards, employees receive sickness benefit. Information about employees, in particular the length of sick leave, is forwarded by the employer to the CSSA. The latter provides basic statistics on sickness benefits, such as the number of cases and the amount of benefits paid (see: CSSA 2021d). Statistical information on wage compensation for the first 14 days of sickness is not available, except for the number of completed periods of sick leave, by duration.

The system of ESSPROS statistics in the Czech Republic includes a system of supplementary pensions. The MLSA (2021a) states that, for the purpose of tracking the number of pension beneficiaries, a breakdown into three social protection programmes has been made: public pension insurance (first pillar); public pension insurance in the armed forces; and private supplementary pension savings (supplementary, or third, pillar). Basic statistical information is probably reported by pension funds directly to the MF. Pension funds come together in the Association of Pension Companies in the Czech Republic. One of its basic missions is to "promote the idea of private capital saving for retirement to the general public". To this end, basic statistics are publicly provided – see: APS CR (2021). The statistics include, for example: quarterly fund performance; number of clients and their assets; and number and type of benefits paid out by the scheme.

1.3 Distinction between current expenditure and capital expenditure

Overall capital expenditure is reported separately in the MLSA Statistical Yearbook on Labour and Social Affairs. These data are presented in Chapter 313 of the Government Bill by the MF. No further details/breakdowns by type of expenditure are available. Current expenditure is also provided by the MLSA in all types of publications mentioned above (see Section 1.1) and in Chapter 313 of the Government Bill.

² An inter-ministerial working group reporting to the MLSA was set up in 2000 for the use of the ESSPROS system in the Czech Republic. It operates under an agreement between the CZSO and the MLSA covering its implementation in the Czech Republic.

The Health Accounts results include only current costs in total healthcare expenditure (in accordance with the System of Health Accounts 2011 methodology). The CZSO has adopted this approach since 2018, the aim being to ensure the best possible international comparability. Therefore, unless otherwise stated, all the data for the years 2010 to 2019 include only current healthcare expenditure.

1.4 Type of monitoring: level and outcomes

Key statistics by the MLSA are included in its Statistical Yearbook on Labour and Social Affairs. This yearbook includes, among other topics, some information on public social expenditure. In particular, there is an overview of the revenues and expenditure of the MLSA in policy fields within its competence, including expenditure on labour market policies and breakdowns by basic types of cash and in-kind benefits and by regions. These cash and in-kind benefits include non-contributory benefits such as family-related benefits and social assistance benefits, sickness benefits, and selected social services.

Another overview of public social expenditure is the monthly Information on Benefits Paid within the MLSA Schemes (*Informace o vyplacených dávkách v rezortu MPSV*).³ This overview covers cash benefits only. The monitoring framework by the MLSA does not include the monitoring of social outcomes, such as poverty reduction and redistribution effects.

The Health Yearbook of the Czech Republic provides comprehensive information on healthcare in the Czech Republic each year. It is based mainly on data from the NHIS and demographic data of the CZSO. The yearbook includes data for the areas of demography, population health, healthcare capacities and performance. It also presents economic indicators and international comparisons of selected indicators. Although some indicators may capture the outcomes of the healthcare system, they are not linked to the level of expenditure.

In terms of the volume of expenditure on social policy, one of the most comprehensive sources of information is the annual draft state budget of the Czech Republic (e.g. Parliament 2021, p. 127). Part B of the document provides a detailed overview of the state's mandatory expenditure, which includes expenditure on social transfers and their basic assessment. It should be borne in mind that the document does not serve the purpose of evaluating social policy, but focuses on state revenue and expenditure for a given year. Whereas the draft state budget looks at social spending *ex ante*, the State Final Account evaluates it *ex post* (e.g. MF 2021). Again, the focus of this document is mainly on capturing the volume of expenditure with statistical precision, and explaining the reasons for year-on-year changes. The document does not provide detailed breakdowns and assessments.

The information on social payments published by the CSSA is not intended to cover the impact of social payments on poverty and the social situation of Czech households. A basic assessment of distributive justice is then offered within the annually published Statistics on Pensions in Payment (see: CSSA 2021b, Chapter 6.6), which includes the quantile distribution of the pensioner population according to the level of pensions.

1.5 Level of granularity of public social spending

In the MLSA Statistical Yearbook on Labour and Social Affairs, information on public spending is broken down by sectors and types of cash and in-kind benefits, and by the country's regions for some kinds of the benefits. Only nominal values in Czech currency are provided.

In the monthly overview of cash benefits paid by the MLSA, the nominal values in Czech currency are provided for the following types of benefits: pensions; sickness benefits;

³ [Informace o vyplacených dávkách \(mpsv.cz\)](https://mnav.mpsv.cz/informace-o-vyplacenych-davkach)

unemployment benefits; non-contributory benefits (such as social assistance benefits, benefits for people with disabilities and the care allowance); and family-related benefits (state social support). Breakdowns are provided for the individual types of benefits and individual months over the year. In addition, a comparison with the corresponding months in the previous year and a comparison with the Government Bill plan is provided.

The MLSA also provides statistics on labour market policy expenditure on its web portal.⁴ This information is updated yearly, in Czech currency, in nominal values. Breakdowns are available for 78 local employment offices and the main groups of expenditure: unemployment benefits; active labour market policy (ALMP); insolvency allowances to employers; and subsidies to employers of people with disabilities.⁵ There is also a breakdown for 14 regions by: individual types of ALMP instruments; retraining; hiring subsidies; public works and other instruments; insolvency allowances to employers; and subsidies to employers of disabled workers. Finally, the overview includes breakdowns by the individual ALMP instruments and the numbers of participants in the individual measures (new placements and outflows of participants from the measures).

Most of the above information is included in the Czech Statistical Yearbook, Section 26 Social Security, published by the CZSO. That section provides nominal data on the following areas of public social expenditure: social security benefits; pensions; sickness benefits; state social support benefits and foster care; social assistance benefits; benefits for people with disabilities; unemployment benefits; and selected social services. This expenditure includes breakdowns by type of benefits and services. Public social expenditure by the ESPROSS methodology is also included.

The System of Health Accounts is a tool used to comprehensively cover all current (non-investment) expenditure on healthcare. Its main specific feature is the multidimensionality of the breakdown of expenditure. The main dimensions are: (1) source of funding; (2) type of healthcare provided; and (3) provider type. As such, it provides a satisfactory level of granularity.

Additionally, annual yearbooks published by health insurance companies provide a detailed breakdown by segments of care, specific services, and geographical distribution.

The CSSA prepares the annual Statistical Yearbook on Pension Insurance (see: CSSA, 2021b). In approximately 100 pages, it contains basic summaries of pensions in payment and newly awarded pensions in terms of various characteristics (e.g. type of pension, region, income, age and gender of the beneficiary). These statistics are quite comprehensive. In nominal terms (not as a percentage of GDP), they link information on the number of pension beneficiaries to the type of pension and basic socio-economic information on pensioners. This information can be used, to a limited extent, to evaluate social policy. The information includes, for example: the number of pensions by amount (pensions below the poverty line); the distribution of pensions by type of pension and by gender; and the effect of the duration of pension receipt (the effect of periodic indexation) on the size of pensions. The availability of this yearbook for almost 20 years provides answers to the impact of the changes that have been made, but also shows implicit trends within the pension system.

1.6 Breakdown of public social spending

There are no breakdowns provided on specific population groups in the data published by the MLSA. However, information on some specific population groups is available indirectly: for example, data on pensions distinguish specific types of pensions that correspond to specific recipient groups: old-age pensions, disability pensions, widows' pensions, and orphans' pensions. Similarly, breakdowns by type of benefit or service are available with respect to most benefits, including non-contributory benefits such as family-related

⁴ See the section Employment, Statistics, item [Výdaje na státní politiku zaměstnanosti \(mpsv.cz\)](#).

⁵ Employers eligible for this subsidy are those who employ disabled people, provided these workers represent more than 50% of their employees.

benefits and social assistance benefits, sickness benefits, and selected social services – see Section 1.5.

In the healthcare sector, publicly accessible data from health insurance companies provide detailed information on public health insurance spending broken down by specific age groups.

1.7 Timing and public accessibility of data

The MLSA provides most of the information on expenditure within its competence on an annual basis (see above); expenditure on all cash social benefits paid by the MLSA is provided monthly. Within the MLSA's monitoring framework, data are provided on a more timely basis than within the COFOG/ESSPROS framework, since the data related to a specific year are published during the following year (often in the first half of the year, sometimes later). The Czech Statistical Office Yearbook tends to be published towards the end of the following year. The Statistical Yearbook on Pension Insurance is prepared on an annual basis. This publication is provided on a more timely basis than the COFOG/ESSPROS framework, since the data related to a specific year are published during a second half of the following year. Basic statistics on the supplementary pension system are provided on a quarterly basis, with data usually published two months after the quarter end.

The MF publishes aggregate data on health insurance cash flows monthly. The other above-mentioned data are mostly available yearly.

Data provided in the Health Accounts of the Czech Republic have a similar timing to COFOG publications – mostly T + 14 months. Health Yearbooks of the Czech Republic also have a similar timing; however, the 2019 Yearbook has not been published yet.

1.8 Sub-national frameworks

There are no sub-national frameworks established that would make it possible to assess public social expenditure at the regional and local level. However, as mentioned above, the national frameworks provide regional or even more detailed sub-regional/local breakdowns for several areas of public social expenditure.

2 Reporting/review tools for public social spending

The MLSA does not produce many public reports that assess the effectiveness of public social spending, understood as the achievement of specific societal objectives. This does not mean that this question is outside the MLSA's agenda. It is rather left to applied research to address this area, as the MLSA co-operates with RILSA, which is institutionally affiliated to it. The MLSA can also announce calls for proposals for specific research projects. There also exists an agency/scheme – the Technological Agency of the Czech Republic (TACR) – which announces calls for applied research projects after consultation with the responsible ministries.

Social inclusion is an example of a specific social policy area where there is regular reporting by the MLSA based on the monitoring framework, and where information is provided on the achievement of objectives and the associated public social spending. The MLSA monitors and annually reports on the implementation of the Strategy for Social Inclusion and the related Action Plan as a kind of *ex post* assessment. The achievement of its specific objectives and implementation of the corresponding measures is assessed in key policy areas such as social work, access to employment, social services, support for the family, access to housing, equal access to education, access to healthcare, support for decent living standards, and support for inclusive public services. In several cases it is accompanied by an assessment of the volume and sufficiency of resources provided for the specific policies (e.g. MLSA 2021b). However, the effectiveness of the measures is not clearly defined in these assessments and the outcomes are not related to the corresponding expenditure.

In 2013, RILSA, in co-operation with the MLSA and supported by TACR, initiated a project that made it possible to develop a certified methodology – System of Indicators to Assess Progress Regarding the Objectives to Combat Poverty and Social Exclusion in the Czech Republic. This system includes indicators which monitor developments in the key areas of social inclusion: the general situation and social cohesion indicators; an inclusive labour market; access to good-quality social services of all types; social protection; mainstreaming of social inclusion; regional disparities; and the situation in excluded localities. Specific types of indicators used are: indicators monitoring objectives and their achievement, indicators of the measures and their characteristics, and indicators monitoring the impacts and outcomes of the measures. These indicators also include the effectiveness of social transfers, as well as public social expenditure by the ESPROSS methodology. The reports by RILSA based on these indicators are designed to integrate the information available through individual indicators into a meaningful assessment of the strengths and weaknesses of the strategy. Assessments by RILSA were conducted in 2016 and in 2019 (for details see: Sirovátka *et al.* 2013, 2016, 2019).

Another area that regular reporting focuses on is labour market policy. The MLSA produces a bi-annual public report: Analysis of the Development of Employment and Unemployment (e.g. MLSA 2021c). This analysis includes four main parts, where detailed information is provided on: developments in employment and unemployment; developments in labour market policy; international comparison; and short-term expectations. The section on labour market policies includes information on the expenditure (in nominal values, Czech currency) on unemployment benefits and on all types of measures that are used in this area. At the same time, information is available on the numbers of participants in the individual measures, and breakdowns by the most vulnerable groups in them. Lastly, assessment of the achievement of the national targets in employment policy is also provided. The report does not examine the effectiveness of ALMP measures. This is provided in research reports by RILSA on the targeting, implementation and effectiveness of ALMP measures (see: Hora *et al.* 2018, 2020).

In the area of pensions, there is no regular assessment of the adequacy of benefits by the MLSA. Nevertheless, the current pension law recognises two situations where periodic reviews take place indirectly and where the government must respond to the findings. Inflation is the first one. The government indexes pensions annually, taking into account the level of inflation. However, if the cumulative inflation rate since the previous decision on indexation exceeds 5%, the government must prepare an extraordinary indexation of pensions. This situation is expected to occur in around June 2022. The second case relates to the pension age. The current rule assumes that the average pensioner will spend one quarter of their life in retirement. The Statistical Office prepares life expectancy reports at five-yearly intervals. If this report indicates that life expectancy in retirement deviates from the average mentioned above, the government should propose an adjustment to the statutory retirement age. There has not yet been a situation in which the government has had to make such an amendment.

The Czech Constitutional Court plays a crucial, albeit random, role in assessing social spending and the equivalence of social benefits. It is not its task to assess the social impact of selected benefits. Its main aim is to assess whether the laws under review are in line with the Czech Constitution. However, a repeal of a part of the law may have an impact on the equivalence of social benefits and the amount of social spending. Below, there are a few examples from previous years.

One example where a decision of the Constitutional Court affected the level of social spending is the decision on the waiting period in relation to sickness insurance. In 2008, the government introduced a three-day waiting period for eligibility to sickness insurance benefit. Immediately afterwards, the Constitutional Court ruled that the waiting period was unconstitutional and repealed the relevant part of the law. However, the government prepared an amendment to the law that reintroduced the three-day waiting period in 2009. The Constitutional Court discussed the matter again in 2012. This time, it kept the waiting period in force. The measure was applicable until mid-2019, when it was repealed by the

new government's amendment to the law. The introduction of the waiting period (2009-2019) led to a sharp reduction in sickness insurance expenditure. The benefit adequacy deteriorated substantially for illnesses lasting a short period of time (not longer than a week).

At the end of August 2021, the Constitutional Court abolished part of the Act No 111/2006 Coll., on Assistance in Material Need. The repealed part of the law allowed for the declaration of a part of a city as a zone in which no entitlement to Housing Supplement would arise. According to the Constitutional Court (2021), this regulation is an unconstitutional interference with the right to assured basic living conditions in the area of housing. Repealing this provision will lead to an increase in social expenditure of at most a few hundredths of a percentage point of GDP.

Probably the best known decision, and from the perspective of this report the most interesting one, was in April 2010, when the Constitutional Court ruled that part of the Pension Insurance Act was unconstitutional. In the case concerned, the complainant pointed out that the total amount of his pension made up only 19% of his income, which he did not consider to be adequate material security, given that the average pension was 44% of the average income. According to the complainant, this constituted a deep inequality between him and other pensioners, and the Constitutional Court (2010) accepted that interpretation. As a result, part of the law was repealed. The decision was postponed for about 17 months, giving the government and the legislator sufficient time to think through new legislation to cover all economic and social aspects. Subsequently, Parliament adopted an amendment to the law that slightly modified the original law, increasing the Gross Replacement Rate for persons with above-average incomes.

With a certain amount of simplification, it can also be said that, within the field of public spending on healthcare, any regular production of reports evaluating the effectiveness of expenditure in relation to results achieved is not a part of the current administrative culture. Competent public authorities make use of statistics and the results of monitoring mainly in the exercise of their policy-making and strategic powers. For instance, the Health Agenda 2030: the Strategic Framework for the Development of Healthcare in the Czech Republic until 2030 (MoH 2020) can serve as an example of a well argued and evidence-based policy document using a wide range of statistics and data.

To conclude, the strength of the monitoring system(s) is that detailed spending is recorded by responsible bodies in various areas and fed into a general overview. A weakness of these monitoring schemes can be seen in the predominance of data related to expenditure and capacity as opposed to performance, quality and benefits generated. More generally, the system is not aimed at assessing the effectiveness of public social spending, understood as the achievement of specific societal objectives such as poverty reduction. There are currently no discussions on this and no changes or reforms are planned.

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