National Report
on Strategies for Social Protection and Social Inclusion

2008–2010

Czech Republic

Ministry of Labour and Social Affairs of the Czech Republic

2008

Introduction

The National strategy report for Social Protection and Social Inclusion (hereafter only the National Report) builds on strategic documents concerning social protection and social inclusion from 2004 to 2008 and, primarily, on the National Report on the Strategies for Social Protection and Social Inclusion for 2006-2008. The National Report responds to challenges, issued to the Czech Republic by the Joint Reports on Social Protection and Social Inclusion from 2007 and 2008.

The National Report summarises problems the Czech Republic is facing in the area of support for social cohesion, the fight against poverty and social exclusion, modernisation of the pension system and the system of healthcare and long-term care. It designates objectives and instruments and shapes the institutional mechanisms for their successful resolution.

It was prepared on the basis of the Methodological Instructions for the Preparation of National strategy reports for Social Protection and Social Inclusion, upon which the member states of the European Union (hereafter only EU) informally agreed in the Social Protection Committee.

It arises out of Common Objectives of the harmonised process of coordination of policies in areas of social protection and social inclusion proposed in the European Commission Communication entitled "Working Together, Working Better: A New Framework for the Open Coordination of Social Protection and Inclusion Policies in the European Union" and approved at the 2714th session of the Council of the EU (Ministers of Labour and Social Affairs), on 10 March 2006, in Brussels.

As part of the National Report, the following strategic documents are submitted to the European Commission:

- *National action plan for social inclusion*
- *National strategy for pensions*
- *National strategy for healthcare and long-term care*

Each of these strategies has its specific objectives. The Joint Section, which characterises the economic and social situation in the Czech Republic, forms the superstructure, into which the overall strategic approach instils and connects these three strategies into one whole and, with the help of the overarching objectives, strengthens the synergetic effects of the various political activities in areas of social protection and social inclusion.

Close linkage of the strategy for social protection and social inclusion with the country's economic and employment policies is an important condition for its success. The National Report complies with measures carried out as part of public finance reform and arises from the Government's programme declaration for the 2006-2010 term of office. In terms of support for economic growth and employment, the National Reform Programme for 2008-2010, which is a basic tool in the revised Lisbon Strategy for Growth and Employment.

A society with a high level of social cohesion is an essential condition for long-term sustainable development. The National Report reflects the Czech Republic's strategy for sustainable development and reacts to it primarily in terms of the integration of immigrants, the eradication of child poverty and limiting the negative impacts of an aging population.

The section, focused on the fight against poverty and social exclusion, does not cover this area in its entirety, but rather, in accordance with the Methodological Instructions, it covers three areas of priority: support for disadvantaged individuals, especially in the sense of their integration into the labour market; family support and making the decision making process, in the social inclusion policy, more effective.

The National Report includes links to strategic and conceptual materials, which the Government of the Czech Republic has approved for the purposes of resolving problems that have a common denominator in social exclusion. These documents elaborate on measures for resolving the various problems.

The National Report was prepared in close cooperation with all those, whom it directly affects. Mechanisms, created between 2003 and 2008, which were customised to meet new requirements in 2008, were utilised in its preparation. These mechanisms are explained in detail in the various strategic plans.

The inclusion of the Czech Republic into the European-wide process of coordination of policies for social protection and social inclusion as part of an open method of coordination not only aids in the identification of the various challenges, objectives and tasks, but also in the gradual strengthening of participation of all interested partners at the governmental, as well as the non-governmental, level, social partners and non-governmental non-profit organisations.

Part 1 – Common overview and summarising statement

1.1 Assessment of the economic and social situation

Since 1999, the gap between the Czech Republic and the average economic level in the EU-27 countries has been consistently decreasing[1]. In 2007, GDP per capita in purchase power parity reached a level of 82% of the EU-27. The dynamic of GDP growth has increased in recent years; beginning in 2008, this growth is expected to slow. During 2007, real GDP growth was 6.6%, setting a record tempo for growth in the Czech state's modern history. For the third year in a row, the economic growth rate was stabilised at an average annual amount of 6.5%, ranking the Czech Republic in a group of quickly growing countries. This growth had a favourable structure, because, in 2006 and 2007, it was primarily driven by processing industries and a number of related services. Household spending increased from 5.4%, in 2006, to 5.9%, in 2007. Growth in household spending was supported by a 4.4% growth in real wages, more intensive use of resident savings and the increased emission of consumer loans. Thus, the population apparently did not expect any worsening in the economic situation in the next few years. Household debt saw an annual increase of more than one third, while mortgage loans for housing increased more quickly than consumer loans. Housing loans made up a 71% share (in 2006, it was 69%) of the total volume of loans provided to households. The growing level of debt, in 2007, was accompanied by a decrease in the gross rate of household savings to 5.1%, which represents the lowest value for the last ten years. In spite of these dynamic loan figures, the overall debt level of Czech households at banking institutions remains, in comparison with western European countries, low (approximately 20% of GDP, in comparison with the EU, where indebtedness fluctuates around a level of about 55% of GDP) and, even according to foreign analyses, is at a safe level. Czech households, as a whole, cannot for the time being be considered to be overextended; however, the growth of indebtedness among low-income groups does present a risk. These groups of residents very often borrow money from non-banking institutions, at high interest levels, for consumer purchases, because, due to their bad credit, they cannot secure a loan from a bank. This growing risk in the household sector can be observed in the increasing number of those, who are unable to pay their liabilities. GDP growth has also been positively influenced by employment growth, particularly by increases in overall labour productivity. In comparison with 2004, overall labour productivity had increased by 15.8%, by 2007. This trend of real convergence between the Czech Republic economy and the level of EU-15 countries should continue at a similar level for the next few years, as well. Among other things, economic output depends on developments in the economic growth of surrounding countries, to whom most of the Czech Republic's exports are sent; the possible transfer of foreign investment to countries with lower labour costs, a lower tax burden and reduced barriers in the operation of the labour market. Public finance stability is an important condition in high economic growth. The shortage in the state budget, a deciding factor in a public finance deficit, was at the 3% of GDP level, in 2006, which is at the level of the convergence criterion. The Czech Republic's deficit has a structural nature and thus, without fundamental reforms, no significant decreases or suspension in the growth of the national debt can be expected.

Within the EU-27, the Czech Republic is one of the countries with an above-average employment rate. In 2007, the overall employment rate for the population from 15 to 64 years old reached 66.1% (women 57.3%, men 74.8%). A quickly rising number of those studying at institutions of higher learning is lowering the employment rate, while, on the other hand, the number of employed individuals is increasing as a result of the employment of strong birth years at the end of the 40's, beginning of the 50's and during the mid-70's, as well as increases to the age limit for becoming eligible for old-age pension. The employment rate in

[1] Chapter 1.1 includes data and corresponding international comparisons with EU-27, EU-25 and EU-15 countries, depending on how these data are monitored.

the various regions saw annual growth in every region, with the most significant growth being in the Moravia-Silesian, Central Bohemian and Southern Moravian Regions. It also grew significantly in the Zlín and Liberec Regions, as well as Vysočina Region.

One of the factors that slowed economic growth in recent years was a relatively high level of unemployment, especially long-term unemployment. Thanks to economic growth, through measures for increasing labour force mobility, increasing their qualifications and strengthening motivational elements in the tax system and system of social benefits a lowering of the general unemployment rate in the Czech Republic occurred in the period from 2006 to 2007 (in 2006 7.2%). In 2007, it fell all the way to 5.4%, which is lower than the average unemployment rate for the EU-27 (7.1%). Unemployment decreased even for disadvantaged individuals in the labour market: people older than 50, people younger than 25, people with disabilities. The number of long-term unemployed (longer than 12 months) also fell as did their representation in the overall number of job seekers from 41.2% (2006) to 38.6% (2007). The representation of women among job seekers rose slightly, while the absolute number of female job seekers decreased. A decrease in unemployment in all of the Czech Republic's regions is a positive indicator, despite the fact that significant regional differences between the various regions persist. Unemployment in the regions often has a structural nature, which presents its further significant reduction. Employers offer vacant jobs, but do not find appropriate employees with the experience and education required. The employment policy is partially directed at easing these inequalities. Increasing professional and spatial mobility is another fundamental aspect of the employment policy.

Women are more often afflicted by long-term unemployment than men. Long-term unemployment is equally distributed among age groups from 20 to 59 years of age. Low education levels are the main cause of long-term unemployment. The beginnings of dependence on state institutions and an insufficient standard of living represent the greatest dangers of long-term unemployment. Additional problems include loss of motivation and work ethic, limiting of social contacts and even the emergence of apathy to one's own situation and possible involvement in "gray economic activities". With the juvenile long-term unemployed, the parents' employment situation plays an important role as an example.[2] Juveniles, whose parents were unemployed longer than one year, had a larger representation in the labour office records for longer than six months (22%). More than three fourths (78%) of these unemployed parents were unemployed for longer than one year. Groups of people, that are subject to the accumulation of a variety of disadvantages, i.e. people with an accumulation of the following characteristics: disabilities, few qualifications or a complete lack thereof, younger than 25 years old, unemployed for at least six months, older than 50 years of age, those requiring special help (individuals that are not socially adaptable, after completion of a prison sentence, coming from a socio-culturally disadvantaged environment) are the most threatened by long-term unemployment.

Changes in legislation concerning welfare benefits for the extremely poor[3], during the current positive development of unemployment figures, have contributed to a decrease in the number of individuals receiving such benefits. The approved changes have increased the attractiveness of work for people with a low income (the inclusion of income from work activities for purposes of assistance in material need, etc., is more advantageous), as well as even the efforts of individuals, who are able to work, to find employment[4]. Additional approved and proposed measures focus on supporting the involvement of individuals, who are capable of working, along with the maintenance or development of professional potential. The unique situation of people in material need and its resolution, in addition to changes in

[2] An investigation, carried out as part of a Ministry of Labour and Social Affairs project: Trhlíková, J., Úlovcová, H. and Vojtěch, J.: *Sociální aspekty dlouhodobé nezaměstnanosti mladých lidí s nízkou úrovní vzdělání*, National Institute of Technical and Vocational Education, Prague 2006.

[3] Approval of the Act on Assistance in Material Need, as amended, in 2007.

[4] This is especially true for young adults, who in accordance with the previous legislation were assessed separately and now fall into a category of jointly assessed individuals with their parents.

areas of social benefits, is the subject of thorough application of social work with individuals in material need, especially with individuals maintaining a long-term material need status.

The current demographic situation in the Czech Republic, similarly as in most European countries, is expressed by an overall ageing of the population, i.e. by a decrease in the portion of the youngest age categories in the overall age composition of the population. A falling birth-rate and a rising number of seniors, as a consequence of the lengthening of the average life expectancy of the population, represent the central reason for these changes. Since 2002, despite a negative natural increase, slight growth in the number of inhabitants has been recorded, thanks to positive values in the migration balance (18.6 thousand in 2004). Moderate growth in the number of newborn children, in 2007, along with stagnation of the number of deaths led to the highest, positive, natural increase value for the last 25 years. The aggregate birth-rate indicator increased to 1.44. This level has been reached primarily thanks to the fact that demographically strong birth years, from the 1970's, have matured into economic activity, while the strong post-war birth years are still at a productive age. The transition of these birth years into retirement, which will be happening at a continuously increasing rate, will mean not only a considerable burden on the healthcare and pension systems, but it will also be expressed by changes in the situation of the labour market. The growing portion of individuals at pre-retirement age calls for the necessity of further development of lifelong learning, especially further education for the older generation, to maintain its professional potential. It will also be necessary to change the structure of provided qualifications to place greater emphasis, for example, on the field of social-health services.

In recent years, the structure of Czech households reflects the overall ageing of the population and the low birth-rate. From a long-term perspective, the average household size is, in general, decreasing. Families with a small number of children are typical of a Czech household, infrequently multigenerational households occur. In terms of the number of members, most households are two-member (32%) or one-member (24%).

In 2007, in the Czech Republic, there were a total of 9,064 children on record with mandatory institutional treatment, living in establishments for the provision of institutional care.

Thanks to a better quality of life, inhabitants of the Czech Republic are living longer. Life expectancy at birth reached 73.7 years for men and 79.9 years for women, in 2007. An increase in the average age of the population, which reached 40.3 years (38.7 for men, 41.8 for women) in 2007, is associated with this increased life expectancy. The more expensive unity with citizens receiving an old-age pension is associated with this development. The age of retirement and eligibility for old-age pension is increasing; its increase approximates life expectancy increases. Nonetheless, more money is paid out each year in old-age pensions, which influences the expenses from the earnings of pension insurance. Since 2000, the number of old-age pensions has seen an annual growth of 1.1%, while expenses for old-age pensions have increased by 6.5%. Therefore, the amount paid out has grown more quickly than the number of old-age pensions, which has been caused by increasing the average old-age pension amount in 2003 and 2004. A more significant increase began in 2005. In 2007, the number of old-age pensions paid out increased by 1.9% and the amount paid increased by 7.9%.

The educational structure of the Czech Republic is characterised by a large portion of individuals, having at least a secondary education – in 2006, this portion represented 90% of the group from 25 to 64 years of age – in contrast, the portion of the population with a tertiary education is below the EU average. Out of the entire population (from 15 years of age and higher), 19% have a basic education, 70% a secondary education and 11% have a university education. The portion of university-educated individuals remains significantly lower than in other EU countries; however, with a narrower focus on the education of the younger population, the situation is continuously changing with more and more graduates of tertiary education. Along with the current and ongoing decline in people with only a basic education from the monitored category of individuals, which is occurring with their increasing age, the

overall number of people with secondary education (primarily secondary education with a graduation exam, but also including secondary education with a vocational certificate) is growing. The number of people with only a basic education is rapidly declining (in 2000, the portion was only 24%); the number of university graduates, including the graduates of higher vocational schools, has, in contrast, increased – during the period from 2000 to 2006, by 30%. A high portion of vocationally trained individuals (45%) is characteristic of the male population, while secondary education with a graduation exam (36%) is the largest category for women. There are fewer female than male university graduates, but in the youngest generation, women already comprise more than half of the university graduates. Persons with disabilities and persons coming from a socio-culturally disadvantaged environment, especially the Roma, can be identified as disadvantaged.

Between 2006 and 2008, an intense inflow of foreigners can be observed. As of 31.3.2008, 402,320 foreigners (243,157 men, 159,163 women) were registered within the territory of the Czech Republic. In comparison with 2006, this represents a 40% increase. In 2005, foreigners made up 4.7%, 5.6% in 2006, of the country's overall labour force. The influx of foreigners in recent years has contributed significantly to increasing the number of inhabitants in the Czech Republic. Migration can temporarily balance the population losses caused by the low birth-rate, in recent years. The demographic trend of population decline and primarily of the ageing of the population cannot be resolved in and of itself. In light of the continually low birth-rate and in connection with the growing prosperity of the Czech Republic, it cannot be assumed that the Czech Republic will have a sufficient sources of domestic labour. The lacking labour force will, most likely, be reinforced to a certain degree by migrating workers. Thus, growing interest among foreigners for work and residence in the Czech Republic can be anticipated to continue in the future. In connection with this, support for the integration of foreigners, who have legally settled in the Czech Republic for the long term, becomes a key factor.

A completely functional housing market, especially in the housing rental sector, does not exist in the Czech Republic, at present. As a result of the privatisation of available housing, the number of rental flats decreased; while, at the same time, housing ownership is, for many low-income or unstable income groups, inaccessible or significantly and/or impossibly burdensome. Settlement of civil legislation on the relationships between tenants and landlords is a political trend. The existing excessive protection of tenants is, in effect, counterproductive, because it leads to exclusion of potentially problematic tenants from rental housing. Access to normal housing is burdened with a high degree of discrimination (on the basis of ethnicity and/or social status) for the socially excluded and population groups thus stigmatised. State housing support programmes have, hitherto, been insufficiently used by municipalities as a means of ensuring access to housing for groups burdened with the stigma of problematic individuals. The low number of flats owned by municipalities and other public institutions, which are not always used for housing for the truly needy, is an obstacle. Implementation of a direct and focused national policy in the housing sector is made difficult, primarily, by the impossibility of directly influencing the housing policy of municipalities that is carried out in their independent jurisdiction. Thus, in many cases, municipalities do not fulfil their role in meeting the housing needs of the citizens, most at risk of social exclusion, and the instruments that the state employs in furthering its interests and fulfilling its commitments are not sufficiently effective. In addition to the above-mentioned causes, the insufficient amount of social service providers for individuals, living in socially excluded localities, which would provide social services leading to retaining or obtaining housing with reasonable quality, presents another obstacle. Based on consultation with selected municipalities, however, it currently seems that the problems described have been recently moderated. In connection with the gradual balancing of price and legal deformation in the rental housing sector as well as with the reform of welfare benefit systems and changes in the provision of social services, the approach of some municipalities to the issue of housing for individuals at risk of social exclusion is becoming more active.

From the *Analýza sociálně vyloučených romských lokalit a absorpční kapacity subjektů působících v této oblasti* [Analysis of socially segregated Roma localities and the absorption capacity of subjects operating in this sector][5] it is evident that in 2006, in the Czech Republic, there were 310 socially segregated Roma localities in 167 municipalities. In 80% of these localities, the Roma population is estimated to be more than half of the total. In more than 40%, it exceeds 90%. The dynamics of the process of social and spatial exclusion are evident, for example, in the fact that 90% of the researched localities, either were established or, due to migration, grew significantly, during the last ten years. The majority of socially segregated Roma localities are integrated into the surrounding built-up areas, slightly less than a quarter of these localities are spatially segregated. The vast majority of people living in these localities are unemployed; they frequently have low education and very few or a complete lack of qualifications. Risky conditions, insufficient social competencies and detrimental health conditions are found to a greater degree in these localities.

In comparison with EU countries, the Czech Republic ranks among countries with a low level of relative poverty. According to the results of the SILC 2006 investigation[6], 10% of all persons in the Czech Republic reported an income below the risk-of-poverty threshold. A low rate of income disparity and the relatively high effectiveness of social transfers in combination with the low level of the income median are significant factors in the low rate of relative poverty in the Czech Republic. The high concentration of individuals slightly above the threshold of poverty could, without the implementation of appropriate measures, represent a risk of the poverty rate rising, essentially, to the level of the average poverty rate of EU countries. In terms of gender, women (11%), more than men (9%), are at risk of poverty. In the above-65-years-of-age category, the difference between genders increases with increasing age (the portion of women below the poverty threshold: 8%, and the portion of men: 2%). Employment influences poverty to a significant degree. From the population over 18 years of age, 3% of employees were at risk of poverty. In contrast to this, a high portion of impoverished individuals was recorded among the unemployed (43%). The portion of retired persons living in poverty is relatively small (7% of non-working retirees). 18% of children under 18 years of age lived in impoverished households (in EU countries the average was 23%). This so-called child poverty is most pronounced in incomplete families with children, who are not provided for; in 2005, 41% of individuals in such households were impoverished. Child poverty is, similar to the majority of EU-25 countries, a phenomenon of multiple-member families with three or more children (30%). Social transfers significantly influenced the overall poverty rate in the Czech Republic. Without pensions and other social transfers, 39% of individuals in the Czech Republic would live under the risk-of-poverty threshold. Paid pensions reduced this rate to 22% and other social transfers to a resultant 10%. All of these rates are under the average for the EU-25. Social transfers reduced the poverty rate by 29%. The effectiveness of social transfers in the Czech Republic for reducing poverty is very good, in spite of the fact that expenses for social transfers are more than 8 percentage points lower than the EU-25 average. As a result, poverty does not afflict broad and numerous population categories, but is more concentrated, for instance, on the unemployed, in incomplete families and multiple-member families.

In the Czech Republic, the following groups of individuals are the most at risk of social exclusion: persons with disabilities, children, youth and young adults, seniors, ethnic minorities, immigrants and asylum seekers, homeless persons, persons exiting establishments for the provision of mandatory or protective custody and persons at the conclusion of a prison sentence, the victims of criminal acts (including the victims of trafficking in people), victims of domestic violence and commercially abused persons.

[5] Gabal Analysis & Consulting.
[6] Income for 2005.

1. 2 Summarising statement

The holistic strategic approach of the National strategy report for Social Protection and Social Inclusion for 2008 to 2010 complies with reformative measures implemented as part of public finance reform and arises from the Government's programme declaration for the 2006-2010 term of office. The report also responds to problems pointed out by the Joint Reports on Social Protection and Social Inclusion from 2007 and 2008. The structure of the following chapter arises from the overarching objectives of an open method of coordination for social protection and social inclusion which are:

a) Support for social cohesion and equal opportunities for all through appropriate, accessible, financially sustainable, adaptable and effective systems for social protection and policies for social inclusion

The social protection system enables the maintenance of a relatively low poverty rate, in a mid-range perspective, in the Czech Republic, and can, therefore, be considered an effective instrument in the prevention of social exclusion.

Demographic developments, defined by the ageing of the population, the lengthening of life expectancy, connected with an improved quality of life, and the stagnation of the birth-rate, complicate increasingly significant public finance issues. Demographic prognoses indicate that, in 2050, the portion of the population over 60 years of age will amount to 36%, as opposed to today's 20% figure. Without reforms to old-age pension and healthcare systems it will be very difficult to maintain stability in public finance, in the long term.

Concerning the old-age pension sector, the Government has approved the first round of pension reforms. The objective of these reform measures focuses primarily on contributing to the improved financial sustainability of the basic pension scheme. The gradual increase of the retirement age to 65 years for men and women, without children or with one child (for other women the retirement age will be 62-64 years) is one of the most significant changes. In addition, a gradual lengthening of the period of insurance necessary to become entitled to receive an old-age pension from 25 to 35 years will also be implemented. Measures aimed at increasing the employment rate and the retention of older individuals in the labour market through support for active ageing, the lifelong learning system and an active employment policy should help the pension system by creating incentives for remaining in the labour market.

Demographic developments in the Czech Republic confirm the necessity of reforms for the healthcare system with increased attention given to long-term care. Improving the health status of residents; a sustainable, high-quality and accessible system of medical services; the integration of social and medical services and a community approach to these services continue to be central healthcare concerns. The fundamental objectives of healthcare reforms that are already underway include the ability of every citizen to choose medical services according to his/her wishes and needs and that each person will be guaranteed an appropriate level of quality in medical services with the shortest possible waiting period. The patient is becoming a central participant in the process of providing medical services, emphasis is placed on the patient's rights and unique needs. Other priorities include economic stabilisation, modernisation and further development of the system of citizen health security based, especially, on public health insurance. The objective is to ensure accessible and high-quality medical services for citizens on a principle of real unity within the barriers of a constitutional entitlement to free health care, options for public health insurance and the economic level of the country.

The path towards supporting social cohesion and equal opportunities for everyone lies, primarily, in strengthening the integration of socially excluded individuals or individuals at risk of social exclusion. Emphasis is placed, first and foremost, on the activation of socially threatened individuals, primarily, on strengthening their social skills in searching for employment, remaining employed and removing barriers of entry to the labour market.

Emphasis is also placed on removing inequalities in access to education. Among other things, support is given to the inclusion of foreigners into society. Child poverty is considered to be an especially serious problem, which is the main cause of the transfer of poverty and the risk of social exclusion from generation to generation as well as future deficiencies in the quality of human resources. One of the priority objectives of the National Action Plan for Social Inclusion is dedicated to supporting families with specific needs. It emphasises the necessity of taking measures aimed at supporting families, preventing the social exclusion of families and supporting the economic self-sufficiency of families, benefiting the members of these families, so that they have equal access to resources and services, are able to find a position in the labour market, and in society, and do not, therefore, become socially excluded.

The Act on Assistance in Material Need and the Act on the Subsistence and Survival Minimums have contributed to social system reforms. These norms place emphasis, especially, on social benefit recipients' active approach to resolving their own oppressive life situations (primarily through entering or returning to the labour market[7]). They limit long-term dependence on social benefits and, by so doing, also reduce their dependence on the state and contribute to the prevention of social exclusion. Prepared amendments to the Act on Assistance in Material Need include principles, which in the overall context of further changes, can be characterised with the following motto: He, who works, must be better off than he, who does not work (expressed, for instance, through the more advantageous inclusion of income from gainful activities). He, who is trying, must be better off than he, who is passive or, as the case may be, is avoiding work (expressed through discounted living expenses for a person, who is developing his/her work ethic and professional potential, for instance, by performing voluntary service for the municipality). It pays to resolve a life situation more quickly (individuals receiving a benefit for living expenses longer than 6 months only receive a higher benefit if they are very active). Benefits for assistance in material need should only serve people in difficult situations, which they, for objective reasons, cannot resolve themselves.

b) Support for effective mutual connection with the Lisbon objectives concerning attaining greater economic growth, more and better jobs and greater social cohesion along with EU sustainable development strategies

In its revised version from the spring of 2005, the Lisbon Strategy focuses on policies aimed at increasing economic growth, the creation of more and better jobs and calls for the close mutual connection between these policies and an open method of coordination in terms of social protection and social inclusion. The National Reform Programme for the 2008-2010 period, in the section devoted to employment, focuses, in accordance with the Czech Republic Government's programme declaration on encouraging greater flexibility of labour through amending the Labour Code so that labour law in the Czech Republic adapted to the needs of modern society and the contractual freedom of subjects strengthened to a greater degree, while respecting the specifics of labour law. The principle of "flexicurity[8]" will be one of the main topics of discussion with social partners aimed at defining a national framework for the process of determining national flexicurity objectives. In light of the principles of flexicurity, attention will be given to a lifelong learning strategy that will make it possible for

[7] In the area of activating citizens, who find themselves outside the labour market, the most significant competencies, when seeking employment, shall remain with the labour offices (Act No. 435/2004 Coll., on Employment).

[8] Flexicurity combines flexibility and security in the labour market. Its objective is to support employees in obtaining better work, functional mobility and the optimal development of their talents. It also means the flexible organisation of labour, capable of quickly and effectively integrating new production needs and processes, securing new skills and qualifications and simplifying the coordination of work and family or private duties. It also pays increased attention to removing barriers to placing individuals in the labour market. Flexicurity should create a balance between rights and obligations, both for employees as well as for employers and public institutions.

individuals to react to the quick changes and innovations taking place in the labour market. Attention will also be focused on the modernisation and strengthening of labour market institutions through support for employee education concerning employment policy and the methodical leadership of institutions in terms of the labour market. The gradual increase in participation in the labour market and avoiding the exclusion of groups of individuals from the labour market also represent an important step on the way to ensuring macro-economic stability and sustainable economic growth. Emphasis will be placed on lowering the youth unemployment rate and support for the employment of individuals with disabilities and inactive individuals

In accordance with the concept of active inclusion in the Czech Republic, emphasis is placed on removing barriers in the labour market through active and preventative measures in the labour market. This is done through strengthening the motivation for employment as well as by the implementation of appropriate measures concerning taxes and social benefit systems. Measures supporting employment are also carried out in supporting geographic and professional mobility of the work force. Development of mobility will be implemented in a long-term perspective. Attention will be focused on domestic as well as external mobility. Central barriers to external mobility include the ongoing transfer measures of EU states targeting “new” member states, the language barrier and situations, in which the level of social protection does not provide sufficient motivation for citizens to move for a job.

In terms of economic growth, the relationship between the sustainability of public finances and reforming the social security and healthcare systems, in connection with processes of population ageing and with a closer connection between the employment system, meaning active and passive employment policies, and the benefit system for assistance in material need, become evident. It is necessary to limit sensitivity on the expenditure side of the national budget for demographic developments and lower the portion of mandatory and quasi-mandatory expenses. This will enable decreasing the overall tax burden with corresponding positive effects for the labour market (the creation of new job opportunities, an increased motivational function of wages), along with further increasing non-mandatory expenses in the budget (e.g. investment expenses, support for research and development, education and the institutional environment for conducting business), which will lead to support for economic growth.

From the above-mentioned details, it follows that a close relationship exists between securing long-term sustainability of social protection systems and the success of strategies for economic growth and competitiveness, as outlined in the Czech Republic’s National Reform Programme for the 2008-2010 period. Positive economic results and the creation of new and better jobs is contributing to the sustainable financing of these systems and enables the strengthening of the emphasis placed on policies directed at social inclusion.

As a result of continuing economic growth, the portion of foreign workers is increasing and integration measures focused on immigrants are taking on added significance. The Czech Republic is one of many countries, which regulate and limit the flow of immigrants, according to the needs of regional labour markets and applies a policy of prevention and even sanctions against illegally employed migrants. In addition to migration, the Czech Republic also continues to focus on so-called circular or temporary migration. Existing and prepared preventative measures are aimed at supporting the integration of qualified workers and their families and only afterwards at the temporary or circular migration of the citizens of migrant source countries for work, with an emphasis on their subsequent return and reintegration in the country of origin. The necessity for an increased level of foreigner integration into the Czech Republic society, even for temporary migrant workers, is beginning to receive increasingly more attention. The Czech Republic is also making efforts to cooperate more closely with the source countries of labour migration. Support for equal treatment of migrants and for an accommodating approach from the Czech society towards them should progressively become central topics in activities directed at the general public. Special attention should also be directed at a media campaign focused on employers as well as on

the majority society and immigrants concerning the application of legislation on employing foreigners and the prevention of illegal labour.

The Ministry of Labour and Social Affairs is implementing the pilot project *Selection of qualified foreign workers*, in which it offers selected qualified workers the opportunity to apply for permanent residence after a shortened waiting period of 1.5 years (category of highly qualified workers) or 2.5 years (standard category of qualified workers). Members of their immediate families can receive permanent residence along with participants in this project. Currently the project is open to citizens of Belarus, Bosnia and Herzegovina, Montenegro, Croatia, India, Canada, Kazakhstan, Macedonia, Moldavia, the Russian Federation, Serbia and Ukraine as well as foreign graduates of Czech secondary and tertiary schools, from any country of the world. Those interested in entering this project must be in the Czech Republic legally, have at least a secondary education with a recognised diploma and attain at least 25 points in a computer selection procedure, which assesses an aggregate of criteria (education, work experience, knowledge of languages, family, former residence in the Czech Republic).

Healthcare is a sector, which represents a significant source of jobs, and whose role in creating these jobs will only increase, in the future. The same is true of social and social-health services.

According to theses in the update of the Strategy for Sustainable Development, which will be available at the end of 2008, a high degree of social cohesion is attained with a functioning economy, a democratic political system, effective systems of education, healthcare and social insurance (including pension funds) and a balance between population dynamics and immigration. Balancing factors between the economic and social pillars will primarily include support for general education; support for research, development and innovation; complete resolution of "social reforms"; reforms in general and increasing the flexibility of the labour market – both in terms of qualifications and mobility. Factors working against this balance include unfavourable demographic developments; economic, educational and social exclusion and the rigidity of the labour market.

c) Support for orderly administration, transparency and the inclusion of the parties involved into policy creation, implementation and monitoring

Cooperation at all levels of public administration together with other subjects, interested in their creation, implementation and evaluation, along with ensuring that the public is well-informed on such matters, forms a crucial condition for ensuring the effectiveness and sustainability of systems of social protection, healthcare and long-term care.

In terms of social inclusion, implementation of a principle of social inclusion mainstreaming[9] at all levels of public administration (national, regional and local) represents one of the fundamental challenges. This principle is currently applied primarily in the realm of policies focusing on disadvantaged groups of individuals (e.g. the Roma[10], persons with disabilities[11] and seniors[12]) or in certain aspects of social inclusion (e.g. support for families, the integration of foreigners). So far, this principle is insufficiently reflected in broader aspects of public policy creation. At present, coordination on aspects of social inclusion occurs mainly on the national level. The Commission for Social Inclusion; which falls under the responsibilities of the Ministry of Labour and Social Affairs (hereafter only MoLSA) and which

[9] Social inclusion mainstreaming is the integration of objectives relating to poverty and social inclusion, including a perspective of equality into all areas and levels of policy creation and the promotion of such through the participation of public institutions, social partners, non-governmental organisations and additional relevant participants.
[10] Action Plan for the Decade of Roma Inclusion 2005–2010 CZ.
[11] National Plan for the Support and Integration of Citizens with Disabilities 2006-2009.
[12] National Programme of preparation for ageing 2008-2012.

includes representatives of state institutions and ministries, the office of the ombudsman, local government bodies, social partners, non-government non-profit organisations (hereafter only NGOs) and experts; takes part in the preparation of strategic documents in the realm of social inclusion. This contributes to securing a broad societal consensus in the creation of such documents. The awareness and involvement of relevant participants in realm of social inclusion was further strengthened through the implementation of the two-phase STOP Social Exclusion project, as part of which conferences and seminars were held at regional and even local levels along with a media campaign. The general public's awareness about the process of strategic document creation is ensured through MoLSA's website and additional informative media. The involvement of individuals, who have firsthand experiences with poverty, remains a fundamental challenge in the creation of policies for social inclusion... As of yet, a mechanism that would effectively contribute to this objective has not been found. To a limited degree, the involvement of such individuals, at local and regional levels, as part of so-called community social service planning is occurring.

The second STOP Social Exclusion project, directed at increasing awareness about the European strategy, was implemented in 2007. As part of the project, Czech NGOs and public administration at local and regional levels were familiarised with the basic contents of the strategy for social protection and social inclusion along with its central objectives and tools, predominantly with the National Action Plan for Social Inclusion for 2006 – 2008. The project also focused on topics concerning the application of the Act on Social Services, utilising finances from the structural funds from 2007 to 2013. More partners, again representing regional and local levels, joined in with the second project. During the project's implementation, stronger partnerships were formed between NGOs, state administration and public administration, on local and regional levels. In addition, interesting and original projects, which utilise new methods and approaches to resolve the problems of people who are not always to blame for their position on the fringe of society, were introduced. Their presentation served to inspire and instruct other NGOs and municipalities.

Concerning pension insurance, the debate on pension system adjustments began again, after the 2006 elections for the Czech Parliament's Chamber of Deputies, following a period of unsuccessful political negotiations in 2004 and 2005, which culminated with the completely prepared political agreements on the continuation of pension reform not being signed (December 2005). The government's programme declaration includes an intent to implement pension reform in three stages. Preparation of the first stage, containing parametric changes to the basic pension scheme, was completed in September 2007, the Government approved its legal form in February 2008 and the Parliament approved it in July 2008. Proposals for parametric changes were also discussed as part of a political commission, represented by all the parties of the Chamber of Deputies. MoLSA continuously discusses developments in pension reform preparations with social partners in the Council of Economic and Social Agreement. Czech Social Security Administration (hereafter only CSSA) is seeking to modernise communication with beneficiaries, especially, by increasing the availability of technical equipment and by improving paper handling procedures. In 2005, a register of beneficiaries, which provided a foundation for regularly informing beneficiaries about events that relate to their pension entitlement, was established. CSSA's annual comprehensive report on its activities as well as an evaluation of the Czech system of social insurance, prepared by MoLSA, also contribute to increasing general awareness about pension insurance developments. The Ministry of Finance (hereafter only MF) publishes annual reports on private pension systems.

The specialised operations of corresponding commissions, working groups, professional organisations, specialised medical associations, patient organisations, etc. are used in the creation of all types of legal regulations and conceptual materials concerning healthcare and long-term care.

Part 2 – National action plan for social inclusion

2.1 Progress in relation to the National Action Plan for Social Inclusion for 2006-2008 and problems listed in the Joint Report on Social Protection and Social Inclusion from 2007

The National Action Plan for Social Inclusion for 2006–2008 (hereafter only NAPSI) was the second plan in the fight against poverty and social exclusion, in the framework of open methods for the coordination of European Union policies for social protection and social inclusion. The plan lays out three priority objectives: to strengthen the integration abilities of socially disadvantaged individuals; to strengthen the cohesion of families and support decision-making processes at local and regional levels, including the development of partnerships in social inclusion policy.

The first priority objective, which was focused on the most disadvantaged groups of the population and on strengthening their integration, was fulfilled through a wide variety of measures dealing with social services, education, programmes supporting employment and programmes to support the prevention of socially pathological expressions. This objective did not deal primarily with employment and measures aimed at the coordination of professional and family life, which were resolved as part of the National Reform Programme 2005-2008, in the section dealing with employment.

In 2006, a government change occurred in the Czech Republic. The new Government committed itself to implementing reforms in social matters, aimed at limiting the growth of social expenses and ensuring that the social system functioned for the benefit of individuals at risk of social exclusion. During 2007, a package of reformative measures was approved for achieving this objective. With adjustments to social benefits[13], a more direct system for paying out such benefits was created. Support for families with children was transferred primarily to the realm of family policy. Lower benefit payments are compensated with increased net family income as a result of a decrease in the overall tax burden (lower tax rate, increased tax rebates) and a variety of additional pro-family measures. Effective 1 January 2007, in addition to a new conception of the living minimum and the introduction of a subsistence minimum, fundamental change was introduced in terms of benefits, as well (assistance in material need). Reformative measures, strengthening the motivation for seeking change and accepting employment among those, who are able to work, were introduced. Assistance in material need and the employment system were brought into closer harmony.

In the system of social services, which has undergone continuous transformation since 1999, a significant development took place, beginning on 1 January 2007, when the Act on Social Services entered into force. The framework, in which social services operate, in the Czech Republic, was legally adjusted. The Act defines the rights and obligations of participants in the system of social services and their financing. A significant change was implemented in the manner of financing care services, in the Czech Republic. The state now provides help to people, who, due to their unfavourable health status, are dependent on the help of other individuals, directly through care allowance benefits. The users themselves select the array of services, which are provided to them and the provider.

On the way to attaining a certain level of cohesion in society, it is necessary to place emphasis on the prevention of socially negative expressions. Preventative social services help to prevent the social exclusion of individuals, at risk of such, especially because of social crisis situations, life routines, a lifestyle leading to conflict with society or living in a socially disadvantaged environment. From 2006 to 2008, an **information portal and database of preventative social services for individuals at risk of social exclusion** was

[13] For example, the child allowance, the parental allowance, birth and social grants.

created to address such cases. Issues concerning the accessibility of preventative social services (the network of services necessary) and their areas of focus are decided as part of the process of service planning, at the regional level as well as in certain municipalities.

In the Czech Republic, integration of individuals from differing socio-cultural environments living in poverty and social exclusion is supported through ***support for the Social Field Work Programme*** and the ***Programme Focused on Preventing Social Exclusion in Roma Communities and Removing its Effects***. These programmes are designated for municipalities, where segregated Roma communities exist, and for NGOs specialising in this sector. Data from an assessment of the Social Field Work Programme for 2006 show that social field worker job stabilisation was occurring, the experience of these workers was being extended and their qualifications improved. In terms of the direct influence of social field work on clients' situations, especially concerning their position in the labour market or the resolving of problems connected with housing, these interventions are not markedly successful. From the *Analysis of socially segregated Roma localities and the absorption capacity of subjects operating in this sector*, which was prepared in 2006, it is apparent that municipalities have a low level of awareness of the possibilities of utilising social field work as a tool in the prevention of social exclusion. MoLSA supports social services focused on the members of socially segregated Roma localities/communities. This concerns primarily support for services – field work programmes, low threshold facilities for children and youth and professional social counselling.

In 2006 an ***Analýza sociálně vyloučených romských lokalit a absorpční kapacity subjektů působících v této oblasti*** *[Analysis of socially segregated Roma localities and the absorption capacity of subjects operating in this sector]* was carried out. The analysis serves as an underlying document in the creation of and support for further activities regarding social integration. On the basis of this analysis, the ***Agency for the removal of social exclusion in Roma localities*** (hereafter only the Agency) was founded and financed from the European Social Fund (hereafter only ESF). The Agency's objective is to strengthen the municipalities' personnel and institutional background for implementing programmes and projects focused on social integration in segregated Roma communities from 2007 to 2013. During the period from 2008 to 2010, the Agency will work in 12 selected localities (municipalities), where, in cooperation with local government, it will implement a pilot programme for the comprehensive resolution of the situation in segregated Roma localities.

In the Czech Republic, the education of police on the issue of working with minorities is an ongoing matter. New police officers are educated on the issue of the distinctness of minorities and are familiarised with the efforts that are applied to successfully integrating minorities into normal society. In at-risk localities, they are encouraged to establish and utilise professional contacts with field workers and to look for support from NGOs. To increase their teaching skills, teachers and instructors from police academies are trained each year. To support further professional preparation, the training publication ***Policie mezi kulturami*** *[Police between Cultures]*, which summarises the complex issue of multicultural civics, was completed and published on CD-ROM. Police officers also complete training on improving their communication skills, with a particular focus on foreigners. As part of the ***Anti-discriminatory education of members of the Police of the Czech Republic***, educational seminars were held for police officers in all regions concerning the right to equal treatment and legal aspects of social exclusion. Due to great interest, the project was expanded and 900 police officers were trained as part of it. As part of the project, a project publication: ***Věz a nediskriminuj*** *[Know and Do not Discriminate]* was issued.

The Czech Republic's ***Liaison Officer Programme for work with minorities*** has been in operation since 2005. Liaison officers work in all of the Police of the Czech Republic's regional administration offices (8 altogether). They are specialised employees focusing on the issue of police work in relation to minorities. The liaison officers meet regularly, twice a year, and develop cooperation among regions and familiarise themselves with the results of

their collective work. The Czech Republic's ***Police Assistant Programme*** for work in socially segregated localities has been utilised at a municipal level, since 2003. The task of a police assistant is to improve relations and communication between the police and residents of these localities and enable people living here to have easier access to services and help from the Police of the Czech Republic. Currently five of the district offices of the Police of the Czech Republic cooperate with police assistants. They are Ostrava, Brno, Plzeň (all in cooperation with NGOs), Cheb and Karviná (both in cooperation with local government).

A new ***school counselling office***, which provides counselling services to children in the schools themselves, has been established, with help from ESF finances, to increase the accessibility of education for children and youth with disabilities and to support their integration. The Regulation on the education of children, pupils and students with special education needs as well as extraordinarily talented children, pupils and students has been amended so as to make the integration of these pupils into normal classes easier. During the observed period, ***courses supporting the timely diagnosis of special education needs, pedagogic-psychological intervention and specialised pedagogical intervention*** as well as those ***supporting the integration of pupils with disabilities***, designated for counselling professionals along with teachers in normal schools, were held. As part of the ***National Development Programme Mobility for All***, projects aimed at making schools and school facilities barrier-free were supported.

To increase the accessibility of education for the children of foreigners, the right of a child to a free basic education was fulfilled with an ***amendment to the Education Act***, in the sense of the Convention on the Rights of the Child. When accepting the children of foreigners, primary schools do not have the right to judge the legality of their residence within the territory of the Czech Republic. Basic education is also ensured for children of asylum seekers and participants in proceedings for granting asylum. Free language preparation programmes help the children of foreigners integrate into basic education in the Czech Republic. Attention is also given to training educators on the issues of multicultural education and teaching foreigners.

During the period from 2006-2008, in an attempt to increase the accessibility of education to pupils from a socio-culturally disadvantaged environment, new programmes were created that built on previously tested and proven programmes. ***Primary school preparatory classes***, which are intended to prepare children from a socio-culturally disadvantaged environment for entrance into a primary school, represent one of these proven tools. The effectiveness of this tool is regularly monitored and it is clear that the preparatory classes have a positive influence on the success of children in their primary school placement and in the children's improved communication with their parents. The help of a ***teacher assistant*** in the classroom is another effectively utilised programme. Attention is also focused on educators and other educational workers. Training programmes for teachers and education counsellors have been created along with an ***internet portal*** with educational materials containing methods for cultural education in the schools. A seminar was held to share examples of good practices, from throughout the Czech Republic, and included presentations of good practice focusing on educating children from Roma communities. Since 2006, the project ***Centres of Minority Integration***, whose objective is to create a support system of care for children and youth from a socio-culturally disadvantaged environment, especially the Roma, has been implemented. The project focuses on work with mothers and children, during the period of pre-school education, to prepare them for school entry, to focus on the specific educational needs, in light of the individuality of the children in the context of their cultural differences and social situation.

For children, who are exiting institutional care, preparation for a self-sufficient life is supported through grant programmes, ***establishing so-called practice flats within a facility***, where the children can prepare for a self-sufficient life outside the facility. Work continues on the educational care standards that contain the programme for helping children

attain independence, before they are released from a facility. These standards will include an independence plan for each child, before departure from a facility.

The second priority objective focused on strengthening family cohesion, support for socially excluded families or those at risk of social exclusion and the development of the adoption and foster care system. As part of the ***Grant Programme for Family Support***, these families are provided with services in the realm of family support for the purpose of preventing social exclusion. Services are provided to parents caring for children, especially to those caring for pre-school aged children, for the purpose of preventing social exclusion, which can cause longer-lasting social isolation, services enabling parents to actively spend free time with their children, services focused on rescuing families with children, whose development is threatened as a result of the effects of an unfavourable social situation. Support and educational programmes on responsible and harmonious partnership, marriage and parenthood serve to aid the prevention of family conflict situations, which can have a negative effect on the psychological development of children. With these concerns, the state cooperates with NGOs that provide services in the realm of family support. To map out the accessibility and quality of services for families an overview of NGOs concerned with family support issues has been prepared.

For the prevention of criminality and the use of alcohol and addictive substances among children and youth, an interdepartmental approach has been implemented and cooperation among institutions for the social-legal protection of children, courts, the Police of the Czech Republic, Probation and Mediation Services, schools, doctors and NGOs has been developed. In cooperation with the regions, a ***list of facilities providing professional counselling, therapeutic and mediation services to aid parents and families in parental conflict situations*** has been prepared. This list was provided to all institutions for the social-legal protection of children and the Ministry of Justice for court use. An act that will regulate family mediation and therapy has been prepared, with experts from various departments taking part in its preparation. A methodology for work with threatened families and for carrying out family rescue operations as well as a methodology for work with children with behavioural problems have been prepared.

To increase awareness on the rights of children and youth, the ***Informational Centre for Youth 2008-2009*** was established and projects, increasing the legal awareness of children and youth, were supported. Professionals working in the social-legal protection of children were trained on children's rights issues, primarily in the context of the practical execution of the Convention on the Rights of the Child.

The objective to increase awareness concerning the forms and conditions of adoption and foster care was met through the distribution of flyers. The flyers contained information on the foster care institute, on the conditions for placing a child in foster care and on the foster parent selection process. In addition, a five-part documentary series on foster families entitled ***Malí a velcí [The Small and the Great]*** was produced and aired on Czech Television. Attention is focused on the preparation of applicants for adoption or foster care. Since 2006, ensuring such preparation falls under the jurisdiction of the regions. For the purpose of ensuring a unified approach when preparing applicants for adoption or foster care, the ***Doporučený rámec přípravy žadatelů o náhradní rodinou péči [Recommended Framework of Applicant Preparations for Adoption or Foster Care]***, which methodically details the content and extent of preparations and the manner of evaluating the process and the results of the preparations, was published.

At the close of 2007, an ***interdepartmental working group*** from the Ministries of Education and Labour and Social Affairs was established to address current problems concerning the protection of children. The working group is processing a joint methodology ***for cooperation between institutional establishments and institutions for the social-legal protection of children***, in monitoring the situation of a child in institutional care and while evaluating the

possibility of returning the child to the family or placing the child in adoption or foster care. The methodology will be completed in 2008.

The third priority objective, which was focused on support for the decision making processes at regional and local levels and on partnership development, was fulfilled primarily through ***activities focused on the effective application of the Act on Social Services***.

Increasing the professional knowledge and skills of participants in the system of social services was carried out by educating workers and additional participants, active in the realm of social services. Projects directed at **education for social service providers and solicitors**, with the objective of increasing their skills and abilities in providing the type of social services that lead recipients of these services to return to normal life and to the labour market, were supported from ESF funds. In addition, projects focused on social services for specific target groups, educating the members of specific target groups and on special counselling services aimed at integrating these groups of residents into normal life in society and into the labour market, were implemented. In terms of projects focused on specific target groups, projects implemented at a national scale, i.e. those extending beyond the territory of a region, were supported.

Ensuring the localised and standard accessibility of social services was implemented as part of the two-year project ***Ensuring the Localised and Standard Accessibility of Social Services***, during which 74 educators/theorists were trained in planning the development of social services. The output of the project also included ***Methodologies for Planning the Development of Social Services***, which include recommended procedures for ensuring the accessibility of social services at a local level. The Methodologies can also be used at the regional level. The Act on Social Services calls for regions to prepare a ***medium-term plan for the development of social services***. In 2007, regions submitted either medium-term plans for the development of social services or strategies for fulfilling the priorities in regional social policy concerning social services. These strategies functioned as substitutions for the standard plans. MoLSA has approached this issue in relation to the fact that municipalities do not have a legal duty to create local plans for the development of social services (in practice, it can be said that the majority of municipalities with expanded jurisdiction are involved in planning the development of social services[14] and that they utilise partnership and decision making processes with the involvement of all relevant participants, at least within the municipality itself). The regions, however, develop their plans with the municipalities located on their territory, arising from their medium-term plans for the development of social services. Regions that have a processed plan for the development of social services generally have them designated for a defined period of time. Progress is being made in the implementation of various measures in these regions as well. Such progress also depends on grants and financial support provided from ESF.

From the regions' plans for the development of social services and the regional strategies, an analytical chapter was created for the ***National Plan for the Development of Social Services***. As part of the creation of the National Plan for the Development of Social Services, priority areas were designated, depending on the priority areas determined by the regions. These various areas were and continue to be discussed with partners at the national level, in accordance with the principle of including the participants – users, solicitors and providers.

The transformation of residential facilities of social services, in the sense of modernisation and humanisation of these facilities, along with developments in alternative, mobile and field social services was realised through the systemic project ***Support for the Transformation of Social Services***, from ESF financial resources. Work on creating a system of vertical and horizontal cooperation among all relevant participants in the process of the transformation of

[14] As of 25.6.2008, 186 municipalities are verifiably active in planning the development of social services. Methodical support is currently provided for these municipalise by 74 trained theorists and training programmes for planning participants in municipalities.

institutional care was included in the project. The objective of the systemic project ***Education in Implementing the Standards of Quality for Social Services***, from ESF financial resources, was to improve the quality of the living conditions of social service users in institutional facilities for social care. The provision of social services, in accordance with the Standards of Quality for Social Services, ensures that the human rights and the right to a full and complete life of all users of social services are observed and protected.

The Act on Social Services defines the basic conditions for the high-quality execution of social work and creates a framework for the system of lifelong learning for social workers. The objective is to continually improve the qualifications and competencies of social workers, to improve the quality of social work and, in so doing, to also improve the services that workers provide to target groups. As part of the systemic project ***Lifelong Learning of Workers in Social Services***, from ESF financial resources, a system of programmes for the lifelong professional training of workers in social services was created. The Act on Social Services also implements a system of ***educational programme accreditations*** for the further education of social workers and workers in social services.

For the purpose of raising awareness about social services in the Czech Republic, a massive ***informative campaign*** was carried out, in connection with the Act on Social Service's entering into force. As part of the campaign, seminars and round tables were repeatedly held in all the regions of the Czech Republic. Two informative brochures, explaining the effects of the implementation of the Act on Social Services on citizens and especially on the users of social services, were created and widely distributed. This information was also publicised on MoLSA's internet pages and distributed through various media forms. ***Eight episodes on social services in the series "Neznalost zákona neomlouvá" [Ignorance of the Law is no Excuse]*** were aired on Czech Television.

2.2 Key problems and priority objectives

The structure of priority measures from NAPSI 2006 – 2008 has been maintained in NAPSI 2008 – 2010 with certain modifications made to the component objectives, in light of an analysis of the socio-economic situation, an assessment of the execution of NAPSI 2006 – 2008, recommendations from the Czech Republic arising from the Joint Report on Social Protection and Social Inclusion from 2007 and specific Czech recommendations from a 2007 assessment of the execution of the National Reform Programme for 2005-2008.

If, in the text of this chapter, we speak about specific target groups, we are considering them in the context of the unfavourable situation, in which they find themselves because of poverty and social exclusion.

2.3 Priority objective 1

Social inclusion and participation in the labour market are closely connected. In order for the involvement of disadvantaged and socially excluded individuals in the labour market to be feasible, these individuals need, in addition to individualised employment services, social assistance and services that strengthen their involvement in society and improve their employability, decrease their dependence on social benefits and the risk of poverty transfer from generation to generation. The following objective is in compliance with the focus on the active inclusion of people most distant from the labour market:

Increase the integration of socially excluded individuals and individuals at risk of social exclusion through social assistance and services, remove barriers to the entrance and retention of these individuals in the labour market.

<u>For meeting this objective it is especially necessary to:</u>

2.3.1 strengthen the social skills of socially excluded individuals and individuals at risk of social exclusion in seeking employment and subsequently retaining it with an objective

to increase the employment and employability of these individuals and increase the motivation for the activation of socially excluded individuals in the labour market;

2.3.2 strengthen skills associated with preventing a loss of housing;

2.3.3 decrease handicaps in the way children and youth approach education, especially with children and youth coming from a different socio-cultural environment, the children and youth of foreigners and children and youth with disabilities;

2.3.4 increase the social competencies of children and youth by supporting the development of skills, which lead to rejecting all forms of self-destruction, expressions of aggression and violation of the law;

2.3.5 support preventative measures, which lead to the purposeful involvement of children and youth in free-time activities;

2.3.6 decrease the number of localities, in which socially excluded people live, primarily due to a differing socio-cultural environment; prevent socially negative expressions, which are found to a great degree in these localities, primarily by supporting field and community work and mentor programmes;

2.3.7 support the inclusion of foreigners into society, especially through support for their economic sustainability, knowledge of the Czech language and for their being sufficiently informed;

2.3.8 support skills required by the labour market, especially modern information technologies, communication skills, teamwork and techniques for seeking employment;

2.3.9 support lifelong learning.

The target groups referenced in this objective include, primarily:

the long-term unemployed, individuals with disabilities, seniors, individuals coming from a different socio-cultural environment, children and youth, foreigners, victims of crimes and victims of domestic violence, homeless individuals (individuals who do not have a home or those at risk of homelessness, i.e. people with uncertain or temporary housing and people with unsuitable housing[15]), repeat offenders – persons who have committed a crime.

Measures in realising component objectives 2.3.1, 2.3.2 and 2.3.8

For strengthening the social skills of socially excluded individuals and individuals at risk of social exclusion in seeking employment and subsequently retaining it, with an objective to increase employment and employability, ***the provision of social services, the implementation of additional activities enabling the prevention of social exclusion or direct assistance for target groups*** (creation and implementation of socially preventative programmes for target groups of individuals as well as motivational programmes for activation in the labour market, e.g.: programmes for individuals exiting institutional facilities, motivational programmes, work and social rehabilitation, programmes for individuals addicted to drugs, programmes for criminals and for the victims of crimes and for victims of domestic violence) ***will be supported***. Among other things, the type of services that help people remove barriers in their approach to education and employment will be supported. Specific support will be focused on measures leading to the increased employability of these individuals.

The implementation of field social work will continue to be supported for the prevention and reduction of social exclusion. In addition, an educational module will be utilised in the realm of field social work that will serve for the purposes of lifelong learning of workers in this sector.

[15] Horák P.: Expertíza pro cílovou skupinu „Osoby společensky nepřizpůsobené“ [Expertise on the Target Group: “Socially Un-adapted Individuals”], CKP MMB, ASVSP, Brno 2006.

In terms of education and subsequent employment, the project ***Police for Everyone*** will be carried out, in 2008 and 2009. The objective of this project is to enable the members of national minorities to obtain a secondary education with a diploma at a secondary police school and subsequently be prepared to enter the professional ranks of the Police of the Czech Republic.

Measures in realising component objectives 2.3.3, 2.3.4 a 2.3.5

Ensuring equal opportunities for all, in terms of education, is one of the strategic objectives of the ***Long-Term Plan for Education and the Development of the Czech Educational System***, because a quality education makes it possible to find place in the labour market and limits the exclusion of some disadvantaged groups. For children with social exclusion, ***preparatory courses*** will continue to be organised before they enter primary school and, over time, positions for ***teacher assistants*** will be created in the schools. Schools and teachers will be methodically supported in working with socially disadvantaged students and students from low-stimulating family environments. In addition, a ***system of timely provision of the minimum stipulated care for socially disadvantaged children*** will be created. Attention will also be focused on ***improving the quality of teacher assistant professional preparation***. Educators will be ***trained concerning the issue of children from families with a low socio-economic standing***.

During next years, ***conditions for improving the quality of education for pupils with disabilities*** will continue to be created. Securing the personnel and technical preparedness of mainstream schools necessary for the integration of children, pupils and students with disabilities or a disadvantage will continue through ***educator training*** on the specifics of teaching this target group and working out procedures for ascertaining special education needs.

The social competencies of children and youth will be increased through ***innovative school projects***, in which the children and youth shall build key civic competencies, contributing to the development of their personalities and social upbringing. Examples of good practice in this area will be publicised.

The purposeful involvement of children and youth in free-time activities is accomplished through ***grant programmes of government support for work with children and youth for NGOs***. Activities focused on non-specified primary prevention among children and youth for enlarging the offerings of free-time activities for organised and unorganised groups of children of school and even pre-school age and youth, with a focus on at-risk groups, national minorities and ethnic groups, are supported.

The Strategy for the Prevention of Criminality for 2008–2011 also focused on the prevention of criminality and socially pathological expressions among children and youth. Each year, a grant programme is made available to support purposeful and non-pathologic ways for children and youth to spend their free time.

Measures in realising component objective 2.3.6

From 2008 to 2011, in 12 selected municipalities, the ***Agency for Social Inclusion in Roma Localities*** (hereafter only the Agency) will implement a pilot programme for a comprehensive solution to the situation in excluded localities. Local partnerships[16], within which comprehensive strategies for the disadvantaged localities will be prepared, will be organised. These strategies will arise from a knowledge of local needs of the segregated Roma locality and the possibilities available in its surroundings. The Agency will initiate the creation and implementation of projects in the realm of support for employment, education and improving the quality of housing for residents in segregated Roma localities.

[16] Representatives of the municipality, the region and the Roma community in the segregated Roma locality, possibly local Roma organisations, NGOs, local employers, schools and other influential institutions, according to local conditions, shall comprise a local partnership.

For the abatement of social exclusion in segregated Roma localities, activities focused on the ***development of existing and new preventative programmes and social services*** will be supported. Support will be oriented at direct support for individuals in the process of social inclusion, at the education of subjects operating in the given area, but also at the education of the target group itself. In addition, activities directed at changing negative approaches and attitudes of the public and at changing public opinion of the majority society against socially segregated Roma communities will be supported. In terms of the social inclusion of segregated Roma localities, innovative tools for the inclusion of this target group in the labour market, through social economic tools, for instance, will be supported. Subjects operating in social services in segregated Roma localities will be provided with systemic support in providing social services that enable the application of the Act on Social Services.

In the part of the Strategy for the Prevention of Criminality for 2008-2011 dedicated to cities, cities with a population exceeding 25 thousand that have a significant accumulation of socially pathological expressions are included in a special group (there are 45 such cities). These cities are obligated to prepare, by the end of September 2008, their own ***concept for the prevention of criminality*** for the period from 2008-2011.

Since 2005, ***a specialised worker for issues of police work in relation to minorities*** , who plays the part of a facilitator between the police and minority society, offering members of the minority assistance in resolving specific problems, exists as part of the ***structure***. The activities of liaison officers will continue in the upcoming period, as well. The **Assistant to the Czech Police for work with socially segregated localities** is a mechanism, used since 2003. This service is a type of social work simplifying contact and communication with the police for the residents of socially segregated localities. Currently, five of the district offices of the Police of the Czech Republic cooperate with police assistants[17].

Measures in realising component objective 2.3.7

Support for the integration of foreigners[18] into society and, thereby, ensuring the subsequent prevention of their social exclusion, is carried out in the Czech Republic, at the national level, in the ***Concept for the Integration of Foreigners***. Prerequisites for the successful integration of foreigners into society include knowledge of the Czech language, a foreigner's economic self sufficiency, his/her orientation in society and the relation between foreigners and members of the majority society. The involvement of regional and local levels is another important prerequisite in the realisation of foreigner integration. In the realm of the integration of foreigners, programmes focused on the knowledge of the Czech language among foreigners and their children will be supported. In addition, measures supporting the economic self-sufficiency of foreigners, especially through simplifying the excessive administrative demands surrounding the placement of foreigners in the Czech labour market, will be implemented.

The ***situation of foreigners in the territory of the Czech Republic will also be monitored***, over the next few years, as a necessary step in identifying obstacles to the social inclusion and integration of foreigners. Activities will take place to ***increase the level to which foreigners are informed*** and their legal awareness on the legal prerequisites in resolving their personal situations. The results and findings of a research study: the Effectiveness of NGO Activities, in terms of the integration of foreigners, will be reflected upon. ***Communication between foreigners and institutions of national and local government*** will be ***supported and further developed***. For the successful involvement of foreigners into the life of the majority society, projects ***supporting the participation of foreigners in social and public life at the local level*** through designated areas of support from grant proceedings and cooperation with NGOs at regional and local levels.

[17] Ostrava, Brno, Plzeň, Cheb and Karviná.

[18] The target group of the Concept for the Integration of Foreigners are foreigners from so-called third countries, meaning citizens of countries outside the EU and the EEA, legally residing in the Czech Republic for an extended period of time.

Measures in realising component objectives 2.3.8 and 2.3.9

Economic competitiveness will depend more and more on investments in education and health during one's lifetime and upon utilising the abilities and skills of older individuals. The component objective to support lifelong learning will be implemented as part of the activities of the ***National Programme of Preparation for Ageing 2008-2012***, which contains specific measures concerning support for lifelong learning and to whose execution the relevant participants have committed themselves. In 2009 for instance, a ***Concept for the Development of the Lifelong Learning System and its Financing*** will be prepared. In addition, a systemic and institutional framework for the provision of further education including certification and acknowledgment of system outcomes, along with a supporting information and counselling system, will be created.

The project ***Support for Individualised Further Education*** will be implemented with the objective of developing skills in utilising information technologies, along with language and other skills. In addition, development of a network and ***partnerships among subjects operating in the realm of further education*** will be supported and methodical support will be provided during its implementation.

Allocation of resources

Measures within objective 1 will be supported primarily from EU structural funds. Measures concerning the social inclusion of socially excluded individuals and individuals at risk of social exclusion will be supported from ESF through Operational Programme Human Resources and Employment, as part of priority 3 focused on Social Integration and Equal Opportunities, and also complementarily from the European Regional Development Fund (hereafter only ERDF) as part of the Integrated Operational Programme (intervention area 3.1 Modernisation of Public Administration).

Measures focused on ensuring equal opportunities in education for all will be supported from ESF through Operational Programme Education and Competitiveness, as part of priority axis 1 aimed at Equal Opportunities for Children and Pupils, including children and pupils with special education needs. As part of the above-mentioned tools, activities focused on the integration of foreigners will also be supported. Implementation of the European Fund for the Integration of Third Country Nationals 2007-2013 is expected to occur during 2009.

The Agency project will be financed for the most part from ESF resources.

Measures supporting lifelong learning will be supported from ESF through Operational Programme Education for Competitiveness, as part of priority axis 3 Further Education.

Financial resources will also be set aside in the Czech national budget, in the chapters of corresponding ministries for implementing activities in their areas of operation. This concerns primarily grant programmes of state support for work with children and youth for NGOs, a grant programme supporting purposeful and non-pathologic ways for children and youth to spend their free time, specific grants supporting the priorities of city strategies for the prevention of criminality, specific grants focused on support for the provision of social services, etc.

Indicators and mechanisms followed

The indicators and mechanisms followed are designated by the various programme documents of the structural funds. Monitoring will be carried out through project closing reports and monitoring visits to project implementers.

The Agency project will be evaluated by an independent institution. Evaluation will be carried out in three phases. The outcome will include reports with an evaluation of the successfulness and sustainability of the project and proposed recommendations.

As part of priority 3 of Operational Programme Human Resources and Employment, the creation of systemic tools for monitoring and evaluating the effectiveness of the various tools utilised in the realm of social inclusion will be supported.

With measures including in the Strategy for the Prevention of Criminality, changes in the statistics on criminal activity and in other statistics (e.g. institutions for the social-legal protection of children, probation and mediation services) will be followed.

2.4 Priority objective 2

Socially excluded families as well as families at risk of social exclusion have their unique needs. Causes for exclusion primarily include unemployment or difficulty in finding profitable work for a family member(s), low income, an unequal approach to education and the associated hindered accessibility of normal societal resources, such as free time activities. In light of the formation of the future life, attitudes and values of children growing up in such families the objective is:

To develop the methods and applications of social work and related professions in such a way as to support families with specific needs and to accept measures targeted at ensuring that the members of these families have an equal approach to education as well as a place in the labour market and in society and do not, therefore, become socially excluded.

For meeting this objective it is especially necessary to:

2.4.1 ensure financially and geographically accessible services in the realm of family support and the prevention of the social exclusion of families through programmes at the national level and more especially at lower levels; attention will be paid to children and families at risk of social exclusion for a variety of reasons;
2.4.2 decrease the number of households – especially multiple-member families – living below the income poverty level;
2.4.3 support the economic self-sufficiency of socially excluded families or those at risk of social exclusion; support young people, leaving institutional care or foster care, in preparing for an independent life;
2.4.4 develop the adoption and foster care system and increase the effectiveness of cooperation in terms of facilitating adoption and foster care.

The target groups referenced in this objective include, primarily:

multiple-member families at risk of poverty or social exclusion, incomplete families, families having a family member with a disability, families caring for dependent seniors, families in the adoption and foster care system, families coming from a different socio-cultural environment and families of foreigners as well as individuals leaving institutional or foster care.

Measures in realising component objective 2.4.1

Family support and the prevention of the social exclusion of families will be implemented through the ***grant programme for family support***, which is provided each year. The objective of the grant programme includes: support for service facilities involved in the prevention of the social exclusion of parents caring for children; support for improving the quality of partner and marriage relationships and for strengthening parenting competency as well as support for adoption and foster care and support for mentoring to children and young people in foster care and childcare. For ensuring comprehensive social-legal counselling for families at risk of social exclusion and a multidisciplinary method of resolving cases, ***methods for institutions involved in the social-legal protection of children at regional and local levels*** will be prepared and distributed. Experiences and observations on the social-legal protection of children will be used in the creation and implementation of ***community planning*** at regional and municipal levels.

Recommended personnel standards will be designated at the municipal level for securing the agenda of the social-legal protection of children at municipal authorities.

For the purpose of developing regional family policy, including, for example, ensuring the financial and geographic accessibility of services in the realm of family support and the prevention of the social exclusion of families, ***methodical instructions for regions and municipalities*** for the implementation of family policy at regional and municipal levels will be distributed.

Training programmes for the employees of institutions involved in the social-legal protection of children concerning the development of professional skills and work with families with specific needs will be implemented.

The annual ***Obec přátelská rodině [Family-Friendly Municipality]*** competition, the objective of which is to support pro-family measures and additional activities in Czech municipalities and to encourage their development, will continue to be held.

Measures in realising component objectives 2.4.2 and 2.4.3

In addition to employment service measures and measures relating to the accessibility of services for children, support for the economic self-sufficiency of socially excluded families and those at risk of social exclusion will be provided through the system of assistance in material need benefits in such a way as to support the acceptance and retention of employment and to support activities that enable the maintenance or development of the professional potential of the affected individuals.

For purposes of preventing the occurrence of social exclusion and strengthening family competencies, in terms of economic self-sufficiency, ***modern methods of social work with families at risk of social exclusion*** (social activation services, timely intervention, multidisciplinary approach) ***will be developed***.

In terms of the preparation of young people, leaving institutional or foster care, for an independent life, ***projects for long-term mentoring and counselling for children in foster care and young people leaving foster care***, focused on their preparation for independent life, will be supported. ***The interoperability of all interested individuals and subjects in the process of preparing children and young people for independent life after leaving foster care***, especially cooperation among facilities for the care of children, foster families, institutions involved in the social-legal protection of children, social service providers and local government, will be further expanded.

Measures in realising component objective 2.4.4

Concerning development of the adoption and foster care system and improving its effectiveness, ***the projects of accompanying and supporting services*** for children in foster care and for individuals caring for children in foster care will be supported. ***Specific adoption and foster care institutions***, especially temporary foster care and facilities for the provision of foster care, will be further developed. The involvement of NGOs in the system of facilitating adoption and foster care, primarily oriented at the cooperation of delegated individuals with regional authorities and MoLSA in searching out appropriate adoptive and foster parents will be strengthened. Materials will also be expanded and an ***information campaign aimed at increasing public awareness*** of the adoption and foster care system and increasing the number of applicants to accept a child into adoption or foster care will be realized.

Allocation of resources

Measures included under objective 2 will be primarily supported from the Czech national budget, financial resources for the implementation of activities in their areas of operation will beset aside in the chapters of corresponding ministries. The measures will be further supported from EU structural funds.

Indicators and mechanisms followed

Indicators and mechanisms followed are set forth by the programme documents of the structural funds.

2.5 Priority objective 3

Effective cooperation among all interested participants at all levels of public administration, especially in policies traditionally considered to be social – social protection, social services, employment services and support for housing accessibility, is vital to social inclusion. The objective is:

To support conceptual and decision-making processes at all levels of public administration, so that they are founded in objective knowledge of the problem of poverty and social exclusion; to support the communication and partnering of all participants in social inclusion policy with a focus on the comprehensive resolution of problems (poverty, access to normal societal sources, employment, support for accessible housing, integration of foreigners into society).

For meeting this objective it is especially necessary to:

2.5.1 support the development of serious and active decision-making processes at regional and local levels with the objective that social services correspond with the needs of users , in terms of their accessibility and quality; develop partnerships in the provision of social services, including support for the active involvement of social service users in these processes;
2.5.2 support the specialised and professional training of workers and elected representatives of subjects operating in the field of social inclusion, including the creation and development of training programmes;
2.5.3 support transformation processes focused at providing social services in the natural environment of the users of social services;
2.5.4 support the effective and purposeful connection of additional systems and activities and as well as the links through which social services build on additional systems; support the development of social economy and socially oriented entrepreneurship at the local level along with comprehensive programmes of social prevention and the prevention of criminality in the context of social exclusion;
2.5.5 support both vertical and horizontal coordination and cooperation in the creation and implementation of programmes and systems in the realm of social inclusion;
2.5.6 increase the awareness of all relevant participants on the issue of social inclusion and its development on the European-wide and the national level;
2.5.7 create and strengthen instruments and mechanisms for increasing the accessibility of standard housing at local and national levels, prevent discrimination in access to housing.

The target groups referenced in this objective include, primarily:

representatives of municipalities and regions responsible for social inclusion, solicitors and providers of social services, social service workers, non-profit organisations, social partners and the interested public.

Measures in realising component objective 2.5.1

Concerning support for the development of serious and active decision-making processes at regional and local levels, from 2008 to 2010, the ***Individualised Project to further support the planning of social service development***; within which quality criteria for social service planning were processed, methodical procedures in social service planning were updated and techniques were developed for ascertaining the actual needs of the residents in the area, when

planning the development of social services; was implemented with the objective of fulfilling a priority area designated by the National Plan for the Development of Social Services. MoLSA will methodically support cooperation between municipalities and regions on the creation of regional plans for the development of social services. The goal is to involve all municipalities with expanded jurisdiction into the process of planning the development of social services by 2010. These municipalities should likewise involve the municipalities, in the territory of their administrative district, into this process.

Measures in realising component objective 2.5.2

Specialised, professional knowledge and skills of the various participants in social inclusion (solicitors, providers, users and other subjects) will be increased with trainings on the process of planning social service accessibility or with the creation of local and regional partnerships; training in the implementation and quality standard monitoring of social services; training in management; training for users and individuals caring for a relative; professional training for service providers and training in other areas, which enable the provision of services focused on helping users return to the labour market and to society. Emphasis will also be placed on ***improving the quality of social work through training***.

In ***supporting the social economy***, the accessibility of training on the methods and principles of social economy will be ensured and the training itself, which will be available in every region, with the exception of Prague Capital City, according to the demand for it, will be subsequently carried out. With its content, the training fulfils social economic conditions, meaning, primarily, employing disadvantaged individuals or ensuring the accessibility of public services for disadvantaged individuals.

In the period from 2008 to 2012, ***emphasis will continue to be placed on topics concerning the integration of minorities, human and minority rights and the problems of a multi-cultural society, in new police officer training***. ***A system of lifelong learning for police officers*** will be created to focus on police work in relation to minorities that will build upon basic professional preparedness training. Utilising supervision contributes to improving the preparedness of police officers to carry out their duties and not only in work with minorities. The Supervision Project, which focused on improving the quality of police officer professional preparedness, makes it possible to reflect in psychologically demanding situations, reflect and exaggerate mistaken procedures when on duty, to work with stress and frustration, to consider the effects of one's conduct, etc.

Measures in realising component objective 2.5.3

In compliance with the ***Concept of Support for the Transformation of Social Housing Services to Other Types of Social Services***, regions and municipalities as well as various facilities will continue to receive support ***in the transformation of social service housing facilities (institutional care) both in the sense of the modernisation and humanisation of these social service housing facilities*** (homes for persons with disabilities, homes for seniors) and support for protected housing, ***primarily in support of alternative, mobile and field social services*** (e.g. support for independent housing, stationary, relief services, centres for daily services, personal assistance, day care service).

With the provision of social services, influencing the quality of provided services is a long-term priority. The existing ***accreditation system for training activities*** for the further education of social workers and for qualification courses for social service workers will be expended to include additional trainings for social service workers and their managers. In addition, ***accredited training activities will be designated for individuals***, who as relatives or other individuals help those who are dependent on someone else's care and who are interested in improving their care-giving skills.

Measures in realising component objective 2.5.4

Innovative activities, which make it possible for socially excluded individuals or individuals at risk of social exclusion to enter the labour market and the entrepreneurial environment or which provide access to public services for socially excluded groups, will be supported in the realm of social economy. Outcomes from *Srovnávací analýzy modelů sociální ekonomiky v EU a možnosti jejich aplikace v ČR v rámci programového období ESF 2007 – 2013 [A Comparative Analysis of Social Economy Models in the EU and possibilities for their application in the Czech Republic during ESF Programme Period 2007 – 2013]* will also be used in ***defining social economy support***. A selection of plans to invest in selected socially oriented entrepreneurial intentions will be evaluated and decided by a inter-departmental commission made up of representatives of interested ministries (the Ministry for Regional Development, the Ministry of Industry and Trade, MoLSA), so as to ensure the transparent selection of plans that will be in complete compliance with all strategies of the various ministries.

Measures in realising component objective 2.5.4

Since 2007, a ***System of Timely Intervention*** has operated throughout the entire Czech Republic. The system deals with the comprehensive situation of children, whose development is threatened, with the objective of preventing these children from developing criminal carriers and for integrating them into normal life. Participants in the Team for Youth (made up of representatives of municipalities – social-legal protection of children, probation and mediation services, the public prosecutor, the court and the police) cooperate vertically and horizontally within the System of Timely Intervention.

Measures in realising component objective 2.5.6

For improving the awareness of all relevant participants in social inclusion, projects implemented as part of the European Year of the Fight Against Poverty and Social Exclusion 2010 will be supported in 2010.

For improving awareness on the issues, extent and forms of social exclusion, research projects on criminality in socially segregated localities, where a justifiable need (from the police or the local government) exists to obtain information on such expressions, will be carried out, in the period from 2008 to 2010.

Measures in realising component objective 2.5.7

In compliance with the Government's programme objectives, a government resolution, regulating the conditions of providing support for the construction of new rental flats for low-income households, which will be recognised by the European Commission, will be prepared. At the same time, a new government resolution will be processed to regulate the conditions of providing government compensation payments for the operation of already existing rental flats designated for individuals at risk of social exclusion.

Area of Intervention 5.2 Improving the Environment in Problematic Housing Estates, in the Integrated Operational Programme (hereafter only IOP), financed by ERDF, is also focused on resolving the issue of housing. Support in housing is directed at activities aimed at the prevention of social decline, the prevention of segregation and the occurrence of ghettos of excluded individuals in housing estates. The objective of activities in housing will include problematic city housing estates with more than 20,000 inhabitants with threatening or accumulating socio-economic problems among residents, such as long-term unemployment, increased criminality, etc. This support will contribute to the revitalisation of the environment of problematic housing estates, ensuring the stability of the socially mixed residential structure in these housing estates and increasing the housing sustainability in blocks of flats in these housing estates.

Within this group of larger cities with typical problems, such as, for instance, the concentration of a higher unemployment rate and a low level of education, which is often associated with the

Roma community that is at risk of social exclusion, seven to ten pilot projects will be selected. With these Roma locality pilot projects, the primary problem will not be the state of the blocks of flats, but will primarily include unemployment, criminality, drug addiction and the low level of education obtained. Therefore, housing intervention, focused both on the regeneration of public areas as well as the renovation of blocks of flats and, possibly, the renovation of non-residential buildings as social housing will serve as supplementary activities, building on activities like social and community care, human resources and employment intervention, etc.

Allocation of resources

Measures included in objective 3 will be supported primarily from EU Structural Funds. Measures in social service development and training measures, aimed at increasing the specialised, professional knowledge and skills of the various participants in social inclusion, will be supported from ESF through Operational Programme Human Resources and Employment, as part of priority 3 directed at Social Integration and Equal Opportunities. Training on social economic principles and methods will be carried out with ESF resources along with funds from the Czech national budget through public procurements will be made accessible, according to the demand for it, in all regions with the exception of Prague Capital City. The financing of Supervision will be carried out as part of a two-year systemic project from ESF resources, from Operational Programme Human Resources and Employment, Priority Axis 4 Public Administration and Public Services. Innovative projects in social economy will be implemented with ESF resources, as part of priority 3 directed at Social Integration and Equal Opportunities, as well as from ERDF as part of the Integrated Operational Programme (Area of Intervention 3.1).

Activities involved in the transformation of social service housing facilities will be supported from ESF resources (OP HRE, Area of Intervention 3.1) as well as from ERDF resources (IOP, Area of Intervention 3.1.).

The System of Timely Intervention is financed from the Czech national budget (Ministry of the Interior chapter).

Measures for improving the accessibility of housing will be supported from EU Structural Funds, specifically from ERDF, as part of the Integrated Operational Programme as well as from the Czech national budget, through the State Fund for Housing Development.

Indicators and mechanisms followed

The indicators and mechanisms followed are designated by the various programme documents of the structural funds. Monitoring will be carried out through project closing reports and monitoring visits to project implementers.

Relations within the System of Timely Intervention, the quality of cooperation and communication, the flow of information within the system and the system's extent of coverage within the Czech Republic will be followed.

2.6 Institutionally ensuring social inclusion policy

Basic terms concerning social inclusion, namely: difficult life situation, social exclusion and social inclusion, were defined by the Act on Social Services.

> *Social exclusion shall be understood as the exclusion of an individual from normal life in a society and the impossibility of involving oneself in society as a result of a difficult life situation*.
>
> *Social inclusion is defined as any process, ensuring that socially excluded individuals or those at risk of social exclusion receive possibilities and opportunities, helping them to*

fully involve themselves in the economic, social and cultural life of society and to live in a manner that is, within the society, considered normal.

2.6.1 Preparation of the National Action Plan for Social Inclusion for 2008–2010 and coordination of social inclusion policies

NAPSI 2008–2010 was processed under MoLSA's charge along with all partners, concerned with issues of social inclusion. The plan was prepared in cooperation with the Commission for Social Inclusion (hereafter only the Commission), which took part in the preparation of the previous two plans. Public administration representatives (national and local administration – representatives of regions, cities and municipalities), government offices, NGOs and experts are represented in the Commission. In 2008, the focus of the Commission for Social Inclusion was extended to include additional projects concerning social inclusion, besides NAPSI preparation. The Commission was consulted during the preparation of a proposal for the Decision of the Council and the EP to proclaim 2010 the European Year of Combating Poverty and Social Exclusion. The Commission decides on the nomination of examples of good practice for the Peer Review Programme. Updating the membership in the Commission also took place as part of these changes. Representatives of NGOs dealing with homelessness and seniors were newly included in preparation of the plan. Documents concerning NAPSI preparation have been made public on MoLSA's website.

NAPSI 2004–2006 and NAPSI 2006-2008 were used as a source in preparing further relevant strategic documents. An analysis of the social, economic and demographic situation in the Czech Republic, in terms of social inclusion policy, formed a basis in processing the social inclusion analytical part of the National Development Plan and the designated objectives were further projected in the preparation of relevant programme document measures for accessing structural assistance for the period from 2007 to 2013.

2.6.2 Transferring the action plan for social inclusion to a lower regional or local level

Poverty and social exclusion are best combated at a local level. MoLSA entered (as a partner) the international project ***Creating a Methodology for the Creation of Regional and Local Action Plans***, financed from the Programme of Community Action to encourage cooperation between Member States to Combat Social Exclusion and co-financed by MoLSA. In the Czech Republic, three cities (Vsetín, Havlíčkův Brod and Karviná), the Olomouc Region, the Union of Towns and Municipalities of the Czech Republic and The Council of the Government of the Czech Republic for Roma Community Affairs participated in the project. During the project's first phase, a methodology for the creation of social inclusion action plans at local and regional levels was compiled, in cooperation with partners from EU countries. In the project's second phase, project partners in the Czech Republic created social inclusion plans for their own territories (Karviná, Havlíčkův Brod and the Olomouc Region).

In 2007, MoLSA entered the follow-up, international project ***Regional and Local Social Inclusion Action Plans***, for which QeC-ERAN (Belgium) along with Javni Zavod Socio (Slovenia) became the initiators. Other project partners include the European Social Inclusion Platform (ESIP) from Slovakia, the Regional Social Welfare Resources Centre from Hungary, the Institute of Social Security from Portugal, the Intercultural Institute Timisoara from Romania, the Centre for Information and Support for Large Families from Lithuania, the Úrad práce, sociálnych vecí a rodiny [Authority for Labour, Social and Family Affairs] from Slovakia and the Fundacja Nasza Szkola [Our School Foundation] from Poland. The project's objective is to create local/regional social inclusion plans, on the basis of the methodology for preparing local/regional social inclusion plans that was created in the first part of the project. An additional aim is to propose several projects that could be submitted upon future summons from the PROGRESS community programme. A further intent is the dissemination of the previously

learned procedures among additional local government subjects. At the international level, the project is carried out in the form of Peer Review seminars. At the national level, the project is conducted through the meetings of a Local Coordination Group, whose members include city/regional authorities. In the Czech Republic, members include several previous partners such as Karviná, Havlíčkův Brod and the Olomouc Region, while Prague Capital City, which is unique both in the occurrence of certain undesirable social expressions, or rather their accumulation in certain localities, as well as in the amount of affected people and the absolutely exceptional political/social/demographic structure in comparison with other Czech regions and cities, represents an interesting expansion of the project.

2.6.3 Mobilisation and involvement of participants and increasing awareness of social inclusion issues

Social inclusion issues and NAPSI have been the subject of many national and international seminars and conferences, where MoLSA representatives were able to distribute information about its various measures. The first NAPSI was published in a paper form and distributed in the Czech Republic as well as abroad. The second NAPSI was placed on MoLSA's website.

Various participants are involved in the creation of social inclusion policy through the Commission for Social Inclusion. Overarching NGOs, which facilitate information sharing on plan preparation as well as on activities concerning social inclusion, are represented in this Commission.

Awareness of social inclusion issues has been expanded through two interconnected informative projects ***STOP social exclusion***. The objective of both projects was to increase the awareness of NGOs, cities, municipalities and the public on social inclusion policy at the national and even the European level. The projects were supported by the European Commission as part of a challenge directed at increasing awareness of the European social inclusion strategy and co-financed by MoLSA. Within the second project, the number of partners and activities was increased. Project outcomes included the creation of the special internet link STOP social exclusion, where basic strategic documents relating to these issues are publicised along with news, links to announced contests and interesting conferences as well as links to interesting articles concerning social inclusion policy at all levels from local to European. A Social Policy section was created at EurActiv.cz to inform about EU happenings. Interesting information and news are also distributed through the STOP social exclusion section in the monthly periodical Gratis and the e-bulletin SKOK. Conferences, workshops and public hearings on current social inclusion topics were held as part of the project. Expert studies on topics including: the employment and social exclusion in the Moravian-Silesian Region, the situation of socially segregated Roma communities in the Southern Moravia Region and the situation of homeless individuals and other at-risk groups in Prague Capital City were carried out. In light of the variability of its partners, which seek to help differing target groups, the project addressed a large audience. This project is described in greater detail in Annex No. 2.1 Examples of Good Practices.

2.6.4 Mainstreaming social inclusion

The mainstreaming of social inclusion as a general concept, through which all relevant policies are viewed, is not completely applied in the Czech Republic. To increase the level of understanding for this concept along with its utilisation in political practice, the Czech Republic joined the international project Mainstreaming Social Inclusion, which was implemented during the periods from 2003 to 2005 and 2005 to 2007. The Irish CPA was the main project implementer. Partners included representatives of EU member states (the Czech Republic, France, Great Britain, Portugal and Ireland), one EEA state (Norway), one region (Northern Ireland) and nine organisations associated in the European Anti-Poverty Network (EAPN). The first phase of the project resulted in the mapping the way the mainstreaming of social inclusion is perceived in project's partner countries and identifying its basic characteristics. Outcomes from this project phase included the book ***Better Policies, Better Outcomes – Promoting***

Mainstreaming Social Inclusion and an internet site, which is a useful tool in the practical mainstreaming of social inclusion www.europemsi.org. The book was also translated into Czech and made available on MoLSA's website.

A survey was also created as part of the project, making it possible to ascertain how thoroughly a member state utilises principles of mainstreaming social inclusion. To test the survey, a corresponding research project ***Mainstreaming Social Inclusion***, which in addition to MoLSA, involved the Research Institute for Labour and Social Affairs and the Faculty of Social Studies at Masaryk University, was carried out. In the Czech Republic, 126 respondents – ministry workers (40), regional authorities (41), city and municipal authorities (23), representatives of NGOs focused directly on social inclusion (8) and other NGOs (14) – participated in the survey. The research was supplemented with a series of qualitative interviews, which expanded on the findings of the survey questionnaire. The findings of the survey were summarised in the National Report on Mainstreaming Social Inclusion in the Czech Republic[19]. According to the report, mainstreaming social inclusion is applied in policies outside traditionally social areas relatively infrequently. Attempts to promote the mainstreaming of social inclusion are most evident at the central level and are expressed, for instance, through the establishment of mechanisms for the creation and coordination of strategies in this area, through interest in evaluating NAPSI execution[20] and through evaluations in general[21] and through informative and consulting activities. The report establishes that the social inclusion agenda is primarily connected with the activities of MoLSA and of several institutions of the Office of the Government of the Czech Republic. In the majority of other ministries, principles of social inclusion have, for the time being, not been promoted. So, to this point, social inclusion has not entered into spheres, beyond areas closely connected with social policy, nor has it entered into lower levels of public administration[22].

2.6.5 Mechanisms followed and evaluation

The execution of the various measures listed in NAPSI is monitored and evaluated by the ministries, in whose competency the execution of such measures belongs. The execution of these measures is subsequently evaluated and becomes a part of NAPSI for the next functional period.

[19] Rakoczyova, M., Trbola, R.: Mainstreaming Social Inclusion, National Report for the Czech Republic, Mainstreaming Social Inclusion Project.
[20] An evaluation of NAPSI execution for 2004-6 was publicised as an annex to NAPSI CZ 2006-8.
[21] Active participation in the project Evaluation of Mainstreaming Social Inclusion can also be an expression.
[22] Rakoczyova, M.: Mainstreaming sociálního začleňování v České republice: výzva české veřejné politice [Mainstreaming Social Inclusion in the Czech Republic: A Challenge for Czech Public Policy].

Part 3 – National Strategy for Pensions

Introduction

The current form of the Czech pension system, which is established on a dominant, national, mandatory, benefit defined and the PAYG pillar (the basic pension scheme) and on a voluntary, supplementary pillar (pension insurance with a state contribution, life insurance), began to take shape in the early nineties, during the last century. The "National Strategy Report on Adequate and Sustainable Pensions", from 2005, contains a description of the pension system and fundamental reform steps made from 1990 to 2004, especially the approval of the Act on Pension Insurance that is currently in force, in 1995. All of reform steps that have been made, especially those approved in the basic pension scheme from 1995 to 2008, have been oriented at strengthening the sustainability of the basic pension scheme, primarily through increasing the participation of older individuals in the labour market. The most recent significant changes to the basic pension scheme were approved by parliament in July 2008 and will enter into force on 1 January 2010.

Since the processing of the "National Strategy Report on Adequate and Sustainable Pensions", in 2005, further progress has been achieved in reforming the pension system. It is described in chapter 3.3.

3.1 The adequacy of pension

In the Czech Republic, the adequateness of pensioner income is secured through mandatory participation in the uniform basic pension scheme during the period of economic activity and through free access to voluntary (state supported) private pension systems. The method of calculating a pension ensures a decreased risk of poverty among elderly citizens through application of income solidarity. In addition to a pension, it is possible to provide both income- and means-tested, one-time or repeated benefits from other social systems.

3.1.1 The basic pension scheme (pillar I)

At present, more than 99% of residents, who are older than the legal retirement age, receive a pension. The relative income situation of elderly individuals fluctuates only slightly below the average level for the EU-25. The median income[23] of individuals older than 65 attains a level of 82% of the median income of the 0 – 64 year-old group (for the EU-25 it is 85%), while for men it is 84% (for EU-25 men it is 88%) and for women, 80% (EU-25, 83%). When comparing the income[24] of individuals in the first years of retirement with those just barely within the pre-retirement age range[25], the Czech Republic is slightly above the average of the EU-25 (52 vs. 51%, for men 50 vs. 54% and for women 56 vs. 50%).

The basic pension scheme creates the conditions making it possible for the entire population to be covered, without regard for the course of economic activity. A considerably extensive scope of periods in which no contributions are paid, so-called non-contributory periods, which are included into pension entitlement (this concerns the period of time, during which, the insured is not active in the labour market and does not pay insurance contributions, but receives pension entitlement), does not exclude individuals with an interrupted professional career. The universality of the basic pension scheme for all individuals, with an age in the range of economic activity, does not allow for differences to arise on the basis of the nature of their employment, their sex, etc. This universality makes it possible to apply income solidarity in the system and throughout the entire society. A great extent of coverage through non-contributory periods;

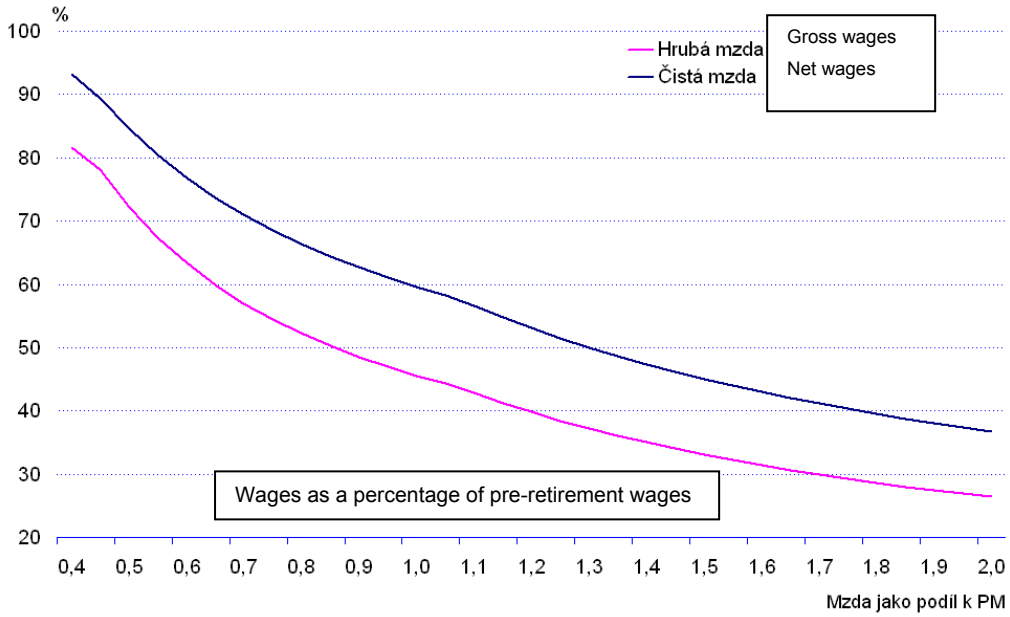
[23] Balanceddisposable income.
[24] Unbalanced income.
[25] Age groups of 65 –74 years and 50 – 59 years.

however, can have a negative effect on willingness to pay cotnributions into the basic pension scheme, because a system set up in this way requires a relatively high rate for contributions. This rate is currently set at 28% of gross income.

The differences in income between men and women is lower in the pension system than it is in the system of rewarding (wages). This is primarily caused by the application of income redistribution and non-contributory periods.

In addition to the solidarity of economically active individuals with individuals, who are not economically active, due to non-contributory periods, another type of solidarity within one generation is the income solidarity. It leads to an increased rate of return from pre-retirement income for individuals with a long-term low income, with the stipulation that with increasingly higher incomes, the rate of return decreases. The application of principles of solidarity in the basic pension scheme enables the prevention of social exclusion and the threat of poverty among certain groups of the population. In contrast, excessive solidarity can act as de-motivating factor for participation in the basic pension scheme. When considering the level of equivalence in the basic pension scheme, it will, therefore, be necessary to ensure that an appropriate compromise exists between the level of solidarity and motivation to participate in the scheme.

Graf 1. The relation of newly granted pension to pre-retirement wages

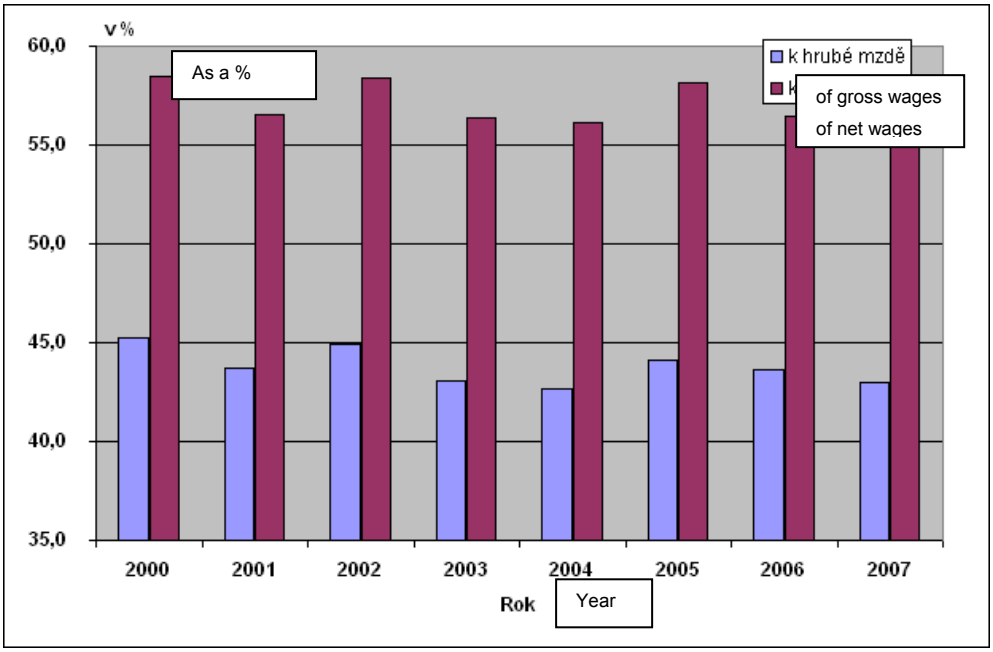


The structure for calculating a pension from the basic pension scheme contains a number of elements, whose value changes annually, so that general wage developments are reflected in the amounts of the granted pensions. The Government decides on the value changes of these elements; wherein it must adhere to data from the Czech Statistical Office (CSO) and Czech Social Security Administration (CSSA), which as the main authority in charge decides on pension entitlement. Pensions from the basic pension scheme are neither means nor income tested with the exception of early old-age pensions (in the case of gainful activities carried out until the date that the retirement age is reached, payment of the pension in question has no bearing on the fact that after completion of these gainful activities, the amount of the pension shall be calculated again, taking into account the newly acquired insurance period). In the event that one's own pension (e.g. old-age pension) is being paid out at the same time as a survivor pension (e.g. widow's pension), payment of the lower pension is reduced in a designated manner. The minimum amount of a pension is prescribed by a basic assessment and a lowest percentage assessment. The application of the living minimum and the subsistence minimum is another instrument, concerning the protection of elderly citizens (and not only them), which

exists outside of the basic pension scheme. Among other things, it is a criterion for the provision of benefits for assistance in material need (including pensioners with a low pension) and in determining the recipients of state social support benefits as well as the amount of these benefits.

The dynamic nature of the basic pension scheme and the adequateness of newly granted pensions is prescribed, as has been stated above, through annually updating the actually acquired income, on the basis of which pension calculation is carried out in connection with general wage developments.

Graf 2. The relation of the average newly granted old-age pension and average wages (in %)



Concerning the paid out pensions, an adequate level is ensured through regular adjustments. Basic rules for pension adjustments include:

- Paid out pensions increase annually, each January; this is done differently only with a very low level of inflation (the increase would be less than 2%) or a very high level of inflation (at least 10%); in April 2008, the Czech Republic's Parliament approved a proposal, which allows the Government to increase pension with a decree, in the event of at least 5% inflation, increasing the significance of this measure as a safeguard against a sharp decrease in pension levels due to high inflation (this possibility was utilised for the first time to raise pensions, beginning in August 2008),
- Increases in oension are determined in such a way, that for the average old-age pension it amounts to at least 100% of the price index growth as well as at least one-third of the growth of real wages,
- The exact increase is determined by a government decree, wherein the increase can be higher than the minimum stipulated by law,
- The growth of prices is ascertained for regular increases, effective beginning in January, over a period of twelve months ending in July in the calendar year preceding the pension increase; for ascertaining growth in real wages, the calendar year, two years before the year of a pension increase is decisive,
- The Government decides on pension increases; wherein it must be based on data from the CSO and CSSA.

Legal regulations in force allow old-age pensioners to receive income from gainful activities, in addition to their pension, without regard to the amount of this additional income.

The possibility to increase a pension with gainful activities, after entitlement to old-age pension, which has a long tradition in Czech legislation, is one of the measures, enabling pensioners to retain an adequate standard of living . In spite of the fact that gainful activities can increase a pension after inception of entitlement, the current legal regulations in force, regarding this issue, are not neutral from the actuarial point of view and, as a result, gainful activities are not motivating for all insured income groups.

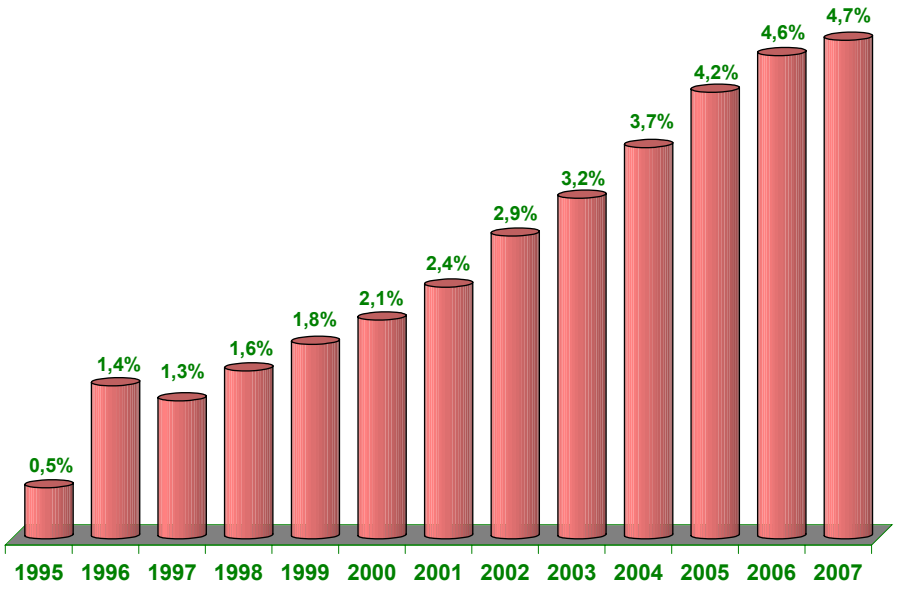
The basic pension scheme contributes significantly to lowering poverty among the older generation. The intention is to carry out all future changes in such a way as to prevent threatening the solidarity and the danger of social exclusion among individuals of retirement and pre-retirement age. In contrast, these changes should be oriented at retaining the current low level of the threat of poverty among elderly individuals.

3.1.2. Private pension systems (pillar III)

The state provides incentives for supplementary pension insurance with state contribution operated by pension funds and for life insurance at commercial insurance companies. A description of private pension systems is contained in the “National Strategy Report on Adequate and Sustainable Pensions” from 2005. During the period subsequent to the indicated report, no significant changes in this area have been made.

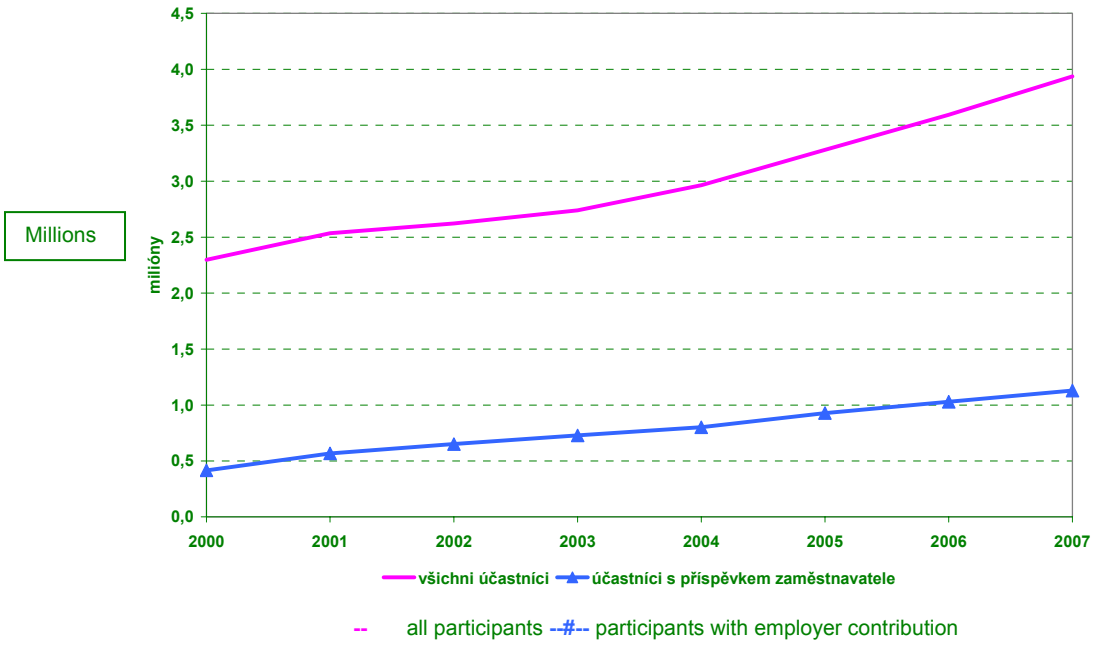
Ten pension funds are currently operating in the market of pension insurance with state contribution, making this market fairly transparent. As of the end of 2007, the overall assets of pension funds had reached an amount of 167 billion CZK.

Graf 3. Pension fund assets as a % of GDP



As a product, a supplementary pension insurance with a state contribution is easily understandable to extensive levels of residents, due to its simplicity. This enables the participation of low-income and economically inactive resident groups. At present, 4 million participants are involved in this system.

Graf 4. Development of the number of participants and participants with an employer contribution



The average participant contribution amount is low (currently it amounts to nearly 6,000 CZK per year) and since 1999 it has stagnated at a value of 2% of average wages. The average state contribution amounts to approximately 100 CZK per month. Employers contribute to approximately 23% of all participants (the average contribution per participant exceeds 500 CZK per month). Participants older than 60 years of age make up 22% of all participants and the age group from 40 to 59 years accounts for 45% of this total. The level of coverage for the supplementary pension insurance system, as a percentage of population between 15 and 64 years of age, is 46.5%. In light of the fact that a participant's age cannot be lower than 18 years, the level of coverage is also expressed for the age group from 18 to 64 years, which amounts to 49%. So far, supplementary pension insurance with state contribution have been used most for mid-term savings, rather than for supplementary income during retirement. Since the system's establishment, lump sum payments account for 71% of all paid out benefits, while termination settlements comprise 25% and old-age pensions (the vast majority of which are not life annuity) make up less than 1% of the benefits.

In addition to supplementary pension insurance with state contribution, private life insurance, which is currently offered by 17 insurance companies, is available as part of the third pillar. In 2007, written premiums for contracts, appropriate for securing a pension, reached 28.2 billion CZK divided between 3.4 million insurance contracts. The average annual written premium for one contract is 9,200 CZK. Employers contribute to their employees in 402 thousand contracts with an average annual amount of 6,200 CZK per contract. Private life insurance products benefit from tax exemptions, which, after their introduction, contributed to significant growth in life insurance.

At present, pensions from private pension systems contribute, at a negligible rate, to pensioners' incomes. The average amount of a participant's contribution to a supplementary pension insurance with state contribution and the average amount of a premium for a private life insurance remain below a level high enough to make possible the accumulation of financial resources sufficient for a life annuity pension payout at a "reasonable" amount.

3.2 The financial sustainability of the pension system

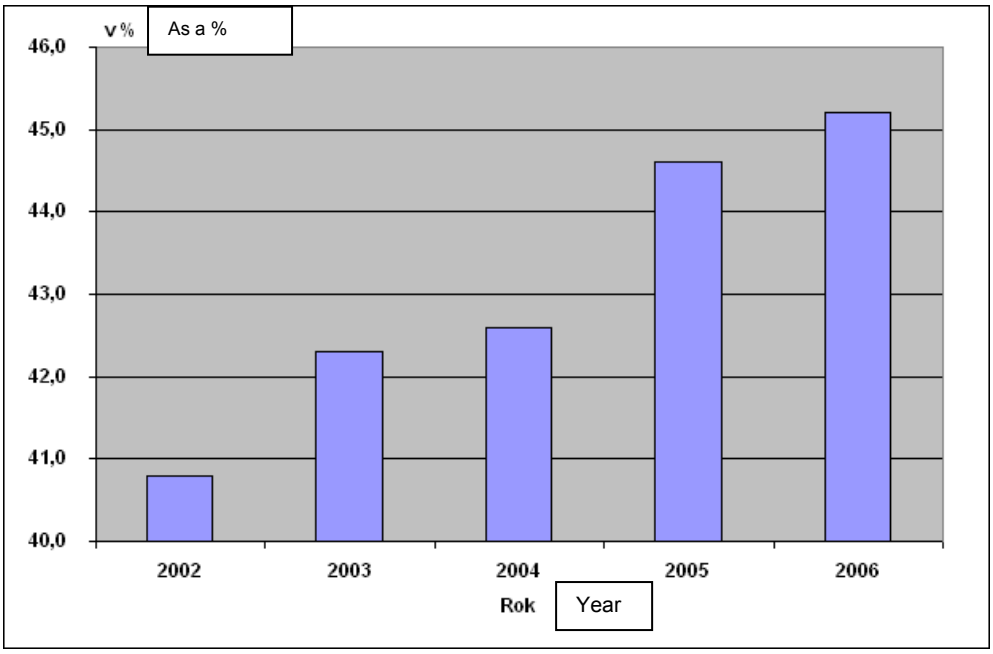
The financial sustainability of the basic pension scheme is a vital prerequisite in securing an adequate pension amount, on the basis of the agreed-upon level of solidarity. Real possibilities

of receiving income from private pension systems must also be taken into account. Measures should focus on increasing the employment level in general and, afterwards, especially on retaining older individuals in the labour market, on the development and increased use of private pension systems with the increased participation of citizens in these systems. They should also, subsequently, focus on improving the age structure of economically active citizens and strengthening the security of these systems. For obtaining long-term financial sustainability, it will be necessary to implement further changes to the existing pension system and, simultaneously, to approve measures in public finances, which will prevent increases in government debt. Measures concerning the labour market and pension system should create incentives for a high employment rate among older individuals (55 to 64 years).

Increases in life expectancy must be accompanied by corresponding increases in professional life. Increasing employment is a significant factor in improving the financial stability and sustainability of the pension system. Thanks to the acceleration of economic growth in recent years, which has been accompanied by a decrease in the unemployment rate (from 8.3% in 2004 to 7.1% in 2006 and to 5.3% in 2007 with further decrease expected), the real age for leaving the labour market has increased by 0.4 years (from 60 years of age in 2004 to 60.4 years in 2006). However, these values remain significantly below the EU-27 (or the EU-25) average.

In 2007, the employment level for individuals 55 to 64 years of age was 46% (59.6% for men, 33.5% for women), which, in comparison with 2004, is 3.3 percentage points higher (2.4 percentage points for men, 4.1 percentage points for women). A Lisbon Objective designates that, by 2010, the employment level for these individuals should be 50%. On the basis of recent trends, it can be assumed that the Czech Republic could reach this level, by 2010.

Graf 5. Development of the employment of older individuals (55 – 64 years old)



Despite the series of changes implemented in the basic pension scheme that were described in the “National Strategy Report on Adequate and Sustainable Pensions” from 2005, continuing to strengthen the long-term financial sustainability with the approval of further reforming steps is crucial. The further evolution of pension reform is to a great degree determined by the demographic development forecasted for roughly the next fifty years. According to current demographic prognoses, the tempo of ageing in the Czech Republic will be one of the fastest in Europe. Over the past 15 years, average life expectancy has increased by four years. It is expected that this positive trend will continue and that for each additional six years, average life

expectancy will increase by one year. This fact, combined with the negative trend of a falling birth-rate, will result in significant increase in the amount of older individuals as a portion of the total population. Currently, the portion of individuals over 60 years of age is 20% of the total Czech population. In 2020, it is expected that every fourth citizen will be older than 60 years and, in 2050, the portion of individuals older than 60 years will amount to 36% of the total Czech population. If the portion of individuals older than 65 years of age is compared to individuals from 15 to 64 years of age, it was 20% in 2005 and it is expected that, in 2050, it will reach 55%.

In July 2008 the Czech Parliament approved parametric changes, which will enter into force 1 January 2010, whose objective is primarily to stabilise the basic pension scheme.

3.3 The development of pension reform through the years until 2008

The Act on Pension Insurance, approved in 1995, introduced fundamental measures, such as, for instance, gradually increasing the retirement age and simultaneously bringing retirement age for men and women closer together as well as taking into account general wage increases when calculating pension amounts. In spite of this, however, within a relatively short time after the Act entered into force, certain deficiencies in the basic pension scheme began to gradually express themselves. These deficiencies arose both form amendments which were inserted into the original proposal as part of the legislative process as well as from different economic, social and demographic developments than those that were considered when the Act on Pension Insurance was prepared during the early 1990's.

These issues were gradually responded to with a series of adjustments, wherein the most recent significant changes were accepted so as to enter into force on 1st January 2004, when, as part of public budget reforms, changes were made both in terms of revenue for the system (in the Act on Premiums) as well as in terms of expenses (in the Act on Pension Insurance). These adjustments were described in the "National Strategy Report on Adequate and Sustainable Pensions" from 2005.

As stated above, in the "National Strategy Report on Adequate and Sustainable Pensions" from 2005, a Team of Experts for the Preparation of Pension Reform, composed of representatives of the political parties represented in Parliament's Chamber of Deputies, representatives of the Prime Minister, the Minister of Labour and Social Affairs and the Minister of Finance, was established in March 2004, on the basis of a political agreement. The task of this Team of Experts was to prepare the organisational security of the pension reform process.

The Final Report on the activities of the expert working group from June 2005 contains a detailed analysis of submitted proposals along with comparisons between them (available in Czech and English language versions at MoLSA's website). The Final Report was positively accepted not only by the broader professional public, but also on a political level and scepticism concerning the conclusions and calculations, included in the Final Report, was not expressed.

Since July 2005, political negotiations, arising from the above-mentioned Final Report as well as from additional documents prepared by MoLSA and MF, have continued. The proposal for an "Agreement of Political Parties on Further Progress in Pension Reform" from December 2005 is a result of these negotiations.

This proposal contained four basic theses on additional steps towards pension reform:

- leave the key role in ensuring pension incomes with the state, mandatory, solidary basic pension scheme,
- continue in gradually increasing the retirement age with the objective status being 65 years of age for men and women (by 2036),
- create financial reserves for pension reform from surplus generated through premiums for pension insurance and from the part of privatised resources and separate these financial resources from the national budget,

- support further development of supplementary voluntary pension systems so as to increase the portion of income from the voluntary supplementary pillar in overall pension incomes.

However, the proposal from the political agreement was, in the end, not signed.

After elections for the Czech Parliament's Chamber of Deputies in June 2006 and after the establishment of a new Government in January 2007, the Government's Programme Declaration was approved, including, among other items, an intention to implement pension reform in three phases.

Phase I of the planned pension reforms contains a collection of measures that build on the conclusions included in the Final Report and on the unsigned proposal for an Agreement of Political Parties, from December 2005. The various measures should contribute to the improved financial sustainability of the basic pension scheme, to the removal of certain micro-economic deficiencies and to ensuring its improved long-term stability.

During 2008 and 2009, issues concerning private pensions should be resolved as part of phase II of the pension reform.

Phase III of the pension reforms will focus on resolving the diversification of resources for retirement income with the possibility of redirecting a small portion of mandatory premium payments into the basic pension scheme, at the discretion of the insured, into the private system (implementation of an opt-out possibility).
The Czech Republic's Parliament approved the corresponding legislation to proceed with phase I of the pension reform, in July 2008. Before Government hearings, regarding phase I, proposed changes were discussed in the Political Commission for Pension Reform, made up of representatives of parliament's political parties. Proposals were also discussed in the Council for Economic and Social Agreement (Tripartite), which is composed of representatives of the Government, employers and unions. Conceptual documents and proposals for legislative changes for pension reform phases II and III should be prepared during 2008 and into 2009 with the intent of better preparing the pension system for future challenges, beginning in 2010.

3.3.1 Approved changes in the basic pension scheme

The most significant, specific, approved measures concerning the basic pension scheme (in greater detail in Annex 3.2) include:

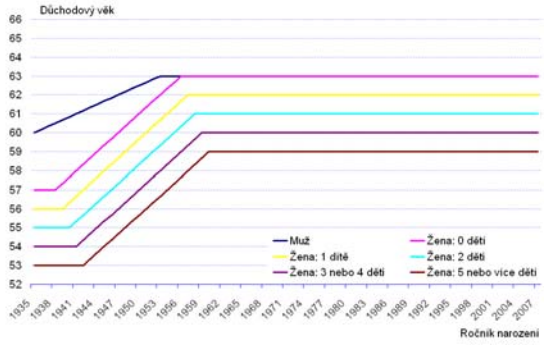
- Cancellation of the validity of a period of studies, received anytime after 31 December 2009, as a non-contributory pension period, with the exception of assessing entitlement to a disability pension.
- Unification of retirement age for men and women, until which the so-called added-in period[26] for the percentage amount of a disability pension shall be ascertained.
- The smooth continuation of gradual increases in the retirement age to 65 years for men and for women, who have raised no children or one child, and to an age from 62 to 64 for women (depending on the number of children raised), if they raised at least two children.
- The gradual lengthening of the insured period necessary for becoming eligible for a old-age pension from 25 years to 35 years, including non-contributory periods. The pace of lengthening – one year for each year of the act's validity.
- The gradual limiting of the inclusion of non-contributory insurance periods, even for entitlement to an old-age pension, to 80%, with the exception of such times by virtue of personal care for a child younger than 4 years of age or for a person, who is dependent on the care of another individual or due to the performance of former, basic military service.

[26] The period from the day when a claim to entitlement to disability pension was established until attainment of retirement age

- The unification of the existing fixed retirement age for a woman's "permanent" entitlement to a widow's pension (currently 55 years of age) and for a man´s "permanent" entitlement to a widower´s pension (currently 58 yeas of age) to an age that is 4 years lower than the retirement age would be for a man with the same birth date.
- A new definition of disability (introduction of a three-degree disability) with "permanent" protection of the amount of existing partial disability pensions, in the case of a disability level change from the 2nd degree to the 1st degree. (Two types of disability have existed up to now, namely full disability pension and partial disability pension. Instead of them, a single disability pension with three degrees has been introduced.)
- Change of a full disability pension to an old-age pension of the same amount upon reaching an age of 65 years.
- An increase in the percentage amount of old-age pension for the period of gainful activities, performed after the inception of entitlement to an old-age pension, when simultaneously obtaining this pension in its entirety, by 0.4% of the calculation base for every 360 calendar days or, when simultaneously obtaining this pension at half its full amount, by 1.5% of the calculation base for every 180 calendar days.
- An increase in the reduction of the percentage amount in case of the early old-age pension beginning from the third year.
- Cancellation of the conditions for entitlement to an old-age pension in addition to income from gainful activities, which lie in arranging an employment relationship, at longest, for a period of one year.

Through the proposed measures regarding the basic pension scheme, in essence all the intentions that were considered (and that were also included) in the National Strategy Report on Adequate and Sustainable Pensions, from 2005 (Part 3.2.4 Strategy for the solution of differences in financing), will be implemented. The combination of all proposed measures should lead, in the mid-term and long-term perspective, to a gradual lowering of expenditures for the basic pension scheme by roughly 1.2% of GDP (at the end of 2050). In terms of its economic impact, the most significant measure consists of ongoing increases of the retirement age to 65 years old for men, childless women and women, who raised one child and to 62-64 years old for other women.

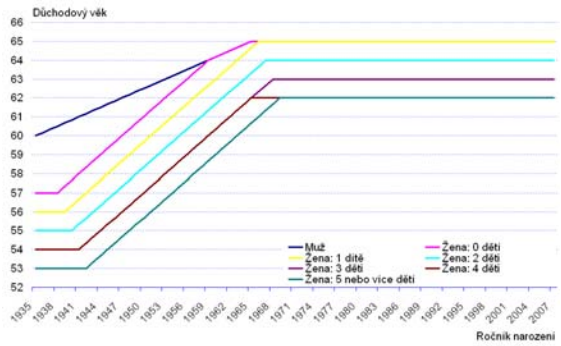
Graf 6. Increasing the retirement age – legal stage, until 31.12. 2009



Year of birth

Men	Women: 0 children
Women: 1 child	Women: 2 children
Women: 3 or 4 children	Women: 5 or more children

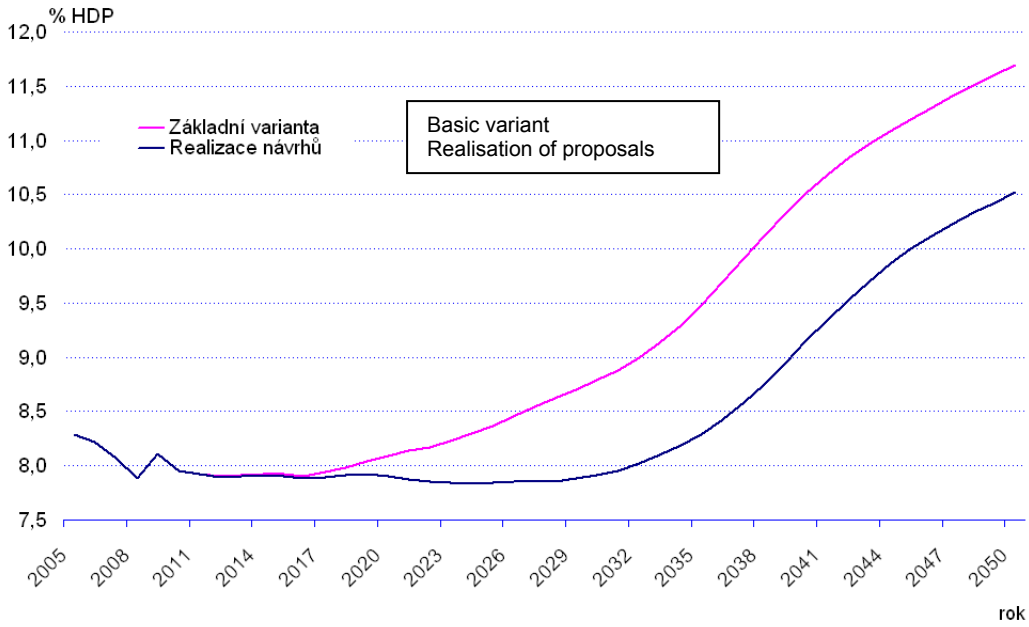
Graf 7. Increasing the retirement age – legal stage, after 1.1. 2010



Year of birth

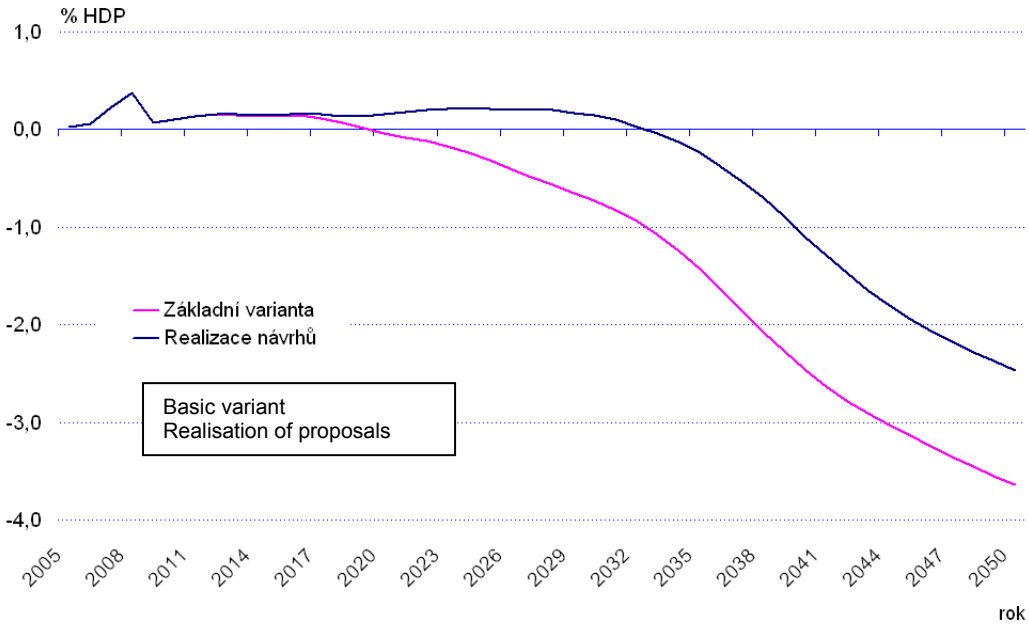
Men	Women: 0 children
Women: 1 child	Women: 2 children
Women: 3 children	Women: 4 children
Women: 5 or more children	

Graf 8. Development of the pension system expenditure as a % of GDP



Proposed changes in phase I of the pension reform contribute in a significant way to improving the financial sustainability of the basic pension scheme. The results will include not only limiting future expenditure in relation to GDP, but also the rather significant postponement of the moment, when expenditure in a given year exceed revenue from premiums for pension insurance, which creates some space for the preparation and implementation of possible additional measures. In spite of improvements to the balance, according to projections, the system will show a deficit of approximately 2.5% GDP, in 2050, which points to the need for further changes.

Graf 9. Development of the basic pension scheme's balance as a % of GDP



3.3.2. The further continuation of pension reform

As part of further pension reform steps, issues concerning private pensions will be resolved further. Within the section for supplementary pension insurance with a state contribution and private life insurance, the preparation and realisation of necessary changes is intended, primarily:

- separation of the assets of stockholders and participants, introduction of the possibility of providing different pension plans,
- increasing the motivation for higher contributions,
- increasing employers participation,
- support for receiving annuities from a supplementary pension insurance and private life insurance.

Preparation of these measures, which should make the system safer and more profitable and which should increase motivation to participate in it (MF is the responsible body) On 27 June 2008, the Government discussed materials relating to this issue. The intent of authorised body (MF) and the joint-authorised body (MoLSA) is to prepare an entirely new Act on Pension Saving. This is a change from the original intent, which was to "merely" amend the existing Act on supplementary pension insurance with a state contribution.

Resolving the diversification of resources for retirement income with the possibility of redirecting a small portion of mandatory basic pension scheme premium payments into the private system (implementation of an opt-out option) on the basis of voluntary decesion. Insured would be able to choose whether their pension will flow exclusively from the state's basic pension scheme or also partially from the new savings pillar of the pension system. Insured, therefore, would not decide whether they will or will not pay contributions to old-age pension securities, but merely what type of resources will finance their future pensions.

Corresponding passages of the Final Report of the Executive Team for preparing documents for deciding on pension reform in the Czech Republic (the so-called Bezděk´s Commission), which contain analyses of reform proposals submitted by the political parties represented in Parliament's Chamber of Deputies, including the introduction of the "opt-out possibility"

comprise a starting point for further work (see the “National Strategy Report on Adequate and Sustainable Pensions“, from 2005). Additional helping documents include MoLSA publications prepared during the previous time period. The first step should be submittal of the conceptual materials for Government discussion. Further steps will depend on a Government decision.

3.4 The relationship between pension insurance and changing conditions, the labour market and various employment (gainful activity) models

The objective of the modernisation of the Czech basic pension scheme include its improved ability to react to the changing needs of society and individuals, adapting to various forms of employment and the requirements of geographic mobility, completely respecting the principle of equal treatment for men and women and transparency and trustworthiness for citizens. In connection with this modernisation, another objective is to ensure ongoing and, as much as possible, complete dissemination of information for citizens on their entitlements from the basic pension scheme.

3.4.1 Impact of the changing external conditions on the basic pension scheme

In contrast with its status before 1996, the current basic pension scheme is dynamic, because it reacts to surrounding developments. The proposal for the continuation of gradual increases of the retirement age of entitlement for an old-age pension, which began in 1996 and has continued uninterrupted to the present, is a reaction to increasing life expectancy . Likewise the period, from which incomes are ascertained for calculating pensions, has been gradually lengthened, since 1996, from its original ten year length (with the possibility of selecting five of the best earning years) towards its ultimate objective, a 30 year period, in 2016. In this way, the pension system will take into account participants´ economic activity more (objectively). The values of certain elements in the equation for calculating pensions change annually depending on general wage developments. In accordance with the law, pension adjustments must completely take into account price increases as well as one third the growth of average real wages. In reaction to accelerated inflation at the end of 2007, a measure was approved that enables the adjustment of pensions at an irregular time, with inflation growth of just 5%, while this limit had previously been set at 10%. The first pension adjustment, according to this rule, occurred at the beginning of August 2008. In this way, the danger of a sudden decrease in the level of pensions, due to fluctuations in the growth of inflation has been removed, even into the future.

3.4.2 Mobility and individual coverage with pension insurance

The universal, unified and mandatory Czech basic pension scheme does not hinder the mobility of individuals and it covers all economically active individuals, including individuals that change employment relatively often and those who are economically active on a part-time basis, inasmuch as they carry out gainful activities in at least the minimal extent. The basic pension scheme also does not hinder independent gainful activities. The fact that an insured was not, during the period, from which income is ascertained for calculating a pension, constantly gainfully employed and did not, therefore, have any income for this period can influence the amount of the pension. This danger is, however, decreased with the institution of excluded periods. These are periods of time that lie within the determining period, when income is ascertained for calculating a pension, during which the insured does not have any income from qualified pensions (primarily care for a child, care for a disabled individual, a period of “recorded” unemployment).

As far as private pension systems are concerned, their legislation also forms no obstacles hindering labour force mobility.

3.4.3 Equality between men and women

The labour market represents a fundamental area, in which promoting the principle of the equality of women and men is necessary, because pension benefits are derived from previous income amounts. Gradually decreasing the differentiation of the age limit of eligibility for a old-age pension for men and women is a measure that significantly decreases the difference between men and women. As far as the basic pension scheme is concerned, the principle of equal treatment for men and women has been implemented.

Different retirement age of eligibility for a old-age pension for men and women, which have existed up to the present time, are considered to be a temporary exception to the principle of equal treatment that is made possible by the Council Directive from 19 December 1978 (79/7EEC), on the progressive implementation of the principle of equal treatment for men and women in matters of social security. As part of phase I of pension reforms, a measure meaning that the process of raising these age limits would not end in 2016, or perhaps 2019, as current legislation intends, but, in contrast to continue with gradual increasing the different old-age limits, more drastically with the limit for women, with an objective of unifying these age limits for men and women in the future.

In 1996, the conditions of eligibility for survivor pensions for men and women were also, in essence, consolidated as was the manner of determining their amount. Currently, legislation contains a differing age, at which the survivor becomes permanently eligible for a survivor pension. This differing treatment will be removed with a measure approved as part of phase I of pension reforms.

Since 1996, the position of men and women has become closer, even when considering the issue of evaluating time spent caring for children younger than 4 years old. Since 1996, this period has also been included for men for the purposes of the basic pension scheme, inasmuch as he is truly caring for the child (naturally, the same time period of caring for one child cannot be claimed simultaneously for a man and a woman). Different position of men and women, however, arose from the fact that while a woman could verify a period of care for a child merely on the basis of a signed statement, in connection with a pension hearing, a man had to submit a special application for participation in pension insurance due to caring for a child, which had to be submitted within two years of the end of the caring period. Otherwise, he could not be included in pension insurance due to caring for a child. Moreover, the corresponding district social security administration decided on the period and extent of a man's care for a child. This unequal position between men and women was removed in 2007. A change in legislation, as a result of the ruling of the Czech Constitutional Court on this issue, from 2006, rests on the idea that the period of time spent caring for a child for all beneficiaries (men and women) be verified in the same manner, by a signed statement submitted along with an application for a pension (wherein the principle that the same period of time caring for a single child can only be counted towards a single insured).

3.4.5 The modernisation of insurance carriers

The insurance body for the "civilian sphere" is CSSA, which was established in 1990 by combining pension insurance and sickness insurance carriers. It is an independent organisational body of the state administered by MoLSA. CSSA's central operations include the execution of pension insurance and sickness insurance, implementation of medical assessment services, collection of premiums and fulfilment of tasks arising from international treaties and EC law. In spite of a number of problems related with financing operations and human resources expenditure, ongoing efforts focus on the overall improvement of CSSA's technical capabilities with the objective of maintaining a modern institution with a high level of contact with beneficiaries. Since 2005, employers submit regular annual reports on pension insurance to the CSSA, which contain data necessary for assessing pension insurance eligibility.

Beginning 1 July 2005, a register of beneficiaries, whose data are continuously updated and added to, has been created and maintained. In so doing, the conditions for regularly informing beneficiaries on the data on file, concerning their participation in pension (and sickness) insurance. During 2006, distribution of written information, concerning these data, free of charge and at the request of an insured, was introduced (so-called individual accounts of insured person). CSSA makes it possible to receive electronic submittals through over the internet through the Portal for Public Administration or on some type of storage media. CSSA clients can utilise several types of electronic submission. The can electronically submit pension insurance records, employee applications and cancellations for sickness insurance and the Overview of Revenue and Expenditure for self-employed persons.

Part 4 – National Strategy for Healthcare and Long-term Care

4.1 Key problems and priority objectives relating to healthcare and long-term care

The forecasted prognosis clearly shows the basic trend in the **age structure of the population of the Czech Republic**. According to the CSO, future development is likely to show a continuing decline in the number and percentage of children in the population, as well as a reduction in the number and portion of people between 15 and 64 years old. However, the greatest changes will occur in the age category of 65 and above, because the higher birth rates that occurred after 1940 will begin to increasingly impact this age group. Within senior age groups, the number of people in the oldest category, over 80 years of age, will increase the most rapidly. People over the age of 65 currently make up nearly 15% of the entire population, in 2020 this is expected to rise to a fifth and, according to the medium projections of the prognosis, by 2050, this portion will approach one third.

Demographic developments in the Czech Republic confirm the need to reform the healthcare system to focus more on long-term care, an issue that was emphasized in the Joint Report on Social Protection and Social Inclusion 2007[27].

The Czech Republic continues to deal with issues that were identified in the National Strategy for Healthcare and Long-term Care for 2006-2008[28]. **Strategic objectives** dealt with in the Czech Republic in the field of healthcare services (Ministry of Health) and long-term services (Ministry of Health and Ministry of Labour and Social Affairs) continue to focus on deficiencies in the systems of healthcare and social services and on the objectives and measures formulated in strategic documents.

We consider the main topics in the area of healthcare and long-term care services to be:

1) improving the health of the population,

2) a sustainable, high-quality and accessible system of healthcare services,

3) the integration of social and healthcare services,

4) a community approach to these services.

After the 2006 parliamentary elections, the Ministry of Health initiated a reform of the healthcare system. The fundamental aims of the reform are to ensure that each citizen will be able to select healthcare services according to their needs and that each will be guaranteed an appropriate level of healthcare service quality with the shortest possible waiting time. Given that long-term

[27] EU Council (66694/07): Joint Report on Social Protection and Social Inclusion 2007.

[28] The National Report on Healthcare and Long-term Care as part of the National strategy report for Social Protection and Social Inclusion for 2006-2008 approved by Government Resolution no. 1028 on 30th August 2006.

care services are one form of healthcare, the same basic principles apply to healthcare and long-term healthcare services.

Basic **problems** in healthcare

- unequal access and differing levels of healthcare service quality in different regions of the Czech Republic.
- as much as 20% of healthcare funding is not being utilised due to unmonitored wasteful spending,
- current legislation provides inadequate an unenforceable regulations concerning patient rights,
- it is not possible to pay extra in order to secure deluxe healthcare,
- neither physicians nor health insurance companies are motivated by successful patient treatment outcomes,
- today's system does not take into account the increased needs of chronically ill patients and puts them at a disadvantage.

Newly prepared legislation, which should be debated in the Czech Houses of Parliament this year, should help in overcoming these deficiencies.

An example of one of the measures to improve the coordination of healthcare and other services, supporting interaction between politicians at national, regional and local levels, as referred to in the Joint Report 2007[1], can be taken from centralised interdisciplinary cooperation – the organisation of a so-called Round Table (see Example 1 in Annex 4.2).

Developments in domestic hospice care in the Czech Republic form another example of how the Joint Report 2007[1] is being implemented in developing long-term domestic care with the support of informal caregivers (see Example 2 in Annex 4.2).

4.2 Healthcare

4.2.1 Progress in relation to the national strategic reports for 2006 – 2008 and problems listed in the Joint Report from 2007

The current system of healthcare in the Czech Republic was described in the previous report[2]. In accordance with applicable legislation, the system of division of forms of care and the definitions of the individual categories of care and healthcare facilities have been retained. At the beginning of 2008, regulatory fees were introduced (for more information refer to Chapter 4.2.2). New legislation is expected to continue the established trend towards accessible, high-quality and sustainable care.

On 1.1.2007, the Act on Social Services entered into force and this, along with the amended legal regulations concerning public health insurance, make possible a new option for the provision and payment for so-called special outpatient care in social service facilities and, in contrast, allow for the provision of social services in healthcare facilities.

As part of these healthcare reforms, discussions to find alternative methods of financing long-term services, which lie between healthcare and social services, are ongoing. If an individual is hospitalised for a specific length of time and it is obvious that they will remain in institutional

care and that most of the services provided will be social in nature, rather than medical, the patient will begin to contribute to the social service expenses, provided in the healthcare facility in the same way as such social services would be covered in a social services facility. This should lead to the more effective use of money saved from public health insurance.

Current legislation contains no precise definition of healthcare (healthcare services) and, for this reason, government authorities in the healthcare sector are continually having to decide whether the activities of certain entities do or do not constitute healthcare services, and therefore whether a certain entity should be authorised to provide healthcare services. The basic definition of healthcare services as a totally new term with regard to existing legislation, the conditions under which they can be provided, the rights and obligations of persons providing healthcare services, patient rights and obligations (the recipients of healthcare services), whose status in the process of providing healthcare services is improving significantly, the rights and obligations of healthcare service providers and healthcare personnel, are dealt with in the proposed Act on Healthcare Services and Conditions for their Provision. Emphasis will be placed on the safety of patients and their individual needs.

Conditions regulating the provision of healthcare services will be set forth in legislation uniformly applicable to all providers of such services. This will lay the groundwork of equal access for natural persons and legal entities in the provision of healthcare services.

The proposed acts will define patient rights far more extensively and specifically than previous legislation. During healthcare provision, the patient will be an equal partner with the provider and healthcare workers, with the right to approve or refuse any healthcare services offered, on the basis of properly communicated information and instructions concerning the healthcare services offered. Patient rights will be primarily regulated, in accordance with the principles set forth in the European Convention on Human Rights and Biomedicine and other principles for which provisions are made by EU Member States.

The prepared legislation also monitors whether the level of healthcare provided is of a comparable level with such services as they are offered in the traditionally more economically advanced European Union Member States.

Concerning the strategy for attracting and maintaining staff, we are in full compliance with the principles of the free movement of workers, freedom to provide services and freedom of establishment.

Preventive screening programmes for selected cancer-related conditions, which are covered by public health insurance, have contributed to improving the state of health of the general population, and thereby to stemming increases in healthcare costs. The National Cancer Control Programme of the Czech Republic has been developed, based on the circumstances and needs of the Czech Republic and in accordance with conclusions reached by the World Health Organisation (WHO), concerning the monitoring of cancer-related diseases. The objective of the National Cancer Control Programme of the Czech Republic is to reduce the incidence of cancer-related diseases and related mortality rates, to improve the quality of life of cancer patients and to make costs for the diagnosis and treatment of cancer-related diseases in the Czech Republic reasonable. In the Czech Republic, emphasis is placed on prevention, the centralisation of care as well as on the accessibility and quality of the care provided.

Verification of support for the prevention of cancer-related diseases can be found in preventive programmes: cancer-related screening also forms part of the regular preventative check-up covered by public health insurance and performed by general practitioners. Three screening programmes currently exist in the Czech Republic: a fully functional mammogram screening and screening for endometrial cancer, while screening for colorectal carcinoma is on the verge of being introduced. We have a programme for early diagnosis of prostate carcinoma, but screening for prostrate carcinoma has not yet been introduced.

A so-called Network of Comprehensive Oncology Centres has been created in the Czech Republic. Cancer-related care is concentrated in centres that can guarantee comprehensive

care at all stages of the disease. This ensures professional, high-quality and accessible care while guaranteeing the effective use of funding. An all-inclusive system of data acquisition covering the occurrence of tumour diseases, the National Oncology Register, has been operating with great success in the Czech Republic for a number of years. It provides aggregate data for statistical processing, epidemiological studies and medical research.

4.2.2 Priority Policies Related to Joint Objective J (Accessibility)

The structure of the healthcare facility network has not changed significantly, in recent years, and any significant healthcare accessibility problems remain strictly local. The number of institutional care facilities is undergoing gradual change: certain small inpatient facilities for acute care are either closing acute beds with the intention of continuing to operate merely as highly specialised healthcare institutions, or they are being transformed into facilities for the provision of after-care. Where acute care departments are being closed, this is due to inadequate staffing and the low number of medical treatments performed. An insufficient number of medical treatments performed results in the decrease of skills among medical professionals, which subsequently lowers the overall quality of the healthcare provided.

In accordance with international trends, one-day healthcare services have been developed. The introduction of these types of healthcare services has been stimulated by a need to improve the effectiveness of the healthcare services provided, as well as the necessity of enabling patients to remain, as much as possible, in their own social environment. In particular, this concerns the performance of certain minor surgical procedures, the long-term administration of certain medication that can only be administered in the presence of a physician, systematic psychotherapy for patients, while maintaining social contact with the family, etc.

In accordance with the Act, a patient has the right to select his/her health insurance provider, healthcare facility and means of transport.

Access to healthcare in the Czech Republic is based on participation in the public health insurance system. Under this system, every individual who is a permanent resident, residing within the Czech Republic, or is employed by an employer with a registered office or permanent residence within the territory of the Czech Republic, is insured. Other individuals, who are covered by Council Regulation EEC 1408/71 or by bilateral agreements concerning social security that deal with health insurance issues, also have access to the public health insurance system and to healthcare. Given the fact that every Czech citizen has permanent residence, as well as approximately 1/2 to 2/3 of all foreign nationals, and many additional foreign nationals are employed here, we estimate that the prevailing majority of the population is ensured access to healthcare. Nonetheless, health insurance for the children of third country nationals, who do not have permanent residence in the Czech Republic[29] is seen as problematic, as is the affordability of private health insurance for foreign national entrepreneurs and the family members of foreign nationals who are unemployed. Every individual covered by public health insurance has an indiscriminate right to the same extent of healthcare. In general, we can summarise by saying that, with the exception of certain groups of foreign nationals, healthcare services are freely accessible to all and their extent is quite broad.

A co-payment system has not yet been introduced, however there are some exceptions, such as prostheses, certain dental procedures and additional charges for medicines. Due to the easy accessibility of healthcare services and their being offered free of charge, the previous system was often abused. For this reason, regulatory fees were introduced on 1.1.2008. To simplify the situation slightly, it can be said that these regulatory fees are 30 CZK for a physician's visit that involves a clinical examination, 90 CZK for emergency services, 60 CZK for each day of hospitalisation and a 30 CZK prescription fee for any prescription medication or food product taken for specific medical reasons, that is fully or partially covered by health insurance, regardless of the number of packages. The legislation provides for personal and material

[29] Foreign nationals may generally obtain permanent residence on the territory of the Czech Republic after 5 years of legal residence in the Czech Republic.

exceptions to the obligation to pay regulatory fees. The introduction of regulatory fees was accompanied with the introduction of an annual financial ceiling of 5,000 CZK, which covers 30 CZK regulatory fees and additional medication charges. Provision is also made for the impact on socially disadvantaged groups in the population. For example, no one receiving assistance in material need is required to pay regulatory fees.

Apart from ensuring access to all healthcare facilities for persons with limited mobility and orientation, emphasis will also be focused on training medical professionals in the communication skills necessary for effectively communicating with persons with disabilities, to enable them to respond adequately to their needs and wishes, by which the measure set forth in the previous Report will be fulfilled.

4.2.3 Priority Policies Related to Joint Objective K (Quality)

Since 1998, in the Czech Republic, the independent accreditation agency United Accreditation Commission of the Czech Republic (Czech acronym: SAK CR) has carried out an external evaluation of the quality of the healthcare administered in hospitals. For the time being, the International Society for Quality in Healthcare (ISQua) has accredited the standards of SAK CR. In addition, three hospitals in the Czech Republic have been awarded accreditation from the Joint Commission International (JCI), one of which has already gained reaccreditation while a second is preparing for the reaccreditation process.

In contrast with the practices of many EU Member States, at present, no National accreditation system for the quality and safety of healthcare, as a state sponsored and regulated public service, exists in the Czech Republic. The preparation of a national system for quality management and evaluation is an essential precondition in ensuring the routine evaluation of healthcare quality outcomes and the smooth operation of European healthcare coordination.

The quality and safety of healthcare represents one of the priorities of healthcare reform. Emphasis is placed on:

- the creation of a system – anchored in legislation – to evaluate the quality and safety of healthcare
- patient rights to information
- the evaluation and publication of healthcare service effectiveness
- the measurement of patient satisfaction
- the standardisation of healthcare
- the creation of performance and quality indicators for healthcare

The issue of patient safety during the provision of healthcare is stressed in connection with healthcare reform. For this reason, the Ministry of Health (hereafter only MH) management has prioritised media coverage on the issue, along with the distribution of comprehensible information to the general and professional public. In relation with this, the **Information Portal for Safety and Quality in Healthcare** (http://portalkvality.mzcr.cz) was launched at the beginning of June 2008, providing access to all available information relating to the quality of healthcare and patient safety in a form that can be understood by both the professional and the general public.

The Information Portal for Safety and Quality in Healthcare includes the **"Kniha bezpečí [Safety Manual]"** (http://knihabezpeci.mzcr.cz). Its aim is to simplify and improve the orientation of all stakeholders in the healthcare system and to enhance patient safety during the provision of healthcare. The underlying premise is the fact that only an informed patient can act as a good partner to accommodating and communicative medical professionals. The Safety Manual summarises all current information concerning patient safety, including the good advice for patients mentioned above.

The draft Act on Healthcare Services and Conditions for their Provision establishes a system for evaluating the quality and safety of healthcare provided, as a voluntary process. The process is to be introduced in accordance with the principles, conditions and standards of the International Society for Quality in Healthcare. The evaluation will be performed by any legal entity assigned to this task by MH, provided it fulfils the relevant conditions set forth in the applicable Act. The Act will introduce comprehensive requirements for the management, assessment and ongoing improvement of the quality and safety of provided healthcare.

Emphasis will be placed on patient safety. Healthcare providers will be obliged to issue internal regulations establishing basic rules and procedures for high-risk activities (handling medical documentation, handling medication, identification of persons, etc.), and MH will stipulate the minimal extent of such regulations with an executive regulation.

Legal regulations have already strengthened the role of the patient in the healthcare process. The patient has become an active participant in the process, as a whole, and the new draft Acts will only serve to reinforce this role. The patient will have the right to information concerning the quality of healthcare provided.

As part of the e-Health project, a register of the National Programme for Improving Quality in Healthcare has been established, which will serve as a source of information, supplying comprehensive data on programmes and projects supporting quality and safety in healthcare facilities.

Since September 2007, MH, in association with those Czech hospitals that are members of the International Network of Health Promoting Hospitals, has been preparing the terms and conditions for the establishment of a National Network of Health Promoting Hospitals, in accordance with regulations recently adopted by WHO. This national network will promote international collaboration and the possibility of involving Czech hospitals in international projects – preparations are currently underway for cooperation with the German network of non-smoking hospitals, which is interested in working with Czech hospitals. In June 2008, MH launched an Information Portal for Safety and Quality in Healthcare, which also contains an independent webpage entitled Health Promoting Hospitals. All information, up-to-date materials and activities related to this programme are published here. In May 2008, at the International Conference of Health Promoting Hospitals, it was agreed that cooperation would begin with the Irish network in order to incorporate Health Promoting Hospital standards into the National Accreditation Programme.

In May 2008, during an MH executive meeting, the Statutes and Rules of Procedure for the Expert Forum for the Creation of Healthcare Standards were approved. The expert forum has been established as a consulting body for MH, health insurance companies and professional associations of healthcare providers. Problems involved in the creation of treatment standards that have long remained unresolved will be discussed by the Expert Forum. The objective is to improve the quality, safety and effectiveness of the healthcare provided. The drafted and approved standards will be used not only by health insurance companies and MH, but also by public administration in a broader sense, including the medical public and healthcare providers.

4.2.4 Priority Policies Related to Joint Objective L (Financial Sustainability)

The current government considers the economic stabilisation, modernisation and further development of the system of health security for its citizens, based primarily on public health insurance, to be one of its priorities. The objective is to ensure accessible and high-quality healthcare for citizens based on the principle of true solidarity within the bounds of the constitutional requirement for free healthcare, the options offered by public health insurance and the economic wealth of the nation. To this end, a public debate on the transformation of the Czech healthcare system has been launched and an expert commission, led by an independent coordinator, has been established to prepare a strategic plan for the fundamental transformation of the Czech healthcare system and to contribute to the achievement of a political consensus, during its implementation period.

A summary of overall healthcare expenditures and the expenses incurred by health insurance companies to cover healthcare is given in Annex 4.1.

Concerning the stabilisation of the budget, the government has taken the first step in healthcare reform by introducing regulatory fees. Through this, the government is trying to motivate people to use healthcare services in a responsible manner. Healthcare facilities, physicians and pharmacies collected over one billion crowns in regulatory fees, during the first quarter of 2008. The greatest portion of fees were paid by the economically active group of those insured, representing over half of the total. The elderly paid 70% less in regulatory fees, but the average fee paid by all those insured in both categories, as well as children, was the same – approximately 33 CZK. Preliminary data from the survey show that the number of specialist outpatient visits fell by 28% in the first quarter of 2008, as compared with the same period in the previous year, as did the number of hospital admissions. The average length of hospitalisation was reduced by 9%. There was a significant drop (40%) in the number of prescriptions issued,. Overall expenses for medications were 20% lower for public health insurance providers, which represents an estimated 1.75 billion crowns for the first quarter alone. This money is now available for insurance companies to invest into high-cost modern life-saving treatments.

Proactive activities to promote and educate people for a more healthy lifestyle primarily focus on national promotional programmes to emphasise central objectives and priorities concerning food and exercise, as defined in the “National Health Programme – Health Promotion Projects“. Between 2006 and 2007, six Health Days were organised to enable clients to test basic indicators showing their state of health, free of charge (blood pressure, blood sugar levels and cholesterol in the blood, BMI levels, WHR index and the percentage of body fat). Other health risks, due their lifestyle choices, were also identified - smoking, fitness level and eating habits. Health education pamphlets were distributed as part of these events.

In an effort to reduce healthcare costs, activities of the Czech Red Cross, which during 2006 included organised regeneration programmes and lectures throughout the Czech Republic concerning the treatment and prevention of cardiovascular diseases, were supported. Preventative and educational stays for diabetics are also supported.

MH approved nearly 34 million crowns in subsidies for **health education projects** in 2008. Government financial support enabled a fast-track programme to train 150 physicians, thereby compensating for a lack, particularly in the number general practitioners.

Amendments to Acts No. 95/2004 Coll., on physicians, dentists and pharmacists and No. 96/2004 Coll., on the conditions for attaining and recognising qualifications to perform professions other than medical professions and to perform activities relating to healthcare provision, are currently awaiting the president’s signature. The adoption of these amendments to the Acts indicated will lead to changes in the system of further education for medical professionals and their preparation to independently carry out the duties of their profession. They also regulate specialist training programmes, the financing of specialist training and the creation of new residence openings for training in specialised fields.

Concerning utilisation of ESF funds, MH is processing the preparation and processing of project applications from Operational Programme Human Resources and Employment for training for medical professionals, employees in healthcare and civil servants working in the healthcare sector. The objective is to raise the level of professional knowledge and verbal, non-verbal and technical communication skills among medical professionals and other healthcare employees, as well as to enhance the level of further education for healthcare employees and the management skills of supervisory staff. The funding would also be used to develop human resource management systems and human resource development using innovative approaches, to develop the qualifications and knowledge of employees – medical professionals and healthcare workers, to motivate employers to promote professional training, to reinforce the sustainability of jobs in the healthcare sector, to develop lifelong learning, to maintain and extend the qualifications and knowledge of medical professionals and healthcare employees, to support the education of trainers with consideration made for innovation and economics based

on knowledge and the ability to react to modern trends in healthcare provision, as well as the modernisation of the public administration and the quality and effectiveness of the public sector, focusing on civil servants working in healthcare.

4.3 Long-term Care

4.3.1 Progress in relation to the National Strategy Reports for 2006 – 2008 and problems identified in the Joint Report from 2007

In relation to the public debate on healthcare reform and to new legislation, the perception of the importance of long-term care as an element of the healthcare system has shifted. In accordance with the OECD definition and the description provided by the EC in the document Long-term Care in the European Union from the beginning of 2008[3] , long-term care in the Czech Republic is deemed to consist of **a variety of healthcare and social services** provided to individuals dependent on help in the basic Activities of Daily Living (ADL criteria) and limited, to a varying degree, in their self-sufficiency and independence (IADL criteria – Instrumental Activities of Daily Living). Long-term care is now defined as professional nursing care provided by qualified medical professionals and nursing care provided by assistant medical professionals (particularly in healthcare facilities), caregivers (especially in social services) or by trained informal caregivers (family members, volunteers, etc.)

The current system is described in the tables in Annex 4.1.

At present, long-term care is provided by two systems: the healthcare system, which is the responsibility of MH, with revenue from public health insurance comprising its main source of funding, and the social services system, administered by MoLSA, and primarily financed by the state budget through redistributed taxes.

Developments in expenses for long-term healthcare are dependent on developments in the state of health of the population, the expediency and effectiveness of utilisation of financial, personnel and other resources, including expensive technologies and medications. Growth in healthcare expenditures will depend on the priorities and success of healthcare policy and on support for active ageing. Healthy and active ageing is a prerequisite for increased economic activity, which the health insurance system depends on. Reform measures, adopted in response to population ageing, do not lower the quality and accessibility of healthcare to disadvantaged sectors of society.

One of the partial changes, described in the previous Report as the “institute of the social-healthcare bed” was introduced, on 1.1.2007, by the new Act on Social Services, and made it possible to provide healthcare services, financed by the health insurance companies, in institutional social facilities, while, at the same time, it also made it possible to provide social services in designated sections of healthcare facilities. The aim of this measure was to improve conditions for persons transferring between healthcare facilities, social services and home care.

In the future, MH plans to implement the inclusion of long-term healthcare services into healthcare services, which build on acute healthcare services. New legislation is being preparation in such a way as to divide long-term healthcare services into:

a) institutional aftercare services, which are provided to patients who either have been diagnosed with an acute condition or suffer from a chronic illness that has suddenly worsened, whose condition has subsequently stabilised and whose state of health requires follow-up treatment,

[3] EC: Long term care in the European Union, April 2008

b) long-term institutional nursing care, which is provided to patients whose state of health is stabilised, cannot be significantly improved and would decline in the absence of systematic healthcare services.

In addition to institutional healthcare services, outpatient healthcare services also exist, where the provision of nursing, rehabilitation or palliative services in the patient's own home can be considered to constitute long-term care.

Informal care is not regulated in the Czech Republic, but the option of care provided by family members or close relations is always taken into consideration when coordinating care. In addition, this has received indirect but transparent support through the entry into force, on 1.1.2007, of the new Act on Social Services, when individuals began to receive a "benefit for care" (broken down into four levels according to the assessment of the person's condition of health and social situation) as the primary means of financing social care. Beneficiaries of this contribution may use it, at their discretion, to cover professional services, or to pay for care from family caregivers or close relations. The health and social insurance for persons registered as home caregivers is paid for by the state.

4.3.2 Priority Policies Related to Joint Objective J (Accessibility)

When ensuring the accessibility of services it is necessary to overcome many factors, such as the low level of information available to users and the low level of cooperation from the providers. One of the tools that can begin to be used since the introduction of the new Act on Social Services on 1.1.2007 is the "strategic planning of the development of social services". The fourteen regions are obliged to use this tool, and it is optional for towns and municipalities that are responsible for the regional and local accessibility of services for persons residing on their territory. Inclusion of services in these plans is closely tied to the provision of state grants to help fund social services.

Within the healthcare system, the same rules apply to the accessibility of long-term care as to other healthcare facilities (for more information, see Chapter 4.2.2). The problem of the accessibility of long-term healthcare is not a shortage of such beds, but primarily a shortage of beds for social services.

The past decade has seen developments in the establishment of **geriatric departments**, providing (sub)acute residential care, particularly to high-risk elderly patients with multiple morbidity and reduced adaptability, at risk of specific geriatric complications. There are currently twelve specialised geriatric departments in the Czech Republic, with 585 beds. A total of 33.2 physicians work in these departments.

Support for a systematic approach to geriatric issues is gradually increasing and must continue to be provided. The functional linkage of all aspects of geriatric care must be advocated at both regional and national levels. New services must be established in a systematic manner, in accordance with regional needs so as to include the participation of medical specialists, public administration, health insurance companies and patients. By separating geriatrics from long-term care and by developing the clinical, scientific and research potential of this field, geriatrics should be secured an equal position among other medical fields.

In 2006, a **methodology for comprehensive geriatric evaluation** (Geriatrics for general practitioners) was published. The publication not only covers comprehensive evaluation procedures but also deals with geriatric pharmacology.

With the intention of improving the safety of the elderly in a domestic environment, funding was provided in recent years to support a Silesian Diacony project, which provides non-stop emergency care in the Moravia-Silesia Region for approximately 200 users. The aim of this support is to enable the elderly to remain in their normal social environment for as long as possible.

MH also supports the publication of educational and information materials for medical professionals and caregivers. In 2006, with the objective of disseminating information to the

general public as well, support was provided for an internet portal for informal caregivers caring for elderly chronically sick individuals: “Caregivers online”. Also in 2006, MH funded projects to establish and operate community centres for elderly people suffering from dementia as part of an effort to support respite services for families caring for dependent aged persons.

There has been a continuous rise in the capacity of **hospices**, although it remains inadequate. MH continues to promote the construction of these private healthcare facilities, designed to provide palliative care and treatment for chronic pain, serving the incurably sick or patients suffering from chronic pain.

Since the nineteen-nineties, **home care** has constituted an integral element in the modern system of healthcare and social care in the Czech Republic. It provides an alternative to hospitalisation for hundreds of thousands of patients each year, who, according to their own wishes and on the recommendation of their attending doctor, choose to be treated in their familiar home environment. This is a highly-qualified form of care, provided by agencies organised by public administration, healthcare facilities, private doctors and humanitarian organisations, which, thanks to its scope and quality, enables client hospital stays to be reduced to that which is strictly necessary. Over recent years, this service has grown significantly in the Czech Republic, and the existing collection of agencies sufficiently covers the entire nation, with a few exceptions. Inasmuch as home care has been agreed to by the attending doctor, associated medical procedures are covered by health insurance.

It is intended for all those with a health condition that requires more than informal care; for all patients recovering from a surgical procedure and who do not need to remain in an institutional healthcare facility; for children, who recover far faster in home surroundings and for those who are dying and wish to remain in their own environment, surrounded by their family, until the end.

The positive aspects include ensuring the patient’s integrity with his/her own social environment is ensured, bringing a feeling of psychological well-being, eliminating nosocomial infections and improving the quality of life for clients and their families.

An example of a successful project promoting domestic hospice care is given as Example 2 in Annex 4.2.

In terms of **homeless people**, certain problems with access to healthcare do exist. Legislation mandates the provision of healthcare for all, meaning also for the homeless. However, in most cases, the homeless do not pay health insurance and are therefore in breach of the obligation that applies to every citizen. There are very few healthcare facilities in the Czech Republic that focus on this target group. In 2007, Dr. Danuše Šupková issued a publication entitled “Healthcare for the Homeless in the Czech Republic.“

In the approach to the provision of healthcare no distinctions are made between different age groups in the population, or on the basis of salary or nationality.

4.3.3 Priority Policies Related to Joint Objective K (Quality)

In general, the section relating to the quality of long-term healthcare is identical to the section described in the chapter on healthcare. (For more information, see Chapter 4.2.3)

The long-term care quality system is also impacted by the quality system for social services. In accordance with the new Act on Social Services, from 1.1.2007, all service providers must be authorised to perform their services, in other words they must comply with the conditions for registering the type of service for which they apply. They must also comply with the legal obligations applicable to all service providers, including fulfilling the “standards for quality in social services“. Compliance with legal requirements is monitored by a social services inspection, carried out by the regional authorities, in the case of not-for-profit and municipal services, or by MoLSA for services administered by the regions.

Defining the level of social services provided and maintaining a register of providers is new to the Czech Republic and fulfils one of the objectives from the previous Report to introduce standards for quality care and to monitor compliance with them.

In the same way, emphasis on the protection of human rights and dignity has been incorporated into the legislation, as well as the principle requiring the provision of individual care and directing services towards the social inclusion of persons in disadvantaged situations.

Finally, the Act establishes the criteria for expert competence of social workers in all ministeries and of workers in social services. Their continuing education is supported by projects co-financed from ESF.

Interdisciplinary linkage of quality standards is ensured through the activities of the Quality Council of the Czech Republic.

4.3.4 Priority Policies Related to Joint Objective L (Financial Sustainability)

The financial sustainability of **healthcare**, which also partially covers long-term care, is described in Chapter 4.2.4.

Changes were introduced in **social services** funding, on 1.1.2007. The Act on Social Services was supplemented with a measure taken from the previous Report concerning equal access to funding by social service providers having a variety of legal forms. All social services have multi-source financing, from state grants, from their founder's budget, from the direct payments of clients, from their own revenue and from gifts. Unlike social prevention services, the main source of payment for social care services is the "benefit for care", which is a state benefit paid to individuals dependent on care, of an amount assessed as corresponding to their dependence on care by other people. Family members of persons using the services may, but do not have to, provide the services. No assessment of an individual's assets is taken into account for the provision of social services and in the case of care services the payment level is set on the basis of the user's income alone, to ensure that they keep the proportion stipulated in the legislation.

A year of experience, since the introduction of direct payments for social care services ("benefit for care" referred to in Chapter 4.3.2 above), has revealed a significant increase in the volume of funding required from the state budget than had been anticipated.

Analysis of the method of using the benefit for care:

- The level of the benefit and the fact that there are no restrictions on the way it is paid has elicited unprecedented interest in obtaining this benefit.
- In many cases recipients of the benefit for care have misunderstood the purpose of this benefit. They regard the benefit for care as compensation for their state of health and a supplement to their income.
- During the period of implementation, the authorities have primarily focused on managing the settlement of the applications received, and, in their point-of-view, the heaviest burden in terms of both time and professional commitment has been the requirement to perform social inquiries, which constitute part of the procedure. Although the authorities do carry out checks to investigate how the benefit is being used, the huge "flood" of cases, far outweighing their own staffing capacity, makes these monitoring activities rather haphazard.
- According to conducted analyses, a smaller portion of the benefits paid end up in the budgets of social service providers than had been anticipated. This situation is especially more clear in the case of field and outpatient social care. The situation in the residential services is frequently distorted by the fact that the composition of the residents of these facilities does not correspond (too many people who do not need this type of service live in facilities). It was mainly in field and outpatient services that there was no audit of payments for care provided. In many cases payments to users of these services were calculated as less than they were prior to the law taking effect.

- In general, it can be confirmed that under present conditions, benefit payments and payments allocated to the benefit for care were not linked, primarily in field and outpatient services.

This has led to draft measures – an amendment to the Act on Social Services

- A new restriction to be imposed regarding the purpose of the benefit for care – the benefit for care shall only be paid if it is used to engage the help of a registered provider or family member, or another natural person who is registered with the town council. It will therefore not be possible to use funds without providing evidence of who shall provide the care.
- Persons over the age of 18, who have the right to a level 1 benefit for care, will have their payments reduced to 800 CZK/month. If they can prove that they are paying for social services, it will be raised to 2,000 CZK/month.
- There is a proposal to introduce payment in kind – a material form of benefit payment which would recognise the value of the contribution in the form of a non-monetary medium, which could be used by an authorised person to reimburse social care services from a registered social service provider with whom the person has a contractual relationship.

The "institute of the social-healthcare bed" measure mentioned in the previous Report has also been implemented in part through the new Act on Social Services. From a financial standpoint, the amendment concerns payments for nursing and rehabilitation healthcare in residential facilities providing social services and payments for social services in healthcare facilities.

Under the terms of the above-mentioned Act, residential social services are provided in institutional healthcare facilities to persons who no longer require institutional healthcare but whose state of health necessitates the help of another person and who may not be discharged from the healthcare facility until such time as assistance has been secured for them by a family member or another person, or the provision of field or outpatient social services has been ensured, or residential social services in social service facilities.

In this regard, it is clearly defined that the provision of social services to replace hospitalisation may only occur if the person is unable to leave the healthcare facility without placing their life or their health at risk. The appropriate health insurance company signs an appendix to the agreement with the institutional healthcare facility to provide care, in the agreed extent, to include special outpatient care and this care is compensated in a performance manner, through the performance of duties by a new specialised position – a general social service nurse.

In order to provide and pay for nursing and rehabilitation care, the health insurance companies conclude Special Contracts with facilities providing residential social services, provided it is shown that professionally competent staff are available to provide healthcare. Here again provision is made for care to be compensated for on the basis of the performance of duties by the new specialised position, general social security nurses. The performance of these duties shall be agreed to by the attending doctor and health insurance companies shall monitor compliance with the agreed conditions.

The fact that social service facilities are only authorised to provide care to their own residents precludes the danger of a tendency to provide extramural care as a means of providing additional funding to social service facilities from public health insurance. The regulation of any surplus provision of care for the facility's residents will be the responsibility of the attending doctors, who will use the usual mechanisms, which are also implemented by the corresponding regulation, to make provision for the breakdown of patients treated. The fundamental condition shall be the fact that only care provided by appropriately trained employees of the social service facility may be reimbursed. This guarantees the insured immediate access to care and essential health checks, which is clearly advisable for this group of clients, given their age and frequent chronic diseases.

Coordination and cooperation between the various care providers are essential for the systematic maintenance of the necessary and financially sustainable extent scope of long-term

care. Despite efforts to establish the national coordination of health and social care, presented as example of good practice 1 in Annex 4.2, competencies remain divided between authorities in the Czech Republic. However, at a community level, important examples of close cooperation between healthcare and social services can be found, as in example of good practice 2 in Annex 4.2. At the same time, links to informal resources and standard public services are becoming more widespread. Clear advances are also being made in the monitoring of compliance with the standards for quality in social services.

Areas that still require improvement include the revaluation of the break-down of patients in after-care facilities and homes for the elderly and disabled. The introduction of direct payments in the social service system did not result in any significant improvement and, contrary to expectations, there was no drop in the number of applications for places in institutional care with a corresponding rise in care provided by family members. We can conclude that the reason lies in the financial situation of families, the requirements of the labour market and, most of all, from force of habit, which may shift, in part, towards a preference for home care if information is broadcast to explain the new conception of social services.

Part 5 - Annexes

Annex No. 2.1 – Examples of good practice for the National Action Plan for Social Inclusion

EXAMPLE OF GOOD PRACTICE NO. 1

Name of the measure	Member State
Three-stage permeable housing system	Czech Republic

Project objectives

General objective:
To contribute to solving one of the main causes of the existence of ethnic and social ghettos in urban agglomerations, in other words to solve the problem of an impermeable housing system for ghetto dwellers, moving them from emergency housing and accommodation to standard rental housing

Implementation objective:
- the creation of a housing system with an accompanying social programme to provide the halfway housing that has hitherto been absent, between shelter-type accommodation and standard rental housing
- the gradual restructuring of the housing system with its accompanying social programme into a housing regime with an intensive accompanying programme and a housing regime with social service assistants

Specific objective:
To create a continuous housing system, in other words a system which after a year or some similar period of intensive re-socialisation, linked to the provision of housing, does not return families to asylum accommodations (which to a great extent devalues the results of the re-socialisation cycle), but works with the families over the long term, offering the perspective of long-term housing under normal conditions. **Meeting this specific objective brings added value to the project and makes it innovative.** This is because the end of a programme after an intensive re-socialisation cycle, or the refusal to provide accommodation at the end of the cycle is extremely de-motivating (clients are “rewarded” for their cooperation by being moved back to their hostels), in time this environment encourages most clients to return to their undesirable habits and standards of behaviour.

Summary of significant results

Outputs:
- 22 flats included in the programme by 30.6.2008
- 22 families (approx. 110 clients) included in the programme by 30.6.2008
- The creation of a targeted system of comprehensive re-socialisation to include the entire family, emphasising the formation of desirable social habits in the youngest generation, in areas not restricted simply to housing.
- The implementation of a wide range of complementary activities to the housing programme (field work, consultancy, specialised nursery schools, low threshold centres for children and young people, non-residential motivation programmes, education, job guidance)

Results:
- Providing **permanent** housing for 22 families from target groups at risk of social

exclusion and families separated because of insecure housing
- Reducing the proportion of non-rent payers in the target group in a given location
- Building a relationship between clients and the property used – a housing fund (clients contribute to maintenance and repairs)
- Providing comprehensive, continuous re-socialisation for the families included in the programme

Impacts:
- The formation of desirable social habits in children from the project families
- To serve as an example to other members of the target group, to eliminate the opinion, which is deep-rooted in the target group, that there is no way out of the ghetto

Target beneficiaries		**Political focus**	
General public	☐	Social exclusion	☒
Children	☐	Healthcare	☐
Incomplete one-parent families	☐	Long-term care	☐
Unemployed	☐	Administration	☐
Elderly	☐		
Young people	☐	**Geographical scope**	
Persons with disabilities	☐		
Immigrants inc. refugees	☐	National	☐
Ethnic minorities	☒	Regional	☒
Homeless	☐		
Specific diseases	☐	**Implementing body**	
Other [Please specify:]	☐	CENTROM, o. s.	

Context/Background of the initiative

The idea first emerged between 2003 and 2004 during the creation of a community plan for social services in Ostrava, when members of the CENTROM citizens' association (implementing body) were also participating in relevant working groups.

The activity was conceived by the implementing body as a project activity in 2005. That same year, realisation began with the help of a grant from the Ostrava City Council, in partnership with the Ostrava–Vítkovice Municipal District. They were gradually able to attract funding from other donors (the Moravia-Silesia Region, the Government Council for Roma Community Affairs, ESF through OPHRD and JROP) to extend the project.

Details of the initiative

1.	**What timetable was adopted for the implementation of this measure?**
	The project was launched in 2005 and included the first four flats. In 2006 it was extended to cover ten flats in the programme and additional, complementary activities (a specialised nursery school, a low threshold centre for children and young people, etc.) The project currently includes 22 flats and an extensive range of supplementary activities. The project is ongoing, its objective is to achieve a mass impact through project activities on the situation surrounding ethnic-social ghettos within the city of Ostrava.
2.	**Specific objectives**
	1. The creation and gradual extension of available housing as part of the programme for the territory of the city of Ostrava. At present it is important to increase the number of flats in the programme and thereby avoid allowing the programme to stagnate at the level of serving as an example of good

practice. It should be expanded into a tool that will significantly impact the situation surrounding the existence of ethnic-social ghettos within the city of Ostrava. This is being fulfilled on an ongoing basis, the condition being that enough flats are brought into the programme each year.

2. Ensuring sufficient funding to make the flats included in the programme inhabitable, ensuring financial support to fund accompanying social programmes and supplementary re-socialisation activities. This is being carried out on an ongoing basis and, to date, very successfully (during the four years the programme has been in existence, the budget for the project and related activities has risen from approx. 800,000 CZK, in 2005, to approx 8 million CZK, in 2008, or to roughly ten times the original amount).

3. Ensuring comprehensive re-socialisation of the programme clients, covering consulting, fieldwork and onsite motivation activities, as well as the operation of specialised nursery schools for children with multiple disabilities and the operation of a low-threshold centre for children and young people, with emphasis placed on providing additional tutoring in school subjects and recreational activities. This has been realised and is now in its third year of operation.

3. How did the initiative meet these objectives?

Cooperation with the Ostrava town council (primary sponsor)
Fundraising by the implementing body (multi-sourcing additional funding)
Partnership cooperation with the municipal district of Ostrava–Vítkovice (which provided the first flats for the programme, followed by additional flats and onsite locations for the LT centre and nursery school)

Cooperation with other municipal districts (which provided additional flats for the programme)
Cooperation with partner NGOs (providing social prevention services) and the private sector (to acquire additional flats).

Building up the implementing body's own organisation as an essential condition in order to deal with such rapid quantitative and qualitative expansion of the project (measure) – from 3 employees and a turnover of around 800,000 CZK in 2005 to 20 employees and a turnover of around 9 million CZK in 2007

Monitoring and evaluation

How are, or were, the measures monitored or evaluated?

By all the donors, listed below:
- Ostrava City Council
- Moravia-Silesia Region
- Regional Council (JROP)
- Government Council for Roma Community Affairs,
- Authorised labour offices in Ostrava (OPHRD)

Ongoing monitoring was also performed by social services community planning agencies in Ostrava and the Roma affairs advisor to the City Council within the framework of continuous cooperation. A one-time evaluation was also performed in 2007 as part of the process of registering the organisation to perform social services.

Results

1. To what extent have the specific objectives been met?

Specific objective 1 (ensuring a sufficient volume of flats) is being met on an

	ongoing basis as this is a long-term, continuous process. The number of flats currently involved lies at the limits of the implementing body's staffing and technical capacities and organisation measures will have to be adopted before volume can be further expanded. Acquiring flats is a relatively difficult process, the problem being the quality of the flats offered (the buildings are often in a state of dilapidation) compared to the extremely low level of grant funding that can be used for renovation and repairs in the flats (see the chapter on risks and barriers) Specific objective 2 (ensuring sufficient funding to repair the flats) is being carried out on an ongoing basis, relatively successfully. In 2007, the 12 flats included in the programme were made inhabitable, through repair or renovation. Specific objective 3 (ensuring funding for comprehensive re-socialisation operations) was completed during 2006 and 2007 – at present it only requires maintenance, with possible improvements in the quality of its outcomes and results and an expansion of the scale of its influence. **The primary added value brought to this project along with its innovative aspect lie in the fulfilment of its specific objective – the aim to ensure the continuity of re-socialisation activities, including the continuity of living under standard conditions applicable to rental accommodation.** All other similar projects, known to us, return clients to an environment of sheltered living, at the end of the re-socialisation cycle (lasting around one year), which naturally results in, at least, partial depreciation of the efforts and finances that have been invested. In time, under the influence of their environment, clients return to their original undesirable habits and standards of behaviour, and those who did make an effort have the feeling that they were "rewarded" for their active approach to re-socialisation by being moved back to their hostels, which is obviously de-motivating. **To date, we have been able to meet our specific objective** – in 2007 a new wave of families could be accepted into the programme to acquire and repair flats, without our having to exclude families that had already completed the basic intensive re-socialisation cycle from the system.
2.	**What risks or barriers did you encounter during the implementation of the initiative?**
	1. An initial pervasive lack of confidence on the part of the owners and administrators of the available housing towards the target group as the end-users of the flats. 2. An extremely limited offer of grants that could be used to pay for the renovation and repair of the flats for the programme – no one will provide the implementing body with renovated houses or flats for the programme. 3. The fact that under the current legislation no form of social housing is classified as a social service or social prevention, which further reduces the grant options available to the programme, for example funds cannot be drawn from MoLSA grant programmes for the programme, as such.
3.	**How did you resolve these risks and barriers?**
	Barrier 1 was resolved by the patient, methodical work of the implementing body and its team. The system was finally set up in such a way that the contract with the property owner was concluded by the implementing body, which then rented the flats to its clients – this system is more acceptable for the owners than having contracts directly with the programme's clients. It is not within the power of the implementing body to overcome Barriers 2 and 3.
4.	**Did you encounter any unexpected benefits or weak points?**
	The weakest point was the limited grant opportunities – this has prevented any massive expansion of the programme.

EXAMPLE OF GOOD PRACTICE NO. 2

Project name	**Member State**
Rehabilitation – Activation – Work	Czech Republic

Project objective

To support the creation of a vocational rehabilitation system and to create structures and tools that will facilitate the most effective communication between all partners involved in vocational rehabilitation and to broaden the system of vocational rehabilitation in order to simplify and improve access to the labour market for the disabled.

Summary of significant results

Outputs:

- Creating and testing a functional model system of vocational rehabilitation
- Creating, adjusting and testing regional networks participating in vocational rehabilitation
- Supporting the use of positive recommendations in vocational rehabilitation
- Supporting the use of early diagnostics on the work potential of persons with disabilities
- Methodological support to employers to employ members of the target group
- Implementing valuable experience from other countries
- Horizontal mainstreaming

Target beneficiaries

General public	☐
Children	☐
Incomplete one-parent families	☐
Unemployed	☐
Elderly	☐
Young people	☐
Persons with disabilities	☒
Immigrants, inc. refugees	☐
Ethnic minorities	☐
Homeless	☐
Specific diseases	☐
Other [Please specify:]	☐
Labour offices	

Political focus

Social exclusion	☐
Healthcare	☐
Long-term care	☐
Administration	☒

Geographical scope

National	☒
Regional	☐

Implementing body

RP Pentacom, beneficiary: Edost training company, s.r.o.

Context/Background to the project

The institute of vocational rehabilitation has been incorporated in the legislation since 1991, and is officially regulated by the provisions of the Act on Employment which stipulate that all persons with disabilities shall have the right to vocational rehabilitation. Despite being entrenched in the law, it was almost never used until 2006, with labour offices using active employment policy tools other than vocational rehabilitation to work with persons with disabilities. The reason for this was the lack of any methodological support for vocational rehabilitation. Existing legislation allows sufficient room to establish a system that would comprehensively solve the employment problems of persons with disabilities and vocational rehabilitation could be one of its effective tools in reducing inequity in the position of these people in the open labour market.

Project details

1.	**What is or was the timetable for the implementation of this project?**
	Original timetable: 3. 1. 2006 – 30. 8. 2008 Timetable after extension: 3. 1. 2006 – 30. 9. 2008
2.	**Specific objectives**
	1. To support the creation of a functional vocational rehabilitation system 2. To create a regional network participating with the vocational rehabilitation system 3. To create a tool to promote employment of the target group 4. To provide methodological support for employers to employ persons with disabilities 5. To analyse positive foreign experiences and implement them 6. To support the use of early diagnostics on work potential 7. To support the use of positive work recommendations for persons with disabilities 8. To lay the foundation for implementing positive project results into actual practice in relevant policies
3.	**How did the project meet these objectives?**
	At the beginning of 2006, the project's experts carried out an analysis of the system of vocational rehabilitation for persons with disabilities, the results of which showed that vocational rehabilitation services are almost never used, public awareness of their existence is extremely low, as is the awareness of potential partners in vocational rehabilitation. The project began with methodological preparation – the establishment of a methodology for working with persons with disabilities (methods for educational organisation, methods of functional potential for healthcare facilities/rehabilitation centres, methods of support for employers, etc.). At the end of this stage preparations were made for an "Advisory Programme for Persons with Disabilities" as a tool to test these methods, while, at the same time, launching collaboration among participants in vocational rehabilitation. Prior to implementation of the pilot tests, 5 workshops were held in different regions, where the various partners could get to know each other and start to work together. Pilot projects took place in 12 regions and the regional cooperation network was composed of a labour office, a training and advisory organisation and a rehabilitation centre. Over 140 persons with disabilities attended the advisory programme. At the end of each advisory programme, a so-called "Casuistic Conference" was held to group together all the partners working with a given group of persons with disabilities. The result was an evaluation of what the person with a disability COULD do, given their disability. Subsequently a methodology was completed and amended to take into account experiences obtained during the pilot test. During the following stage information was broadcast regarding the outcomes, a RAP project entitled "Mainstreaming" was launched, involving the preparation of 12 seminars throughout the Czech Republic, aimed at informing labour office staff and social partners about vocational rehabilitation and the possibilities of its use. At present, the RAP project involves seminars for training and advisory organisations and persons with disabilities, which are being held throughout the Czech Republic. The aim of the project is to publicise examples of good practice nationwide and, simultaneously, to present MoLSA employment service administration project outcomes as a recommendation for the application of vocational rehabilitation.
Monitoring and evaluation	
	How is, or was, the project monitored or evaluated?

	The project was evaluated on a number of different levels: - Evaluation by MoLSA using technical monitoring reports and monitoring indicators - Self-evaluation of the project on the basis of an evaluation plan established by the project (evaluation reports are issued every 6 months) - material and financial controls by MoLSA
Results	
1.	**To what extent have the specific objectives been met?**
	The project objectives have nearly all been met (evaluation on 2. 7. 2008)
2.	**What risks or barriers did you encounter during the implementation of the initiative?**
	The absence of a partner in the Moravia-Silesia and Karlovy Vary Regions to perform ergo-diagnostics within the framework of vocational rehabilitation.
3.	**How did you resolve these risks and barriers?**
	The project implementing body requested cooperation from the Ostrava Teaching Hospital – Physiotherapy Outpatient Clinic, which provided the necessary facilities and the project doctors/specialists brought in the ergo-diagnostic equipment (it is not difficult to transport) and performed ergo-diagnostic examinations on persons with disabilities in Ostrava. The situation in the Karlovy Vary Region was solved in a similar manner – ergo-diagnostic examinations were performed at the Chomutov Hospital Physiotherapy Department.
4.	**Did you encounter any unexpected benefits or weak points?**
	For the labour offices, utilisation of the principle of creating regional cooperation networks was a new element in vocational rehabilitation. During the last stage of the project, the Medical Assessment Service expressed interest in the ergo-diagnostic methods and the use of the principle of positive recommendations for persons with disabilities.

EXAMPLE OF GOOD PRACTICE NO. 3

Project name	**Member State**
Support for inclusion – Career Counselling	Czech Republic
Project objectives	
General objective: To provide people at risk of social exclusion, primarily Roma, with a better chance of success in accessing the legal labour market. Career counselling is provided as part of the project, as is help in acquiring better qualifications, which enables clients to find more motivating work over the long term. The preparation of comprehensive documentation, which is used as support materials in changing the norms that allow illegal employment. The project is implemented in the form of a development partnership, established in such a way as to enable the procedures and methods developed to be applied to the target group as effectively as possible.	
Summary of significant results	
Outcomes: - better qualifications and a higher proportion of legally employed individuals - improved communication between families and schools, more effective counselling in professional orientation for these pupils - improved awareness of the life of the socially excluded population, information on motivating and directing these people - report on the problems of high levels of unemployment in the Roma population	
Target beneficiaries	**Political focus**

General public	☐	Social exclusion	☒
Children	☐	Healthcare	☐
Incomplete one-parent families	☐	Long-term care	☐
Unemployed	☐	Administration	☐
Elderly	☐		
Young people	☒	**Geographical scope**	
Persons with disabilities	☐		
Immigrants, including refugees	☐	National	☒
Ethnic minorities	☒	Regional	☐
Homeless	☐	The project is operating in the cities of Liberec, Sokolov, Chomutov, Prague, Jirkov and Plzeň. Conceptual materials that emerge during the course of the project will be distributed to the wider public – politicians, civil servants, lawmakers.	
Specific diseases	☐	**Implementing body**	
Other [Please specify:]	☒	The project is implemented by Člověk v tísni, o.p.s. (People in Need) with funding from the EQUAL Community Initiative (with the exception of Prague, where the programme is financed from JPD3).	
Clients, training institutions, national and regional civil servants and lawmakers.			

Context/Background to the initiative

Czech society is characterised by its high level of homogeneity, whether from a nationality, ethnic or social perspective. Therefore the situation surrounding a large proportion of the Roma population at risk of social exclusion constitutes one of its most important problems. The marked difference in the level of education of Roma in socially excluded locations at compared with the majority society represents a significant threat to social cohesion in the long term. The concept behind the project's objective comes from years of experience with the career counselling programme. Career counsellors in certain towns are increasingly frequently encountering a decrease in the number of job opportunities for low-qualified workers. This is a natural result of the ongoing transformation process and in the future this situation will appear ever more clearly. These reasons forced us to modify the range of services we offered. We therefore became more concerned not only with providing counselling on accessing the labour market for adult clients, but also with supporting overall improvements in the qualifications of Roma from socially excluded localities, in order to support their chance to become full-fledged members of society and to get away from life in a socially excluded locality.

Details of the initiative

1.	**What is or was the timetable for the implementation of this initiative?**
	Career counselling has been offered to clients and institutes since February 2008. During the first few months, we could assess the benefits and success of this activity and will continue to work for its long-term implementation.

2.	Specific objectives
	1. To optimise career counselling tools and to support education as required by the diagnosed predisposition of the client. From 2006 to 2007 a test kit was created, focused on diagnosing the abilities and skills of job applicants. This tool may be applied directly when clients enter the labour market, and also be used to diagnose their potential skills and, on the basis of the test results, can be taken into account when deciding on a client's subsequent education. 2. To improve clients' qualifications in sectors, with a good perspective, to reflect developments in the labour market and to support clients' job prospects related to the level of their qualifications. To motivate clients to focus on sectors of the labour market where outputs from socio-demographic analyses indicate that they are more likely to find employment. 3. To prepare the relevant materials to amend employment legislation to enable people at risk of social exclusion to become more competitive.
3.	**How did the initiative meet these objectives?**
	Ad1) Career counsellors from the Social Integration Programme are currently testing the diagnostic kits on pupils in their ninth year of school, pupils attending selected apprenticeship courses, clients from orphanages, youth detention centres as well as from the general population of unemployed adults at risk of social exclusion. Experience gained during the testing stage will be systematically compiled and assessed and individual tests will be revised, as necessary. If it turns out that different test kits need to be used for different target groups, these kits will be altered to ensure the maximum effectiveness of this tool. Ad 2) The first stage was to carry out a socio-demographic analysis of the cities, in which the project was implemented. The analysis took account of the existing range of training courses available and the qualification opportunities that were identified were compared with findings, concerning the labour market. The result was the identification of perspective training areas. On the basis of these structured observations, the test kits were used to identify the predispositions of the individual pupils in order to ensure that an effective choice of strategy minimised the risk of clients terminating their education prematurely. As part of direct work with clients and seminars at individual schools, popular comic strips were devised to warn pupils of the risk of illegal work, because they are at immediate risk of being victimised by this phenomenon. Clients – pupils – are offered comprehensive services covering qualifications and employment, during which process effectiveness remains an integral aspect of services using alternative instruments. Ad3) In connection with activities focusing on working directly with clients, or through group work with clients, the Career and Work Counselling Programme implementation team are preparing conceptual documentation, which can continue to be used during a variety of seminars, personal meetings with civil servants, etc. These concern especially primary research (research in the target group), data analysis and relevant documents and professional seminars that already exist.
Monitoring and evaluation	
	How is, or was, this measure monitored or evaluated?
	The project is evaluated on an ongoing basis by the project manager. The basic tool used to evaluate the course of the project is the Team Report in the ARA database system, which records statistical data on work performed with clients and also contributes to maintaining continuity while working with clients. The system enables online recording of activities and helps the manager to maintain an overview of the project implementation and the results achieved. This information is then used during various consultation periods with the individual employees, which take place once a month. Compulsory internships with colleagues working in

	a different locality comprise another tool. The advantage of this tool is that it promotes the sharing of individual approaches and strategies and creates close ties between teams and within the teams themselves. At the end of the project, an extensive evaluation is conducted, in the form of semi-structured questionnaires for the project's counsellors and beneficiaries, which provides a comprehensive picture of how project objectives were met.
Results	
1.	**To what extent have the specific objectives been met?**
	Ad Objective 1) This objective was met. The test kits proved to be effective and have now been passed on to third parties who expressed an interest in using them. The project implementing body is not at present able to meet the demand from the various schools and orphanages. Ad Objective 2) The career counsellors are working towards this objective. It has been conceived as a long-term objective and the duration of the project has not yet enabled any relevant evaluation of compliance with this objective. Analysis of the labour market has now been completed and the career counsellors have been working with interim results since April 2008. Ad 3) This objective has been met in accordance with the project timetable and we anticipate that the creation of the conceptual documentation will have been successfully completed during the summer months and the programme staff will be able to put it to practical use.
2.	**What risks or barriers did you encounter during the implementation of the initiative?**
	Prior to launching the project, the low level of motivation of clients from socially excluded localities to participate in the activities available was considered the greatest risk. This risk did not express itself during the course of the project. Another risk that had been forecast concerned the group of activities aimed at advocating conceptual and systematic changes to legislators and politicians.
3.	**How did you resolve these risks and barriers?**
	A team of career counsellors focused on identifying and using their skills to improve motivation.
4.	**Did you encounter any unexpected benefits or weak points?**
	Schools expressed great interest in holding interactive workshops and seminars dealing with career counselling.

EXAMPLE OF GOOD PRACTICE NO. 4

Project Name	**Member State**
Introducing multidisciplinary teams into Youth Court practice	Czech Republic
Project objective	
To improve cooperation between criminal law bodies and other stakeholders.	
Summary of significant results	
1. Multi-disciplinary teams were introduced in almost all the judicial districts. 2. Communication between criminal law bodies was made more effective, which improved the educative effect of the criminal proceedings on young delinquents. 3. The measure contributed to lowering criminality in given localities.	
Target beneficiaries	**Politic direction**

General public	☐	Social exclusion	☒
Children	☒	Healthcare	☐
Incomplete one-parent families	☒	Long-term care	☐
Unemployed	☒	Administration	☐
Elderly	☐		
Young people	☒	**Geographical scope**	
Persons with disabilities	☐		
Immigrants inc. refugees	☐	National	☒
Ethnic minorities	☒	Regional	☐
Homeless	☐		
Specific diseases	☐	**Implementing body**	
Other [Please specific:]	☐	Czech probation and mediation services	

Context/Background to the initiative

The multi-disciplinary Youth Teams were modelled on the YOT (Young offender teams) in Great Britain and Canada's Youth Commissions. They have become a national priority for the Czech Probation and Mediation Services (hereafter only PMS) for 2005. The pilot cities were: Mělník, Prague, Frýdek-Místek, Svitavy, Děčín and Znojmo. The teams were and continue to be formed from representatives from PMS, the courts, the public prosecution office, the Police of the Czech Republic, institutions providing social legal protection for children, city councils, criminality prevention coordinators, service providers (social, healthcare, educational) and other stakeholders.

Details of the initiative

1. What is or was the timetable for the implementation of this initiative?

The multi-disciplinary teams were a national priority for PMS of the Czech Republic for 2005. Their establishment and, particularly, support for their operations are ongoing and are described in the PMS national methodological standards for work with youth and children under the age of 15.

2. Specific objectives

- to map out a system of care for children at risk or in danger in the locality as a whole
- regular meetings of team members
- optimal approaches to coordinating solutions to cases
- strategic work with children who are at risk or in danger and with their parents, regular evaluation and proposals for new measures
- conclusions, recommendations and agreed-on procedures developed by the team should be shared between all team members and this should be mandatory, in accordance with their involvement in the justice or social system.

3. How did the initiative meet these objectives?

The objectives were fulfilled on the basis of a coordinated and methodical approach applied both to individual cases and cases involving the systematic solution of child and youth criminality on a local level.

Monitoring and evaluation

How is, or was, this measure monitored or evaluated?

The introduction of the multi-disciplinary teams has been monitored and evaluated by the Czech PMS Headquarters, Department of Methodology, Conception and Analysis, on a regular basis.

Results	
1.	**To what extent have the specific objectives been met?**
	1. Multi-disciplinary Youth Teams have been introduced in almost all judicial districts. 2. The Multi-disciplinary Youth Team methodology has been incorporated into the project of the Czech Ministry of the Interior, Early Intervention Centre, where Multi-disciplinary Teams constitute one of the cornerstones of the project.
2.	**What risks or barriers did you encounter during implementation of the initiative?**
	The greatest risk was the initial reluctance of those participating to resolve the problem of criminality by children and young people under the age of 15 using teams. “Departmentalism” prevailed.
3.	**How did you resolve these risks and barriers?**
	By methodical visits from district courts where multi-disciplinary teams were already working. Through educational seminars for stakeholders.
4.	**Did you encounter any unexpected benefits or weak points?**
	An unexpected benefit was the integration of the Multidisciplinary Teams into the methodology of the Early Intervention Centre. This greatly improved the proportion of youth cases that were resolved through preparatory proceedings rather than through executive proceedings.

EXAMPLE OF GOOD PRACTICE NO. 5

Project Name	Member State
Strategy for the social inclusion of the homeless in the Czech Republic	Czech Republic

Project objectives

- A proposal for the sustainable development of social services for the homeless
- A definition and typology of homelessness in the Czech Republic
- The establishment of a monitoring system
- The results of research on the provision of healthcare to the homeless
- The results of tests on the effectiveness of increased numbers of social workers
- Publicity for this issue aimed at the professional and general public

Summary of significant results

- A Definition and Typology of homelessness was drafted.
- A monitoring system was established.
- The results of research on the provision of healthcare to the homeless was published.
- The effectiveness of increased numbers of social workers was demonstrated, verified and documented.
- Papers concerning this issue continue to be published even after termination of the project.

Target beneficiaries		Political focus	
General public	☐	Social exclusion	☒
Children	☐	Healthcare	☐
Incomplete one-parent families	☐	Long-term care	☐
Unemployment	☐	Administration	☐
Elderly	☐		
Young people	☐	**Geographical scope**	

Persons with disabilities	☐		
Immigrants / Refugees	☐	National	☒
Ethnic minorities	☐	Regional	☐
Homeless	☒		
Specific diseases	☐	**Implementing body**	
Other [Please specify:]	☐		

Context/Background to the initiative

For a number of years now ad hoc social service providers have been collaborating on a number of activities, both regarding social work itself, and concerning the publicity and cultivation of relations between the public and homeless people. The project originated spontaneously, as a response to this relation between society and the homeless and to the situation surrounding access to social services and healthcare for this target group. The call to submit projects for ESF was the incentive to formulate this extensive project.

Details of the initiative

1.	**What is or was the timetable for the implementation of this initiative?**
	The project ran from October 2005 to September 2007. We established a working group for each activity and each working group had its own leader, who coordinated the activity. The working groups met at predetermined intervals and in the meantime communicated electronically.
2.	**Specific objectives**
	1. Definition and typology: The objective was (a) to develop a typology of homelessness under the social and economic conditions prevailing in the Czech Republic, to be compatible with the ETHOS typology (FEANTSA), which is used in European Union Member States, (b) to define in Czech terminology the characteristic features of homelessness to make the Czech terminology compatible with the typology developed. **2. Proposed monitoring system:** The objective was (a) to create database software, which would be freely available to all those providing services to the given target group, (b) to create a centre to compile statistical data, where all personal and sensitive data would be encrypted and the rest would be used for statistical research, (c) to discuss with nationwide providers a suitable proposal for connecting these services to all internet providers. **3. Research on the provision of healthcare to the homeless:** The objective was to compile data enabling an evaluation of the current situation and approach to the provision of healthcare to the homeless. **4. Testing the effectiveness of increasing the numbers of social workers:** The objective was to verify what impact a reduction in the number of clients, which also means more time devoted, had on the success of social inclusion of the homeless. **5. Publicity:** The objective was to improve public awareness of the problem of homelessness.
3.	**How did the initiative meet these objectives?**
	1. Definition and typology: The working group studied the FEANTSA documentation on the ETHOS typology and the philosophy behind its development. It was also helped by the first seminar, which was attended by the coordinator of the European Observatory on Homelessness and FEANTSA. Members discussed its relevance to the conditions in the Czech Republic in view of local living conditions for the homeless. The individual stages were consulted at workshops attended by the relevant public service professionals, social service providers and researchers. The material output was a printed publication entitled "The Definition and Typology of Homelessness", which is also available in

	electronic form in Czech and English, and includes the Czech ETHOS with an in-depth commentary. **2. Proposed monitoring system:** The Shelter Association (Sdružení azylových domů - SAD), initiated and administrates the use of an information system that gathers ideas, monitors legislative changes and collaborates with the system originators. The name NewPeopleVision refers to a database information system that enables the transparent monitoring and evaluation of services provided to the end-users. The system is open to all facilities that cater to people in need (men, women, mothers with children, families). **3. Research on the provision of healthcare to the homeless:** Questionnaires were sent to shelter workers, ambulance staff, doctors, nurses and social workers involved in healthcare and staff from the relevant departments of regional authorities. The results were processed statistically and interpreted. Proposals for change were also included in the process. The output is an independently printed document that analyses the issue and is also available in electronic form. **4. Testing the effectiveness of increasing the number of social workers:** 16 social workers were employed in a variety of types of organisations, working with the homeless, and at any given moment they "only" worked with 10 clients. They worked in different regions in shelters run by partner organisations (Naděje, the Salvation Army, the Silesian Diakony and the Diocesan charity in Brno). One of the objectives was also to confirm the premise that a higher number of social workers would not only benefit socially excluded people, but also the state institutions and organisations that provide social services. The added value of these activities is real social aid, provided to the facilities' end users. For the duration of the project, social workers provided services to over 530 clients and the portion of clients, for whom the support provided achieved its purpose, was one of the indicators monitored. **5. Publicity:** A professional website www.bezdomovci.eu was developed to present the project as a whole. Additional information has also been added. The website remains active even after the project's completion and continues to be updated. The project also led to the publication of three printed documents (see sub-paragraphs 1 and 3), of which the final one contains a proposal for the sustainable development of social services for the homeless. They are all available to be downloaded from the internet, in pdf format. The project ended with a wrap-up conference that was attended by hundreds of professionals from throughout the Czech Republic.
Monitoring and evaluation	
	How is, or was, this measure monitored or evaluated?
	The various activities were evaluated on an ongoing basis. One example is Definition and Typology, where the working groups met on agreed dates and consulted the course of their work with experts at three workshops. Working groups submitted reports to a project team composed of representatives from partner organisations. The project was financed by ESF, and monitoring reports were drafted continuously and then systematically evaluated. All project outcomes and results were presented at a wrap-up conference and submitted for discussion. The conference was attended by professionals from the social services, public administration, academic disciplines and researchers.
Results	
1.	**To what extent have the specific objectives been met?**
	A Definition and Typology of Homelessness was developed and made available. The monitoring system has been established and is used on an individual basis.

	Outcomes from research into the provision of healthcare to homeless people have been passed on to competent public authorities in the area of healthcare and social affairs. The effectiveness of higher numbers of social workers was demonstrated, verified and documented. The results were passed on to competent public administration bodies. Papers concerning this issue continue to be published, even after the project's completion.
2.	**What risks or barriers did you encounter during the implementation of the initiative?**
	An obstruction was found in the Definition and Typology, when legislative speech was found to be at odds with the general public perception. It will be difficult to introduce the NewPeopleVision monitoring system nationwide unless amendments are made to certain provisions of the Act on the protection of personal data. The system is prepared but can only be used locally, at present. During research on the provision of healthcare to the homeless, regional authorities, with one exception, were found to be unwilling to complete the questionnaire they had been sent. We were unable to overcome this reluctance. Verifying the effectiveness of increasing the number of social workers – at the end of the project, the basic barrier was found to be a lack of funding for additional social work in prevention services.
3.	**How did you resolve these risks and barriers?**
	In the Definition and Typology, a compromise was found in the language, an explanation of the different social situations is commented on in detail. During research on the provision of healthcare – refer to the answer to the previous question. Verifying the effectiveness of increased numbers of social workers – the risk cannot be resolved under the current financial conditions governing social prevention services.
4.	**Did you encounter any unexpected benefits or weak points?**
	Unexpected benefits or weak points, in the literal sense of those terms, were not encountered. The willingness and ability to cooperate, not only on the part of partner organisations, but from other individuals working in social services, public administration and research, was an extremely beneficial aspect. Weaknesses were seen more in the social environment than in the project implementation itself, and also in the fact that access to healthcare for the homeless was worse than anticipated. Implementation of the project clearly confirmed this fact.

Annex No. 2.2 - Statistics

Table No. 1 – Poverty threshold *
(overarching indicator 1a)

	Annual amount in CZK	**CZ**	**EU 25**
		Annual amount in PPP	

individuals	85,714	5,002	-
parents with 2 dependent children	180,000	10,505	-

** poverty threshold - 60% of annual national standardised median income per EU consumer unit*
Source: EUROSTAT for 2006 (SILC Survey 2006 – income for 2005)

Table No. 2 – At-risk-of-poverty rate by age and gender [*] (%)
(overarching indicator 1a)

age	CZ			EU 25		
	total	**men**	**women**	**total**	**men**	**women**
total 0+	10	9	11	16	15	17
0 - 17	16	-	-	19	-	-
18 - 64	9	8	10	15	14	15
65+	6	2	8	19	16	21

** percentage of people (men and women) at risk of poverty in specific age groups out of the total number of people (men and women) in those specific age groups*
Population at risk of poverty: people with annual equivalised disposable income (after all social transfers) below 60% of the annual national median equivalised income per EU consumer unit
Source: EUROSTAT 2006 (SILC Survey 2006 – income for 2005)

Table No. 3 - At-risk-of-poverty rate - relative median poverty risk gap [*]by age and gender (%)
(overarching indicator 1b)

age	CZ			EU 25		
	total	**men**	**women**	**total**	**men**	**women**
total 0+	17	19	16	22	23	22
0 - 17	18	-	-	23	-	-
18 - 64	18	20	17	25	25	24
65+	7	11	7	18	18	18

** difference between the median income of people at risk of poverty and poverty threshold expressed as a percentage of the poverty threshold*
Population at risk of poverty: people with annual equivalised disposable income (after all social transfers) below 60% of the annual national median equivalised income per EU consumer unit
Poverty threshold: 60% of the annual national median equivalised income per EU consumer unit
Source: EUROSTAT 2006 (SILC Survey 2006 – income for 2005)

Table No. 4 - S80/S20 Income quintile ratio [*]
(overarching indicator 2)

CZ	**3.5**
EU 25	**4.8**

** ratio of the total income received by the 20% of the population with the highest dispensable income (top quintile) compared to the total income received by the 20% of the population with the lowest dispensable income (bottom quintile)*
*Source: EUROSTAT 2006 (*SILC Survey 2006 – income for 2005*)*

Table No. 5 - Healthy life expectancy (in years)
(overarching indicator 3 including context information from 3)

Gender and age	1995	2000	2002	2004	2005	2006
Life expectancy *** MEN**						
CZ						
- 0 years	69.7	71.7	72.1	72.6	72.9	73.5
- 45 years	27.6	29.0	29.3	29.7	29.9	30.4
- 65 years	12.7	13.8	13.9	14.2	14.4	14.8
EU						
- 0 years	72.8	74.4	75.0	-	75.8	-
- 45 years	-	31.8	32.2	-	-	-
- 65 years	-	15.7	16.0	-	-	-
Healthy life expectancy **						
CZ Men 0 years	-	-	62.8	-	-	-
EU 15 Men 0 years	-	63.5	64.3	-	-	-
Life expectancy *** WOMEN**						
CZ						
- 0 years	76.8	78.5	78.7	79.4	79.2	79.9
- 45 years	33.4	34.8	34.9	35.3	35.3	36
- 65 years	16.2	17.0	17.2	17.6	17.7	18.3
EU						
- 0 years	7.7	80.8	81.2	-	81.9	-
- 45 years	-	37.2	37.5	-	-	-
- 65 years	-	19.4	19.6	-	-	-
Healthy life expectancy **						
CZ Women 0 years	-	-	63.3	-	-	-
EU 15 Women 0 years	-	64.4	65.8	-	-	-

** Life expectancy: the number of years an x-year old person will probably live*
*** Healthy life expectancy: the number of years an x-year old person will probably live with good health*
Source: EUROSTAT(SILC Survey 2006 – income for 2005)

Table No. 6 - Early school leavers * (%)
(overarching indicator 4)

		2002	2003	2004	2005	2006
CZ	total	5.5	6.0	6.1	6.4	5.5
	men	5.3	5.2	5.8	6.2	5.7

	women	5.7	6.8	6.5	6.6	5.4
EU 25	total	16.6	16.2	15.6	15.2	15.1
	men	18.9	18.1	18.0	17.3	17.4
	women	14.4	14.2	13.1	13.1	12.8

** percentage of people aged between 18 and 24 with lower secondary (whose highest level of education is 0, 1 or 2 by international standards of classification - ISCED 97) for specific age groups*

Source: EUROSTAT

Table No. 7 - Population living in jobless households * (%)
(overarching indicator 5)

Age			1997	2000	2002	2004	2005	2006	2007
CZ	0 – 17	total	5.1	8.0	7.6	9.0	8.1	8.2	7.9
	18 – 59	total	5.3	7.8	7.3	8.0	7.4	7.3	6.5
		men	-	-	5.6	6.4	5.8	5.8	4.9
		women	-	-	9.1	9.6	9.0	8.8	8.1
EU 25	0 – 17	total	-	-	9.8	9.8	9.6	9.6	9.3
	18 – 59	total	-	-	10.1	10.3	10.2	9.9	9.3
		men	-	-	8.9	9.3	9.2	8.9	8.2
		women	-	-	11.4	11.4	11.2	10.9	10.3

** ratio of people living in jobless households to total number of people in the same age group*

Source: EUROSTAT, LFS

Table No. 8 - Projected total public social expenditures * (in percentage points)
(overarching indicator 6)

	2004 Percentage of expenditure on social security from GDP	**2004 -2010 change**	**2004 -2020 change**	**2004 -2030 change**	**2004 -2040 change**	**2004 -2050 change**
CZ	19,3	-0.5	-0.1	1.7	4.8	7.1
EU 25	23,4	-0.7	-0.2	1.5	3.0	3.4

** ratio of the total public social expenditures (pensions, healthcare, long-term care, education and unemployment transfers) from GDP and forecast change in the percentage of GDP (for 2010, 2020, 2030, 2040 and 2050) - under the terms of the agreement with the Ageing Working Group of the Economic Policy Committee (AWG/EPC)*

Source: EPC / AWG

Table No. 9 - Median relative income of older persons *
(overarching indicator 7a)

	CZ	EU 25

total	0.82	0.85
men	0.84	0.88
women	0.80	0.83

** coefficient of the median equalised income of people over 65 to the income of people aged between 0 and 64*

Source: EUROSTAT 2006 (SILC Survey 2006 – income for 2005)

Table No. 10 – Aggregate replacement ratio (coefficient) - median pensions of pensioners aged between 65 and 74 to the median income of the working population aged between 50 and 59
(overarching indicator 7b)

	CZ	EU 25
total	0.52	0.51
men	0.50	0.54
women	0.56	0.50

Source: EUROSTAT 2006 (SILC Survey 2006 – income for 2005)

Table No. 11/1 - Employment rate of older workers * (%)
(overarching indicator 10)

	age	**1998**	**2000**	**2002**	**2004**	**2005**	**2006**	**2007****
CZ	**55 - 64**							
	total	37.1	36.3	40.8	42.7	44.5	45.2	46.0
	men	53.2	51.7	57.2	57.2	59.3	59.5	59.6
	women	22.9	22.4	25.9	29.4	30.9	32.1	33.5
EU 25	**55 - 64**							
	total	35.8	36.6	38.7	41.0	42.5	43.6	44.7
	men	46.6	46.9	48.8	50.7	51.8	52.8	53.9
	women	25.5	26.9	29.2	31.7	33.7	34.9	36.3

** ratio of employed persons aged between 55 and 64 to the total population of this age group*

Source: EUROSTAT

*** data for EU 27*

Source: EUROSTAT and the CZSO from its Workforce Sample Survey

Table No. 11/2 - Employment rate of older workers * (%)
(overarching indicator 10)

	age	1998	2000	2002	2004	2005	2006	2007
CZ	**55 - 59**							
	total	51.4	50.6	55.6	59.1	61.6	62.7	63.3
	men	72.7	71.8	76.5	76.9	78.5	78.4	77.3
	women	31.7	30.9	36.1	42.4	45.8	47.9	50.1
CZ	**60 - 64**							
	total	19.4	16.9	20.1	20.7	22.3	23.1	25.7
	men	27.8	23.5	29.2	30.1	33.7	34.9	38.3
	women	12.3	11.2	12.1	12.5	12.3	12.7	14.6

** ratio of employed persons aged between 55 and 59 and between 60 and 64 to the total population of the specific age groups*

Source: CZSO from its Workforce Sample Survey

Table No. 12 - In-work poverty risk by most frequent activity status *
(overarching indicator 11)

		CZ			EU 25		
		total	**men**	**women**	**total**	**men**	**women**
persons aged 18 +		8	7	9	15	14	16
total workforce		3	3	4	8	8	7
non-working population		14	14	13	23	23	23
of whom:	- unemployed	43	48	39	41	46	36
	- retired	7	5	8	16	15	17
	- other economically non-active	15	15	15	27	27	27

** number of persons (men and women) at-risk-of-poverty in specific groups of economic activity aged 18 and over out of the total number of persons (men and women) in specific groups of economic activity*

Population at risk of poverty: people with annual equivalised disposable income (after all social transfers) below 60% of the annual national median equivalised income per EU consumer unit

Source: EUROSTAT 2006 (SILC Survey 2006 – income for 2005)

Table No. 13/1 – Economic activity rate * (%)
(overarching indicator 12)

		1998	2000	2002	2004	2005	2006	2007
CZ	total	72.0	71.3	70.6	70.0	70.4	70.3	69.8
	men	80.0	79.1	78.6	77.9	78.4	78.3	78.1
	women	64.0	63.6	62.7	62.2	62.4	62.3	61.5
EU 25	total	68.0	68.7	69.0	69.7	70.3	70.7	70.9
	men	77.4	77.4	77.3	77.5	77.8	78.0	78.1
	women	58.7	60.0	60.7	62.0	62.7	63.4	63.7

** number of economically active persons (employed and unemployed aged between 15 and 64 years) out of the number of persons in the same age group*
Source: EUROSTAT and CZSO

Table No. 13/2 - Rate of economic activity by age * (%)
(overarching indicator 12)

age groups		1998	2000	2002	2004	2005	2006	2007
15 - 64	total	72.0	71.3	70.6	70.0	70.4	70.3	69.8
	men	80.0	79.1	78.6	77.9	78.4	78.3	78.1
	women	64.0	63.6	62.7	62.2	62.4	62.3	61.5
15 - 24	total	49.1	46.1	40.1	35.8	33.9	33.5	31.9
	men	55.7	51.3	44.7	40.0	38.7	37.7	36.7
	women	42.1	40.6	35.2	31.5	28.8	29.2	26.9
25 - 54	total	88.5	88.4	88.2	87.8	88.3	88.1	87.8
	men	95.1	94.9	94.9	94.6	94.8	94.8	95.0
	women	81.9	81.8	81.5	80.9	81.6	83.4	83.4
55 - 59	total	53.2	53.3	57.9	62.8	65.4	66.7	66.9
	men	75.3	75.8	79.5	81.4	82.8	83.2	81.6
	women	32.8	32.6	37.7	45.5	49.0	51.1	53.1
60 - 64	total	20.5	17.7	20.9	21.4	23.0	23.8	26.4
	men	28.9	24.5	30.0	30.9	34.4	36.1	39.3
	women	13.3	11.9	13.0	13.0	12.9	13.0	14.9

**** number of economically active persons (employed and unemployed) in specific age groups out of the number of persons in the same age group***
Source: EUROSTAT, CZSO and MoLSA

Table No. 14 - Regional cohesion*
(overarching indicator 13)

	2000	2004	2005	2006
CZ	5.8	5.6	5.5	5.2
EU 25	13.4	12.2	11.9	11.4**

** variation coefficient for the employment rates at a NUTS II level*

***data from EU 27*
Source: EUROSTAT - LFS

Table No. 15/1 – GDP growth in fixed prices * (index %)
(context information 1 for the overarching indicators)

	2000	**2001**	**2002**	**2003**	**2004**	**2005**	**2006**	**2007**
CZ	103.6	102.5	101.9	103.6	104.5	106.3	106.8	106.6
EU 25	103.9	101.9	101.2	101.2	102.4	101.7	102.9	102.9**

** the same period for the previous year = 100%*
*** EU 27*
Source: CZSO and EUROSTAT

Table No. 15/2 – GDP growth per capita (in CZK and PPP)
(context information 1 for the overarching indicators)

	1996	**2000**	**2004**	**2005**	**2006**	**2007**
Per capita GDP In current prices (CZK)*	163,183	213,110	272,770	291,561	313,213	344,035
Per capita GDP in PPP*	11,586	13,036	16,257	17,133	18,412	20,237
relation of per capita GDP CZ to EU 25 in PPP (EU 25 = 100%)** (%)	70.0	64.7	72.1	73.7	76.1	82.0

** Source: CZSO*
*** Source: EUROSTAT*

Table No. 16/1 - Employment rate by gender * (%)
(context information 2 for the overarching indicators)

		1998	**2000**	**2002**	**2004**	**2005**	**2006**
CZ	total	67.3	65.0	65.4	64.2	64.8	65.3
	men	76.0	73.2	73.9	72.3	73.3	73.7
	women	58.7	56.9	57.0	56.0	56.3	56.8

EU 25	total	61.2	62.4	62.8	63.3	63.8	64.7
	men	70.6	71.2	71.0	70.9	71.3	72
	women	51.8	53.6	54.7	55.7	56.3	57.4

** ratio of employed persons to the total number of people aged between 15 and 64 years*
Source: EUROSTAT

Table No. 16/2 - Unemployment rate * (%)
(context information 2 for the overarching indicators)

		1998	2000	2002	2004	2005	2006
CZ	total	6.4	8.7	7.3	8.3	7.9	7.1
	men	5.0	7.3	5.9	7.1	6.5	5.8
	women	8.1	10.3	9.0	9.9	9.8	8.8
EU 25	total	9.4	8.6	8.8	9.0	8.7	7.9
	men	7.9	7.4	7.8	8.1	7.9	7.1
	women	11.2	10.2	10.0	10.2	9.8	9
CZ in 15 to 24 year age group	total	12.8	17.8	16.9	21.1	19.2	17.5
	men	11.5	18.5	16.6	22.3	19.3	16.6
	women	14.4	17.0	17.2	19.4	19.1	18.7
EU 25 in 15 to 24 age group	total	19.2	17.4	18.2	18.7	18.5	17.1
	men	17.4	16.0	17.3	18.2	18.2	16.5
	women	21.3	19.0	19.1	19.3	18.9	17.9

** ratio of unemployed to the economically active population over 15 and the ratio of unemployed aged between 15 and 24 to the economically active population aged between 15 and 24 years*
Source: EUROSTAT

Table No. 16/3 - Long-term unemployment rate * (%)
(context information 2 for the overarching indicators)

		1999	2002	2004	2005	2006
CZ	total	3.2	3.7	4.2	4.2	3.9
	men	2.4	3.0	3.4	3.4	3.1
	women	4.2	4.6	5.3	5.3	4.9
EU 25	total	4.1	3.9	4.1	3.9	3.6
	men	3.4	3.3	3.6	3.5	3.2
	women	5.0	4.6	4.7	4.5	4

** ratio of persons unemployed for over 12 months to the economically active population over 15*
Source: EUROSTAT

Table No. 17 – Old-age dependency ratio * (%)
(context information 4 for the overarching indicators)

	2005	2010	2020	2030	2040	2050
CZ	19.8	21.9	31.8	37.1	43.8	54.8

EU 25	24.9	26.3	32.1	40.3	48.5	52.8

** ratio of people aged 65 and over to the number of people aged between 15 and 64 years*
Source: EUROSTAT and CZSO (real figures for CZ in 2005)

Table No. 18/1 – Distribution of population by household types (%)
(context information 5 for the overarching indicators)

household type	population* total
Total	**100.0**
Households without children	
total number of households without dependent children	47.8
Of which:	
- total number of individuals	9.4
men	3.6
women	5.8
individuals under 64 years	5.1
individuals 65 years and over	4.3
- childless couples	
both partners under the age of 64	13.9
at least one partner over the age of 65	9.5
- other households without dependent children	15.0
Households with children	
total number of households with dependent children	52.2
Of which:	
- 1 parent with 1 or more dependent child	3.9
- couple:	
with 1 dependent child	12.1
with 2 dependent children	21.0
with 3 or more dependent children	4.7
- other households with dependent children	10.5

**ratio of people living in a specific type of household to the total population*
Source: CZSO for 2006

Table No. 18/2 - Breakdown of the population by age group in 2005
(context information 5 for the overarching indicators)

age	total		men		women	
	in ,000	%	in ,000	%	in ,000	%
total	10,251.1	100.0	5,002.7	100.0	5,248.4	100.0
0 - 17	1,891.5	18.5	970.4	19.4	921.1	17.6
18 - 64	6,903.2	67.3	3,462.6	69.2	3,440.6	65.5
65+	1,456.4	14.2	569.7	11.4	886.7	16.9
0 - 14	1,501.3	14.7	771.2	15.4	730.1	13.9
15 - 64	7,293.4	71.1	3,661.8	73.2	3,631.6	69.2
65+	1,456.4	14.2	569.7	11.4	886.7	16.9

Source: CZSO as of 1 January 2006

Table No. 19 - Public finances - debt and deficits (% of GDP)
(context information 6 for the overarching indicators)

		2002	2003	2004	2005	2006
CZ	**public debt**	28.5	30.1	30.4	30.2	30.1
EU 27	**debt**	60.3	61.8	62.1	62.7	61.4

EUROSTAT 2006

Table No. 20/1 - Ratio of GDP expenditure on social protection by category * (%)
(context information 7 for the overarching indicators)

Benefit disbursements	2000	2001	2002	2003	2004	2005
total	19.5	19.5	20.2	20.2	19.3	19.1
of which:						
Pensions and survivor benefits	8.2	8.1	8.3	8.1	7.7	7.9
Sick pay and healthcare	6.4	6.5	6.8	6.9	6.6	6.5
Disability allowance	1.5	1.5	1.5	1.6	1.5	1.4
Unemployment	0.7	0.6	0.7	0.8	0.7	0.7
Child benefit	1.6	1.5	1.6	1.5	1.6	1.4
Housing and social exclusion	0.6	0.6	0.6	0.7	0.6	0.6
Benefit disbursements – EU 25						
total	26.6	26.8	27.1	27.4	27.3	27.4
of which:						
Pensions and survivor benefits	11.9	11.9	11.9	12.0	12.0	12.1
Sick pay and healthcare	6.9	7.1	7.2	7.4	7.4	7.5
Disability allowance	2.1	2.1	2.1	2.1	2.1	2.1
Unemployment	1.6	1.6	1.7	1.7	1.7	1.6
Child benefit	2.1	2.1	2.1	2.1	2.1	2.1
Housing and social exclusion	0.9	0.9	0.9	0.9	0.9	0.9

** Source EUROSTAT using the ESPROSS methodology*

Table No. 20/2 - Breakdown of expenditure on social protection * (%)
(context information 7 for the overarching indicators)

CZ	2000	2001	2002	2003	2004	2005
Total expenditure on benefits	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**
Of which:						
- pensions and survivor benefits	43.3	42.9	42.4	41.2	41.2	42.6
- sick pay and health care	33.6	34.3	35.0	35.3	35.3	35.3
- disability allowance	7.8	8.0	7.8	8.1	7.9	7.8
- unemployment	3.4	3.2	3.4	4.0	3.9	3.6

- child allowance	8.4	8.2	8.0	7.6	8.4	7.5
- accommodation and social exclusion	3.4	3.3	3.3	3.5	3.3	3.1
EU 25						
Total expenditure on benefits	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**
Of which:						
- pensions and survivor benefits	46.6	46.2	45.9	45.6	45.7	45.9
- sick pay and health care	27.1	27.8	27.8	28.1	28.3	28.6
- disability allowance	8.2	8.2	8.3	8.1	8.1	7.9
- unemployment	6.3	6.3	6.4	6.6	6.5	6.1
- child allowance	8.1	8.0	8.1	8.1	8.0	8.0
- housing and social exclusion	3.5	3.5	3.5	3.4	3.4	3.5

** Source EUROSTAT using the ESPROSS methodology*

Table No. 21/1 - Adults aged between 18 and 59 in jobless households * (%)
(context information 8 for the overarching indicators)

Household type	**EU 25**	**CZ**
Individuals without children	24.1	23.2
Single parents	10.9	12.9
Childless couple	22.1	24.0
Couple with children	15.0	14.5
Other households without children	19.8	19.4
Of which:		
no person over 65	9.5	8.3
with at least one person over 65	10.4	11.2
other households with children	8.1	5.9
Of which:		
no person over 65	6.4	4.6
with at least one person over 65	1.7	1.2
Total number in thousands	**17,762.5**	**437.26**

** ratio of adults aged between 18 and 59 in a specific type of household to the total population of adults aged between 18 and 59 in jobless households*
Source: EUROSTAT 2006

Table No. 21/2 - Children aged between 0 and 17 in jobless households * (%)
(context information 8 for the overarching indicators)

Household type	EU 25	CZ
Single parent - under 65	47.5	50.8
Single parent - over 65	0.3	0.3
Couple with children	38.4	35.9
Of whom:		
no person over 65	37.3	35.7
at least one person over 65	1.1	0.2
Other households with children	13.7	13.1
Of whom:		
no person over 65	9.9	10.2
at least one person over 65	3.9	2.9
Total numbers in thousands	**6,437.9**	**148.04**

** ratio of children aged between 0 and 17 in a specific type of household to all children aged between 0 and17 in jobless households*
Source: EUROSTAT 2006

Table No. 21/3 - Distribution of population by economic activity * (%)
(related information 8 for the overarching indicators)

	total	men	women
Total population aged 18+	**100.0**	**100.0**	**100.0**
Total workforce	***55.3***	***65.5***	***45.8***
Of whom:			
employed	46.4	52.4	40.8
self-employed	8.9	13.0	5.0
Total non-working population	***44.7***	***34.5***	***54.2***
Of whom:			
unemployed	6.2	5.8	6.6
retired	28.1	22.1	33.6
other economically inactive	10.4	6.6	14.0

** ratio of persons (men and women) aged 18 and above, in specific groups of economic activity, out of the total number of persons (men and women) aged 18 and above*
Source: CZSO from the 2002 MICROCENSUS

1.1 Table No. 22 - Net income of social assistance recipients for selected household types (%)

(context information 10 for the overarching indicators)

Individuals	66.6
1 parent and 2 children	89.1
2 parents and 2 children	85.9

Source: EUROSTAT 2006 (SILC Survey 2006 – income for 2005)

Table No. 22 - Net income of social assistance recipients for selected household types (%)
(context information 10 for the overarching indicators)

Individuals	66.6
1 parent and 2 children	89.1
2 parents and 2 children	85.9

Source: EUROSTAT 2006 (SILC Survey 2006 – income for 2005)

Table No. 23 - At-risk-of-poverty rate before social transfers (other than pensions)* (%)
(related information 11 for the overarching indicators)

Age group	CZ			EU 25		
	total	**men**	**women**	**total**	**men**	**women**
total 0+	22	21	22	26	25	27
0 - 17	32	-	-	33	-	-
18 - 64	20	20	21	24	24	25
65+	13	9	16	23	20	25

** percentage of people (men and women) at risk of poverty in specific age groups out of the total number of people (men and women) in those specific age groups*
Population at risk of poverty: people with annual equivalised disposable income (after all social transfers) below 60% of the annual national median equivalised income per EU consumer unit
Source: EUROSTAT 2006 (SILC Survey 2006 – income for 2005)

Table No. 24 - Primary indicators of social inclusion

Indicator		total	men	women	Source	Year	
SI P1	**At-risk-of-poverty rate by age and gender (%)**				EU		2006
	total	10	9	11			
	0 - 17 years	16	16	17			
	18 – 64 years	9	8	10			
	65+ years	6	2	8			
	18+ years	8	7	9			
	At-risk of-poverty threshold (poverty threshold) – illustrative values				EU		2006
	households of individuals						
	annual income in CZK	85,714					
	annual income in PPP	5,002					
	households of parents with 2 dependent children						
	annual income in CZK	180,000					
	annual income in PPP	10,505					
SI P3	**Relative median gap by gender and age (%)**				EU		2006
	total	17	19	16			
	0 - 17 years	18	-	-			
	18 – 64 years	18	20	17			
	65+ years	7	11	7			
SI P4	**Long-term unemployment rate (12 months and over) (%)**	3.9	3.1	4.9	EU	2006	
SI P5	**Persons living in jobless households (%)**				EU		2006
	children 0 - 17 years old	7.9	-	-			
	adults 18 - 59 years old	6.5	4.9	8.1			
SI P6	**Early school leavers (%)**				EU		2006
		5.5	5.7	5.4			

Table No. 25 - Secondary indicators of social inclusion

Indicator		total	men	women	Source	Year
SI S1	**At-risk-of-poverty rate by age and gender (%)**				EU	2006
	total	10	9	11		
	0 - 17 years	16	16	17		
	18 - 24 years	12	13	11		
	25 - 54 years	9	8	11		
	55 - 64 years	5	4	6		
	65+ years	6	2	8		
	18+ years	8	7	9		
SI S1a	**At-risk-of-poverty rate by household type (%)**				EU	2006
	total number of households without dependent children	6				
	total number of individuals	17	15	18		
	individuals under 64	19				
	individuals over 65	14				
	2 adults, both under 64	5				
	2 adults, of whom at least one is 65+	3				
	other households without dependent children	3				
	total number of households with dependent children	13				
	1 parent and dependent children	41				
	2 adults, 1 dependent child	7				
	2 adults, 2 dependent children	10				
	2 adults, 3 and more dependent children	30				
	other households with dependent children	8				
SI S1c	**At-risk-of-poverty rate by most frequent activity status (people aged 18+) (%)**				EU	2006
	Workforce	3	3	4		
	unemployed	14	14	13		
	of whom:					
	unemployed	43	48	39		
	retired	7	5	8		
	other economically non-active	15	15	15		
SI S1e	**Spread around at-risk-of-poverty threshold (poverty threshold) (%)**				EU	2006
	40% of the median					
	total 0+ years	2	2	2		
	0 - 17 years	4	-	-		
	18 - 64 years	2	2	2		
	65+ years	0	0	0		
	50% of the median					
	total 0+ years	5	5	5		
	0 - 17 years	9	-	-		
	18 - 64 years	5	5	5		
	65+ years	1	1	1		
	70% of the median					
	total 0+ years	18	16	20		
	0 - 17 years	27	-	-		
	18 - 64 years	15	14	17		
	65+ years	18	9	25		

Table No. 26 - Context information on the social inclusion indicators

Indicator					source	year
SI C1	**Income quintile ratio S80/S20**	3.5			EU	2006
SI C2	**Gini coefficient**	25			EU	2006
SI C3	**Regional cohesion (coefficient)**	5.2			EU	2006
SI C4	**Healthy life expectancy**				EU	2002
	men from 0 years	62.8				
	women from 0 years	63.3				
SI C6 (see tab. 23)	**At-risk-of-poverty rate (%)**	total	men	women	EU	2006
	a) after and before other social transfers					
	total	22	21	22		
	0 - 17 years	32	-	-		
	18 - 64 years	20	20	21		
	aged 65+	13	9	16		

SI C7 and SI C10 are the same as the context information on the overarching indicators (see tables 21 and 22).
SILC Survey 2006 – income for 2005

Annex No. 3.1 Characteristics of the basic pension scheme[30)]

Act No. 155/1995 Coll., on Pension Insurance (hereafter only the "Act on Pension Insurance"), which was approved by Parliament on 30 June 1995, is **the fundamental substantive law** regulating entitlement to mandatory basic pension insurance in the event of old age, disability and death of a family's provider. The Act on Pension Insurance entered into force on 1 January 1996. Since then it has been amended on a number of occasions.

Provided the conditions stipulated in the Act are met, participation in the basic pension scheme is mandatory. The Act on Pension Insurance also provides for voluntary participation in pension insurance under certain conditions, but still within the framework of the mandatory basic pension insurance.

Various groups of beneficiaries (the employees, civil servants, members of cooperatives, the self-employed and other groups of beneficiaries) are subject to **uniform legal regulations.**

A legal entitlement to a pension arises when the conditions stipulated by law have been met.

All **decisions** on entitlement to pension insurance benefits and their amount or disbursement **are subject to judicial review**.

Basic pension insurance is **financially guaranteed by the state**, because pensioners cannot be left without a source of income on which they are existentially dependent.

Concerning pension insurance, the **principle of earnings-related coverage** is restricted due to the concurrent application of the principle of **social solidarity** (the existence of reduction limits, which restrict the incorporation of higher income levels by means that are set forth in legislation, resulting in a decrease in the relative amount of the pension as the income that can be claimed for the purposes of pension insurance increases).

The dynamic nature of the basic pension insurance scheme results from the annual adjustment of income levels that can be used to calculate the percentage portion of the pension, and increases in the current annuity.

The following pensions and annuities are paid out within the basic pension scheme:

- **old age**[31)], **early old age** [32)]),
- **full disability,**
- **partial disability,**
- **widow's and widower's,**
- **orphan's.**

Pension insurance basically only recognises benefits derived from the length of the insurance period and the level of earnings attained. The only exception is the **full disability**

[30] The current Czech pension insurance system consists of two parts, the basic pension scheme (which provides old-age pensions, full disability pensions, partial disability pensions, widow's and widower's annuities and orphan's pensions) and supplementary insurance, which on the one hand covers supplementary pension insurance with a state contribution (Act No. 42/1994 Coll., on supplementary pension insurance with a state contribution – the system provides lifelong old-age, disability and service pensions, temporary survivor benefits and one-time compensation and reduced policy bonuses) and on the other hand covers other forms of individual insurance through products offered by commercial insurance companies.

[31)] For a period of gainful activities performed after eligibility to an old-age pension begins, the assessment percentage of the pension increases by 1.5% of the assessment base for every 90 calendar days.).

[32)] A person may be entitled to an early old-age pension three years before retirement age. The basic amount of this pension is paid in full; the percentage amount is reduced by 0.9% of the assessment base for each commenced 90 calendar days of "early retirement".

pension, where the status of **disabled from youth** is recognised when certain conditions are met.

Composition of pensions

Pensions are composed of a basic amount[33)], which is a flat rate identical for all pension types (regardless of the length of the insurance period and the earnings), and of a percentage amount derived from the insurance period and gross earnings[34)]. The pension level is not capped by any ceiling.

Formula for the calculation

pension = assessment base[35)] x percentage rate per year of insurance[36)] x the number of years of insurance[37)] + the base amount

Old-age pension

The minimum period of insurance required for entitlement to an old-age pension is 25 years. In accordance with law, the retirement age is gradually rising (in 2008 the retirement age for men is 61 years and 10 months and for women it is between 56 years and 4 months and 60 years and 4 months, depending on the number of children they have raised).

Disability pensions

In order to calculate full and partial disability pensions, the insurance period is also taken to include the period from the date when a right to this pension arose and the retirement age giving entitlement to old-age pension, during which time no contributions were made. The reduction in the capacity to perform any economic activity must be at least 66% (full disability), or 33% (partial disability) and at least 5 years of the required insurance period must have been completed (out of the ten year period preceding the disability).

Survivor pensions

The percentage amount of the pension is set at the same level as the percentage amount of the deceased's pension[38)]. The deceased must have met the conditions of eligibility for an old-age or disability pension; survivors have an unconditional right to a pension for the

[33)] As of August 2008, the basic amount has been set at 2,170 CZK (approximately 9.4% of the average gross monthly wage).

[34)] Earnings from which the pension is calculated are taken from the assessment period prior to the pension claim. Since 1996, when the assessment period was ten years (the eligible years were from 1986 to 1995) this assessment period is being progressively extended to a target of 30 years. Pensions claimed after 2016 will be derived from income earned over this period. The current assessment period covers the 22 eligible years from 1986 to 2007.

[35)] The assessment base is calculated by reducing the personal assessment base, which is the monthly average of total annual income for the assessment period prior to the pension claim, indexed in accordance with general wage increases. The Government is entitled to raise the reduction limits. The amount of the personal assessment base up to the level of the first reduction limit, or 10,000 CZK (approx. 43.2% of the gross average wage), is fully incorporated, any amount of money from the first reduction limit to the second reduction limit, which is set at 24,800 CZK (approx. 107.1% of the gross average wage), is included at a rate of 30% and 10% of any amount above the second reduction limit is included.

[36)] For old-age and full disability pensions, this is 1.5% of the assessment base, for partial disability pensions this amounts to 0.75% of the assessment base.

[37)] Including non-contributory periods.

[38)] The percentage amount of the widow's/widower's annuity is 50% and the percentage amount for an orphan's pension is set at 40% of the pension amount of the deceased.

first year following the death of their spouse, after which conditions stipulated in legislation must be met, otherwise this eligibility becomes void[39]. A child who is deemed to be without means, in accordance with law, can claim an orphan's pension until reaching the age of 26, inasmuch as a deceased person fulfilled the conditions entitling them to a pension.

INSURANCE

The system of social insurance is financed on an ongoing basis. That means that expenses for benefits for a particular period are financed from revenue from contributions paid during that same period.

Legal provisions regulating the financial relationships are contained in **Act No. 589/1992 Coll.,** on social security contributions and contribution to the state employment policy, as amended, which entered into force on 1 January 1993. In particular, this stipulates:

- **those people obliged to pay** contributions (including contribution to the state employment policy),
- **the method of establishing the amount of the contributions**, contribution payments and obligations of contribution payers.

In accordance with this Act, contributions are paid for social security (for sickness insurance and pension insurance) as well as a contribution to the state employment policy.

Insurance contributions and contribution to the state employment policy are treated as revenue for the state budget. Other sources of revenue for the state budget are penalties, surcharges on social security contributions and fines. The introduction of contribution collection was intended to make closer links between the contributions paid and the level of benefits received.

Effective 1 January 1996, a special pension insurance account was established as part of the state financial assets. The surplus that arose as the difference between revenue from pension insurance premiums, including revenue from penalties and fines chargeable for pension insurance and costs for collecting pension insurance contributions and payment of pension insurance benefits was transferred to this account. The account could only be used to pay pension insurance benefits and to transfer funds back into the state budget to cover a negative balance between revenue and expenses. This was only possible with the approval of the Parliament´ Chamber of Deputies. The funds could not be invested.

Effective 1 March 2008, the special pension insurance account was transformed into a special reserve account for pension reform, as part of the state financial assets. Every year when revenue from pension insurance contributions, including revenue from penalties and fines chargeable for pension insurance is higher than expenditure on pension insurance benefits, including expenditure relating to the collection of pension insurance contributions and payment of pension insurance benefits, the Ministry of Finance transfers a sum amounting to the difference between the revenue and expenses from the state budget to this account. This account also receives revenue from remittances made in accordance with special legal regulations. The funds held in this account are used for pension reform, in accordance with a resolution by the Chamber of Deputies concerning a Government proposal. The Ministry of Finance is authorised to invest funds held in this account temporarily in Government securities and Czech National Bank securities, as well as in securities issued by member states of the Organisation for Economic Cooperation and Development, and securities issued by the central banks of these states or the European

[39] If these conditions are again met within five years of the lapse of eligibility, a new pension claim can be made.

Central Bank. Proceeds from investments are treated as revenue for this account. Financial reports from this account are included in the state closing accounts.[40)]

Contributions are collected by district Social Security Administration Offices.

Contributions are paid by employees, employers and the self-employed. Their level is expressed as a percentage of the assessment base (see the table below) for the period under review. The premium is calculated from taxable income before tax is applied. In the case of the self-employed, taxable income is reduced by expenses for achieving, securing and maintaining this income; since 2006 the assessment base for this contribution has been 50% of the difference between revenue and expenses.

Effective 1 January 2008, a maximum annual assessment base for social security contributions and contribution to the state employment policy was established for all insured at 48 times the national average monthly wage. In 2008 the average monthly wage is 21,560 CZK, which means that the maximum assessment base is 1,034,880 CZK.

Table Percentage rate of contributions, valid as of 2004 (% of the personal assessment base)

	Pension insurance	Sickness insurance	State employment policy	Total
Organisations and small organisations	21.5	3.3	1.2	26
Employees	6.5	1.1	0.4	8
Self-employed	28	4.4 optional	1.6	29.6 or 34
Voluntary pension insured	28	-	-	28

Source: MoLSA

Annex No. 3.2 – The Most Important Measures Proposed during Phase I of Pension Reform

Specific approved measures concern the expenditure aspect of the basic pension scheme and can be assigned to the section relating to the insurance period and non-contributory periods, the section relating to the conditions determining entitlement to a pension, the section relating to the amount of the pension, the section relating to the conditions of pension eligibility and the section relating to a new definition of disability.

I. Insurance Period and Non-Contributory Periods

Exclusion of years spent studying as a non-contributory period, as of 31 December 2009, except in cases where entitlement to a disability pension is assessed.

According to current legislation, the period of secondary and tertiary education is taken into account, for the first six years of study after reaching the age of 18, with these six years being assessed at 80% of their complete value. Even after the elimination of this non-contributory period, years of study can still be assessed, through the institute of "voluntary pension insurance", on the condition that contributions are paid during this period. The time for years of study up to 1 January 2010 will still be assessed and included.

[40)] Act No. 26/2008 Coll., amending Act No. 218/2000 Coll., on budgetary rules and on amendments of some related Acts (budgetary rules), as amended, and other related Acts, also amended Section 36 of the budgetary rules.

Unifying the age levels at which the "recalculated period" is assessed to determine the level of the percentage amount of disability pension for both men and women.

To determine the level of the percentage amount of disability pension, the insurance period includes the "recalculated" period, i.e. the period from the day of pension entitlement until retirement age when a person becomes eligible for an old-age pension. For women, retirement age is considered to be the retirement age for women without children. The existing legislation is more advantageous for men, because their recalculated period is longer than that of women. Unifying the age at which the recalculated period is assessed eliminates the unequal treatment of men and women in this area.

II. Conditions Governing Entitlement to Pensions

A gradual increase in retirement age up to 65 years for men, women without children and women who have raised one child and up to 62 to 64 years (according to the number of children) for women who have raised at least two children.

Average life expectancy continues to rise. This fact, along with general demographic developments, manifesting themselves in an ageing population, i.e. an increasing portion of elderly people in the population as a whole, impacts the financial stability of the basic pension scheme, because it reduces the portion of people paying contributions relative to the number of people receiving pensions. For this reason, under the Act on Pension Insurance, the age at which entitlement to an old-age pension arises has been gradually increasing since 1996.

Retirement age according to Act No. 155/1995 Coll. as amended by Act No. 425/2003 Coll.

	men	Women with children				
		0	1	2	3 or 4	5 and more
Increased by	2 months	4 months	4 months	4 months	4 months	4 months
total	3 years	6 years	6 years	6 years	6 years	6 years
i.e. up to	63	63	62	61	60	59
date	2016	2019	2019	2019	2019	2019
For those born in	1953	1956	1957	1958	1959	1960

Approval has been granted for continued increases in the retirement age, entitling policyholders to old-age pension at the same rate as at present i.e. by 2 calendar months for men and by 4 calendar months for women for each calendar year up to 65 years for men, women without children and women who have raised one child, and up to 64 years for women who have raised two children, up to 63 years for women who have raised three children, and up to 62 years for women who have raised at least four children. This measure has also reduced the differences between men and women in this area.

A gradual lengthening of the insurance period required for entitlement to an old-age pension from 25 years to 35 years, including non-contributory periods, or to 30 years without including non-contributory periods. The rate of this lengthening is one year for each year the law is in force.

The mandatory insurance period will begin to be extended in 2010, when it will amount to 26 years, meaning that the target, 35 years, will be achieved in 2019. The present minimum length of the insurance period was set at 25 years, in 1964. The actual insurance period currently leading to retirement is, on average, 42 years. The changes that have occurred since 1964, and particularly the latest developments (primarily demographic) and the options

available for basic pension insurance require an extension of the insurance period required for entitlement to an old-age pension. In light of the necessity to comply with the European Convention on Social Security, alternative options have also been put forward to ensure entitlement to an old-age pension on achieving retirement age, provided the insurance period (without including non-contributory periods) is at least 30 years.

A gradual restriction in the inclusion of non-contributory periods and for entitlement to an old-age pension to 80%, with the exception of periods of care for a child up to four years of age and of care for a person who is dependent on others, and for basic military service.

For the purpose of establishing the level of the percentage amount of the pension, most non-contributory periods are calculated at a rate of 80%. The substantial amount of time covered by non-contributory periods (approximately a quarter of all the time assessed) explains why it should be reduced, even if this will affect assessment of the conditions regarding the required insurance period for entitlement to an old-age pension. When the non-contributory period was calculated before 1 January 2010, this measure will apply to cases where the entitlement to a pension arises after 2018.

Unifying the previously fixed age limit for the "permanent" entitlement of women to a widow's pension (currently 55 years) and of men to a widower's pension (currently 58 years) to an age 4 years lower than the retirement age for men born in the same year as the applicant.

One of the conditions for entitlement to a survivor's pension is attaining the age of 55 for women or 58 for men. The gradual increase in the retirement age does not apply to these two different age limits. A measure that has not yet been approved would eliminate these differences and establish a single age limit giving both men and women a "permanent" entitlement to these pensions.

Redefining disability (introducing three degrees of disability) with "permanent" protection for the previous partial disability pension when the degree of disability changes from the 2nd level to the 1st (to this point in time, two degrees of disability pension have existed, full disability pension and partial disability pension).

The approved measure introduced a three-stage definition of disability, abolished the current distinction between full and partial disability and introduced the disability pension as a single disability benefit. The current full disability pension will now be regarded as a disability pension for third level disability and the current partial disability pension will be seen as a disability pension for second level disability, if the reason for the partial disability was a reduction in the ability to perform gainful activities by at least 50%, and in other cases as a disability pension for a first level disability. Regarding changes in the definition of disability, the assessment of the level of the disability pension was also reworked in relation to the percentage reduction in the beneficiary's ability to work. There will be no elimination of eligibility for disability pensions that have been paid hereto and a new right to disabilities as a result of the change in the degrees of disability, but simply a change in the percentage amount of the pension paid.

Transforming a full disability pension into an old-age pension of the same amount upon reaching the age of 65.

The legislation in force implies that even elderly people are eligible for full disability pensions, to the end of their lives. Due to this situation, the Czech Republic has been criticised for the large numbers of full disability pensions it honours and the ease of access to this pension.

However, a large number of full disability pensions have nothing to do with the standard of medical assessment, when judging this connection. As a result of the approved changes, which comply with the principles of physiological ageing, we can expect a significant decrease in the hundreds of thousands of recorded pensions with disabilities, without any impact on the social security of individuals who will be protected by old-age pensions (the old-age pension will be retain at least at the same level as the disability pensions previously contributed).

III. Pension levels, payment of old-age pensions alongside payment for gainful activities

Increasing the percentage calculation of an old-age pension if old-age pension benefits are fully drawn while performing gainful activities at the same time, by 0.4% of the calculation base for each 360 calendar days or when drawing on half of the value of this pension, by 1.5% of the calculation base for each 180 calendar days.

In accordance with current legislation, when entitlement to an old-age pension arises, beneficiaries may either request payment of the pension or remain economically active without drawing on their pension, thereby increasing the percentage calculation by 1.5% of the calculation base every 90 calendar days. The approved measure has introduced the option of continuing to perform remunerative activities, while drawing half an old-age pension or a full old-age pension, with the option of converting the pension in either case.

Further reducing the percentage calculation for early retirement, from the third year.

In contrast to the present situation, the percentage amount of the early old-age pension will be converted from the third year into old-age pension with a further reduction from 0.9% to 1.5% of the calculation base. The aim of this measure is to make early retirement less attractive.

Cancelling the conditions for entitlement to an old-age pension alongside income from gainful activities, including the conclusion of employment contracts for period of up to one year.

In accordance with legislation in force, one of the conditions ensuring entitlement to an old-age pension in addition to income from gainful activities consists of concluding employment contracts for a maximum period of one year. The approved measure eliminates the unequal position, when assessing entitlement to an old-age pension in addition to income from gainful activities for retirees employed in different forms of work.

Practically all the objectives that had been considered (and were also set forth) in the “National Strategic Report on Adequate and Sustainable Pensions” in 2005 (Part 3.2.4. Strategy for the solution of differences in financing) have been implemented through the approval of measures during phase I of the pension reform. The approved measures should result in a gradual reduction of expenses, by approximately 1.2% of GDP, on pension insurance over the medium and long-term horizon (until the end of 2050). In terms of economic impact, the most important measure consists of further increasing the retirement age to 65 years for men, childless women and women who raised one child, and to 62 and 64 for other women.

Annex No. 4.1 Statistical data concerning health and social services
A – Definition of long-term care
B – Healthcare statistics
C – Social service statistics
D – Benefit for care

Annex No. 4.1.A – Definition of long-term care

International (OECD) and national (Act on Social Services) terminology for long-term care needs			
OECD definition	**Definition in Social Services**		**Examples**
ADL criteria (Activities of daily living)	Basic activities of normal life	Assistance in care for oneself	Personal hygiene, dressing, feeding, movement from/to bed/chair, walking, spatial orientation in immediate environment etc.
IADL criteria (Instrumental activities of daily living)	Instrumental activities of normal life	Supporting self-sufficiency and independence	Help with housework, cooking, shopping, transport and social activities etc.

Long-term care personnel				
Professional, qualified medical professionals – nurses	*Medical professionals with lower qualifications.* Health visitor – direct care workers	*Caregivers – direct care workers* Trained lay persons	Criteria for assistance in daily living	
Specialised healthcare tasks			ADL	
Nursing care				IADL
	Home care			

Types of health and social facilities in the Czech Republic				
	Health Facilities			**Social Service Facilities**
		Long-term care		
Services	**Acute care**	**After-care**	**Social care services**	**Preventive Social Services**
Institutional – Residential – Inpatient	Hospital	Long-term care units; specialised medical institutions, Psychiatric institutes, hospices	Retirement Homes; Homes for persons with disabilities, special homes	Therapeutic communities; shelter homes; hostels etc.
Out-patient services	Primary care; specialised out-patient clinics	Primary care; specialised out-patient clinics, short stay hospitals	Respite services, day service centres etc.	Counselling, crisis intervention; therapeutic workshops etc.
Field services in households		Home healthcare agencies, hospice care	Home-care service; personal assistance; emergency care; informal care etc.	Early intervention; social stimulation services for families with children etc.

Multi-source financing of long-term care in the Czech Republic		
Source	**Healthcare**	**Social Services**
Public Health Insurance	Payment for medical procedures, flat rate, number of treatment days	N/A
Public budgets	Grants (e.g. Renovation of healthcare facilities, equipment, preventive programmes)	Grants to service providers. Contributions to care paid according to tested degree of dependence
Individuals own income	N/A	Payments from service clients for accommodation, meals, care and optional extras

Annex No. 4.1.B – Healthcare statistics

Overview of healthcare facilities (2006):

type of facility	number	doctors	other staff	beds
Hospitals	191	16,639.44	57,286.11	64,174
Institutes for long-term care patients	74	328.63	2,097.70	7,462
Psychiatric institutes	20	539.83	3,193.74	9,762
Rehabilitation institutes	6	54.34	257.40	991
Tuberculosis and respiratory disease institutes	9	40.12	213.21	921
Other specialised medical facilities	20	175.08	738.54	2,385
Balneologic institutes	86	324.08	1,210.93	25,771
Convalescent homes	9	3.92	59.43	670
Hospices	13	20.82	141.77	335
General Practitioners (for adults)	4,460	4,508.8	4,276.94	-
General Practitioners (for children)	2,081	2,070.79	1,989.21	-
Practical independent dentists	5,423	5,858.52	5,340.25	-
Practical independent gynaecologists	1,182	1,120.17	1,208.27	-
Independent specialist	6,393	6,044.98	6,066.37	-
Policlinics	194	1,468.44	2,575.33	-
Health service centres	149	402.81	685.99	-
Pharmacies*	2,497	0	4,510.94	-
Organs of public health protection	30	230.85	1,148.08	-
Infant institutes and children's homes for children up to the age of 3 years	34	32.64	871.45	-
TOTAL	22,871	39,864.26	93,871.66	112,471

*pharmacies including field units

Source: ÚZIS 2007

Overview of healthcare facilities (2007):

type of facility	number	doctors	other staff	beds
Hospitals	192	18,039.84	57,762.28	63,662
Institutes for Long-term care patient	68	368.91	2,047.90	7,727
Psychiatric institutes	19	537.1	3,148.84	9,627
Rehabilitation institutes	6	52.9	256.49	991
Tuberculosis and respiratory disease institutes	9	47.36	240.55	1,006
Other specialised medical facilities	18	159.63	639.62	2,193
Balneologic institutes	85	338.39	1,186.23	25,737

Convalescent homes	9	3.96	59.93	603
Hospices	13	25.56	137.05	335
General Practitioners (for adults)	4,410	4,482.20	4,278.45	-
General Practitioners (for children)	2,062	2,070.42	1,984.58	-
Practical independent dentists	5,422	5,904.25	5,352.74	-
Practical independent gynaecologists	1,174	1,139.87	1,241.13	-
Independent specialist	6,518	6,335.39	6,396.15	-
Policlinics	195	1,557.26	2,520.64	-
Health service centres	148	450.23	695.02	-
Pharmacies*	2,570	0	4,506.94	-
Organs of public health protection	30	227.08	1,080.13	-
Infant institutes and children's homes for children up to the age of 3 years	33	38.85	877.61	-
TOTAL	22,981	41,779.2	94,412.28	111,881

*pharmacies including field units Source: ÚZIS 2008

Breakdown of hospitals by founder (2006):

founder	number of facilities	total number of beds	of which after-care beds	% of after-care beds
Ministry of Health	19	17,790	254	1.4
Regions	47	20,484	2,298	11.2
Town, municipality	22	4,574	723	15.8
Natural person, church, other legal entity	98	19,873	3,365	16.9
Other central administration	5	1,453	62	4.3
TOTAL	191	64 ,74	6,702	10.4

Source: ÚZIS 2007

Breakdown of hospitals by founder (2007):

founder	number of facilities	total number of beds	of which after-care beds	% of after-care beds
Ministry of Health	20	17,774	254	1.4
Regions	25	9,718	1,428	14.7
Town, municipality	20	4,309	591	13.7
Natural person, church, other legal entity	122	30,452	4,258	14.0
Other central administration	5	1,409	42	3.0

TOTAL	192	63,662	6,573	10.3

Source: ÚZIS 2008

Economic indicators

Total healthcare expenditures (in CZK million) in 2006

From public funds	194,344
- from state and local budgets	22,828
- from health insurance	171,516
Direct private payments from citizens	26,534
TOTAL	220,878

Source: ÚZIS 2008 with additional data from MH, MF, CSO

Health insurance company costs on healthcare in 2007

	in CZK million	share as a %
General Practitioner out-patient care	8,565	4.8
Specialist out-patient care	24,934	14.0
Institutional care	90,914	51.0
Dental treatment	8,993	5.0
Prescription medication	38,674	21.7
Other costs	6,059	3.4
Total costs	178,139	100

Source: ÚZIS 2008 with data from CSO

Hospital costs and revenues for 2007 (in CZK million)

hospital	**number**	**costs**	**revenues**	**Profit or loss**
Directly administered by MH CZ	20	50,229	50,588	359
regional (grant assisted organisation)	41	18,337	17,736	-601
Municipal and metropolitan (grant assisted organisation)	22	5,107	5,112	6
Private, church, administered by other legal entity	96	27,724	28,108	383
Other central administration	3	2,336	2,338	2
TOTAL	182	103,734	103,882	148

Source: ÚZIS 2008

Annex No. 4.1.C Social Services Statistics

NUMBER and CAPACITY OF FACILITIES (residential and day care) OPERATED BY SOCIAL SERVICES IN 2007

Type of facility	**Total number** of facilities	of which residential facilities		Number of day care facilities	**TOTAL capacity** as of 31.12. 2007	the number of these providing nursing care
		annual	weekly			
A Day care centres	42	5	1	20	740	0
B Daily short-term hospitals	142	0	0	118	2,958	181
C Weekly short-term hospitals	40	0	40	0	702	77
D Homes for people with disabilities	205	204	33	31	16,638	5,484
E Homes for senior citizens	463	463	0	0	41,618	15,977
F Homes with special regimen	75	72	2	1	3,829	1,558
G Sheltered homes	70	63	0	2	2,087	209
H Shelters	162	134	8	9	4,208	153
I Half-way houses	29	24	0	1	334	2
J Crisis intervention	18	0	0	0	0	0
K Low threshold day centres	49	1	0	0	7	0
L Low threshold youth centres	61	0	0	0	0	0
M Hostels	29	15	0	5	459	0
N Therapeutic communities	13	10	0	0	136	0
O Social guidance centres	101	0	0	0	0	0
P Social therapeutic workshops	22	1	1	14	337	0
Q Social rehabilitation centres	60	11	1	3	408	0
R Early care unit	21	0	0	0	0	0
S Intergenerational centres	2	0	1	1	75	0
T Integrated centres	6	4	2	3	526	18
TOTAL IN THE CZECH REPUBLIC	**1,610**	**1,007**	**89**	**208**	**75,062**	**23,659**

Source: MoLSA 2008

NUMBER OF PEOPLE OCCUPYING FACILITIES (residential and day care) OPERATED BY SOCIAL SERVICES IN 2007

Typeoffacility	Number of people as of 31. 12. 2007	
	Annual and weekly stays	Daily stays
A Day care centres	103	656
B Daily short-term hospitals	0	2,563
C Weekly short-term hospitals	585	0
D Homes for people with disabilities	15,925	349
E Homes for senior citizens	39,665	0
F Homes with special regimen	3,668	4
G Sheltered homes	1,885	52
H Shelters	3,257	974
I Half-way houses	189	34
J Crisis intervention facilities	0	0
K Low threshold day centres	6	0
L Low threshold youth centres	0	8
M Hostels	303	66
N Therapeutic communities	128	0
O Social guidance centres	0	0
P Social therapeutic workshops	13	315
Q Social rehabilitation centres	281	59
R Early care units	0	0
S Intergenerational centres	8	67
T Integrated centres	447	32
TOTAL IN THE CZECH REPUBLIC	**66,463**	**5,179**

Source: MoLSA 2008

NUMBER OF PEOPLE WHO RECEIVED field SOCIÁL SERVICES IN 2007

Region	Informal care	Personal assistance	Emergency care	Guidance and reading services	Support for independent housing	Respite services	Day care centre	Daily short-term hospitals
City of Prague	11,902	182	183	0	0	473	45	39
Central Bohemia Region	12,874	206	150	3	37	208	947	369
South Bohemia Region	2,407	32	143	0	0	95	45	27
Plzeň Region	7,280	79	33	1,322	0	1,034	11,600	110
Karlovy Vary Region	2,049	149	0	8	0	35	126	63
Ústí nad Labem Region	4,484	128	18	0	0	0	0	124
Liberec Region	2,817	0	0	0	0	8	8	30
Hradec Králové Region	4,884	87	0	0	0	107	70	129
Pardubice Region	3,050	245	29	0	9	33	67	84
Vysočina Region	4,632	94	0	3	0	12	142	206

South Moravia Region	17,608	117	0	0	4	551	1,401	184
Olomouc Region	3,527	2	0	0	0	4	196	60
Zlín Region	6,403	157	0	0	0	139	150	233
Moravia-Silesia Region	11,603	824	98	23	45	1,182	708	599
CZECH REPUBLIC	**95,520**	**2,302**	**654**	**1,359**	**95**	**3,881**	**15,505**	**2,257**

Source: Preliminary data from MoLSA MPSV 2008

SOCIAL SERVICE FACILITIES BY legal form /founder- TOTAL IN THE CZECH REPUBLIC IN 2007

T y p e of residential/outpatient facility	TOTAL		State		Region		Municipal		Church		Other	
	number	capacity	number	capacity	number	capacity	number	capacity	number	capacity	number	capacity
A Day care centres	42	740	0	0	2	65	12	155	17	214	11	306
B Daily short-term hospitals	142	2,958	2	250	21	518	40	888	41	611	38	691
C Weekly short-term hospitals	40	702	1	33	20	377	6	113	6	65	7	114
D Homes for people with disabilities	205	16,638	5	898	151	13,189	32	2 139	10	225	7	187
E Homes for senior citizens	463	41,618	0	0	191	21,190	185	16,999	67	2,654	20	775
F Homes with special regimen	75	3,829	0	0	43	2,472	17	861	5	139	10	357
G Sheltered homes	70	2,087	1	28	25	1,161	14	565	12	112	18	221
H Shelters	162	4,208	0	0	4	177	41	1,014	57	1,226	60	1,791
I Half-way houses	29	334	0	0	2	16	5	124	12	107	10	87
J Crisis intervention facilities	18	0	0	0	1	0	0	0	7	0	10	0
K Low threshold day centres	49	7	0	0	0	0	7	0	17	7	25	0
L Low threshold youth centres	61	0	0	0	0	0	3	0	18	0	40	0
M Hostels	29	459	0	0	0	0	9	156	14	191	6	112
N Therapeutic communities	13	136	0	0	1	15	1	15	1	7	10	99
O Social guidance centres	101	0	0	0	17	0	9	0	26	0	49	0
P Social therapeutic workshops	22	337	0	0	0	0	2	64	8	101	12	172
Q Social rehabilitation centres	60	408	0	0	0	0	0	0	10	9	50	399
R Early care unit	21	0	0	0	0	0	1	0	7	0	13	0
S Intergenerational centres	2	75	0	0	0	0	0	0	0	0	2	75
T Integrated centres	6	526	1	239	1	154	1	52	3	81	0	0
TOTAL IN THE CZECH REPUBLIC	**1,610**	**75,062**	**10**	**1,448**	**479**	**39 334**	**385**	**23,145**	**338**	**5,749**	**398**	**5,386**

Source: MoLSA 2008

CAPACITY AND ECONOMIC INDICATORS IN SOCIAL SERVICE FACILITIES IN 2007

STATE AND REGIONAL FACILITIES

Type of facility	Capacity	Number	REVENUE (in thousands of CZK)			EXPENSES (in thousands of CZK)		
			TOTAL	of which		TOTAL	of which	
				accommodation	other		non-investment	investment
Retirement homes	21,190	191	4,989,069	2,175,917	2,832,052	5,085,839	4,595,701	489,694
Homes for the disabled	14,087	156	4,467,667	1,507,151	2,738,938	4,679,557	4,217,380	462,256
Homes with a special regimen	2,472	43	654,858	278,897	372,040	657,055	629,922	27,155
Short term hospitals	40,717	487	10,797,117	4,126,311	6,427,053	11,180,260	10,126,864	1,053,100
Other	1,855	55	353,243	132,327	207,335	444,800	418,146	26,682
TOTAL	**80,321**	**932**	**21,261,954**	**8,220,603**	**12,577,418**	**22,047,511**	**19,988,013**	**2,058,887**

MUNICIPAL FACILITIES

Type of facility	Capacity	Number	REVENUE (in thousands of CZK)			EXPENSES (in thousands of CZK)		
			TOTAL	of which		TOTAL	of which	
				accommodation	Other		non-investment	investment
Retirement homes	16,999	185	3,692,623	1,659,580	2,007,559	3,659,800	3,520,071	139,821
Homes for the disabled	2,139	32	586,974	212,561	373,502	603,624	583,638	20,002
Homes with a special regimen	861	17	202,801	109,191	93,644	199,728	196,129	3,607
Short term hospitals	22,990	373	4,904,289	2,042,293	2,798,083	4,843,259	4,672,969	170,476
Other	2,145	105	231,069	47,550	181,730	227,356	225,367	2,041
TOTAL	**45,134**	**712**	**9,617,756**	**4,071,175**	**5,454,518**	**9,533,767**	**9,198,174**	**335,947**

OTHER (private) FACILITIES

Type of facility	Capacity	Number	REVENUE (in thousands of CZK)			EXPENSES (in thousands of CZK)		
			TOTAL	of which		TOTAL	of which	
				accommodation	Other		non-investment	investment
Retirement homes	3,429	87	816,737	380,270	433,700	839,262	779,105	60,200
Homes for the disabled	412	17	141,406	39,741	97,682	144,468	142,773	1,704
Homes with a special regimen	496	15	126,625	69,920	53,828	124,416	119,525	4,898
Short term hospitals	10,615	708	2,294,448	623,336	1,631,804	2,314,853	2,158,674	156,533
Other	5,317	525	1,014,869	93,124	893,518	1,016,039	940,768	75,534
TOTAL	**20,269**	**1,352**	**4,394,085**	**1,206,391**	**3,110,532**	**4,439,038**	**4,140,845**	**298,869**

Source: MoLSA 2008

Grants for social service providers from the state budget:

MoLSA devoted a total of 6,936,440,000 CZK to support the provision of social services in 2007 through its chapter 313, of which 6,630,476,000 CZK went to support local and regional services (this grant was in accordance with Section 101 of the Act on Social Services) and to support social services with national and international scope, to support development activities and a total of 305,964,000 CZK went to resolve emergency situations (a grant in accordance with Section104 of the Act on Social Services). In 2007 an additional 500,000,000 CZK was budgeted in Chapter 398 – VPS to cover subsidies to healthcare facilities providing social services, bringing the total for 2007 to 7,436,440,000 CZK.

To support the provision of social services in 2008, a total of 6,818,440,000 CZK was allocated to Chapter 313 - MoLSA, of which 6,628,440,000 CZK went to support local and regional services (a grant in accordance with Section 101 of the Act on Social Services) and to support social services with national and international scope, to support development activities and a total of 190,000,000 CZK was devoted to resolving emergency situations (a grant in accordance with Section 104 of the Act on Social Services). The total allocation for 2008 was 618,000,000 CZK less than the previous year.

Comparison of expenditure from the State Budget to social service providers in 2008 with 2006 and 2007 broken down by social service group

Expenditure from the state budget / social service group	2006 grant - estimate	2007 grant*	2008* grant	percentage 2007/2006	percentage 2008/2007
Social care grant	7,535,491,530	5,911,684,400*	**5,444,927,500***	78%	92%
Social prevention grant	360,806,470	594,081,700	**737,092,900**	165%	124%
Social counselling grant	0	200,964,000	**243,974,400**	X	121%
Total	**7,896,298,000**	**6,706,730,100**	**6,425,994,800**	**85%**	**96%**

**In 2007 grants for healthcare facilities were listed separately. In 2008 they are included in the overall volume of subsidies.*

Annex No. 4.1.D Indicator for the BENEFIT FOR CARE – a state grant which is awarded in 4 levels to assess the level of dependence on care from another person

In addition to data on the volume of funds drawn to pay the Benefit for care (hereafter only the BfC) MoLSA also monitors other important indicators. These primarily concern the structure of the BfC, broken down by the various levels (grant level) and also the structure of data on the method of using the BfC. These data come from the OK Služby Information System (hereafter only IS OK Služby).

The information we followed in IS OK Služby, enables us to monitor data in various quality groups, although its current recording value is, unfortunately, still hampered by the fact that several thousand grant application proceedings (claim, amendments, appeal) have not yet been completed. MoLSA forecasts that this situation will gradually come under control by the end of 2008 and output from the IS OK Služby will be available for monitoring in objective time frames, which will capture real trends in the utilisation of benefits for care. However the data set forth below place the findings in a basic framework.

Basic quantitative findings concerning the benefit for care in 2007 (the first year of existence of the grant):

- The total monthly outgoings to pay the BfC indicate a stable **volume of between 1.2 and 1.5 billion CZK**, which would give a total annual draw down of around 14.4 to 18 billion CZK.
- The total number of eligible claims for the benefit varied between **240 and 250 thousand people a month**.

- The highest number of benefits broken down by level were for Level I, i.e. approx 103,000 benefits, representing 42% of the total number of benefits. 81,500 claims (33%) were for level II, 39,000 for level III (16%) and 22,000 for level IV (9%).
- The largest volume of monthly payments of the benefit broken down by level is for level II, i.e. around 390 million CZK, which represents 33% of the total volume drawn. Level I represented 215 million CZK (18%), level III 320 million CZK (27%), and level IV 240 million CZK (20%).

- In terms of the basic **age structure** the following percentages were found:
  - Children under the age of 18– 7%
  - Adults 19 to 65 years – 24%
  - The younger elderly 65 to 75 years – 12%
  - Older seniors 75 years and above – 57%

- In terms of the **regional distribution** of BfC, no significant deviations were found and the number of BfC basically reflect the size of the region.

- In terms of the **manner of use of the BfC**, as indicated by the authorised persons, the following methods of use have been provided:
  - Care provided by a family member or other person and its possible combination with field and outpatient services – cca 73%
  - Care provided by a residential facility – cca 16%
  - Manner not listed – cca 9%

Basic findings on the issue of the medical assessment service, the grant application proceedings and monitoring:

- As of 31.12.2007, approximately 76,000 cases had not been resolved by all the medical assessment services in the labour offices. During the course of 2008, the labour office medical asssessment services received roughly 106,000 new applications for medical assessments. To the present date, decisions have been issued on about 131,000 cases. At present, there are approximately 51,000 cases still awaiting a decision. From these data, it is clear that the number of undecided cases has fallen by 25,000 since the beginning of the year.

Annex No. 4.2 Examples of Good Practice

EXAMPLE 1: Round table for healthcare

Measure name	Member State
Financial and systematic sustainability of long-term care A platform for public and expert discussion with a base for deciding on the future of healthcare in the Czech Republic	Czech Republic

Project Objectives

To improve coordination between healthcare and social services centrally

To increase the passage of information between experts, politicians and the general public

Summary of significant results

Social discussion on the future problems and challenges facing the healthcare and social care systems

Report on the state of the Czech healthcare system, its development and perspectives

Projection model of future income and costs of the public healthcare insurance system, including possible development scenarios

Target beneficiaries

General public	☒
Children	☐
Incomplete one-parent families	☐
Unemployed	☐
Elderly	☐
Young people	☐
Disabled	☐
Immigrants / Refugees	☐
Ethnic minorities	☐
Homeless	☐
Specific diseases	☐
Other [Please specify:]	☐

Political focus

Social exclusion	☐
Healthcare	☒
Long-term care	☒
Administration	☒

Geographical scope

National	☒
Regional	☐

Implementing body

Ministry of Health on the basis of Resolution of the Government of the Czech Republic No. 632/2007 from 11 June 2007

Context/Background to the initiative

The Round Table on the future of financing Czech healthcare is a reaction to the social and medical changes that have taken place over recent years. We can assume that these changes will continue to affect Czech society over the years to come and that they will become more serious over time. These changes, such as the ageing population and

technological developments, directly impact the financing of the healthcare system and may threaten the financial sustainability of the entire system, within the next few years.

To enable us to resolve the problems of financing the Czech healthcare system as soon as possible, we have to initiate discussion and attempt to find consensus on how to direct the healthcare system today. For this reason, the Round Table on the future of healthcare financing seeks to promote the emergence of a cultivated, topical discussion, that is comprehensible to the layperson and focused on limiting long-term problems in our healthcare system. The project should provide a background on which to project different solutions for these problems and support attempts to find agreement between the stakeholders, particularly the political parties, in order to facilitate the emergence of a long-term and widely supported scenario.

Details of the initiative	
1.	What timetable is or was adopted for the implementation of this initiative?
	Preparation stage: 1 March 2007 – 11 November 2007 Analytical stage: 12 November 2007 – 20 June 2008 Conceptual stage: 21 June 2008 – 30 September 2008
2.	Specific objectives
	To evaluate the current state of healthcare and the healthcare system in the Czech Republic, to identify consensual areas on the main problems that this system will have to resolve in the future, to galvanise expert and lay discussions on the need for change in financing the system and related agendas, on the basis of objective data. This stage of the project seeks to answer the question: What needs to be changed in the healthcare system and why? Publishing proposals for reform options from stakeholders and political parties, contributing to finding a consensus between political parties and stakeholders on possible changes to the healthcare system in the Czech Republic over the long term by submitting impartial and relevant materials for comparison and discussion forums. This stage of the project seeks to answer the question: How could the healthcare system be changed in reaction to objective external influences? To model a system of future revenue and expenses
3.	How has the initiative met these objectives?
	Analysis of the available literature Analytical report – Statement of Condition (an evaluation of the initial situation) Summary of central reform measures implemented in healthcare in European Union Member States Conceptual report – optional future changes to the healthcare system
Monitoring and evaluation	

	How is or was this measure monitored or evaluated?
	The Round Table on the future of healthcare financing in the Czech Republic was initiated on the basis of discussions between representatives of political parties that are represented in the Chamber of Deputies of the Czech Parliament. Organisational responsibility for these activities has been assigned to the Minister of Health, on the basis of a Government decree, which is administered by order of the Minister. When the project was half completed (at the end of 2007) a report on the interim performance of the Government declaration was submitted to the Government.
Results	
1.	To what extent have the specific objectives been met?
	in full
2.	What risks or barriers did you encounter during the implementation of the initiative?
	the failure of one parliamentary political party to attend insufficient time to perform all analyses and data collection
3.	How did you resolve these risks and barriers?
	by shadowing
4.	Did you encounter any unexpected benefits or weak points?

EXAMPLE 2: Domestic hospice care

Measure name	**Member State**
Accessibility of long-term care – providing domestic hospice care in the clients' home environment	Czech Republic
Project objective	
a) The aim was to establish a **mobile hospice** – a **mobile hospice unit**, which could apply its staff and technical equipment to improve the quality of social and healthcare services in the Ostrava region in suburban areas by providing domestic hospice care. b) The target group was people, predominantly elderly people, in terminal conditions who require palliative care. c) Main activities: - to establish a professional working team - to purchase equipment - to intensify the volunteer hospice movement - to ensure cooperation between the individual activities	
Summary of significant results	
- establishment of an expert and cooperative team – the mobile hospice –	

composed of professionals – nurses, doctors, a psychologist, a physiotherapist, social worker, priest;

- purchase of necessary professional equipment to loan to users in their homes

- intensification of the volunteer hospice movement – cooperation developed with other social and healthcare service providers with the aim of offering them trained volunteers;

- cooperation established between the volunteer hospice movement, the Mobile Hospice and St Luke's Hospice as a residential healthcare facility;

Target beneficiaries		**Political focus**	
General population	☐	Social exclusion	☐
Children	☐	Healthcare	X
Incomplete one-parent families	☐	Long-term care	☐
Unemployed	☐	Administration	☐
Elderly	☐		
Young people	☐	**Geographical scope**	
Disabled	☐		
Immigrants / Refugees	☐	National	☐
Ethnic minorities	☐	Regional	X
Homeless	☐		
Specific diseases	X	**Implementing body**	
Other [Please specify:]	☐	Občanské sdružení Tři (Citizens association), Čerčany Charita Ostrava	

Context/Background to the initiative

The background of this initiative was a desire to improve the quality of life for people in terminal stages of their lives in the city of Ostrava and its suburbs and to link all aspects of hospice care provided by Charita Ostrava and the need to restore dying people their dignity, as well as to bring the act of dying and death back as part of the natural human lifecycle and family society. We are increasingly seeing people dying alone and abandoned, without the presence of their families, in dehumanised conditions.

The aim of the **Volunteer hospice movement** project is to provide qualified assistance to people in the terminal stages of their life, when many die alone. We offer the elderly and people in terminal conditions help from specially trained volunteers who provide companionship, psychological, spiritual and human support and the possibility of dying in dignity surrounded by their families and friends. One of the ways of restoring dignity to dying people is to create a relationship of companion and patient, accompanying both children and adults. Through this project we also want to strengthen the family's desire to care for its sick and dying, to remain close to family members, who have lost someone they loved, and to help them to deal with their loss.

The goal of providing the **Mobile hospice** service is to enable people to remain in their own home environment and to maintain their own life style. When providing nursing and

hospice services we lay great emphasis on the individual needs of users and we respect the individuality of each user.

By providing comprehensive nursing and hospice services we primarily help people in the terminal stages of illness, elderly people, people with disabilities who do not have support, or we supplement the care provided by their families by performing special tasks. In this way we enable them to remain in their natural and home environment for as long as possible. Our stimulation services offer long-term mental vigour.

The fundamental objective of **Hospice sv. Lukáše**, is to provide comprehensive residential hospice services, primarily to cancer sufferers, with the intent of helping them to be self-sufficient and ensuring conditions for them to live out their lives, especially during its terminal stages, with dignity, providing palliative treatment and providing companionship at the end of their lives. The target group includes people who, for health or other reasons, are not able to take care of their own needs in their home environment and whose situation cannot be resolved either with the help of their families or by using field social services. This is a hospice type facility which provides companionship, accommodation, food, help in everyday tasks, educational, learning and stimulating activities, assistance in enforcing their rights and interests, care and nursing, according to the specific needs of that person. Nursing services also cover palliative care.

Details of the initiative

1. What timetable is or was adopted for the implementation of this initiative?

Since 2002, Charita Ostrava has been operating the Volunteer hospice movement. Since 1 December 2003, we have been operating the mobile hospice unit – Mobile Hospice – as an extension of the activities of the Charity nursing services, which we have been providing, since 1991.
Since October 2007, we have been operating Hospice sv. Lukáše.

2. Specific Objectives

- to establish a professional working team
- to purchase equipment
- to intensify the volunteer hospice movement
- to ensure cooperation between the various activities
- a professional trainee programme in Austria
- to develop the provision of comprehensive palliative care in the region
- to assist and support families caring for their relatives in the home environment
- to provide information to the professional and lay public on hospices and palliative medicine
- to remove the taboo from topics of death and dying.

3. How has the initiative met these objectives?

- by establishing an expert and cooperative team composed of professionals – nurses, doctors, a psychologist, a physiotherapist, a social worker and a priest;
- by purchasing the necessary professional equipment to loan to users in their homes;
- by intensifying the volunteer hospice movement – by developing cooperation with other social and healthcare service providers with the intent of offering them trained volunteers;
- by establishing cooperation between the volunteer hospice movement, the Mobile Hospice and Hospice sv. Lukáše as a residential healthcare facility;

Monitoring and evaluation

	How is or was this measure monitored or evaluated?
	Both qualitative and quantitative methods are used to evaluate the work of the various teams involved in hospice care. Quality evaluation takes place at regular meetings, which are attended by the organisational director, the head of the centre, the project trustee and the head of the social care department, during which time approaches to problematic clients are discussed and crisis situations that arise during the centre's work are resolved. End-user statistics are also used as a basis. Quantitative evaluation is performed through a questionnaire poll focusing on the satisfaction of the clients and their families with the care provided by the Charity Ostrava employees. This questionnaire poll takes place each year and is then processed into a collective document, which is used to improve the quality and professionalism of the care provided.
Results	
1.	**To what extent have the specific objectives been met?**
	With the support of various donors (the Statutory City of Ostrava, Czech Ministry of Health, EU – Phare programme 2002) we managed to fulfil the various objectives and stages and to maintain the established system of hospice care at Charita Ostrava up to the present.
2.	**What risks or barriers did you encounter during the implementation of the initiative?**
	- During the implementation of the project we did not encounter any major problems obstructing our activities. The implementation of certain activities required more time both in organisational terms and in terms of the human resources required, than we had originally anticipated. - From the beginning of the project's implementation, work with the clients' attending doctors was more complicated than we had anticipated. As we acquired more clients, the doctors became more aware of us as a team that does its work professionally and well, and as a result the problems abated and cooperation improved. - From the beginning of the project's implementation, doctors, particularly general practitioners, were unaware of their area of competence regarding client treatment, what treatment they could or could not prescribe and what they could leave for the nurse to do. After the project had been running for a certain period of time, the doctors became better informed.
3.	**How did you resolve these risks and barriers?**
	We try to keep talking to the doctors, informing them and cooperating more closely. We have discussions with doctors in hospitals concerning discharging of clients into our care (unifying our procedures). We try to place part of this burden on the family members and involve them in caring for those close to them. We communicate with professional societies and associations to keep ourselves informed.
4.	**Did you encounter any unexpected benefits or weak points?**
	The impact on our organisation from realising this project was extremely

	positive, enabling us to provide a system of qualified hospice care in a home environment as well as a residential healthcare facility and to involve trained volunteers in the volunteer hospice movement. The professionalism of our team has improved. During the project's realisation, we found deficiencies in legislation, as the terms mobile hospice unit, or domestic hospice are unknown. As a result, health insurance companies have no recourse to the law and are reluctant to reimburse hospice care. We are initiating discussions to have mobile hospice units recognised and fully reimbursed for their efforts.