



COUNTRY
REPORT FOR
THE CZECH
REPUBLIC

A photograph of a woman holding a young child, walking on a sidewalk next to a brick building. The entire image is overlaid with a semi-transparent red filter. The woman is looking down at the child, and the child is looking towards the camera. The background shows a brick wall and a metal railing.

EUROPE 2020
SHADOW REPORT 2014

PROPOSALS FOR THE ANNUAL GROWTH SURVEY,
COUNTRY SPECIFIC RECOMMENDATIONS AND NATIONAL POLICIES.
CARITAS RECOMMENDATIONS FOR EUROPE 2020 MID-TERM REVIEW.

01

EU 2020 Strategy: general evaluation

In general terms, our evaluation of the EU 2020 Strategy is positive, especially the objectives related to employment, poverty and social exclusion. It is important to have clear targets to which states commit both at EU and national level. Overall, the Czech government has been complying with its commitments set in 2010. However, the governance process is still weak, with little or no participation from civil society and therefore little room for comments or proposals.

The fact that Eurostat does not provide data on certain vulnerable groups (e.g. homeless people, and migrants) is something that could be improved in the future to reflect the reality of many that are generally not represented in the official data. It is also important to take into account that the poverty target, and all the policies implemented in the EU Semester, might only raise out of poverty those who fell into poverty due to the crisis but not those who have been suffering from social exclusion for a longer period or those that are more vulnerable.

It is therefore important to reinforce the Strategy in the future from two perspectives. On the one hand, review the current targets with a focus on sustainable economic development. In this sense, special attention could be paid not only to the creation of jobs and the sustainment of economic growth but also to the quality of working conditions. Secondly, more should be done to increase the participation of society and stakeholders in the process, especially professional organizations, companies and individual experts with specific knowledge on how to tackle poverty and unemployment. Stronger emphasis should be put on communication and media coverage so that the EU Strategy is better known by society and its citizens.

Finally, more efforts should be put into connecting the EU funds (the ESF, particularly) with the content of the NRPs.

02

Poverty

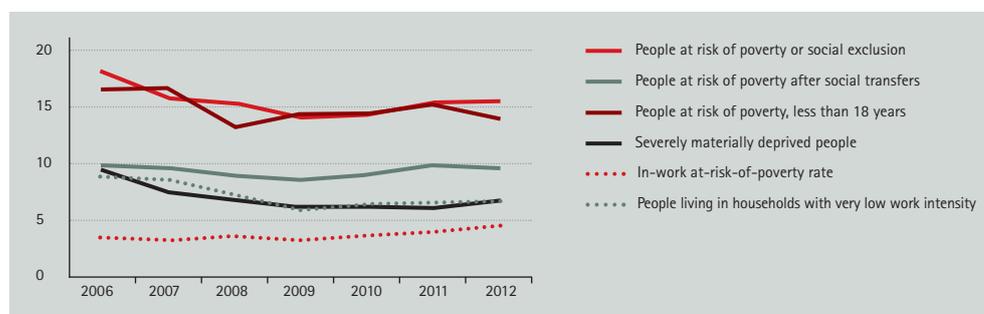
2.1

Recent trends

Development of poverty and social exclusion indicators in the Czech Republic (2009-2012) based on Eurostat:

- ➔ The highest relative and absolute increase occurred in the in-work-at-risk-of-poverty rate, which rose from 3.2% in 2009 to 4.5% in 2012. Nevertheless, the rate remains well below the EU-average (9.2% in 2012).
- ➔ The highest absolute increase occurred in the rate of people at risk of poverty and social exclusion, which rose from 14% in 2009 to 15.4% in 2012.
- ➔ It is worth noting that almost all poverty indicators increased during the observed period with the exception of child poverty, which dropped by 0.4 p.p. to 13.9% in 2012.

Eurostat (% of population)	2009			2010			2011			2012			EU average
	M	F	T	M	F	T	M	F	T	M	F	T	
The Czech Republic													
POVERTY													
People at risk of poverty or social exclusion	-	-	14.0	-	-	14.4	-	-	15.3	-	-	15.4	24.8
People at risk of poverty after social transfers	7.5	9.5	8.6	7.5	9.5	8.6	8.9	10.6	9.8	8.7	10.5	9.6	17.0
People at risk of poverty, less than 18 years of age	-	-	14.3	-	-	14.3	-	-	15.2	-	-	13.9	20.8
Severely materially deprived people	-	-	6.1	-	-	6.2	-	-	6.1	-	-	6.6	9.9
In-work at-risk-of-poverty rate	3	3.4	3.2	3.7	3.6	3.7	4.1	4	4.0	4.4	4.7	4.5	9.2
People living in households with very low work intensity	-	-	6	-	-	6.4	-	-	6.6	-	-	6.8	10.3



In addition to this data, it is worth highlighting the following issues:

- ➔ According to national data, in 2013, 14.6% of households were at risk of poverty or social exclusion, with the most vulnerable group being those households with low-work intensity (families with long-term unemployed or single-parent families with children)¹. The SILC reports refer to the number of people living in houses but do not usually include the number of homeless people, people living in shelters and asylum centres and similar institutions. In 2011, the CSO counted 11,500 people living in asylum and social institutions. This number was estimated to be only one third of the total amount, according to the CSO. Later unofficial estimated number of homeless people in 2012 was 100,000. If all homeless people were included in the at-risk-of-poverty or social exclusion rate, it would rise by 0.3%.²
- ➔ Debt is a serious concern as it is one of the main causes and consequences of poverty: the number of debt petitions in 2013 increased by 14.5% compared to 2012. Insolvency petitions also increased considerably, especially in the business sector (+34.2%). For consumers, the annual increase was 7.6%.

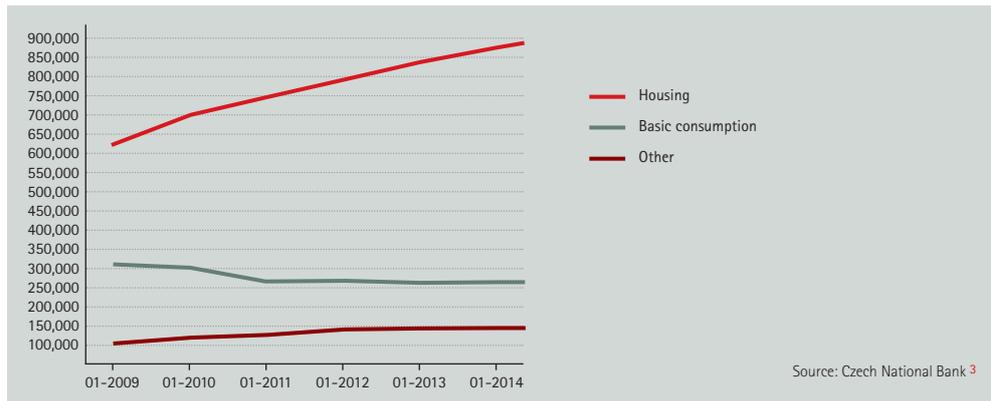
¹ Source: Data provided by the Ministry of Labour and Social affairs, Czech Statistical Office

² Source: Social Inclusion Strategy 2014-2020 (Government Resolution dated January 8, 2014 no. 24) http://www.mpsv.cz/files/clanky/17082/strategie_soc_zaclenovani_2014-20.pdf

Insolvency petitions

Year	Companies	Consumers	Total
2009	5255	4237	9492
2010	5559	10559	16118
2011	6753	17600	24353
2012	8398	23830	32228
2013	11269	25640	36909

Source: <http://cfoworld.cz/financni-sluzby/vyvoj-insolvenci-v-cr-v-roce-2013-2803>



- ➔ According to the CNB (Czech National Bank), in early 2014, the trend of moderate growth in household debt continued: the aggregated volume of household loans reached a total of 1 185.9 billion CZK.⁴ Collected data shows how certain groups are at a higher risk of being in debt: traditional ethnic groups, homeless people, elderly people whose social network is reduced and who eventually live in single households without formal care, are lonely, socially isolated or in institutional care.⁵
- ➔ According to the information gathered from our services (homes for mothers with children in need, social activation services for families with children and citizens advice bureaux), the main reasons that lead to poverty are linked to widespread unemployment, debt problems, single-parenthood, unsuitable housing, working conditions, low wages, cuts in payment of benefits, early school leaving, parents' inability to care for the family, lack of financial literacy. These problems tend to be generally transmitted from generation to generation, which in some cases lead to establishing other means of survival often linked to criminal activities and deeper exclusion. Without long-term assistance of field social workers, the change of above mentioned problems won't come - in adult life, people struggle to learn how manage their income. And the many other people around them who become 'parasites' on their income expose them to additional negative pressures.
- ➔ In addressing the issue of migrants, we encounter the unavailability of public health insurance for foreigners with long-term residence in the Czech Republic, which leads them in some cases into significant debt. The system is set to be discriminatory, favouring private insurance companies at the expense of patients and health care providers. Private insurance companies have a number of exclusions, which are not covered by insurance and patients subsequently face high debts at the health facility, or they are denied care because of inability to pay for surgery or other costly procedures. Relatively frequent are cases of high debts for parents of children who require intensive neonatal care.
- ➔ Data from our services shows that we were reaching out to the same number of people in 2013 as in 2012 with a slight increase in people who found themselves in a situation of risk of poverty or social exclusion. Compared to 2010, there was also an increase in the demand of services aimed at children and young people, people with addiction problems, families with housing needs (e.g. night shelters, public housing, social housing). There was also an increase

³ http://www.cnb.cz/cnb/STATARADY_PKG.hlavni_ukazatele?p_iframe=0&tp_lang=CS

⁴ Source: Report on basic trends of the revenue and expenditure situation of households in the Czech Republic in the first quarter of 2014 MPSV.

⁵ Source: European Year for Combating Poverty and Social Exclusion: http://ec.europa.eu/employment_social/2010againtpoverty/index_en.htm

of applicants for asylum centres and sheltered housing, especially in Prague, Ceske Budejovice, Plzen (Ceske Budejovice and Plzen used to be towns with a very low number of applicants, and typically only half the beds in these shelters would be occupied).

- ➔ Demand has increased significantly in the following types of Caritas services: social activation services, counselling for individuals and outreach programmes.
- ➔ The level of social exclusion is influenced not only by the degree of development of each region in the Czech Republic but also different regional approaches to developmental solutions.

Testimony

Young woman, 21 years old, who is often approached by the field social worker

She is only rarely attending the low-threshold centre for children and youth – only when she is dealing with burning issues. Overall, she is not trying to actively improve her situation. She is ashamed to visit social services because of her peers. She is helpful and nice. She went through drugs and attended a contact centre, but it didn't fulfil her expectations. She comes from a dysfunctional family. She hasn't got a mother and her father is unwilling to take care of her. Her home address is her father's flat, but her father has no wish at all to accommodate her. Her father wants her to give him money, but she isn't able to get any. She was excluded from a labour office and her region suffers from a high unemployment rate, so her ability to find a job is very limited, and made even harder because she didn't finish her apprenticeship. She spends her time with a group of boys, from whom she sometimes gets a cigarette and wine. She always tries to profit from her current boyfriend – at least to have a shower or get some food. Once a boy leaves her she moves on to another one. She is not promiscuous; she only acts in this way so that she can survive (a so-called para-system of survival).

2.2

Recent policy developments

The following policy developments have been observed:

- ➔ The Government has adopted the concept for the prevention and tackling of homelessness in the Czech Republic until 2020, which integrates the ETHOS approach (European Typology of Homelessness and Housing Exclusion) as a basic starting point for dealing with the homeless and people at risk of losing their housing.
- ➔ The adoption of the Social Inclusion Strategy 2014–2020, in January 2014, which deals with related problems to poverty and social exclusion.

- ➔ The Institution of Insolvency Law is under revision. A thorough evaluation of this law by the Ministry of Justice is foreseen.⁶ There was an adjustment to the executor's powers and a slight improvement in the debtor's position. However, the revision does not solve the problem that many over-indebted people can't reach debt-relief in the Czech Republic – insolvency court declines their debt-relief proposal, stating that applicant is in insolvency. The reason is, that for the approval of this request, it is necessary that the applicant proves, that in the following 5 years' time, he'll be able to pay 30% of his debt.
- ➔ The new Civil Code came into force in 2014, which includes reforms in the areas of family and commercial law. Within this framework, there have been many changes, for example, in custody, contracting, the social and legal protection of children, the institution of marital property, heritage, fostering and donations.⁷

Social investment package: investing in children⁸

ASSESSMENT OF PROGRESS

- ➔ Regarding the reduction of inequality at a young age by investing in early childhood education and care
 - Currently there is no quality public inclusive education for children under 3 years old. Benefits paid during parental leave are usually paid to mothers so that they are able to provide for a child. Educational, recreational and sport activities are offered to children, although it depends on their parents' budget possibilities. Kindergartens accept children in preschool age since the age of three. Priority is usually given to children one year before entering elementary school, as they have a right to enrol in a kindergarten before starting elementary school.
- ➔ Concerning the improvement of the education system's impact on equal opportunities
 - All children in the Czech Republic have access to relatively high-quality, free education within the system of education in kindergartens, primary schools, secondary schools, colleges and universities. However, inequalities are especially worrying in after-school activities and access to school materials.
- ➔ As regards the improvement of the responsiveness of health systems to address the needs of disadvantaged children

The general barriers to accessing health care include:

- Co-payments for prescribed drugs (price of a drug is split between a patient and an insurance company). The amounts are generally inconsistent, confusing, change annually, growing, and are often unpredictable.
- The introduction of regulatory fees, which until this year greatly hindered the availability of the full spectrum of health care services.
- Manageable travel times and the local availability of health care, implemented from January 2014 for the first time in the Czech Republic, guarantee patients' access to healthcare. However, according to the current standards, there are distance issues: 35 minutes by car to visit a GP, a gynaecologist OR dentist. Furthermore, transportation costs are increasing.
- The unresolved issue of lack of coordination between healthcare and public social services is increasing the costs of certain services: hospice care, after-care, care in hospitals, long-term care, financial participation, etc.

The children of foreigners who have permanent residence in the Czech Republic do not have access to health insurance; thus their access to quality health services is significantly reduced. This is a serious problem that has no long-term solution, although it has repeatedly been highlighted by NGOs.

⁶ Social Inclusion Strategy 2014 - 2020 (Government Resolution dated January 8, 2014 no. 24) http://www.mpsv.cz/files/clanky/17082/strategie_soc_zaclenovani_2014-20.pdf.

⁷ <http://www.consulegis.com/news/current-advertising-regulation-in-the-czech-republic-after-new-civil-codes-force/>

⁸ European Commission, 2013, Recommendation *Investing in Children: Breaking the Cycle of Disadvantage* 2013/112/EU approved under the Framework of the Social Investment Package

Innovative services or programmes implemented by Caritas Czech Republic

DESCRIPTION OF THE SERVICE OR PROGRAMME

Preschool Ambrela, a club for disadvantaged children and youth coordinated by Caritas's organisation in Šluknov, which uses the Montessori pedagogy, is aimed specifically at children from socially and financially excluded families. This project started around mid-2012 and is funded by the Ministry of Education. It was conceived to support the Roma. A valuable lesson learnt from this project is that alternative methods are good tools to work with children from disadvantaged families.⁹

Šluknov, the northernmost city of the Czech Republic, near the border with Germany, and in the past an important centre of industry and prosperity, is now struggling with big problems. Former state businesses have gone bankrupt, unemployment is increasing, and not only for the Roma. The situation of people's living conditions is catastrophic; the poorest people must live in the most expensive apartments, offered by speculators. These flats often do not even have running water, heating and electricity. Many residents are in debt, living on welfare and their children know personally what hunger is. This situation is dangerous.

Since 2011 Regional Charity Šluknov has been trying to help maintain social peace and avoid social violence through its work with children, youth and adults. It is clear that the education of children is one of the most important steps to improve their future. But how to approach this? There is a Romani proverb: "When someone wants to force (on you) something good, do not believe that it is good ...". But our schooling system is forceful by its nature. There are children who often have not attended a kindergarten and have a social handicap, and these children are even more prone to feelings of failure and thus they very quickly lose motivation.

In the pre-club "Ambrela" - Romani for 'umbrella' - Regional Charity Šluknov looked for a different approach. They began to use the alternative pedagogy developed by Marie Montessori. The advantage is that the Montessori pedagogy teaches children individually, according to their own needs and at their own pace. Children learn not just about what they need but also about what they are interested in. Because they are learning and having fun, they can absorb everything better, they can remember better and they can apply their new knowledge in practice. This way, children experience success in learning. Such achievements give them self-confidence, which in the majority of the Roma population is missing. When children gain greater self-confidence, they are not afraid of learning new things and gaining new knowledge and insights, which they previously showed no interest in or were afraid to show interest in for fear of failure.

Assessment of the Czech Republic's Country Specific Recommendations (CSRs) adopted in 2014:

Caritas welcomes the following CSRs, which will most probably have a positive impact on the employment situation in the Czech Republic:

- ➔ **CSR 2** on improving tax compliance with a particular focus on VAT: the Czech Republic is currently considering VAT reduction and is proposing 3 types of VAT. The VAT on food and medicines should reduce - this should raise tax morale, but also conditions for supporting people at risk of poverty, especially families with children. To improve social inclusion and reduce poverty it is also important to reduce VAT in the construction industry and thereby increase the possibility of access to new housing.

⁹ link:
<http://charitasluknov.cz/predskolni-klub-pro-deti/predskolni-klub-clanky/predskolni-klub-ambrela-2013/>

- ➔ CSR 5 on ensuring that the accreditation, governance and financing of higher education contribute to improving its quality and labour market relevance: We believe that these recommendations may help poor families with children who are socially disadvantaged or who belong to ethnic minorities living in the Czech Republic.

There are certain CSRs adopted that may have a negative impact on the situation of poverty and social exclusion in The Czech Republic:

CSRs that could have a negative impact	Observations
<ul style="list-style-type: none"> ➔ CSR 1. Following the correction of the excessive deficit, preserve a sound fiscal position in 2014. Significantly strengthen the budgetary strategy in 2015 to ensure that the medium-term objective is achieved and remains a medium-term objective thereafter. Prioritise growth-enhancing expenditure to support the recovery and improve growth prospects. Adopt and implement measures to strengthen the fiscal framework, and in particular establish an independent fiscal institution to monitor fiscal policies, introduce fiscal rules for local and regional governments and improve co-ordination between all layers of government. 	<ul style="list-style-type: none"> ➔ There is insufficient interconnection between government and state administration budgets. This results in inequalities that affect the distribution of funds to the budgets of state and non-profit services. State administration is the sponsor and provider of certain social services and at the same time has the power to decide which services (public and non-profit) will be supported and to what degree. The system of non-claimable grants is still the preferred one (for non-profit organizations) although there is also a system for contributory organizations, which are funded from the public pockets. We would recommend interlinking the budgets, from which the services of contributory and non-profit organizations are covered, and to provide equal possibilities for services to obtain funds from the state budget.

2.3 Recommendations

To reduce debt-related issues:

- ➔ To amend the terms of debt relief so that they reach a larger number of applicants, which is still currently increasing. Subject to approval of debt relief is that the person has paid at least 30% of the amount due. This threshold is too high in comparison with other EU countries, for example, in Austria it is only necessary to pay 10% of the due amount: *Insolvency Act no. 182/2006 Sb. as amended by amendment no. 294/2013 Sb.*
- ➔ Sufficiently address common debt relief of married couples. This was meant to be in the revision of the *Insolvency Act no. 182/2006 Sb. as amended by amendment no. 294/2013 Sb.*, but it has not yet been included.
- ➔ To address the amount of remuneration and determining the costs for the activities of the judicial executor: *Law no. 120/2001 Coll., concerning bailiffs and executory activities.*

To reduce the risk of falling into a debt trap

- ➔ To implement more flexible state benefits – to use more often the option to file a request for extraordinary immediate assistance because of imminent serious harm to health – the procedures for determining repeatedly paid benefits lasts up to 30 days (But within these 30 days some applicants do not have sufficient funds to purchase basic food and hygiene) This quickly paid benefit would help deeply in their situation. : *Law no. 111/2006., concerning Assistance in material need* (Caritas CR is involved in the national process).
- ➔ This is connected to the need to reduce the diversity of interpretations of laws and regulations, as well as the procedures relating to social benefits and instead help the poor and socially excluded people by standardizing official workflows: *law no. 218/202 Coll. Civil Service Act*.

To support single parent families and children from families with low income

- ➔ To provide funding for schools aimed at disadvantaged families (to cover club activities, school supplies and excursions).
- ➔ To provide access to health care to migrants (Caritas CR is involved in a national process in this regard).

To sustain and improve the quality and availability of social services

- ➔ To eradicate inequalities affecting the distribution of funding to the budgets of state and non-profit services. Interlinking the budgets and providing equal opportunities for services in obtaining funds from the state budget is a challenge.
- ➔ To appreciate social service workers with long-term practice experience and stop raising the requirements for their education (or membership in planned Professional Associations), which is costly and time-consuming: *Professional Law draft* (Caritas Czech Republic is involved in a national process around this issue)

Promote the "housing first" approach

- ➔ It is of utmost importance to adopt a *law on social housing* (Caritas CR is involved in the national process here)
- ➔ To establish a low-cost housing system where self-governing territorial units are more involved (using state funds).
- ➔ governmental lawyers

Low-cost housing (social housing) is now regarded as a rent collected for economic profit. We recommend removing it from the tax obligation and also providing other economic support for this service.

03

Employment

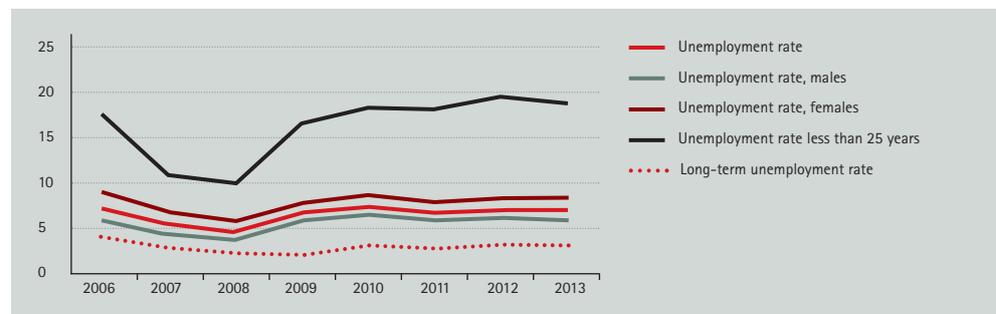
3.1

Recent trends

Development of employment indicators in The Czech Republic (2009-2013) based on Eurostat:

- ➔ The highest absolute increase occurred in the female employment rate, which rose from 61.4% in 2009 to 63.8% in 2013 and slightly narrowed the large gender employment gap, which accounted for 17.2 p.p. in 2013. It is worth noting that, at the same time, female unemployment rose by 0.6 p.p. to 8.3% in 2013 when it continued to affect more women than men (5.9% in 2013).
- ➔ The second highest absolute increase occurred in the youth unemployment rate, which rose by 2.3 p.p. to 18.9 % in 2013.
- ➔ The highest relative increases occurred in the long-term unemployment rate, most notably among men (2009: 1.6%, 2013: 2.5%); however, more women continue to be long-term unemployed (2009: 2.5%, 2013: 3.7%).

Eurostat (% of population)	2009			2010			2011			2012			2013			EU average
	M	F	T	M	F	T	M	F	T	M	F	T	M	F	T	
The Czech Republic																
EMPLOYMENT																
Employment rate	80.2	61.4	70.9	79.6	60.9	70.4	79.9	61.7	70.9	80.2	62.5	71.5	81.0	63.8	72.5	68.3
Unemployment rate	5.9	7.7	6.7	6.4	8.5	7.3	5.8	7.9	6.7	6	8.2	7	5.9	8.3	7	10.8
Unemployment rate, under 25 years of age	-	-	16.6	-	-	18.3	-	-	18.1	-	-	19.5	-	-	18.9	23.4
Long-term unemployment rate	1.6	2.5	2	2.6	3.5	3	2.4	3.2	2.7	2.6	3.6	3	2.5	3.7	3	5.1



Additional to this data, there are certain issues that are worth highlighting:¹⁰

- ➔ An increase in fixed-term contracts: benefitting 7.2% of employed people in 2012 and 7.9% in 2013.¹¹
- ➔ An increase in part time jobs: 2012 – 5.8% and 2013 – 6.6 %.
- ➔ On 31.12.2013 the proportion of unemployed persons above than the national average (8.2%) was recorded in half of the regions.
- ➔ The average age of unemployed job applicants between 15–64 increased by 1.1%.
- ➔ The largest groups of job seekers remain people with apprenticeships (27%) and job applicants with basic education (40.4%).
- ➔ The applicants for one work position increased from 15.6% in 2012 up to 17% in 2013.
- ➔ Neither the Eurostat data nor the data above (provided by the MLSA) include extremely vulnerable groups (people living in shelters, on the streets, in hostels, migrants, and the homeless).¹²

According to the experience of Caritas organisations (civic counselling, social rehabilitation, shelters, low-threshold day centres, among others) unemployment is especially affecting the following groups: low skilled people (basic education, secondary education without GCE), individuals with criminal records, persons with physical disabilities (physical and mental), aged 50 years and more, young people without work experience, young people from socially disadvantaged families, single mothers and the Roma. The main causes center on inadequate social services as well as a certain abuse of specific contracts (e.g. a probation period, re-employment for a specified period, performance of work agreements, etc.). We see agency employment as a problem. We observe an expanding group of people approaching retirement age (with lower performance, which is unattractive for employers for economic reasons).

Testimony

Young man, 23 years old, receiving counselling from a Caritas organisation's employment programme

During the counselling we realise that he has good manners, but that he has lost confidence that he will ever be able to work in a company for a reasonable salary and on a long-term basis. He said that despite having two vocational certificates as a locksmith and a roofer he cannot get any stable work. Usually he gets a seasonal job, e.g. collecting hops, apples or potatoes. Our service worker found that his CV was incomplete and without arranged work experience, which are required in a job search. They agreed with him that at the next meeting he would bring the necessary documents. At that next meeting, we arranged his work experience, gave evidence at the labour office and prepared a professional CV for him. The service worker sought employment offers that this young man had come to find. He received a job offer, but the employer's condition was that he had to work for more than one month without a contract. The service worker warned the young man of the risks that are associated with this. The young man, despite her advice, decided to work under these conditions. He desperately wanted to work.

¹⁰ Source and more information here: http://portal.mpsv.cz/sz/politikazamest/trh_prace/rok2013/anal

¹¹ Source: http://portal.mpsv.cz/sz/politikazamest/trh_prace/rok2013/anal2013.pdf (p. 13)

¹² Source: http://portal.mpsv.cz/politikazamest/trh_prace/rok2013/anal2013.pdf (p. 86)

After a month, the employer told him that he would pay his wages for the next full month without a contract. Because the young man liked the company, he accepted the condition. After two months his employer had not paid him any wages and ended their cooperation without giving any reasons. The young man was very unhappy and disappointed.. He turned to counselling, to help find him a job again. After three months, he managed to get another offer from another employer and the situation repeated itself, at first he worked without a contract, after a month he got a contract for a fixed period, only with a basic wage and extra money said to be given on the side. However, this young man came away a month later only with a basic wage, less than he would have received from job support. And because he entered into a disagreement with his employer due to this, the employer terminated their cooperation within his probation period.

3.2 Recent policy developments

The following policy developments have been observed:

- ➔ In June 2014, an amendment to the Act came into force concerning the residence of foreigners in the Czech Republic: employee cards have been newly introduced that are now being issued instead of long-term visas for the purpose of employment, long-term residence for employment purposes and green cards. However, Czech immigration policy is very restrictive in comparison with other EU Member States, especially in the area of issuance and renewal of work permits for foreigners.
- ➔ As a consequence of the new Civil Code, the Labour Code has also been amended. New, practical, management procedures of the Ministry of Labour and Social Affairs and the Labour Office CR have been put into force. New tools of active employment policy have been introduced, such as active inclusion policies. Other reforms have been made in the following areas:¹³
 - Reintroduction of a category of handicapped persons as one of the subcategories of persons with disabilities
 - Reduction of administrative burdens for employers who apply for benefits granted under the active employment policy, by requesting a certificate of indebtedness from the LO itself.
 - New rules on alternative performance.
- ➔ With regards to the Youth Guarantee, the Labour Office has long focused its activities on supporting young people. Currently, a project of professional practice for young people under 30 years of age is being implemented. In the framework of the active employment policies, young people and graduates are two of the priority groups.

¹³ <http://www.nfozp.cz/projekty/aktualne/novela-bill-of-employment-a3739412>. More information here: <http://www.pravniprostor.cz/zmeny-in-legislative/vyslo-in-collection-zakonu/novela-bill-of-employment>.

Assessment of the Czech Republic's Country Specific Recommendations (CSRs) adopted in 2014:

Caritas welcomes the following CSRs, which will most probably have a positive impact on the employment situation in the Czech Republic:

- CSR 3 on ensuring the long-term sustainability of the public pension scheme: this is very important for the country.
- CSR 4 on strengthening the efficiency and effectiveness of the public employment service.
- CSR 7 on adopting and implementing a Civil Service Act that will ensure a stable, efficient and professional state administration service.

There are certain CSRs adopted that may have a negative impact on the employment situation in the Czech Republic:

CSRs that could have a negative impact	Observations
<ul style="list-style-type: none"> ➤ CSR 3. Ensure the long-term sustainability of the public pension scheme, in particular by accelerating the increase of the statutory retirement age and by linking it more clearly to changes in life expectancy. Promote the employability of older workers and review the pension indexation mechanism. Take measures to significantly improve the cost-effectiveness and governance of the healthcare sector, in particular for hospital care. ➤ CSR 4. Strengthen the efficiency and effectiveness of the public employment service, in particular by setting up a performance measurement system. Reach out to non-registered youth and provide individualised services. Increase considerably the availability of affordable and quality childcare facilities and services, with a focus on children up to three years old. ➤ CSR 6. Accelerate the reform of regulated professions, focusing on the removal of unjustified and disproportionate requirements. Step up efforts to improve efficiency in the economy. 	<ul style="list-style-type: none"> ➤ Although this measure is seen as positive, it is important to ensure that the implementation takes into account the types of work and their level of stress. It is necessary to compare average life expectancy and quality of life. Life expectancy does not mean that one is still able to live and work well. The uncertainty facing individuals, whether and under what conditions they will be able to receive a pension, is rising. The number of years before which they are entitled to a pension is increasing. Poverty among old(er) people is a big risk in the Czech Republic. ➤ Although it is also seen as positive, the Czech Republic lacks the conditions for its success. The supply of jobs needs to be sustainable in the long term. ➤ We are witnessing the opposite development, and therefore our organization is seeking to deal with the upcoming Professional Law, which - from our point of view - wrongly directs the working conditions of social service workers under the pretext of improving the overall image of the profession. This would mean that workers with long-term practical experience in social services, who did not gain the required educational qualification, would be replaced with graduates with the newly required education. Underestimating the value of professional experience puts some workers at greater risk of losing their jobs. The

➔ CSR 7. In 2014 adopt and implement a Civil Service Act that will ensure a stable, efficient and professional state administration service. Speed up and substantially reinforce the fight against corruption by implementing the remaining legislative measures provided for in the anti-corruption strategy for 2013–2014 and by developing plans for the next period. Further improve the management of EU funds by simplifying the implementing structures, improving capacity and tackling conflicts of interest. Increase transparency of public procurement and improve the implementation of public tenders by providing appropriate guidance and supervision.

burden to ensure continued employment is either put on the person or on the employer which, in the cases of NGOs, causes a struggle in economic terms.

➔ The adoption of the Law governing Civil Service in the Czech Republic is currently in process. Also, it is worth highlighting that citizens have had little opportunity to express themselves on this Act. In the current proposal, the adjustment for civil servants, for years of experience in the civil service sector, does not take into account bonuses, which should motivate them to stay in office and stay away from corruption.

3.3

Recommendations

Better working conditions

- ➔ To motivate working people with sustainable work and safe working conditions: this will motivate people to work (ensuring that work pays).
- ➔ To reduce temporary contracts so as to ensure sustainable long-term work opportunities.
- ➔ To legislate the employment of single parents; for example, using tax breaks for employers, promoting alternative working models where employees can work from home so that they can cope with childcare needs.
- ➔ To provide child-care facilities.

Give adequate work to the most vulnerable

- ➔ To adopt legislation on social enterprise and promote the employment of disadvantaged groups.

Caritas Europa

Rue de Pascale, 4
1040 Brussels - Belgium
Tel. +32 (0)2 280 02 80
Fax +32 (0)2 230 16 58

info@caritas.eu
www.caritas.eu



This report is supported by the European Union Programme for Employment and Social Solidarity – PROGRESS (2007-2013).