

National Social Report 2014

The Czech Republic

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National Social Report 2014 – The Czech Republic

This National Social Report (hereinafter the 'NSR') aims to provide comprehensive information on the implementation of the general overarching and specific objectives of social protection and social inclusion defined at EU level within the open method of coordination (hereinafter the 'OMC') by the Czech Republic. The report describes the measures implemented or prepared by the Czech Republic in the areas of (a) social inclusion and poverty reduction, (b) the provision of adequate and sustainable pensions, and (c) the provision of accessible, high-quality and sustainable healthcare and long-term care. Given that an essential part of the measures and policies implementing the OMC objectives contributes at the same time to the implementation of European and national objectives of the Europe 2020 Strategy for smart, sustainable and inclusive growth and is part of the National Reform Programme 2014 (hereinafter the 'NRP'), the NSR 2014 supplements the NRP 2014, referring to it in many points and further elaborating on certain areas of the reforms of the above mentioned social protection and healthcare systems. The NSR has been prepared in consultation with relevant social partners represented in the Inter-ministerial Coordination Group for the EU affairs of the Ministry of Labour and Social Affairs (hereinafter the 'MLSA')¹ and the Social Inclusion Committee.²

¹ The Inter-ministerial Coordination Group for the EU affairs of the Ministry of Labour and Social Affairs of the Czech Republic is the working body of the Inter-ministerial Committee for the European Union, which Government Resolution No. 427 of 28 April 2003 designated as the main working coordinating body of the state administration of the Czech Republic in respect to the EU.

² The Social Inclusion Committee is a permanent advisory, initiative and coordination body of the Minister of Labour and Social Affairs in the area of social policy, with a focus on social inclusion and combating poverty and social exclusion.

1. Introduction

1.1 Political context and competences

The political situation in the Czech Republic has been dramatically influenced by the early elections to the Chamber of Deputies of the Parliament of the Czech Republic, which took place in late October 2013. The elections resulted in the formation of a **new coalition Government**, which is composed of the Czech Social Democratic Party (which won the majority of the votes), the ANO 2011 movement, and the Christian and Democratic Union – Czechoslovak People's Party. In February 2014, the Government won the confidence vote in the Parliament of the Czech Republic. In its policy statement, the Government pledged that it would “...*guide the Czech Republic, on the basis of a socially and environmentally oriented market economy, towards prosperity, and shall seek to maintain social cohesion in the country.*”

The Government's priorities in the area of social affairs (with an emphasis on improving the social situation of the population) include, in particular: (1) ensure appropriate indexation of pensions in response to the growth of wages and prices, with regard to the long-term sustainability of the pension system; (2) increase the minimum wage, which should ensure a dignified life for employees not dependent on the social benefits, and increase motivation; (3) provide affordable and high quality social and healthcare services primarily through the creation of an effective and equitable system of financing of these services; (4) resolve the issue of social housing and homelessness prevention, improving social assistance and field work, expanding inclusive education and the fight against indebtedness, and correctly target all social interventions; and (5) provide a systemic solution for pre-school education (provide funds to municipalities for capacity-building of kindergartens and primary schools with the use of European funds and the newly formed National Fund).

As regards the **division of competences** between the national and regional levels, on 1 January 2015 the responsibility for the preparation of medium-term development plans and subsidies to provide social services will pass to the regions – higher territorial self-governing units. This represents the culmination of efforts towards the efficient use of public resources in the area of social services. These resources should gradually be used to support social services that are locally/regionally necessary, accessible and efficient and which have high quality.³

Namely, in 2015 there will be further specification of the preparation and content of the med-term plans for the development of social services (which, in accordance with Act No. 108/2006 Coll., on social services, constitute the essential basis to ensure the availability of those services), and of the parameters to be used to create a network of social services receiving financial support. The competence of performing the activities and the responsibility for subsidies to fund social work will also be transferred to municipalities – basic territorial self-governing units, further described in section 3.1.

³ See NRP 2014, Chapter 4.3.3.

1.2 Economic and social situation⁴

Macroeconomic development of the Czech economy in 2013 as measured by gross domestic product (hereinafter the "GDP") reached a similar level as in 2012. The decline in GDP at constant prices amounted to –0.9%, thus reaching the second decline in a row. The accompanying table shows that despite the initial year-on-year slump in GDP in Q1 to Q3, growth was reported in Q4 in both quarter-on-quarter (+1.8%) and year-on-year (+1.2%) terms.

GDP in 2013 in % (adjusted for price, seasonal and calendar effects)

	Q1	Q2	Q3	Q4	2013
As of the same period of 2012	-2.3	-1.6	-1.0	+1.2	-0.9
As of the previous quarter	-1.3	+0.3	+0.3	+1.8	x

Year-on-year decline in GDP was largely due to the decline in investment in fixed capital. Contrarily, government spending on final consumption had a slightly positive impact. Household spending on final consumption and foreign trade balance in annual terms were generally stagnant. Compared to 2012, there was a significant slowdown in consumer price inflation to 1.4% (3.3% in 2012).

The total volume **of social income** of the population in 2013 reached 470.1 billion CZK, thus exceeding the variable for the same period of 2012 by 8.3 billion CZK, i.e. by 1.8% in nominal terms and 0.4% in real terms.

In terms of **social benefit systems**, the year 2013 saw a year-on-year increase in spending in all these systems. Regarding unemployment benefits, the increase was 10.5% (to almost 9.7 billion CZK in 2013), mainly due to the higher number of job seekers entitled to unemployment benefits associated with the year-on-year increase in the number of newly registered job seekers. Likewise, spending on care allowance showed a year-on-year growth by 6.3% (to 19.5 billion CZK), which was associated with faster growth in the number of benefits paid to persons in the higher levels of dependency. Regarding benefits of assistance in material need, spending increased by 35.6% (10.5 billion CZK), which was largely due to the higher number of job seekers without entitlement to unemployment benefits, rising prices in housing and income situation of certain types of households. There was also an increase in spending on social support benefits (by 2.9% to 35.2 billion CZK due to increased spending on housing allowance), on foster care benefits (by 66.1% to 2.1 billion CZK – this trend is mainly related to the new legislative regulation of these benefits and a higher number of children in foster care and the number of foster parents) and on pension insurance benefits (by 0.2% to 382.8 billion CZK) and health insurance benefits (by 4.0% to 20.3 billion CZK).

Preliminary Czech Statistical Office data show that in 2013 the **at-risk-of-poverty rate** in the Czech Republic fell to 8.5% (by about 118,000 persons to 872,000 persons). The latest comparable Eurostat data show that in 2012 this rate stood at 9.6%. The Czech Republic persistently shows the lowest at-risk-of-poverty rate of all EU countries (in 2012, the EU-28 average was 17.0%), and it can be expected that this will continue in the following period.

⁴ See NRP 2014, Chapter 2.

The overall poverty rate in the Czech Republic is significantly influenced by **social transfers**. Without pensions and other social transfers 38.1% of people would be living below the poverty line in 2012. Social transfers, including pensions, decreased the poverty rate by 28.5 percentage points. After the payment of other social transfers, the rate dropped to 17.6%, and after including pensions it was further reduced down to the final 9.6%. The latest comparable Eurostat data show that compared to other countries, the social transfers-to-GDP ratio in the Czech Republic is low (Eurostat data show that in 2011, social protection expenditure as a percentage of GDP in the Czech Republic was 20.4%, while the EU-28 average was 29.0%), which demonstrates the effectiveness of the social protection system in the Czech Republic. Official information on the at-risk-of-poverty rate for 2013 will be available in the second half of this year.

Disposable (net) income of households (based on the national accounts) increased in 2012 – due to lower work income – in nominal terms by only 2.0%, but stagnated in real terms due to high inflation. The available data for Q1 to Q3 of 2013 showed that in this period, the year-on-year decline in disposable income was 0.7% in nominal terms and 2.2% in real terms. The trend was also confirmed in Q1 to Q3 of 2013 by income at the level of specific types of households based on the so called ‘Family Budget Survey’, where the average income per household amounted to 28,036 CZK and the purchasing power decreased by 2.7%. This was notably influenced by lower work and social incomes.

In terms of stabilizing the financial budget of households and individuals in the context of combating poverty and social exclusion, **minimum wage** is the key tool to ensure decent income. With effect from 1 August 2013, the basic rate of the gross minimum wage for a working week of 40 hours increased from 48.10 CZK to 50.60 CZK per hour and from 8,000 CZK to 8,500 CZK per month.

2. National target of poverty and social exclusion reduction

2.1 Progress in achieving the national target⁵

Czech Republic has set the following as the national target to reduce poverty and social exclusion: *"Maintain the number of people at risk of poverty, material deprivation or living in jobless households by 2020 as compared to 2008. The Czech Republic will also make an effort to reduce the number of people at risk of poverty, material deprivation or living in jobless households by 30,000 people."*

The basis for the national target in this area is an aggregate indicator created on the basis of three sub-indicators:

- (1) Income poverty (at-risk-of-poverty rate);
- (2) Material deprivation rate;
- (3) Share of people aged 0-59 living in jobless households or households with very low work intensity.

In the current economic situation, the **implementation of the national target** continues to be affected by the capacity of the Czech Republic to quickly recover from the economic crisis, the economic trends (the need to restore economic growth), the situation on the labour market (in particular the implementation of national employment targets), and demographic trends (the ability to address the challenges linked to the growing ageing population). Implementation of adequate reforms in the area of employment and social policies that should be aimed at a better integration of social protection and employment policy (in accordance with the principles of the concept of active inclusion) will also be crucial in this respect.

The latest comparable Eurostat data show that compared to 2008, **the number of the people at risk of poverty or social exclusion** in 2012 increased by 0.1 percentage points to 15.4%, which was about 1,580,000 people. The number of the people at risk of poverty or social exclusion in the Czech Republic was the second lowest of all EU countries (according to Eurostat data, the EU-28 average was 24.8%).

Maintaining the same number of people at risk of poverty or social exclusion in 2020 at the 2008 level of 1,566 thousand with an anticipated increase in the population (The Czech Statistical Office projects 10,532 thousand persons in 2020) means a reduction in the share of such persons in the total population from 15.3% to 14.9%. Reducing the number of people at risk of poverty or social exclusion by 30,000 persons would require a reduction in the share of such persons in the total population from 15.3% to 14.6%.

The interim results of the Czech Statistical Office EU-SILC 2013, which reflects the situation of households in 2012 and in the spring of 2013, show a year-on-year decrease in the **at-risk-of-poverty rate** from 9.6% to 8.5%. In 2013, 872,000 people were at risk of income poverty in the Czech Republic (preliminary data indicate that it was 118,000 people less than in 2012). Preliminary data show that in 2013, the risk

⁵ See NRP 2014, Chapter 4.

of poverty was greater for women (9.3% of all women) than men (7.6% of all men). People who were the most at risk of poverty were in single-parent families (27.7% of persons in these families) and especially in jobless households (43.4% of persons in these families), where their number increased by more than 3 percentage points due to the increase in long-term unemployment. The trend of decreasing at-risk-of-poverty rate among unemployed persons began to turn in 2010 due to the slowdown in the growth of household income from 2009 in the context of the global financial crisis.

Preliminary results show that in 2013 the **material deprivation rate** in the whole population remained roughly at the level of the previous year of the survey, i.e. at 6.6%, with persistent larger differences in its concentration in the overall population, particularly in the breakdown by different types of households.

Nationally important problems of social exclusion, unemployment and poverty have long been concentrated in certain types of relatively large areas (municipalities, municipalities with extended competence, cities,), especially in the regions of Karlovy Vary, Ústí nad Labem, Liberec, Olomouc and the Moravian-Silesian region. As follows from the **Regional Development Strategy of the Czech Republic for the period 2014 - 2020** and its analytical data, there has been no significant improvement in these areas over the past ten years (the period between the Population and Housing Census of⁶ 2001 and 2011). This suggests that only ministerial and universal measures in these areas do not produce the expected effects. In relation to the tasks arising from the Government Decree 344/2013 on the Regional Development Strategy for the period 2014 - 2020 and localization of problems of social exclusion (the “Gabal study”), it is clear that the solution to these problems requires improved cooperation and interoperability of measures in the field of labour and social policy with the departments responsible for business support, education and health and also targeted focus on solving the issues in areas with high concentration of these phenomena.

2.2 CSRs 2013 in relation to the national target⁷

In 2013 the Council of the EU addressed to the Czech Republic the following recommendation (Recommendation 3), in areas covered by the OMC: *‘Increase the effective retirement age by aligning retirement age or pension benefits to changes in life expectancy, and review the indexation mechanism. Accompany the increase in retirement age with measures promoting employability of older workers and reduce early exit pathways. In particular, remove the public subsidy for the pre-retirement scheme. Take measures to significantly improve cost-effectiveness of healthcare expenditure, in particular for hospital care.’* The response to this recommendation is provided in Parts 4 and 5.

⁶ Population and Housing Census.

⁷ See NRP 2014, Chapter 3.3

3. Reducing poverty and social exclusion

3.1 National Strategies⁸

On 8 January 2014, the Government approved a national framework document for the area of social inclusion and combating poverty entitled “**Social Inclusion Strategy 2014 - 2020**” (hereinafter the “Strategy”). The Strategy aims to contribute to attainment of the national target of reducing poverty and social exclusion.

The strategy covers the main areas important for the social inclusion of persons that are socially excluded or at risk of social exclusion, determines the priority themes of the Czech Republic in areas important for social inclusion for the upcoming period up to 2020 and is also an important document in terms of using funds from public budgets in the Czech Republic as well as European Structural and Investment funds. It contains a list of measures affecting social inclusion and combating poverty, and an overview of relevant materials and resources.

Social work is emphasised as an essential tool for social inclusion of persons that are socially excluded or at risk of social exclusion. The Strategy also approaches all areas that promote social inclusion in terms of how social work, as a highly professional occupation, may contribute to the functioning of the measures in each area. In terms of strengthening social work as a fundamental tool of social inclusion it will be necessary to ensure an increase in the number of social workers in municipalities. The current number of social workers is considerably below standard in some municipalities. Increasing the number of social workers by 50% would achieve the targeted state of 2,500 social workers in municipalities with extended competence.

The Strategy shows the direction which addressing social exclusion should take, promotes socially responsible values related to social exclusion, highlights the shortcomings in the search for solutions to social exclusion and encourages the use of the principle of social inclusion mainstreaming at all levels of government.⁹ Implementation of the Strategy will be regularly assessed and its measures formulated until 2020 will be flexibly updated or supplemented due to changing social conditions.¹⁰

⁸ See NRP 2014, Chapter 4.3.3.

⁹ Support for the the mainstreaming of social inclusion will be further promoted including through the use of evidence-based approach to policy making and through strengthening the awareness of the issue of social exclusion.

¹⁰ The Strategy has the following priorities: (1) promote the development of social work as a basic instrument of social inclusion; (2) create conditions for people that are socially excluded or at risk of social exclusion to enter and remain in the labour market; (3) develop social services for the needs of persons that are socially excluded or at risk of social exclusion in response to their individual needs in the context of the societal needs; (4) promote accessible, coherent and high-quality services for families, children and youth; strengthen the economic stability of families and their independence with an emphasis on freedom of choice in family strategy, particularly in reconciling family, professional, and private life; (5) promote equal access to education for all; (6) increase the availability of housing for people at risk of exclusion from housing or those who have already lost it; (7) improve the access of persons that are socially excluded or at risk of social exclusion to healthcare; (8) promote adequate income and prevent loss of income for people that are socially excluded or at risk of social exclusion; (9) promote other inclusive services (other than social services sector): An integrated system of high-quality and accessible services for persons that are dependent or at risk of dependency based on a stable system of financing; ensure the interoperability of those services with other inclusion services and institutions; apply modern methods of social work, perform means test, ensure quality, administration and management; (10) promote equal access of persons that are socially excluded or at risk of social exclusion to social resources; (11) active approach of local actors to prevention and tackling social exclusion; (12) reduce social tensions; (13) use evidence-based approach to policy making and strengthen the awareness of the issue of social exclusion.

In 2013 the MLSA started preparing in terms of promoting equal opportunities for women and men the **“Strategy for the equality between women and men (2014 - 2020)”** (hereinafter the “Strategy”). The Strategy will focus on comprehensive promotion of gender equality, including support for a higher employment rate of women and support for measures to reconcile work, family and private life. The Strategy should be submitted to the Czech Government for approval in the first half of 2014.

To promote a balanced representation of women and men in decision-making positions and reduce the level of vertical gender segregation, MLSA began to implement the project **“Preparing the Action Plan for Balanced Representation of Women and Men in Decision-Making Positions and Other Related Measures”** in late 2013. The main objective of this project is to prepare an action plan which will consist of a set of tools and processes contributing to the balanced representation of women and men in decision-making positions in the Czech Republic.

3.2 Homelessness and housing exclusion¹¹

In August 2013, the Government of the Czech Republic approved the **“Conception for preventing and tackling homelessness in the Czech Republic until 2020”** (hereinafter the ‘Conception’). The Conception should also contribute to the national target of poverty reduction and respond to the needs of the Czech Republic, as well as to the challenges of the EU in combating poverty and social exclusion.

The Conception is based on the fact that homelessness is not just about “sleeping rough”. It considers it to be a process which must be addressed as soon as the risk occurs, both through precautionary measures, and through support following up on existing services. It works with a variety of approaches to solve the problems of homeless people, reflecting the degree and differentiation of their problems. It includes topics ranging from promoting access to housing and healthcare to promoting awareness and cooperation of all relevant stakeholders.

The Conception takes fully into account the fact that homelessness is synonymous with extreme social exclusion, where poverty is not only the cause, but also the consequence of this phenomenon. The factors of social exclusion have both individual and structural character, and it is often not possible to clearly distinguish between them. The Conception works with the existing knowledge in this field, which indicates that the fall into homelessness almost never has a single cause, the reasons for the emergence of homelessness are very individual, they vary in time, and often are difficult to identify at the beginning.

One of the main premises of the Conception is the fact that homelessness as a severe form of social exclusion is a continuous social phenomenon whose effective solution requires a comprehensive and coordinated approach and the application of the principle of solidarity. The Conception perceives housing exclusion as a process highlighting the weaknesses of the current system with almost non-existent

¹¹ See NRP 2014, Chapter 4.3.3.

preventive measures, as well as systemic options for the persons who end up in the “street” to get back to having a home.

The above mentioned main principles which the Conception relies on represent the essential premises which form a basis for the Czech Republic to combat homelessness and housing exclusion. Practical solutions to both of these phenomena should be resolved in the future through the law on social housing, which should clearly lay down the rights and duties of the Government, municipalities and other stakeholders. The preparation of this law is part of the plan of legislative work of this Government and is expected to take effect in 2017.

The existing **social housing** support provided by the Ministry of Regional Development is carried out under the sub-programme entitled “Support for the construction of subsidized housing” within the “Housing support” programme. On 29 November 2013, a call for proposals was announced under the programme “Housing support”. Applications, whose deadline for submission was on 17 February 2014, will be evaluated and submitted for approval no later than on 18 April 2014. The funds earmarked for the implementation of the entire “Housing support” programme equal CZK 450 million, of which around CZK 200 million is earmarked for the implementation of the sub-programme entitled “Support for the construction of subsidized housing”.

The sub-programme “Support for construction of subsidized housing” includes two grant headings:

- (1) Nursing apartments, which are intended as social housing for seniors and persons with disabilities;
- (2) Entry-level apartments, which are designed for people with low incomes and other social handicaps (living in socially excluded localities, the threat of removal of a child due to inadequate housing, other social handicaps).

The subsidies are intended to create social rented housing, both through acquisition (purchase or auction of existing apartment) and through the reconstruction (of commercial premises or entire apartment buildings in which no apartment is eligible for housing – the “derelict” houses) or through the construction of new social housing.

In addition to the stated above, the State Housing Development Fund provides soft loans pursuant to Government Regulation No. 284/2011 Coll., on the conditions for providing and using financial resources from the State Housing Development Fund in the form of a loan to support the construction of rental apartments in the Czech Republic, as amended by Government Regulation No. 268/2012 Coll. The support is provided in the form of soft loans for the construction or renovation of rental apartments. Soft loans can be granted up to 70% of the total budget investment cost with maximum maturity of 30 years, with the interest rate being fixed for the whole period. The rental apartments must serve the target group for the period of loan repayment, but for at least 10 years. The target group are people aged 65 and over, people dependent on the assistance of another person, or disabled persons in the 3rd degree, persons who have been deprived of housing due to a natural disaster, or persons with low incomes. The receipt of applications under this Government regulation is continuous.

3.3 Non-insurance social benefits¹²

Significant change in **non-insurance social benefits** related to administration and payment. On 1 November 2013, Act No. 306/2013 Coll., on the cancellation of the social system card came into effect. All processes that will cease the existence of the social system card will take place during the next six months, i.e. before 30 April 2014. In terms of social support benefits and benefits of assistance in material need, there has been no legislation that would change the conditions for the entitlement. In terms of housing allowance, with effect from 1 January 2014 there has been an annual increase in the benefit due to the increase in the normative housing costs which serve as the basis to calculate the benefit.

With effect from 1 January 2014, there has been a change in the method of assessing the medical status of the applicant to meet the health condition for the entitlement to the **disability card**, especially in response to the complaints from individuals and organizations representing the interests of persons with disabilities, which concerned legislation introduced under the social reforms of the previous Government in 2010 – 2013. Act No. 313/2013 Coll., amending Act No. 108/2006 Coll., on social services, and other related laws, with effect from 1 January 2014, modifies the conditions to grant the disability card, as well as the corresponding proceedings. The card can only be granted on application, there are separate administrative proceedings, including health assessment by a review doctor from the District Social Security Administration. The entitlement to the disability card is not linked to a recognized degree of dependence or the inability to provide for one's basic needs in terms of mobility and orientation.

With effect from 1 January 2014, there have also been changes in the case of **benefits for people with disabilities**. Act No. 313/2013 Coll., amending Act No. 108/2006 Coll., on social services and other related laws, with effect from 1 January 2014, changed the conditions for the entitlement to mobility allowance: for new applicants, the entitlement is conditional on having ZTP (particularly severe disability) or ZTP/P (particularly severe disability requiring a guide) card granted after 1 January 2014. Those who already receive mobility allowance will continue to receive it. The amount of mobility allowance also remains unchanged at CZK 400 per month. At the request of the beneficiary the allowance may be paid in one instalment for three calendar months for which a person was entitled to receive it. The number of people that, meeting all other conditions, are entitled to the special aid allowance for the purchase of a motor vehicle, is extended to persons with above-knee amputation with the possibility to use a prosthesis.

At present, preparations are underway of the amendment to Act No. 117/1995 Coll., on **state social support**, which should re-establish the payment of birth grant also for the birth of the second child. This amendment should be submitted to the Government in May 2014 and come into effect on 1 January 2015.

To the Government should also be submitted until June 2014 an amendment to Act No. 111/2006 Coll., on **assistance in material need**, which should enact a change in the rules for the provision of supplement for housing and other regulation of housing

¹² See NRP 2014, Chapter 4.3.3.

benefits. The regulation aims to simplify the proceedings on supplement for housing, avoid the payment of the benefit for unsuitable premises and increase the motivation of persons to address their adverse housing situation by their own effort. This amendment should also take effect from 1 January 2015.

3.4 Social work¹³

The professionalization of social work at the municipal level (in terms of Act No. 108/2006 Coll., on social services, and Act No. 111/2006 Coll., on assistance in material need) following on the planned enactment of the profession in legislation and transparent funding will allow the development of social work which will be efficient, professionally correct and comprehensive in terms of all agendas. The “centre” of social work is primarily the municipal authority of a municipality with extended competence ; social work is also provided by municipal authorities with delegated competence. Such a municipality, within its delegated competence, provides a complete range of social work necessary to meet the needs of communities within its territorial jurisdiction. Social work activities are mainly determined by the scope of Section 92 of Act No. 108/2006 Coll., on the municipal authorities with delegated powers, and pursuant to Section 64 of Act No. 111/2006 Coll. Support for the performance of the social work profession in the municipality will lead to the formation of recommended minimum standards for social work activities in the municipality, including specialization to thematic areas (such as long-term care, social housing).

The reform seeks to unify the performance of social work, i.e. enact the social work profession under an umbrella law for all social workers across all agendas. High quality performance of this profession is one of the key factors of overall quality in the area of social policy. The publication of the draft working papers on the outline of the Social Workers Act at the beginning of 2014 completed a two-year preparation of the outline. A broad consultation process of the outline with professional public is currently underway. The documents will be reviewed and again submitted to social workers for assessment.

3.5 Family policy and protection of vulnerable children¹⁴

Based on the approved outline **of the law on children's group** and amending related laws, a draft law on the provision of childcare services in children's group and amending related laws was prepared. On 2 January 2014, the draft law was approved by the Government, subsequently submitted to the Chamber of Deputies for consideration, and on 26 March 2014 it was passed in the first reading. The draft is expected to become effective on 1 September 2014. The present draft responds, among other things, to the country-specific recommendation addressed to the Czech Republic in 2013 to significantly increase the availability and capacity of childcare facilities, focusing on children under three years of age. The new legislation aims to expand the range of childcare services for pre-school children by introducing other

¹³ See NRP 2014, Chapter 4.3.3.

¹⁴ See NRP 2014, chapters 3.4 and 4.3.3.

options, increasing local availability and affordability of childcare services and facilitating the parents' contact with their job during the period when they take care of their children and enabling their gradual return to the labour market with regard to the strategy of reconciling family, professional and private life without having to give up parental role. This measure will also have a positive impact on the children themselves, because they will receive care provided by facilities that guarantee the quality of their services. It will also help to reduce the risk of poverty and lack of income if the parent is out of the work for a longer period of time.

The draft law lays down the conditions for the legal area of childcare services related to care for children aged one year and over up to the start of compulsory school education, which has not been until now legally regulated, through the introduction of a new type of babysitting and childcare service in the children's groups. The draft amends the law on income tax to amend family-promoting tax measures, i.e. the introduction of tax deductibility of employer's costs associated with the provision of childcare services to the children of their employees, introduction of tax credits on the income for parents who will use childcare services in connection with their entry or return to the labour market.

In its policy statement of February 2014, the Government of the Czech Republic undertook to establish **an expert committee to draft a long-term and systemic solution of family policy** in the Czech Republic, which should provide a systemic solution for pre-school education. Thus, by using European funds and the newly formed National Fund, municipalities should be given the means to build sufficient capacity in terms of kindergartens and primary schools. The Government also plans to introduce within three to four years a compulsory last year of pre-school education.

In 2014, the Government will be presented with an outline **of the law on the support for families, substitute family care and system of children's rights protection**, which will be the unifying legal regulation governing the protection of vulnerable children, including the provision of substitute family care and other forms of substitute child care.

The implementation of changes brought about by the amendment to the law on social and legal protection of children continued in 2013 and will continue throughout 2014. Currently, this area is undergoing preparations for the implementation of quality standards and their inspection. Substitute family care system continues to be optimized.

3.6 The use of social innovation to support relevant initiatives

Social innovations are in the Czech Republic directly supported under the Operational Programme Human Resources and Employment (OP HRE). In May 2013, a pilot call was launched to promote social innovation in the area of support 3.1 Support for social integration and **social services**. The call was aimed at supporting social innovation for the integration of target groups into society and the labour market. Emphasis was placed on creating innovative tools to ensure multi-funding of social services. The call aims to enhance the effectiveness and economy of social and socially beneficial services focused on the integration of target groups into society and the labour market, and reduce or completely eliminate their dependence

on public funds, including the Structural and Investment Funds, through the creation and introduction of new forms of services, which are defined either under Act No. 108/2006 Coll., on social services, or are not defined under this Act (the so-called “socially beneficial services”). The implementation of the grant projects selected in this call will commence in the first half of 2014. In addition to the pilot verification of the innovative solution, characteristic elements of these projects especially include active involvement of service users and local actors in addressing a specific social problem.

In general, innovative approaches in the area of social integration and social services work more intensively with the needs of users and localities, while concentrating on the expertise of the workers who carry out the relevant activities. This specifically concerns a change in the assessment of a user by a social worker through a “cost–benefit analysis” (assessment of needs and assignment of care, determining the budget for the care, purposefulness and the monitoring of the purposefulness). The newly proposed quality standards focus on the client–provider partnership (how they communicate with each other and how the will of the client is respected), capture the criteria for entry into service (how the real needs of the client and resources to tackle difficult social situations are mapped), map the individual approach (case social work with the client and personal care) and evaluate the result of the provision (fulfilling the rights and social inclusion principles).

The “**Conception for the Development of Technology and Services of Assisted Living for Older People**” (approved by Government Resolution No. 769 of 19 October 2011) is also being implemented in the years 2013/2014. The Conception aims to promote the development of information and communication technologies and services of assisted living for older people and people with disabilities which can positively affect their quality of life.

In an effort to improve strategic planning and management in **health care**, the Ministry of Health has submitted a project application to the OP HRE entitled “The introduction of advanced methods for strategic and project management at the Ministry of Health of the Czech Republic”. This project aims to enhance the quality in the creation of methodologies and their systematic implementation into the practice of project and strategic management, improve the quality of project management (e.g. using ICT systems) and strengthen the capacity of the Ministry of Health to effectively create and manage partner and supplier structures needed for successful implementation of (especially) European projects (e.g. the implementation of the Government strategy “Health 2020” and the Strategy for the reform of psychiatric care in the EU programming period 2014 – 2020).

4. Reforms to achieve appropriate and sustainable pensions¹⁵

Increasing the statutory retirement age is in accordance with the expected trends in the average life expectancy in the future. In addition to increasing the statutory retirement age, there is also a gradual unification of the statutory retirement age for men and women. Gradually, the period for which pension is received should stabilize at an average of about 20 years. The Czech Republic is currently in a very specific situation, because its statutory retirement age is rather lower. On the other hand, it has enacted its unlimited increase.

According to current demographic forecasts there is currently no reason to change the pace of increasing the statutory retirement age. However, it can be expected that future developments will not meet completely current demographic forecasts. Therefore, the MLSA in cooperation with the Ministry of Finance has prepared underlying discussion document based on the proposal to create and enact regular mechanism/process to review the pace of increasing the statutory retirement age so that there are no significant changes in average time spent in retirement for each generation. It is assumed that in 2014 there should be further debate and a possible decision on whether or not this proposal should also be enacted in legislation.

As part of austerity measures, **indexation** in 2013 and 2014 was reduced so that the full (100%) increase in the consumer price index was not reflected, only one-third (one third of the increase in real wages was reflected as before). As the law stands, this temporarily reduced indexation should take place for the last time in January 2015. However, in the coalition agreement and the Government's policy statement, the current Government has pledged that from 2015 the indexation mechanism should return to full inclusion of price increase. Therefore, in April 2014, the Government adopted an amendment providing for indexation of pensions reflecting the full (100%) price increase and one third of real wage increase. Furthermore, only for 2015, a special provision of the amendment guarantees an increase in pensions by at least 1.8%. The draft amendment to the law will be considered by the Parliament of the Czech Republic in the course of 2014.

In the coalition agreement and its policy statement, the Government also undertook to prepare a proposal to terminate **the system of pension savings (the so called “2nd pillar”)**. The aim is –following a detailed expert discussions and analysis – to reach the most consensual solution that should not harm the clients or entities providing these services. However, the issue of the “2nd pillar” of the pension system primarily falls under the responsibility of the Ministry of Finance, which is the creator/coordinator of the law and the regulator for the 2nd and 3rd pillars. However, the MLSA will work closely with the Ministry of Finance, as it will be clearly necessary to intervene into laws under the responsibility of the MLSA.

An expert committee has been set up consisting of delegates of coalition and opposition parties, as well as representatives of the social partners and other experts in order to arrive at a broader consensus on the way forward for the reform of the pension system. The general objective is to have a constructive and open debate aimed at finding the optimal long-term and stable direction of the pension system.

¹⁵ See NRP 2014, Chapter 3.3

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However, in addition to this basic debate framework, the committee should especially prepare the final report including proposals of specific measures.

5. Accessible, high-quality and sustainable healthcare and long-term care

5.1 Healthcare¹⁶

The main objective of the Government is to ensure economic stability, efficiency and transparency of the public healthcare system, health insurance companies and healthcare providers. In 2014, the Government will take further steps to ensure the **long-term financial sustainability of the public healthcare system and further improve quality, efficiency and effectiveness of the care provided to patients**. Gradual reform measures will allow the Czech Republic to continue to shift healthcare from an allocation system to an increasingly better regulated market in which the individual/patient takes the centre stage, and which will set the right incentives for all stakeholders.

The basic principle is to respect **the principle of solidarity** between the healthy and the unwell, non-profit and general availability of quality healthcare paid for by public funds. In this context the Government will introduce a predictable, stable and average-cost reimbursement system for all types of healthcare.

In the coming period, the Government will introduce a transparent and auditable system of public funds management and introduce mandatory publication of contracts between health insurance companies and healthcare providers. It will not re-introduce the hospitalization fee; with effect from 1 January 2015 the Government will try to negotiate the cancellation of the prescription fee and the fee for treatment in outpatient care. Only the regulatory fee for the use of emergency services is to be kept. The loss of funds associated with the **cancellation of regulatory fees** will be compensated to the public health insurance system and consequently to the healthcare providers from the state budget.

In March 2014, the Government of the Czech Republic approved the plan to **increase the payments for person insured by the State** (children, students, the unemployed, pensioners) from the current 787 CZK to 845 CZK. This is associated with the amendment to Act No. 592/1992 Coll., on premiums for general health insurance. The date of possible Government approval is now set for April 2014, and the approval by the Chamber of Deputies is expected in May 2014, if accelerated legislative process is used.

In addition, in 2014 a proposal will be submitted to the Government to subsequently regularly index the payments for persons insured by the State with respect to average wage increase no later than from 2016. The Government meeting with consensus on this regulation was set for the end of 2014.

The Government continues in its efforts to effectively define the introduction of new technologies into the healthcare system. As part of the project to introduce **health technology assessment** (HTA), a methodology was established which should

¹⁶ See NRP 2014, chapters 3.3 and 4.3.2.

ensure that new technologies to be paid from the public health insurance system bring appropriate and documented value.

The **E-health strategy** aims to enable professionals and patients to make the right decisions on the basis of objective and comprehensive information. Ensuring safe sharing of important health and economic information will result in higher quality, comfort, security and transparency of the healthcare system. Modern technologies will allow better management of the healthcare system, while allowing individuals to take better care of their health. The quality of healthcare will be enhanced by improving its accessibility and reducing certain risks, while increasing the comfort of its users. Implementing the e-health elements must be in synergy with legal and technical conditions, particularly on the part of healthcare providers. Transformation of some processes to electronic form will be systematically promoted in order to offer incentives to both patients and providers to implement and use new methods, systems and applications. It is the responsibility of the Government to set standards necessary for the development and sustainability of e-health and supervise their implementation. Sensitive personal and medical data must be under the control of the Government and may be provided only to clearly identified entities.

In the area of **prevention**, the Government's reform efforts in 2014 should include the presentation of a draft law to replace Act No. 379/2005 Coll., on measures to protect against damage caused by tobacco products, alcohol and other addictive substances. As a priority, the draft aims to protect and strengthen public health, especially in children and adolescents, and also includes measures to reduce the impact of the damage caused by addictive substances at social, security and economic level. The general goal is to improve the quality of legal regulation in the field of protection against damage caused by addictive substances and streamlining law enforcement in this area.

In the course of 2014, the Ministry of Health intends to develop other topics of prevention resulting from the World Health Organization strategy "Health 2020", or rather from its Czech version entitled "**Health 2020 – National Strategy for the protection and promotion of health and prevention of disease**" into the form of action plans. This namely concerns policies comprising:

- (1) Sufficient physical activity;
- (2) Proper nutrition and eating habits of the population, ensuring greater food safety;
- (3) Stress management and mental health (psychiatric care reform);
- (4) Reduction of health risks from living and working environment;
- (5) Screening programmes, etc.

Another unfinished long-term change project is the **reform of psychiatric care**, whose strategy was approved by the Minister of Health in October 2013. However, this is a policy that goes far beyond 2014 (its implementation is planned for the period 2014 - 2020 or 2023). The primary objective of the psychiatric care reform is to improve the quality of life of the mentally ill with a focus on total enforcement of human rights. Psychiatric care will be humanized by successive steps, emphasizing the development of community care (semi-mural and extramural), the medical staff will be provided with the desired education programmes, destigmatisation activities

will be held for the general public and the general environment in which psychiatric care is provided will be cultivated.

5.2 Long-term care¹⁷

In the area of long-term care a **package of amendments** will be prepared amending existing laws under the responsibility of the MLSA and the Ministry of Health. The creation of a separate law is not expected.

The **coordination of rehabilitation** is another area under elaboration which is halfway between social and health fields. The year 2013 saw continued meetings at the MLSA of the expert working group to coordinate the rehabilitation of persons with disabilities. The document entitled “The principles of legal regulation of coordination of rehabilitation” was circulated for inter-ministerial comment procedure.

Changes in follow-up and long-term care represent a **new organizational system for coordinating post-acute care** in connection with acute inpatient and outpatient care, with an overlap into social services. The proposed system lays the foundation of the differentiated and individualized follow-up and long-term care for individual patients according to their health and functional needs. Therefore, the changes particularly aim to improve conditions for the provision of such care, including a newly defined reimbursement from public health insurance system and improved coherence and coordination with the social system.

The specific objectives of the proposed changes are as follows: (1) improve the availability of post-acute care in the ageing population and the gradual elimination of excess demand for these services; (2) shorten the stays of patients in acute beds and ensure quicker return to their self-sufficiency; (3) increase the effectiveness of funding of follow-up and long-term care with a neutral financial impact on public health insurance; (4) objectify the needs of especially nursing and rehabilitative health and social care through a single functional testing; (5) unify the level of services provided by individual healthcare and social service providers; (6) improve continuity of a patient's transition to home or follow-up social services; and (7) enhance nursing care in the patient's own social environment.

Until 31 January 2014, a **pilot project** was under way which aimed to practically verify the correctness of the proposed legislation. At present, the data delivered by healthcare and social service providers involved in the project are being processed. The outputs from the project will have to be followed by the preparation of adjustments to payment mechanisms in the segment of follow-up and long-term care and legislative amendments to the laws concerned. In March 2014, the newly established inter-ministerial working group met for the first time to address long-term care and the entire area of overlapping social and health issues. A proposal of specific measures is expected by the end of 2014.

¹⁷ See NRP 2014, Chapter 4.3.3.

6. Thematic focus: access to social protection of young unemployed persons

6.1 Social benefits

Non-insurance benefit systems guarantee the young unemployed persons to have equal access to social benefits. In this context, the relevant benefits are the **benefits of the assistance in material need** (they are granted to the eligible unemployed persons regardless of the age of the beneficiary), which constitute a form of assistance to low-income persons¹⁸ and who should motivate these persons to actively seek to provide for the means to meet their living needs. An important assumption is that every person who works should fare better than that who does not work or avoids work. The system of assistance in material need is regulated by Act No. 111/2006 Coll., on assistance in material need. The benefits provided to those in material need are:

- (1) Allowance for living – This is the basic benefit covering cases of material need that tackles the insufficient income of a person or family. Persons or families are entitled to an allowance for living, if the income of these persons or families is less than the amount of living when reasonable housing costs have been deducted. The amount of living is established on a case-by-case basis based on an evaluation of the person's income, efforts and opportunities. The amount of living for families is determined by the sum of the amounts of living of each family member. The amount of living is derived from the existence minimum and the subsistence minimum.
- (2) Supplement for housing – The second benefit in material need tackles cases where the income of the person or family, including the entitlement to a housing allowance from the system of state social support, is insufficient to cover justified housing costs. The benefit is provided to flat owners or tenants who are entitled to an allowance for living and a housing allowance. In exceptional cases, a supplement for housing can be provided to a person not eligible for a housing allowance or to a person using a form of housing other than rental. The amount of the supplement for housing is determined in such a manner that, on payment of justified housing costs (i.e. rent, services related to housing and energy costs) the person or family is left with the amount of living. A period of benefit's payment is limited to 84 months during the last ten calendar years. An exception applies to households exclusively consisting of people over 70 years and disabled living in flats adjusted for them.
- (3) Extraordinary immediate assistance – It is provided to persons who find themselves in situations that require immediate solution. The law provides for six such situations: conditions are not met to provide recurrent benefits, but failing to provide assistance will expose the person to risk of serious bodily harm; occurrence of a serious extraordinary incident; lack of means to cover one-off expenses associated with, for example, the payment of the fee for a duplicate of personal documents or loss of means; lack of funds for the purchase or repair of durable goods; lack of funds to cover justified costs

¹⁸ A person or family has insufficient income and their overall social and financial circumstances do not meet the basic necessities of life at a level acceptable by the society. At the same time they are unable to increase these incomes for objective reasons (by asserting claims and receivables, sale or use of assets), thereby improving their situation by their own effort.

relating to education or the interests of dependent children, and to provide for the necessary activities related to the social and legal protection of children; and risk of social exclusion.

Unemployed young people can also make use of assistance under the **state social support benefits** provided to the eligible unemployed persons regardless of their age. The relevant income to qualify for the state social support benefits mainly include income from employment, income from business or other self-employment and also sickness and pension insurance benefits and unemployment benefits including similar income from abroad. The relevant income also includes the so-called net income. The state social support system is regulated by Act No. 117/1995 Coll., on state social support. This Act provides for the provision of the following benefits:

- (1) Child allowance – Child allowance is a basic long-term benefit provided to families with dependent children. A dependent child up to the age of 26 years, living in a family with an income of less than 2.4 times the family's living minimum is entitled to this allowance. Child allowance is provided at three levels according to the age of the dependent child –500 CZK per month up to the age of 6, 610 CZK from the age of 6 to the age of 15 and 700 CZK between the age of 15 and 26.
- (2) Parental allowance – A parent who personally and duly cares for a child who is the youngest in the family is entitled to parental allowance. Parental allowance is provided until the total amount of 220,000 CZK is drawn, maximum up to 4 years of child's age. A parent may elect the amount of parental allowance and thus the period of its drawing under the condition that at least one parent in a family is a person participating in sickness insurance. Generally, the parent who meets certain basic statutory conditions may choose the amount and hence the duration of the parental allowance. The amount of the parental allowance may be changed once in three months. The parent's income is not checked. A parent may improve the social situation of the family by employment while qualifying for the payment of the parental allowance, but must at this time provide for another adult to care for the child.
- (3) Housing allowance – This allowance is the State's contribution to the cost of housing for families and individuals with low incomes. Property owners or tenants registered as permanently resident in that property are entitled to a housing allowance if 30% (in Prague 35%) of family income is insufficient to cover housing costs and at the same time this 30% (in Prague 35%) of family income is lower than the relevant prescriptive costs set by law. A period of benefit's payment is limited to 84 months during the last ten calendar years. An exception applies to households exclusively consisting of people over 70 years and disabled living in flats adjusted for them.
- (4) Birth grant – This is a one-off benefit for low-income families to help them to cover cost related to the birth of their first child. Families are entitled to the birth grant provided the family income in the calendar quarter prior to the birth of the child does not exceed 2.4 times the family's living minimum. The birth grant amounts to 13,000 CZK for the first live-born child. If another live-born child/children is/are born together with the first live-born child the birth grant amounts to 19,500 CZK.
- (5) Funeral grant – The funeral grant is a one-off payment to a person who has arranged for the funeral of a dependent child, or to a person who was the

parent of a dependent child, on condition that the deceased was a permanent resident of the Czech Republic on the date of death. The amount of the funeral grant is a fixed lump sum totalling 5,000 CZK.

Benefits for people with disabilities are conditional on a person's medical condition. Act No. 329/2011 Coll., on the provision of benefits to persons with disabilities, and amending related laws, specifies the following benefits:

- (1) Mobility allowance – Mobility allowance is a repeating obligatory benefit intended for persons over 1 year of age. Such a person must be the holder of a ZTP (particularly severe disability) or ZTP/P (particularly severe disability requiring a guide) card granted after 1 January 2014 and repeatedly transport himself or be transported for consideration in the calendar month. The amount of the benefit: CZK 400 per month.
- (2) Special aid allowance – A person is eligible for the special aid allowance if he or she has a serious defect or the bearing or musculoskeletal system or severe hearing impairment or severe visual impairment causing long-term adverse medical condition, and his or her medical condition does not preclude the grant of that allowance. A person is eligible for the special aid allowance granted to purchase a vehicle or special restraint system if he or she has a severe defect of the bearing or musculoskeletal system or a severe or profound mental retardation causing long-term adverse medical condition, and his or her medical condition does not preclude the grant of that allowance.
- (3) Card of a person with disability – A person is eligible for the card of a person with disability if he or she is older than 1 year and has physical, sensory or mental disability causing long-term adverse medical condition, which substantially limits his or her mobility or orientation, including people with autism spectrum disorder.

In terms of benefits for people with disabilities, these persons can also qualify for care allowance, which is regulated by Act No. 108/2006 Coll., on social services. Care allowance is granted to persons dependent on the assistance of another person. The State uses this allowance to provide for social services and other forms of assistance in coping with the basic necessities of life. Care allowance enables these persons to pay for aid, which may, at their discretion, be provided by a close person, a social work assistant, a registered provider of social services, a children's home or a special medical inpatient hospice type facility.

6.2 Pension rights

Any person over 18 years is considered to have pension insurance coverage if he or she is registered as a job seeker and receives unemployment benefit (people aged 50 and under are entitled to only 5 months of unemployment benefits, people aged 50 to 55 are entitled to 8 months and people aged 55 years and over are entitled to 11 months). However, a person is considered to have pension insurance coverage if he or she is registered as a job seeker and is no longer entitled to unemployment benefits, but for a maximum of three years.

In the case of disability pensions, there is a special arrangement for the so-called 'persons disabled since childhood'. This is because one of the conditions for granting disability pension is the pension insurance period. An individual must meet the condition to be insured for at least five years in the last ten years of insurance if aged 28 years or older, or for at least ten years in the last twenty years of insurance if aged 38 years or older. However, as these conditions are very difficult to be attained for people with disabilities (e.g. aged 18 or 20 years or older), the Pension Insurance Act stipulates that these persons up to the age of 20 only need less than one year of insurance, persons aged 20-22 years need one year of insurance, persons aged 22 to 24 years need two years of insurance, persons aged 24 to 26 years need three years of insurance and persons aged 26 to 28 years need five years of insurance.

6.3 Unemployment benefits¹⁹

Eligibility for unemployment benefits is governed by Section 39 et seq. of Act No. 435/2004 Coll., on employment (hereinafter the "Employment Act"). Section 39(1) of the Employment Act provides that a person is eligible for unemployment benefits if he or she is a job seeker who applied for these benefits with the regional branch of the Labour Office of the Czech Republic and reached, through employment or other gainful activity, pension insurance of at least 12 months in the decisive period of the last two years before inclusion in the register of job seekers, and who does not receive old-age pension as of the date on which unemployment benefits are to be granted.

As follows from the above, in terms of the possibility of being a job seeker and eligibility for unemployment benefits, the Employment Act does not provide for any special conditions or restrictions applicable to young unemployed persons. So, in a situation of, for example, a student, i.e. a natural person undergoing systematic training for a future occupation, Section 25(1) (r) of the Employment Act provides that such a person cannot be a job seeker, except as provided under paragraph 4. Section 25(4) of the Employment Act stipulates that it is possible for a person to be registered and maintained in the register of job seekers even if the person undergoing systematic training for a future occupation reached, through employment or other gainful activity, pension insurance period of at least 12 months in the relevant period (the last 2 years prior to the inclusion in the register of job seekers).

For the purposes of the Employment Act, systematic training for future occupation means the period of full-time study in secondary school, conservatory, university or language school authorized to organize state language exam, including holidays that are part of the school or academic year (Section 5(d) of the Employment Act).

The above therefore indicates that natural persons who have not been granted student status under the relevant school laws and students who meet the conditions laid down in the above provision of Section 25(4) of the Employment Act may apply to the appropriate regional branch of the Labour Office of the Czech Republic to facilitate job placement and may, if eligible under the Employment Act, become job

¹⁹ See NRP 2014, Chapter 4.3.1.

seekers, where this fact is decisive for the entitlement to apply for unemployment benefits.

Whether or not a job seeker meets the conditions for granting unemployment benefits, in what amount and for what period of support is considered by the regional branch of the Labour Office of the Czech Republic in administrative proceedings after filing the application for unemployment benefits and proving the facts decisive for the unemployment benefits to be granted.

If a person is registered at the Labour Office of the Czech Republic, health insurance for this person is paid by the State, regardless of whether or not he or she receives unemployment benefits (paying health insurance is compulsory by law). The State does not cover the social insurance for people registered at the Labour Office of the Czech Republic, but the period for which the applicant is registered at the Labour Office of the Czech Republic counts towards pension insurance period (i.e. counts towards the period everyone has to meet in order to become eligible for pension). However, the maximum period counted towards the pension insurance is one year. Unemployment benefits, as decisive income for benefits under assistance in material need and means-tested benefits under state social support are counted equally for all persons, regardless of age.

6.4 Services

Social services mediate assistance in the care of one's own person, providing meals, accommodation, assistance in running a household, care and assistance with bringing up a child, providing information, mediation of contact with social environments, psychotherapy and social therapy, assistance in assuring one's rights and interests. The services aim amongst other things to: (1) promote development, or at least maintenance, of the existing self-sufficiency of the user, the user's return into his/her own home environment, renewal or maintenance of their original lifestyle; (2) enhance the user's abilities and enable them to lead an independent life where possible; (3) limit social and health risks associated with the users' lifestyle.

The basic activities in the provision of social services include assistance in common activities of self-care, assistance with personal hygiene or providing conditions for personal hygiene, providing meals or assistance in providing meals, providing accommodation or assistance in providing for accommodation, assistance in housekeeping, educational and motivational activities, counselling, mediating contacts with the social environment, therapeutic activities and assistance in asserting one's rights and interests. Any person is entitled to gratuitous provision of basic social counselling regarding the manners to resolve difficult social situations or to prevent them. Some social services are provided for free, others for a fee.

In terms of the setup of the social service system, changes are being prepared in terms of activities with concrete specification of motivational activities for young people to enter the labour market. During the specification, emphasis will be placed on the development and training of skills in the area of working habits. Activities and acts will be extended so that the client can be successfully taken through the process of finding its place in the labour market. These are preventive, support and

assistance activities. The process and impact quality will be guaranteed by a professional social worker.

In terms of health care or **healthcare services**, it is guaranteed to all Czech citizens by the Constitution of the Czech Republic, where the Article 31 of the Charter of Fundamental Rights and Freedoms states that *“Everyone has the right to the protection of his or her health. Citizens shall have the right, on the basis of public insurance, to free medical care and to medical aids under conditions provided for by law.”* The fulfilment of this constitutional right and access to healthcare is provided through public health insurance. The law is based on the principle of solidarity in healthcare, i.e. citizens contribute to the health insurance fund according to their capacity and draw healthcare according to their needs. Health insurance for minors and the unemployed is paid by the State.