Country  Czech Republic

Analysis of Minimum Income Schemes

In EU Member States

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Tender N° VT/2011/100 Pilot project – Social solidarity for social integration
Objectives of the reports

Based on the experience of developing the reports in 5 identified countries, reports will be produced in 26 remaining countries (all EU Member States plus Serbia, Iceland, FYROM and Norway). To that aim, a simplified template has been produced.

The reports will build on existing research and analysis to produce a national report on the current state of play on minimum income schemes in terms of adequacy, coverage and take-up in their country. The reports will build in particular on the 2009 reports of the national independent experts on social inclusion and the 2013 reports on active inclusion of the EU Network, and on recent MISSCEO and MISSOC data. All sources will be filed in basecamp. The reports will also identify obstacles related to adequacy, coverage and take-up of minimum income schemes. Consensus will be sought with relevant actors in order to identify initial practical steps towards progressive realisation of adequate and accessible minimum income schemes in Member States. The identification of relevant steps to be taken should be a key outcome of the dialogue that should take part with the relevant stakeholders needed to produce this report. The reports will also be used to identify common trends and prepare the ground for the European follow up in terms of proposals on common EU definitions, criteria and possible next steps for further cooperation on the theme at EU level.

Project definition.

For the purpose of the reports, minimum income schemes are defined as essentially income support schemes which provide a safety net for those who cannot work or access a decent job and are not eligible for social insurance payments or those whose entitlements to these have expired. They are last resort schemes which are intended to ensure a minimum standard of living for individuals and their dependents when they have no other means of financial support. In case several minimum income schemes for different groups coexist in a country, priority shall be given to minimum income schemes for the population at working age.

Methodology

The methodology to prepare the reports involves two approaches:

1. Desk research and use of secondary sources, especially for sections 1 and 2, and
2. Interviews with relevant partners, especially for sections 3 and 4.

The relevant stakeholders should include the relevant public authorities, service providers, social partners, NGOs, policy makers at different levels, and include the involvement of people living on minimum income or who benefit from minimum income support.
Content

1. Panorama: short description of minimum income scheme(s)
2. The link between minimum income and the other two pillars of active inclusion
3. Identification of obstacles to the implementation of adequate minimum income schemes.
4. Suggested next steps to improve adequacy, coverage and/or take-up of minimum income schemes

1. Panorama: short description of minimum income scheme(s)

This chapter will be filled in by the policy coordinator. Teams are invited to add comments if necessary

1.1. General overview: description of minimum income scheme(s): different schemes for different groups (working age adults, old age, young people, disability...)? Governance arrangements (national, regional, local level)? General scheme or categorical? Cash benefits or in-kind or both? Underlying principles?

A person in material need is a person or family that does not have enough income and their overall social and economic situation prevents them from enjoying what society accepts to be the basic living requirements. At the same time, these persons are objectively unable to increase their income through own work, the due application of entitlements and claims or sale or other disposal of own assets, and to improve their situation by their own actions.

Guaranteed minimum support benefits are provided in the System of Assistance in Material Need (SAMN, Systém pomoci v hmotné nouzi). SAMN is aimed at people with insufficient income. The fundamental goal is to ensure basic needs for living and housing. The principal condition is low income and impossibility to improve it by own effort (work, use of property and other priority claims).

SAMN is financed from the State budget (general taxation). SAMN is a general (uniform) system with specific conditions and obligations for different categories of people.

SAMN is organised centrally; benefits are paid by the Labour Office (Regional Branches, contact places) under the same conditions all over the country.

Entitlement to SAMN is based on a subjective right; the claimant is entitled to the benefit if s/he satisfies the conditions laid down by law and submits an application on a prescribed form.

Within the SAMN, there are three benefits:
Allowance for Living (Příspěvek na životy) is a recurrent benefit provided to a person or a family in case of insufficient income to ensure basic needs (except for needs related to housing).
Supplement for Housing (Doplatek na bydlení) is a recurrent benefit provided to a person or a family in case of insufficient income to cover justified housing costs.
Extraordinary Immediate Assistance (Mimořádná okamžitá pomoci) is an one-off benefit provided to persons in precarious situations.

The amount of the recurrent benefits is derived from the Living minimum (Životní mín...
The minimum income and the subsistence minimum (Existenční minimum) vary according to the applicant’s income, efforts, and personal status. The amount of the one-off benefits is set at fixed sums or sums adequate to the situations to be resolved.

### 1.2. Eligibility Conditions

Eligibility conditions: What are the conditions to obtain minimum income (nationality, residence, age...)? Lack of financial resources, property, means-testing? Willingness to work or receive training?

**Entitled persons** for the Allowance for Living (Příspěvek na živobytí) and Supplement for Housing (Doplatek na bydlení) are:

* permanent residents,
* persons who obtained asylum,
* migrant workers and their family members (under Regulation 492/2011),
* EU long-term residents,
* EU citizens (who are not under Regulation 492/2011) after 3 months of residence in the Czech Republic.

Extraordinary Immediate Assistance (Mimořádná okamžitá pomoc) can be granted also to persons who stay in the Czech Republic legally and, in serious danger situations, even to persons staying in the Czech Republic illegally.

No nationality requirements.
No age requirements.

**Means testing:**

Means-related conditions are based on a negative list of properties and assets. Real properties used for housing (standard houses, flats) and for gainful activity are not subject to the means test.

The following movable assets are not taken into account: standard housing equipment, machinery and devices (including cars) for gainful activity, cars used for transport of children and disabled persons, cash up to CZK6,300 (€250), contract savings of private pension insurance and other savings under a given limit.

The means test includes:

* income from gainful activity, after tax and social security contributions
* social security benefits, including unemployment benefits
* any other regular income (e.g. rent)
* revenue from capital
* any random income (e.g. sale of products, properties and claims)
* alimony.

As an incentive to work, only 70% of income from gainful activity and 80% of sickness benefit or unemployment benefit are taken into account.

The obligatory means test used under the System of Assistance in Material Need (SAMN, Systém pomoci v hmotné nouzi) is based on the concept of jointly assessed persons: means of all persons living in the same household are taken into account.

**Readiness for work and training:** see 1.5

### 1.3. Amounts of the Living Wage

Amounts of the living wage: differentiation for specific household types, cohabitants, single persons, couples, children, age groups...?
Allowance for Living (Příspěvek na živobytí) and Supplement for Housing (Doplatek na bydlení):
The benefit amount differs according to the family composition. The individual amount is
tallied per individual; the household amount is increased on a sliding scale. Calculation
base for the amount related to dependent children is based on the Living minimum
(Životní minimum); calculation base for the amount related to an adult person may be
based on the Subsistence Minimum (Existenční minimum).
Supplements are not provided but e.g. persons with expensive diets receive higher
amounts.
Extraordinary Immediate Assistance (Mimořádná okamžitá pomoc):
Family composition may be taken into account when deciding on certain types of
assistance.

Monthly amounts of System of Assistance in Material Need (SAMN, Systém pomoci v
hmotné nouzi) benefits:
Allowance for Living (Příspěvek na živobytí) is set as a difference between the amount of
living of a person or family and the income of that person or family, less reasonable
housing costs:

* The amount of living is established on a case-by-case basis based on an evaluation of the
  person’s or the family’s income, efforts, opportunities; Living minimum (Životní minimum)
  and Subsistence minimum (Existenční minimum) are used as a calculation base;

* Reasonable housing costs are the costs of housing up to a maximum of 30% of the
  income of the person or the family.

Supplement for Housing (Doplatek na bydlení) is calculated in such a manner as to cover
the gap between payment of justified housing costs and the amount of living. Justified
housing costs include rent, services related to housing and energy costs.
The amounts of one-off benefits of Extraordinary Immediate Assistance (Mimořádná
okamžitá pomoc) differ according to the situations they are intended to resolve.

Monthly amounts of Living minimum (Životní minimum):
single: CZK3,410 (€135)
first person in a household: CZK3,140 (€125)
second and other persons who are not a dependent child: CZK2,830 (€112)
dependent child:
under 6 years: CZK1,740 (€69)
6 - 15 years: CZK2,140 (€85)
15 - 26 years: CZK2,450 (€97)

Monthly amount of Subsistence minimum (Existenční minimum): CZK2,200 (€87).

Uprating:
The government is authorised to increase the amounts of Living minimum (Životní
minimum) and Subsistence minimum (Existenční minimum) (= calculation base for the
System of Assistance in Material Need, SAMN (Systém pomoci v hmotné nouzi)) on 1
January if the growth of consumer price index for sustenance and personal needs exceeds
5%. In case of extraordinary circumstances the amounts can be indexed sooner.
### 1.4 Time duration: is the minimum income scheme limited in time? Are there regular re-assessments?

Unlimited duration if the conditions are met.

### 1.5 Conditionality: submission of application, information on personal situation, social inquiry, availability for work...

The Regional Branches of the Labour Office evaluate the situation of a person in need upon his/her request. A decision to grant a benefit is taken once an application for benefit is submitted on the prescribed form. Striving to improve one's situation is a condition of entitlement to benefit. Social work with individuals or families precedes the grant of benefit. Social investigation and home visits are an integral part of the evaluation within the System of Assistance in Material Need (SAMN, Systém pomoci v hmotné nouzi).

**Readiness for work and training:**

Willingness to work is the basic condition of being treated as a person in material need. Recipients, unless being in employment or similar relationship, must register with the labour office as jobseekers, actively look for a job, accept any (even short-term or less paid) employment, participate in active employment policy programmes, public works, public service etc. Participation in these activities is obligatory and is subject to examination. Refusal means that the person is expelled from the System of Assistance in Material Need (SAMN, Systém pomoci v hmotné nouzi). Certain persons are excluded from work activities due to age, health status or family situation (65+, pensioners, disabled, parents taking care of small children, carers of care-dependent persons, dependent children and temporarily ill persons). No specific social integration measures.

### 1.6 Link with other social benefits: combination with other benefits or wage possible?

Additional social assistance for housing costs, energy, medical expenses, family allowance...

**Housing Allowance** (Příspěvek na bydlení) is paid to an owner or a tenant of a flat who is registered as a permanent resident, provided that 30% (in Prague 35%) of the family (household) income is not sufficient to cover housing costs and at the same time this 30% or 35% of family (household) income is lower than relevant normative housing costs given by law and differentiated according to type of housing (rental, cooperative, owner occupied flat), size of municipality and number of family members.

The amount of the Housing Allowance for a calendar month is calculated as the difference between the normative housing costs and the family's decisive income multiplied by a coefficient of 0.30 (in Prague 0.35).

**Supplement for Housing** (Doplatek na bydlení): see above “Basic Principles” and “Cash benefits, 2. Amounts”.

In general, **health care** is free for all insured persons. The State pays health insurance contributions on behalf of persons in material need. Persons in material need are not exempted from co-payments (these apply only to medicaments and medical devices), but they do not pay regulatory charges for health care, hospitalisation and prescribed medicaments.

### 2 Link between the right to social integration and the active inclusion strategy
### 2.1. Inclusive labour markets

Has a closer link between benefits and activation measures been established? Have minimum income benefits been made more conditional upon readiness to participate in training or work schemes, and what are possible impacts? Have new work or training schemes been put in place for minimum income beneficiaries?

**OPINION of the MOLSA**

The Ministry of Labour and Social Affairs (hereinafter referred to as MOLSA) assigned state funded ‘The Fund of Lifelong Learning’ to create retraining working programmes. Many projects in the field of education (as for example Educational company stays - education in practice, Training of job seekers in the area of social economic competencies - SEKO, Training of disabled persons, Assistance to quality of lifelong qualification training of social workers) are sponsored by this organization. The Ministry carried out no other activities in the field of activation and qualification training programmes.

**NGO OPINION**

Despite its declared modification of benefit systems and enforcing of the active policy of employment rates, no real or functional interconnection has been delivered. Due to numerous changes in the benefit wages system and questionable implementation, Labour Offices focused on compliance with time limits for benefit payments and no space for social work and training programmes remained. Those officers responsible for retraining carry no responsibility for benefit payments and there is often a repeated information barrier between them.

With the Agenda transition to Labour Offices new staffing has come and had to become acclimated, which caused another time delay in benefits administration. The stated effort to use public service as a motivator to improve basic working skills and its expected influence upon illegal jobs did not result as expected. Involuntary work in community services was banned by the Constitutional Court. (The term “community” doesn’t exist in the Czech legislation. Nevertheless there is White Book of Social Services improved by Ministry 2003 based on this idea.)

NGOs consider this issue as an important tool for improving the lack of cohesion in Czech society and bringing those making decisions closer to people in need. Positive examples of this effect are visible in psychiatric community care. Certain municipalities work on this principle without declaring it. Some NGOs, e. g. IQ Roma servis, have not experienced significant examples of good practice in this area.

There is no direct interconnection between benefits and activation measures, as adequate coordination is lacking. Activation measures are insufficient and inadequate systems, as well as bureaucracy tend to impede the entry into labour markets along with increasing benefit wages. Benefit payments are not connected to readiness for retraining. There are extensive offers of retraining programmes, but they are ineffective and do not manage the situation. In those areas most affected (North Bohemia, North Moravia) the rate of unemployed remains practically unchanged. The System of benefits is adjusted to demotivate anyone willing to earn extra money.

### 2.2. Access to quality services

Did minimum income beneficiaries’ access to services improve or deteriorate? Did prices increase? Is accessibility of services reduced, particularly in the light of the crisis and possible austerity measures?

**OPINION of the MOLSA**

The Living wage standard was increased by Government decree in the year 2012 regarding the rise of prices and cost of living.

**NGO OPINION**
According to the Social services Law, every citizen is entitled to free basic social consultation on opportunities that solve or prevent unfavourable social situations. These social services include social care services and social prevention services. Services are provided on the basis of contracts between the provider and the client. Concerning constantly rising prices, more poor people are always facing critical states of affairs. Yet the accessibility of services remains the same. There is no tendency to increase advisory offices for the indebted, those losing the roof over their head, etc., especially in socially excluded localities. (In this respect, the gap between the Ministry and NGOs slowly concurs.)

3. Identification of obstacles to the implementation of adequate minimum income schemes

<table>
<thead>
<tr>
<th>1. Coverage and take-up: are there problems concerning coverage (nationality, residence)? Quid migrants, asylum-seekers, undocumented migrants? Homeless and roofless? Data available on number of people who are entitled and who actually take up their right? Those who don’t? Possible barriers for take-up (lack of information, complexity of system, conditionality, discretionary nature of benefits, benefits too low in comparison with time and effort for application, lack of support on application, fear of stigma…)?</th>
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4. Suggested next steps to improve adequacy, coverage and/or take-up of minimum income schemes

- **Coverage and take-up**

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<tr>
<th>1. In the Czech Republic more than 250,000 people use social benefits. The entire population exceeds 10 million. Minimum wages affect 120,000 workers. There are approximately 30,000 homeless. From this amount, 10,000 seek social services and jobs. Another 100,000 are one step away from being similarly affected. They are endangered by social exclusion as well. Among the homeless, the largest at-risk group are those over 65. According to the abstract of statistics, the share of foreigners in the population of the Czech Republic (including asylum seekers and undocumented migrants) amounts to 4.15%. Further details are not available. The increase in spending on state social support (April 2014 year on year by CZK 19.8 million) was due solely to the increased volume of funds paid to the housing allowance (by CZK 141.7 million). This came as a result of the fixing of norms for the calculation of benefits in the context of rising</th>
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</table>

- NGOs suggest the extension of advisory centres networks accessible to migrants and people from excluded localities.
- NGOs also suggest a widened network of advisory centres for debtors and defaulters and re-examination of legislation to protect common people from over-indebtedness. It is necessary to follow up similar activities, experiences and analysis of all partners, including abroad, who deal with these issues and create proposals leading to decreased rates of over-indebtedness and related threats.
- NGOs also suggest enhancing the number of emergency services provided for migrants, asylum seekers and undocumented migrants into the Law on Social services. It is unthinkable that asylum seekers were limited only to officials of the Ministry of Interior.
housing costs and the income circumstances of certain types of households.

In 2013, as a result of completing the ESF planned period, social services targeted at material-need wages beneficiaries were reduced. There are still certain services available, but at lower rates. Access to housing as one of the basic services is seriously limited in the long term for low income groups and, at the same time, the sector of sub-standard housing has been massively expanded. Material-need wages (supplements for housing) were very frequently used to cover rent in sub-standard hostel living conditions, which became the most expensive component of the system of assistance in material-need.

Regardless of familiarity with this issue, during the entire period no functional settlements were proposed while, at the same time, financial means were invested into undignified housing for those who are unable to help themselves. We repeatedly pointed out the necessity of a social housing system that could offer, with the same amount of financial means, standard housing for endangered groups rather than poor conditions in housing.

Government Resolution No. 666/2013 states an increasing number of homeless people, those without a dwelling or living under substandard conditions.

**OPINION of the MOLSA**

The ethnic origin of an applicant is not distinguished. A major problem is the issue of housing. The availability of reasonably priced rental housing is generally bad. The governmental Concept of social living (2013) is not generally accepted. Government is going to elaborate a Law on Social Living in 2016 or 2017. Another danger is no access to Medical care for those who do not pay health insurance. In the field of social benefits handling and payments, the situation has become worse and very complicated, due to an administrative measure implemented by the Government in the year 2013 that transferred the Local Office Agenda to Labour Offices. Consulting and Field Social work suffers from an urgent lack of trained, skilled workers.

- It is necessary to approve a new approach to housing, access to social services, access to health care and demands for information and cooperation with target groups.
- One of the basic requirements is qualified social workers.
- The term ‘standard housing’ does not mean asylum or quarters.
- Prevention of forced evictions is an essential component of social housing.
- The guarantor of social housing is the state. The state delegates its powers of social housing to public administration, regions and municipalities. Yet there is no law that guarantees housing for people experiencing poverty.

This is the reason state officials must be trained to assist target groups in making their claims and rights the same as for every Czech citizen. They must effectively raise awareness of various forms of precaution against poverty and homelessness, as well as make the Minimum Income an instrument for the decrease of poverty levels and discrimination. Nationality must have no effect on benefit approval (permanent address is determinative). Homeless persons mostly do not draw benefits because of bureaucratic red-tape and lack of information. The availability of reasonably priced rental housing is generally bad. Another danger is lack of access to medical care for those who do not pay health insurance.
Private subjects providing immediate non-bank credits grasped at this new opportunity and capitalized on the general lack of information, resulting in an enormous increase in court-ordered attachments.

**NGO OPINION**

At this point there exists an opinion of the NGOs working in socially excluded localities, with and for homeless or families in need. From the Initiation of EAPN CR, there are regular national meetings with people experiencing poverty, seminars on social living etc. in which outputs are distributed to the Government and Parliament of the Czech Republic. These conclusions are used in the work of the Committee for social inclusion of MOLSA. Regarding problems of coverage, the System of Assistance in Material Need in the Czech Republic does not differ much from EU average standards.

- An insurmountable obstacle for homeless people is the duty to give authorities a permanent residence address where the office may carry out local inquiry. Without that, the applicant may not obtain a Living minimum wage. This issue has no solution, as homeless persons often change their address of stay (if they have one at all). Municipalities have no duty to ensure common living for people living within their territory. They mostly try to drive out those experiencing poverty to another territory where living conditions, access to transport, education and jobs are even worse. Evaluating benefit claims for common housing is also frequently incorrect, as it includes persons who do not live in the proper household.

- Financial problems are critically linked with migrants and persons living in excluded localities. High rates of indebtedness make the situation insoluble. The present Legislation fails to sufficiently protect citizens against indebtedness. Migrants leaving short-stay centres of the Ministry of Interior may find rental housing for themselves and their families, but mostly have no
cash. In this case a backup for the A
minimum Income programme is
obviously necessary. Other endangered
groups are those living in excluded
localities, who suffer from lack of the
basic means of mobility, education,
distinguished work and culture, as well
as sport.
- The Social Services Law enumerates all
categories of services. The law does not
take into account migrants, asylum
seekers and migrants without
documents. They come more or less
under the Ministry of Interior’s
competence. Services provided by NGOs
(like filling in forms, contact with
authorities, language education for
better integration in society, etc.) are
only partially subsidized by public
sources.
In 2013, as a result of finishing ESF planned
period social services targeted on material
need wages, benefits were reduced. There
remain some services accessible, but at a
lower degree. Access to housing as one of
basic services is seriously limited in the long
term for low income groups and, at the same
time, the sector of sub-standard housing has
massively expanded. The Anti-Discrimination
Act (No 198/2009) has not contributed to
eliminating discrimination in housing.
Rather, segregation of poor families deepens
and discrimination occurs mainly by
landlords. During the past ten years, the
number of excluded localities in the Czech
Republic increased from 300 to 400.
Limitation of benefits for those living in
substandard conditions means a long-term
increase in the cost of social
services. Material-need wages (supplement
for housing) were very frequently used to
cover rent in sub-standard living condition
hostels, which become the most expensive
component of the system of assistance in
material need. Regardless of familiarity with
this issue, through the whole period no
functional settlement was proposed,
although at the same time financial means
were invested into undignified housing for
those who were not able to help themselves.
We repeatedly pointed out the necessity for
a social housing system that could offer, with the same amount of financial means, standard housing for endangered groups rather than poor conditions in quarters. Each officer’s approach depends upon who they are speaking to - directly to the applicant or a social worker from asylum house. The Labour Office, in place of Asylum House, approves the dossier transfer from the Labour Office in place of the applicant’s permanent address, but rejects the request for benefits, referring to an excessively long period between submission of the application and the administrative decree. In some cases this takes 3 months - during this period the applicant remains at the Asylum house on credit. This debt may be settled late or it rises on the contrary. Delays in benefit payments last at least 3 months at average. Normative instructions to an interpretation of the Law on Assistance in Material Need precise normative instructions and focusing on the procedure of dossier transfer from location of permanent address to current location

<table>
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<tr>
<th>2.</th>
<th><strong>Adequacy</strong>: Criteria and methodology to define adequacy of minimum income? Defined in relation to at-risk-of-poverty threshold (60% of median income)? Or in relation to other social benefits, minimum wage, standard of living? Use of reference budgets? Uprating mechanisms available (index, other) in line with rises in inflation or standard of living?</th>
<th>Adequacy</th>
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<tbody>
<tr>
<td><strong>OPINION of the MINISTRY</strong></td>
<td>According to the Law of Assistance in Material Need, adopted in 2006, the state is due to regularly increase minimum wages with the growth of Market-basket cost. The composition of this Market basket is still a subject of discussion and analysis. The amount of Social benefits should be adjusted to prevent beneficiaries from falling to a poverty income in which 6% of pensioners live today. <strong>NGO OPINION</strong></td>
<td>Nevertheless, the at-risk-of-poverty threshold is 60% of median income. In the Czech Republic there is extensive system of State social benefits and social assistance benefits and there is generally an unwillingness to change it.</td>
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<tr>
<td><strong>OPINION of the MOLSA</strong></td>
<td>According to MOLSA, the level of poverty in the Czech Republic is generally low, only 15% of the population live in poverty, where at the same time mandatory</td>
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not draw benefits because of bureaucratic difficulties and lack of information.

expenses on social benefits are surprisingly low.

**NGO OPINION**
The amount of benefits is generally very low and allows only survival (food and housing). This becomes a problem in situations of emergency, when need is provable but claims are not permitted. Periodic increases of the living minimum are insufficient. This issue is very difficult to evaluate. Benefit income is often insufficient to cover housing costs for the entire period. That disallows rational planning and frequently leads to higher rates of indebtedness. Effectiveness is low. People in need will not reach benefits. Services that are supposed to help by inclusion are missing or demotivating. Granting the benefits is up to the subjective judgement of a clerk in charge; disunity in the processes of approving causes severe problems.

<table>
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<tr>
<th>3.</th>
<th><strong>Effectiveness</strong>: Impact of minimum income schemes in preventing and reducing poverty levels and intensity of poverty?</th>
<th><strong>Effectiveness</strong></th>
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<tbody>
<tr>
<td></td>
<td><strong>OPINION of MINISTRY</strong> According to MPSV the level of poverty in Czech Republic is generally low, only 10% of population live in poverty where at the same time mandatory expenses on social benefits are surprisingly low. From that MPSV concludes there is a high effectivity of financial transfers and emphasizes subjective aspect of judging own material situation. <strong>NGO OPINION</strong> This issue is very difficult to evaluate. Benefit income is often insufficient to cover housing costs for all the period. That does not allow rational planning and frequently leads to another indebtedness. Effectiveness is low. People in need will not reach benefits. Services which are supposed to help with an integration are missing or demotivating. Granting the benefit is up to subjective judgement of a clerk in charge; disunity in processes of approving causes many problems.</td>
<td>The idea of a minimum income is essentially the idea of human liberation (Alena Wágnerová, 2012). This thesis rose an extensive debate on minimum income and its effectiveness. The main argument against was lack of money in the State budget. It seems to be more a political than social problem (Left and Right). NGOs believe that the adoption and introduction of the program of minimum income will equalize the gross inconsistencies in the system, which suffers from many drawbacks due to its prolonged and inflexible development.</td>
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### 4. Active Inclusion policy

#### 4.1 Link with inclusive labour markets

How conducive are minimum income schemes to labour market integration? Effectiveness in ensuring incentives to work? Use of activation measures, special work or training schemes? Possible incentive or disincentive factors of minimum income (poverty trap)?

**OPINION of the MOLSA**

Active Inclusive social services cannot replace Labour offices, although they might increase chances in labour market. What makes the situation more difficult is the fact that the minimal wage is often lower than benefits of social need, which altogether leads to the demotivation of those who are searching for work. 6% of all employees in Czech Republic work for the minimal wage. The MOLSA solution to this issue is an increase of social workers and intensifying local level activities.

**NGO OPINION**

An Active Policy of Employment is not sufficiently connected with an agenda of material need. Forced public work (community services) had no effect in enhancing work habits in recent periods as it was exclusive to unqualified types of jobs without the opportunity to receive new work skills and was eventually cancelled by the Constitutional Court. Many unemployed perceive community services as punishment. Not everybody accepts it as a chance. Most unemployed would rather take social benefits.

We believe there is no working link among the Minimal Income programme, social inclusion and the Labour market. Retraining is often only a formal activity (easy access to EU grants) with no visible effect on employment rates. There is a significant will to work, but many demotivating factors as well: obstacles in employability - age, criminal records, Roma origin, addictions, insufficient qualification and some employers require bank account, while others a permanent address, etc. The Minimal Income

Nevertheless, the situation of the Roma population is more difficult in regard to seeking jobs, accessing social services and such. One of the obstacles is the accumulation of poor people (mostly Roma) in cross-border areas (especially in North Bohemia and North Moravia) where unemployment significantly exceeds the average over the last twenty years. This problem used to cause social disturbances in certain localities.

**NGO OPINION**

Despite a sufficient quantity of information from EAPN, Social Platform and other relevant EU Institutions, the Policy of active inclusion was not implemented in practice nor worked out in a frame of state social policy in the Czech Republic. The strategy of social inclusion 2014 – 2020 is based on the mission: “Keeping the number of people at risk of poverty, material deprivation or living in households with low work intensity by 2020 at the 2008 level. The Czech Republic has committed itself to make efforts to reduce the number of people at risk of poverty, material deprivation or living in households with low work intensity to 30,000 people.”
**agenda is not linked with Labour market integration.**

### 4.2 Link with access to quality services:

- measures to improve access to medical assistance, social services, childcare, housing, energy, transport...

**Link with access to quality services**

**OPINION of the MOLSA**
Quality services were formally widely accessible. In reality, the access is significantly worse and housing remains the most pressing problem. There is no concept of social housing or corresponding legislation. Political representation did not manage to prepare and pass relevant laws.

**NGO OPINION**
There is no methodology presently available. Access to medical care is limited for those who do not pay health insurance. Providing social services to those who need help is the most complicated - there is a general tendency to increase their payment share. There is no common approach to setting payments in asylum houses - some Labour Offices refuse to cover costs of living to a full extent, although the amount of payment is set by the Law.

Social services of higher quality are mostly provided by NGOs. They have more experience, more enthusiasm, more interest in changing the social situation of individuals and a non-discriminative approach. They operate on a local basis. But the legislation does not support best relations between municipalities and NGOs. There is rather a relationship between NGOs and MOLSA or, more precisely between providers of social services and MOLSA as a guarantor of ESF projects.

**NGO OPINION**
Better connection between the social work provided by social services with that provided by Labour Offices is necessary – a reciprocal recognition of social work according to principle:

- payments from social benefits financially support social services, which shall guarantee social work with the applicant;
- payments for covering social service come back into the system;
- social work of social services is not duplicated by the Labour Office;
- social work shall be part of the administrative decision on benefits;
- individual plans of development as a method of social work with clients, including time schedules may be used.

### 5.

Please use this page to describe the process of identification of obstacles and of the suggestions to improve the system, including by indicating who was involved in the consultations and the methodology used (focus groups, interviews...)

**Describing the process of identifying obstacles and suggestions to improve the**
system is complicated. The first problem is within MOLSA. Its officers are not very excited by the fact of co-operation with NGOs, although they were asked to provide consultation. (Probably that was affected by an unwillingness to adopt the official stand on minimum income). The reason is explained in more detail in the text.

Selected NGOs were asked to answer further points of the paper. Not every organization was willing to express its opinion or attitude to such a pressing problem. Some of them may be afraid of possible disgrace in MOLSA. Unfortunately, no sociologist or expert in social politics was willing to work out this analysis.

Some NGOs asked in the minimum income program, avoided answering the question at all.

On the basis of our own experience, the group of EAPN CR Executive Committee members elaborated upon this paper with an understanding of its imperfection. For domestic purpose, the analysis in Czech must be more comprehensive. It must involve strong arguments supporting the Minimum Income scheme in the Czech Republic.