



EMIN Context Report Czech Republic

Developments in relation to Minimum Income Schemes

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What is EMIN?

The European Minimum Income Network (EMIN) is an informal Network of organisations and individuals committed to achieve the progressive realisation of the right to adequate, accessible and enabling Minimum Income Schemes. The organisations involved include the relevant public authorities, service providers, social partners, academics, policy makers at different levels, NGOs, and fosters the involvement of people who benefit or could benefit from minimum income support.

EMIN is organised at EU and national levels, in all the Member States of the European Union and also in Iceland, Norway, Macedonia (FYROM) and Serbia.

EMIN is coordinated by the European Anti-Poverty Network (EAPN). More information on EMIN can be found at www.emin-eu.net

What is the Context Report?

In 2014 individual Country Reports were produced under the EMIN project which outlined the state of development of Minimum Income Schemes in the country concerned. These reports also set out a road map for the progressive realization of adequate Minimum Income Schemes in that country. These Country Reports can be found on www.emin-net.eu (EMIN Publications). This Context Report gives an update on developments in relation to Minimum Income Schemes in the Czech Republic since the publication of the Country Report.

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The information contained in this report does not necessarily reflect the official position of the European Commission.

Definitions used in the EMIN Project

Minimum Income Schemes are defined as, income support schemes which provide a safety net for those of working age, whether in or out of work, and who have insufficient means of financial support, and who are not eligible for insurance based social benefits or whose entitlements to these have expired. They are last resort schemes, which are intended to ensure a minimum standard of living for the concerned individuals and their dependents.

EMIN aims at the progressive realisation of the right to adequate, accessible and enabling Minimum Income Schemes.

Adequacy is defined as a level of income that is indispensable to live a life in dignity and to fully participate in society. Adequate Minimum Income Schemes are regularly updated to take account of the evolution of the cost of living.

Accessible is defined as providing comprehensive coverage for all people who need the schemes for as long as they need the support. Accessible Minimum Income Schemes have clearly defined criteria, they are non-contributory, universal and means-tested. They do not discriminate against any particular group and have straightforward application procedures. They avoid:

- institutional barriers such as bureaucratic and complex regulations and procedures and have the minimum required conditionality,
- implementation barriers by reaching out to and supporting potential beneficiaries
- personal barriers such as lack of information, shame or loss of privacy.

Enabling is defined as schemes that promote people's empowerment and participation in society and facilitates their access to quality services and inclusive labour markets.

Contents

Section 1: Evolution in laws and regulations regarding minimum income schemes 5

Section 2: Use of reference budgets in relation to Minimum Income 7

Section 3: Implementation of Country Specific Recommendations on Minimum Income and follow up through the Semester process 8

Section 4: Political Developments impacting on the reference budgets in relation to Minimum Income..... 9

Section 5: Developments in relation to the Czech Republic EMIN Network..... 9

Section 1: Evolution in laws and regulations regarding national (or regional/local) minimum income schemes

This section indicates changes to the main minimum income scheme in the country since the EMIN1 project ended in 2014, in particular changes to schemes that were dealt with in the EMIN1 project. In countries where several minimum income schemes coexist, please give priority to minimum income schemes for the working-age population. The **country report** from the EMIN 1 project is available at <https://emin-eu.net/emin-publications/>

Changes in the legislation and regulations governing minimum income schemes in your country with regard to

- *Eligibility conditions (lack of sufficient resources, age requirements, residence...)*
- *Conditionality of the benefits (willingness to work, other conditions related to personnel attitude of recipients...)*
- *Levels of payment, uprating*
- *Links with other benefits*
- *Governance of the schemes?*

Conditionality of the benefits

Receiving of Housing allowance has now unlimited duration if conditions are met (it used to be limited for 7 years maximum during last 10 years).¹

Public service (a work for municipality, public institutions or non-profit organizations without entitlement to salary with the aim to prevent social isolation and loss of working habits) for unemployed people is re-implemented since February 2017. Similar measure was for the first time implemented in 2012 and abolished by Constitutional Court. Previously, the condition for receiving Living Minimum (not Subsistence minimum only) was willingness to improve one's material conditions (mainly by active seeking for employment). Henceforth, the condition will be also participating in the public service.² Putting of this system into practice is currently being prepared (August 2017).³

The weakness of this system is that there are no special conditions for more vulnerable groups (pre-seniors, parents of small children and others) and that Employment offices are not obliged to offer the work in community service, but unemployed people have to participate if they want to live from more than Subsistence minimum (as a consequence, it is possible that people willing to participate will not have this possibility, so they will not be able to improve their material situation).

1 <http://socialni-davky-2014.eu/prispevek-na-bydleni-2014/>

2 <http://www.penize.cz/davky-v-hmotne-nouzi/317824-osoby-v-hmotne-nouzi-ceka-verejna-sluzba-jinak-jim-klesnou-davky>

3 <http://www.mpsv.cz/cs/29019>

Those who will participate in the community service will receive Subsistence minimum (CZK 2200) plus 40% of the difference between Subsistence and Living minimum if working at least 20 hours per month (CZK 484) respectively 50% of this amount if they work at least 30 hours (CZK 605).⁴

Levels of payment, uprating

The level of neither Living minimum nor Subsistence minimum has not been increased since 2012.⁵

Links with other benefits

Housing Allowance and Supplement for Housing are supposed to be unified for the future prospects, since the current system is seen as unnecessarily complicated. This change is a part of the Act on social housing, the future allowance will be addressed to those whose expenses for adequate housing are higher than 30% of their income (respectively 35% in Prague) and after payment for housing, it remains to them no more than 1.2 to 1.5x of Living Minimum for given household type/size.⁶ (Note: passing of the Social housing Act by the parliament before the parliamentary elections in October 2017 is now highly unlikely)

*Evolution with regard to **adequacy** of minimum income?*

As Living and Subsistence minimum level were not increased since January 2012, we can state that there is no evolution. The main argument of the government is that the gap between Living/Subsistence Minimum and Minimum Wage should motivate people to work rather than live from social benefits.⁷

(Note: Minimum Wage was increased from CZK 9 900 to CZK 11 000 in January 2017)⁸

For non-standard forms of housing (other than an apartment), the maximum amount of Supplement for housing decreased from 90% of normative costs of housing to 80%⁹. As a result, low-income households, whose costs exceed this amount, have to cover the rest from financial resources that are supposed to cover other needs.¹⁰

*Evolution in terms of **coverage** or **take-up** of benefits?*

⁴ <http://www.penize.cz/davky-v-hmotne-nouzi/317824-osoby-v-hmotne-nouzi-ceka-verejna-sluzba-jinak-jim-klesnou-davky>

⁵ <http://socialni-davky-2014.eu/existencni-minimum-2014/>

⁶ http://www.tyden.cz/rubriky/domaci/politika/zakon-o-socialnim-bydleni-o-byt-bude-mozne-zadat-zhruba-zarok_420473.html

⁷ <http://www.prispevky.cz/novinky/zivotni-minimum-a-s-nim-souvisejici-davky-se-nezvysi>

⁸ <http://www.mpsv.cz/cs/871>

⁹ <http://www.podnikatel.cz/zakony/zakon-o-pomoci-v-hmotne-nouzi/f3012219/>

¹⁰ <http://www.romea.cz/cz/zpravodajstvi/domaci/mapa-udalosti-tykajicich-se-socialniho-vyloucenim-davky-ne-podpory-bydleni>

The municipalities have newly acquired the authority to define on their territory “a locality with high occurrence of negative social phenomena”. Housing capacities in these localities will not be eligible for support from Supplement for housing.¹¹ This policy reflects the effort to tackle so called business with poverty (sub-standard, but expensive rental housing financed from Supplement for housing), but there is not, at this moment, an alternative of housing (for example social housing) for these tenants, which the critics consider as a fundamental weakness of this policy.¹²

*Evolution with regards to the **linkage** between minimum income schemes, (inclusive) **labour markets** and (quality) **services**?*

There has been no change in the Czech Republic in this area.

Section 2: Use of reference budgets in relation to Minimum Income and/or poverty measures

Reference budgets or budget standards are priced baskets of goods and services that represent a given living standard in a country.

In this section you will find information in relation the recent evolutions of the construction and use of reference budgets in the Czech Republic. Information is also given on the usefulness of these reference budgets for policy making or for awareness raising campaigns.

For further information on Reference Budgets see: Storms, B., Goedemé, T., Van den Bosch, K., Penne, T., Schuerman, N., and Stockman, S., Review of current state of paly on reference budget practices at national, regional and local level, pilot project for the development of a common methodology on reference budgets in Europe, Brussels, European Commission, 2014 <http://ec.europa.eu/social/BlobServlet?docId=12544&langId=en>

Recent initiatives to develop reference budgets or to adapt existing reference budgets?

- *For what purposes are they developed or used? By whom?*

Some form of reference budget was developed in former Czechoslovakia in 1950 and was regularly updated.¹³ New reference budget was developed in 2014 by Research institute of labour and social affairs. The recommended level of Living minimum for individual was set

¹¹ <http://www.tiki-toki.com/timeline/entry/656735/Pro-v-esku-vyrostlo-za-26-let-pes-600-chudinskch-tvrt/>, <http://www.romea.cz/cz/zpravodajstvi/domaci/mapa-udalosti-tykajicich-se-socialniho-vyloucen-davky-ne-podpory-bydleni>, <http://www.podnikatel.cz/zakony/zakon-o-pomoci-v-hmotne-nouzi/f3012219/>

¹² <http://www.romea.cz/cz/zpravodajstvi/domaci/mapa-udalosti-tykajicich-se-socialniho-vyloucen-davky-ne-podpory-bydleni>

¹³ http://www.referencebudgets.eu/budgets/images/ref%20budgets_d1_literature%20review_final.pdf

on CZK 3 557 (105.9% of the current level) and Subsistence minimum on CZK 2 216 (102.3%). The highest increase is recommended for dependent child aged 6-15 (CZK 2 315, 109.8%).¹⁴

The institution which elaborated new reference budget is a public research institution established by Ministry of labour and social affairs. The publication is called “Verification of the objective content and design of living and subsistence minimum.”¹⁵

The reference budget is developed with the aim to assess an adequate level for Living and Subsistence minimum. The government did not increase the level of these benefits (the suggested increase was very low, so the current level is seen as adequate).

- *What actors were involved in the construction? Were people experiencing poverty part of the process? Have focus groups been used?*

The analysis was done by researchers only, based on statistic data. The opinion actual actors was examined separately, the learning is that unemployed people (especially long-term unemployed) are the most likely to live in a perceived poverty.¹⁶ Focus groups were not used.

- *How would you evaluate the development and/or current use of the reference budgets in your country? Are they useful tools for policy purposes? For public campaigning and awareness raising?*

Reference budgets are used, but we suggest that there are missing “alternative” reference budgets, that would reflect wider range of human needs.

Section 3: Implementation of Country Specific Recommendations on Minimum Income and follow up through the Semester process.

As part of the EU Semester process, a number of countries have received **Country Specific Recommendations (CSR)** on their MIS or more generally on poverty. **Country Reports** can give interesting indications for countries performance with regards to Minimum **Income**. Evidence can also be found in EAPN’s assessment of **National Reform Programmes** 2016. In some countries under a Macroeconomic Adjustment Programme; the **Memorandum of Understanding** has reference to MI. In this section you find information about developments in response to these reports and recommendations as well as information on how EU funds are used to support developments in relation to Minimum Income Schemes.

14 http://praha.vupsv.cz/Fulltext/vz_380.pdf

15 http://praha.vupsv.cz/Fulltext/vz_380.pdf

16 http://praha.vupsv.cz/fulltext/vz_379.pdf

Policy responses to the CSR, initiatives to implement them and to improve the MIS, if there are new evolutions in this respect in your country. Other developments in relation to Minimum Income Schemes as part of the Semester Process, please add them here.

Current CSR for the Czech Republic do not address minimum income.

Has EU funds being used to support developments in relation to Minimum Income Schemes

To our knowledge, there is no project regarding MIS development financed from EU funds.

Section 4: Social and Political Environment and its impact on the fight against poverty and the evolution of Minimum Income Schemes

In this section there is a brief sketch of the 'mood', the atmosphere that exists in relation to poverty, people living on minimum income, and the impact on some specific groups such as migrants, Roma/Travellers, growing nationalist sentiments etc.

What kind of social and political environment exists within which the EMIN project will operate?

The social and political environment regarding minimum income schemes development is rather negative. The recent changes (previously described) were towards more restrictive system. The generally good economic situation in the country and low unemployment give an impression that everyone can access the employment and thus, the restrictive system is supposed to motivate people to seek employment. The opponents of recent changes argue that current policy changes do not address the actual obstacles and will not contribute to improvement of the situation of people in need.

Section 5: Developments in relation to the Czech Republic EMIN Network

In this section you provide information in relation to the state of development of your National EMIN Network. In particular describing social dialogue/partnership with public authorities and other stakeholders.

Is there a formal or informal steering group for your National EMIN Network (who is involved)?

Interim steering group was made up informally of representatives of the member organizations of EAPN Czech Republic, which launched the project (Slezská Diakonie = Silesian Diaconia, Charita ČR = Caritas Czech Republic, Diakonie ČCE, Plzeňská potravinová banka = Pilsner food bank, Výbor dobré vůle - Nadace Olgy Havlové = Good Will Committee – Olga Havlová Foundation).

Have there been any contacts with potential partners that can help to build alliances for the improvement of the MIS in your country?

The EAPN ČR made contacts with representatives of trade unions - informally with the President of the National Trade Union Headquarters (Bohemian-Moravian Confederation of Trade Unions = Českomoravská konfederace odborových svazů) Mr. Josef Středula. We have also informed about the project EMIN2 the Department for Social Inclusion (head Linda Sokačová) in the Section of Social Services and Social Inclusion of the Ministry of Labour and Social Affairs (Department Director David Pospíšil). In addition, there are gradually detected non-governmental organizations that are interested in this project. Creating an informal alliance is the goal of these efforts.

Has any activity been organised with regards to MI? Communications or public awareness raising, since the completion of the EMIN1 project?

We are focused on minimum income in specific population groups, such as elderly people. Furthermore, in 2015, we have held regional seminars (October-November 2016) and the National meeting in Brno (November 2016).

For the EMIN2 project implementation was created by the project team:

- Karel Schwarz, Chief Projects Coordinator
- Stanislav Mrózek, National Coordinator for EMIN2 project
- Ladislav Krajdl, Project Specialist for events and programs
- Iva Kuchyňková, Project Specialist for social analysis and national reports
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