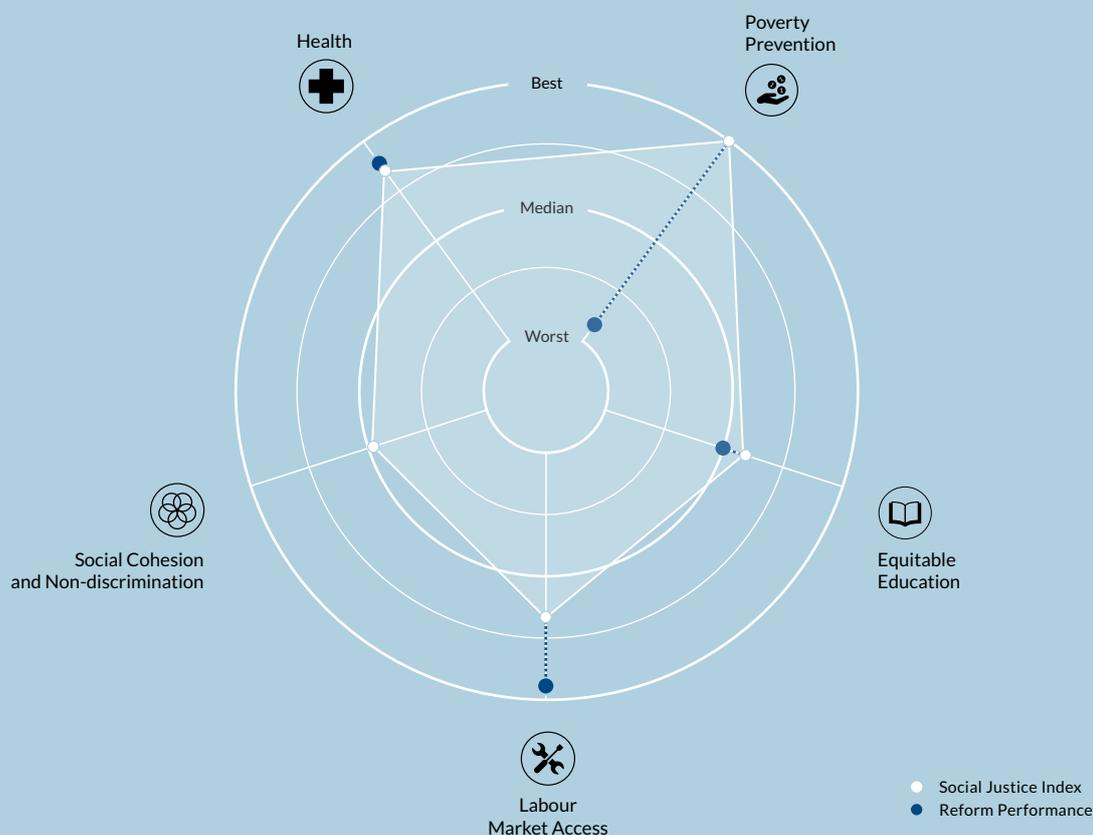


Findings by Country



Czech Republic

How does the country rank in the EU?



Overall Findings

Need The Czech Republic ranks a respectable 5th in the 2015 Social Justice Index (SJI). Thus, it comes as no surprise that the experts see a relatively low need for social reforms (1.64, rank 2/23). Looking at the dimensions of Social Inclusion, all need scores are below 2.0. Within the six dimensions, the highest need is seen in Health (1.84, rank 4), Labour Market Access (1.82, rank 3) and Poverty Prevention (1.74, rank 4). With regard to Education (1.5, rank 2) and Social Cohesion (1.28, rank 1), the assessed needs for reform are even lower. The latter results are, however, somewhat surprising given the country's performance in the 2015 SJI, where the Czech Republic ranks 15th in the Social Cohesion dimension and 12th in the Education dimension.

Looking at the relevant policy objectives, the main pressing issues for the Czech government are to:

- tackle poverty among single parents (2.77)
- improve public health (2.43) and health system efficiency (2.4)
- improve labour market access for the long-term unemployed (2.25) and low-skilled people (2.38)

Overall Reform Performance Ranking



Overview of Reform Barometer Scores



- safeguard independence of children's learning success from their socioeconomic background (2.25)

Activity The experts say that 46 percent of the overall reform need to improve social inclusion in the Czech Republic has been addressed (rank 11/23), which is exactly the EU median. The highest activity rate can be discerned in the Health dimension (70%, rank 7/20). The biggest reform gap is perceived in the dimension related to Social Cohesion and Non-discrimination, where only 23 percent of the reform need has been tackled (rank 16/18). With regard to Equitable Education, the activity rate was 33 percent (rank 13/23), whereas in the dimensions of Poverty Prevention and Labour Market Access, activity rates were around 50 percent, ranking the country 10th in both dimensions.

Looking at the main pressing challenges mentioned above, the related activity rates are fairly disappointing. Admittedly, at least 59 percent of the reform need to improve public health has been addressed. But, for the policy objectives 'safeguard independence of learning success from children's socioeconomic background', 'reduce poverty among single parents' and 'improve labour market access for low-skilled people', activity rates are only about 33 percent. The activity rate aimed at improving job opportunities for the long-term unemployed was even lower (19%).

Quality The experts assessed the overall reform quality positively (0.71, rank 9/20) and slightly above the average quality in the EU (0.69). This shows that the experts expect the reforms introduced to have a (slightly) positive effect on social inclusion in the Czech Republic. Looking at the dimensions, the assessed reform quality differs strongly. The reforms related to Labour Market Access (1.19, rank 1/17) and Health (1.00, rank 4/19) are expected to have quite positive effects. In the Education dimension, the assessed quality is significantly lower (0.47, rank 14/21), whereas the activities designed to reduce Poverty are expected to have very slightly negative effects (-0.09, rank 24).

Dimension Findings



Poverty Prevention

Need According to the experts, the need to tackle poverty in the Czech Republic is lower than in most other EU countries (1.74, rank 4). This is no surprise, as the country ranks 1st in the 2015 SJI's Poverty dimension. Looking at specific societal subgroups, the need seen by the experts differs strongly. An urgent need is seen to reduce poverty among single parents (2.77). Also for seniors (2.08) and children (2.0), the experts see a rather pressing need, though the country ranks 3rd and 4th, respectively, in this regard in the 2015 SJI. For the total population, refugees and foreign-born people in general, the experts report a rather low need to improve the situation.

Activity Looking at these specific subgroups, the activity rates differ quite strongly. The highest rate was identified with regard to poverty among senior citizens (85%). The respective activity rates for the other groups were significantly lower, at 56 percent (children) and 39 percent (single parents). The experts observed increases in the minimum wage and pensions. Meanwhile, another expert reports that "basically the benefit cap for non-permanent housing was introduced. This was very harmful, mainly for families with children housed in substandard homes. Single parents who do not receive alimony from their partner do not need to wait for the court decision, but receive full minimum-income benefits also during the court deliberations."

Quality The experts expect the reforms to have positive effects on the total population (1.0) but (very) slightly negative effects on the social situation of seniors (-0.25), children (-0.14) and single parents (-0.07). With regard to refugees, the experts think the reforms will significantly worsen the situation (-1.29).



Equitable Education

Need As the Czech Republic ranks 24th with regard to social mobility in education in the SJI, it is no surprise that the experts see the highest need in this dimension to be in weakening the link between children's socioeconomic background and learning success (2.25). For the policy objectives 'ensure equal opportunities', 'improve structural conditions' and 'improve the quality of teaching', the need is modest, with scores between 1.67 and 1.83. With regard to the latter objective, it differs quite strongly between the stages of education. While the need to improve the quality of teaching at the secondary stage is assessed as quite pressing (2.4), the need at the early-childhood stage is rather low (1.2).

Activity The experts say that 65 percent of the need to ensure equal opportunities have been addressed. For the other policy objectives ‘safeguard educational mobility’ (37%), ‘improve the quality of teaching’ (34%) and ‘improve the structural conditions’ (24%), the activity rates are much lower.

✖ Labour Market Access

Need As in most other EU countries, the need to improve Labour Market Access for the total population is quite low (1.13), while the experts see a rather urgent need for specific subgroups of the labour market, such as the low-skilled (2.38), the long-term unemployed (2.25), young people (2.0) and women (2.0). As regards reducing in-work poverty, the experts reported a rather high need for reform (2.0).

Activity With regard to the improvement of labour market access for the specific subgroups, all activity rates are below 50 percent. One expert reports on the introduction of ‘short-time working’, writing: “The amendment to the Employment Act was adopted in August 2015 and came into force in October 2015. Permission at the time of partial unemployment (Kurzarbeit) motivates employers in times of economic crisis or a natural disaster not to lay off employees and employ them part-time. Employees receive at least 70 percent of wages, of which employers pay 50 percent [and] the state pays the remaining 20 percent (from the state budget).”¹

Looking at the specific subgroups, the highest activity rate can be stated for women (44%) and low-skilled people (32%), including some measures of Active Labour Market Policies. For the other groups, rates are lower (between 19 and 23%). On the other hand, the activity rate in tackling in-work poverty was very high (86%). All experts report there was a significant increase in the minimum wage, from 8,500 CZK in 2015 to 9,900 CZK.

Quality The initiatives undertaken to raise the employment level of women are expected to have (very) positive effects (1.38, rank 1/16), which gives hope that the country can improve its poor position (24th) in the SJI in this regard. Despite this, some experts recommend expanding child care facilities so as to increase employment chances for women. The activities aimed at reducing in-work poverty are assessed quite positively (1.17), as the increase in the minimum wage is likely to help the working poor, while some experts recommend a further increase in it.

⊕ Health

Need The need score of 1.84 is the highest of all five dimensions. On the other hand, the score is still relatively low compared to other countries (rank 4/20). This comes as no surprise, as the Czech Republic ranks a respectable 5th in the SJI’s Health dimension. But, looking at the eight policy objectives, the reform need differs quite strongly. The experts see a more or less pressing need to improve public health (2.43) and health care efficiency (2.40), to provide for a sustainable and fair financing of the health system (2.0), and to address unmet needs for medical help (2.0). For the other four policy objectives, the need scores are rather modest (between 1.2 and 1.75).

¹ Magdalena Kotýnková, University of Economics, Prague

Activity The activity rates concerning the four pressing issues are quite promising, as they are between 59 percent (improve public health) and even 100 percent (improve health care efficiency). One expert reports that most of the co-payments for patients that had been introduced/increased in 2008 have subsequently been cancelled, writing: “In October 2014, the Czech Parliament passed [an] amendment of the Public Health Insurance Act repealing most regulatory fees. From the beginning of 2015, only 90 CZK per visit in emergency care units is paid out of pocket. All other regulatory fees were definitively cancelled. Hospital co-payment was cancelled even earlier (from the beginning of 2014), as [the] Constitutional Court considered it socially insensitive.” Another expert observed a “Health 2020 National Strategy for health protection and promotion and disease prevention approved by the government in 2014” and “20 national action plans for [the] implementation of the National Strategy approved by the government in 2015”.² With regard to health system efficiency, the experts observed that “health insurance payment by [the] state for economically inactive citizens has been slightly increased”, and that “starting [in] 2016, public procurement on health devices would be made publicly available.”

Quality The experts expect the reforms to have quite positive effects, as the overall quality score in the Health dimension is 1.0 (rank 4/19). This is also true for the policy objectives ‘quality of healthcare’, ‘health care efficiency’ and ‘unmet needs for medical help’ (1.0 each). The effects on health care access (0.5) and public health (0.4) are assessed less positively; on the other hand, the experts think the reforms will lead to a fairer and more sustainable financing of the health care system (2.0).

2 Marie Nejedla, The National Institute of Public Health, Prague