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### Welfare State and Social Work in the Czech Republic after the fall of Communism

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#### Abstract

This text shows the summary of the social state development in the Czech Republic from 1989 until 2013. It focuses on the changes done in the social security system which is the main holder of the social stability in social states of all kinds. The Czech Republic, similarly to the other post-communist countries, had to solve the problem of transition from the deformed social policy of the totalitarian regime to modern welfare state systems based on democracy and respect towards human rights and freedom. Intended targets of the changes in newly designed social policy have been and still are unavailable, because the social, political and economic development in the Euro-American context would not wait until the work is done. This brings about special problems which – as we suppose – will be also reflected by the authors from other countries. This text tries to present intended and real changes in the social security system in the period of time named above. Let the kind reader evaluate.

#### Key words

Welfare State, Social Work, Czech Republic

#### Introduction

Observing and describing social policy development – no matter when or where it is implemented – is a difficult task, for social policy is colourful and hard to grasp. We have to deal with the problem which worries also other authors, and that is the term *social policy* which differs in different cultures, periods, and social-political connotations. The aim of this article is to describe the development of welfare state in the Czech Republic after the fall of communism, it means in approximately 25 years. We consider social policy (the basic foundation of the welfare state) in its broad sense, along with Potůček (1995, p. 31), to be a system of institutions and prevention instruments of disintegration processes. The prevention is in accommodating labour, health and life conditions and in preparing people for life. Here belongs – apart from the social policy in its strict sense – health policy, some aspects of housing, culture, education policy, and more often even environmental policy. We define

social policy in its strict sense as systematic activities of social institutions which target on forming accurate conditions to limit causes of social imbalance and create groundwork for harmonic development of individuals, social groups and units. Even this is a definition too broad for a circumscribed text like this. That is why we decided to focus here on the development of the social security system, which is the main pillar of social stability and social reliance in social states of all kinds.

We understand social security system in this article to be „a set of institutions, facilities and provisions which mediate and help put into practice prevention, moderation and removing the consequences of peoples' social incidents” (Krebs, 1997, p. 139). Some of the main targets of the social security system are regulating peoples' responsibility for their future, formulating the level and form of social solidarity and enforcing and protecting social rights (Kahoun, et al., 2009, pp. 25–26). It means that the social security system solves the problems of social and material needs and makes the effort to prevent them.

### **Social policy in the socialistic Czechoslovakia**

It would be impossible to present social policy in the Czech Republic in last 25 years without presenting and reviewing the social policy of Czechoslovakia in its socialistic era. It is not possible to say that socialistic countries did not have any social policy. Just the opposite the grade of social comfort of the Czech citizens before 1989 was rather high. It was at the cost of limited citizens' rights and freedom, at the cost of overwhelming state paternalism and demotivating high level of redistribution based on egalitarian principles. Social policy was monopolized by the state; no system of nongovernment non-profit organizations did exist and the citizens had only a few options how to actively participate in the process of their life conditions designing. Social problems were downplayed or denied, pushed aside from the social interest. Therefore we can say that the state contributed actively to the process of social exclusion of some social groups, for example the people with health disorders<sup>1</sup>.

In spite of this, it is necessary to mention high quality education and health care<sup>2</sup>.

Social security was designed as a system of complex citizens' security. This strategy had its origin in Košice government programme (1945) which in the same time formulated areas in which the social policy would be (and really was) deformed in favour to communistic propositions. After the Second World War, the Košice government programme became the main schema for building social policy after the communist coup in 1948. The social policy in those days was built on the basis of full (enforced by law) employment presumption. Social policy in Czechoslovakia was tributary to the influence strategies of USSR. There was only a limited amount of social groups in the field of social work practice to which the regime conceded a claim of professional help. Among these groups there were mostly people disadvantaged by their age and health, namely children, old people and people with health disorders. Other social problems such as drug abuse, crime, homelessness, domestic violence and so forth, were acknowledged only unwillingly or not at all. The state that was supposed to be the main agent and guarantee of the social policy did not create any effective tools of their prevention or solution.

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<sup>1</sup>There were many social exclusion strategies – most of the facilities for these people were situated in places with only poor infrastructure; in architectonically insufficient buildings like old castles or monasteries. The occupants' (patients') visitors were not allowed inside the buildings; they could be staying only in visitors' rooms. The occupants were limited in their right of free motion; even with the adult people there were education strategies based on treats and punishments used, like e.g. prohibition of the visits in their families.

<sup>2</sup>Pronouncedly for example in preventing the infant mortality.

In the socialistic regime period there was therefore no need to educate social workers. For long period of time there was only one option of expert education and it was two years of post-graduation study programme finished with the second, expert kind of graduation exam. The curriculum reflected communist ideology of the future elimination of all social problems.

### **Regime change and its impact on present and future social policy in CR**

After 1989 there was a hard and historically unusual task for the Czechoslovak people. They were to build a brand new social policy on democratic principles, to build the welfare state. They carried two burdens – forty years of generous paternalistic social policy which they were coped with and the inspiration from the developed democratic states which had spent the same period of time doing systematic scientific work and social practices, picking up pieces of experience, making experiments and mistakes in social policy as such. Western Europe and other countries in the second half of the 20<sup>th</sup> century had not waited and had built their own welfare state profiles. These were individual in each country and its traditions, cultural and social habits, political and economic influences. These countries were also determined by the huge scientific and technology development which affected the social conditions as a whole. Žižková (2007, p. 93) uses the term of qualitative turnover in the context of Czechoslovak's social policy situation after 1989. The old system was supposed to change into a new one which should be based mainly on democratic system of the whole society, open market mechanism, and also some system of moral values. According to what Žižková says, it is impossible for such a change to become real in a short period of time. The nature of the change demands some kind of coexistence of some aspects of the old and the new system when the old system is losing its functions and the new one has not become fully functional so far.

In addition the new Czechoslovak democracy was looking around and not having one single model to be easily copied or followed. What it had was a colourful mosaic of differently profiled welfare states and their social policies had strengths and weaknesses of their own. Večerník (2005, p. 865) was accurate to sum up: „In the beginning of the reforming process, the Czech society found itself on the crossroad of alternative ways. Only theoretically and from some distance we can say that the liberal ideas and Vaclav Klaus<sup>3</sup> concept of „non-attribute market” helped to emphasize the residual system following the example of Great Britain. According to the citizens' opinion, it was following the Scandinavian example to be the best way to maintain hitherto “achievements”. Nonetheless the Czech society traditionally belonged to the set of corporation systems which was born in Bismarck's Germany. These alternatives became the basis for main political parties to build up their programmes on them: liberal public parties, conservative Cristian democracy and socialistic social democracy.” From the newly gained democracy the nation also expected the rise of the standard of living, but not many people would consider social risks connected with social policy liberalization, state paternalism disengagement and the individual responsibility enforcement. All of these were to turn up inevitably.

It was in the very beginning of 1990 when it was getting clear that creating some project of social reform would be necessary as well as bringing it into practice. The frame of such reform was unfortunately indefinite and from the very beginning the Czechoslovak social

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<sup>3</sup>Václav Klaus (born 1941) – since 1989 the minister of finance in CSFR, since 1991 also the vice prime minister of CSFR. Since 1990 he was the chairman of the strongest political subject – Občanské fórum. In 1991 – 2002 he was the chairman of Občanská demokratická strana which had right-wing political programme. In 1992 – 1997 he was the Czech prime minister. In 1998 – 2002 he was the chairman of the House of Commons in the Czech parliament. 2003 – 2013 the president of the Czech Republic. (Klaus, 2014)

policy lacked clear scheme, and structured conception. Many changes happened spontaneously, without any structured conception. Factual shape of the reform was to be seen in the legislation process only by degrees and very slowly.

### **1<sup>st</sup> period of development –new social policy institutionalization**

The Czech social policy development can be divided into periods since the beginning of the 90<sup>th</sup> of the 20<sup>th</sup> century. The first of them took place between December 1989 and December 1992. In the first six months after the revolution and until the first democratic government and federal government were set up, the social policy reform was planned and discussed. It was specified that the social reform (The Social Reform Scenario) would take place along with the economic reform (The Economic Reform Scenario). It was expected that it would lead to liberalization, privatization and democratization in the social sphere. The first steps to become real were the withdrawals of some of the social privileges belonging to the communist establishment, for example so called personal pension<sup>4</sup> were annulled. Activities which followed helped to decentralize social policy, to strengthen citizens' rights, to create conditions for the agents of civic society to become active (especially the nongovernment non-profit organizations) and to create effective institutions which were supposed to guarantee the social policy instruments to be available for the citizens.

In the social sphere there was a document named above "*The Social Reform Scenario*" which became the essential conceptual document. The scenario was built up on the aim to create universal and unitary social security system, which would above all include obligatory systems of health and pension insurance and a system of state social help guarantees for people in situations of social need which obviously cannot be solved by the people themselves. The following were defined as the foundation stones of the social reform (Potůček, 1999, p. 71):

- active labour policy;
- social security system liberalization and pluralization;
- establishing social safety net.

The idea of a three-pillar system was rising. The system was supposed to consist of the social security system instruments in their obligatory and facultative forms. The first pillar was supposed to include health and pension insurance systems and the insurance for the situation of unemployment. The second pillar was later called the pillar of the state social support and was designed as noninsurance one; its aim was to help socially weakened people financially with special interests in families with small children. The third pillar was meant to be the instrument of social safety net. It was supposed to be noninsurance and meet the needs of the weakest members of the society, especially people in material need, people with health disorders and children (social and legal protection of children). This pillar was at first called the pillar of social care, later the pillar of social help and included also the sphere of social services and the sphere of social work in its preventive and curative form. Its target should be social exclusion prevention and surmounting, and it is based on the subsidiary principle. Potůček (2007, p. 24) says that the "Social Reform Scenario" which was proposed and

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<sup>4</sup> Personal pension was a payment awarded to highly worthy workers (and their residuary) and was higher than a pension counted along with the general legislation. Along with the government resolution no. 420 (21. 12. 1989) the personal pensions were lowered over the maximum pension rate which was 3 800 crowns and then they were equivalent to the maximum pension rate since February 1990. All the additional payments to pensions of communist party officials and militiamen were dismissed in the same time. (PSP, 2012)

The personal pensions were annulled by the law, Act no. 110/1990.

accepted within the federal government, was influenced by the social-democratic and social-liberal ideology.

Because of these plans, there was a need of designing new institutions to fulfil the new social policy. It was necessary to get ready for situations and social groups which had not been the problem to solve in the socialistic social policy – for example the problem of unemployment and the situation of people without labour incomes or alternative statuses (e.g. maternity leave benefits). The crucial laws of this period are represented by:

- Act no.210/1990, the changes of the Czech Republic authorities' agency in the social security sphere act and the transition of Act no. 20/1966, health care act; and
- Act no.1/1991, employment act and Act no.9/1991, employment authorities act,
- Act no.463/1991;living wage act and Act no.482/1991, social need act.

The discussions about the future heading of the Czech (Czechoslovak) social policy as well as about the future image of the Czech (Czechoslovak) welfare state continued.

Formulating and accepting Act no. 83/1990, citizens' associating act, was a very significant event in this process. It helped the civic associations to come into existence and to become important social policy agent especially in the area of social care(social help). The forms of cooperation between state sector organisations, statutory corporations and nongovernment non-profit organisations were being created. The activities of nongovernment non-profit organisations in social policy delivered desirable competition into social work. They competed with the statutory organisations' service offer and above all they offered social work instruments to new social groups and voluntary clients.

There were also the first education institutions to offer expert education in social work which had not existed so far. On the other hand, there was not any consensus about the curriculum or the minimum qualification standards to be demanded from the social work professionals. As a result, the study programmes were offered by the high schools and universities. The first discussions about the social work education issue were held by the groups of education professionals and in social work professionals.

## **2<sup>nd</sup> period of development – from socialism to corporatism**

The second period of the social policy development begins with the parting the Czech and Slovak federative Republic into the Czech Republic and the Slovak Republic in January 1993. Crucial years in this period were 1994 and mainly 1995 with the new and significant changes in legislation. Some of the most important acts were:

- Act no. 42/1994, additional pension insurance act, which reinforced the people's responsibility in the relation to their old age security. The act offered a new possibility of facultative additional insurance based on the civic principle to which it projected several attractive motivators<sup>5</sup>;
- Act no.155/1995, pension insurance act, which started the rise of the retirement age limit and the number of the years when people are obliged to work,so they can claim the right for the old-age pension from the state. The regressive calculation formula, which was used,gradually changes the ratio between the average old-age pension and the average wage to the detriment of pensions (67% in 1990, 58% in 2000, 55% in 2010 (ČSÚ, 2012a)). This legislation was the first significant step towards the reform of pension system, which has not reached any satisfactory result so far;
- Act no.117/1995, state social support act, which created a complex system of support for families and individuals at risks and was based on noninsurance principle. Most of the

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<sup>5</sup>State contribution to a monthly deposit for participants, tax bonus for participants, tax bonus for contributing employers, significant tax relief for pay-offs from the pension funds' economy.

benefits are for the families with dependent children. The conditions creating the claim of these benefits also got stricter. The most significant change was changing the universal (flat payment of) the family benefits into the form of a tested benefit. Still the system offered options how to balance the income troughs of families at the risk of material need; primarily it was the social supplementary charge.

The result of all these was the stabilisation of the first (social insurance) and the second (state social support) pillars of the designed three-pillar social security system form. The social help pillar could not be set up in the systematic way, because there was not social consensus about the form of long-term development conception in the social sphere. Potential instruments of preventive social policy stayed aside and the development of complex social work tools was delayed. Potůček (2007, p. 25) identifies this second period limited by the years 1993 a 1998 as the period of expense reduces. He points at the prevailing neoliberal politics of the right-wing governments then, which typically emphasized the economic reform and the political philosophy based on neoliberalism and conservatism. Many of the intended and unintended results of the legislation changes influenced significant amount of people negatively, the unemployment rate rose<sup>6</sup>. This probably was one of the reasons for changing the political heading of the country, where from in 1998– 2005 the left-wing governments represented mainly by the Czech social democratic party were elected. (VČR, 2014)

We cannot leave aside the nongovernment non-profit sphere progress in this period. Two important laws were adopted – Act no. 248/1995, charitable companies act, and Act no. 227/1997, foundations act. The Ministry of Social Affairs specified the subsidy rules and the nongovernment non-profit organizations were building up their position of equal partners in social sphere. Their main advantage was and still is their flexibility in the social work sphere, which is significantly client-focused. Prospective help for client from the nongovernment non-profit organizations often seems to be more adaptive, faster and more fitting than the help from the statutory institutions resolutely pegged up by the law. The amount of social work target groups rose, thanks to e.g. daily social welfare institutions for people with health disorders who had not lived in yearlong service foster homes.

According to Večerník (2005, p. 875), the main steps of the Czech social policy reform were finished by the mid-90<sup>th</sup> and nothing much happened in the social sphere since then; he calls this period of approximately 10 years until 2005 the social reform stagnation period. Some of the key tasks were not finished, especially the pension system reform named above. The instruments to prevent unemployment trap and reproduction of social dependency (poverty) were not formed. The number of families and individuals in long term dependency on the state help and repeatedly paid off social security benefits could not be lowered, despite many adjustments were done to enforce the social subsidiarity and intergeneration solidarity principle, despite many of the legal conditions leading to social security benefits got stricter. It was also the deregulation of the rental and so creation of the unified housing market which was constantly postponed and had a great influence on the social security system. Večerník explains the social reforms' stagnation by the long-term political stale mate and misgiving of possibly lost voters' support, if the reforms were to be put through too hard.

Out of the fading out legislation activities in the social security sphere in the 90<sup>th</sup> comes the Act no. 359/1999, social and legal protection of children act, which created the system of social and legal protection of children. The system of social and legal protection of children has been the best developed and in its methods the systematized area of social work until today.

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<sup>6</sup>In 1993 it was 3,52 %, in 1998 it rose to 7,48 %. (ČSÚ, 2012b).

It is also worthy to point at the qualitative and quantitative shift in the social workers education sphere. In 1993 The Association of Educators in Social Work was found, in 1995 the first vocational schools of social work were opened. The number of bachelor and master study programmes at universities rose. In 1997 the education standard obliged for the three-year long post-graduation studies of social work was formulated within an expert forum. Thanks to this the minimum qualification level for social work practice was formulated. (Tomeš, 1997, pp. 8–9, 46) But the legal power to put all this through was still missing<sup>7</sup>.

### **3<sup>rd</sup> period of development – complex social security system**

The new wave of significant social security system changes was taking place since 2000 after a few years of relative still stand. The main bearer of the changes was the huge reform of territorial administration of the Czech Republic. After long preparations 14 shires were created in the republic by the 1<sup>st</sup> of January 2000 and by the 12<sup>th</sup> November 2000<sup>8</sup> the shires adopted their municipal competencies. By the 31<sup>st</sup> December 2000 the district offices ended their activities. The district offices used to administer much of the state administration, including the social security. The district offices' competencies were undertaken mostly by the municipal offices in the municipalities with expanded scope (there is over 200 of them and their verge is usually smaller than the verge of the previous districts) and that happened along with new law, Act no. 314/2002, municipalities with authorized municipal office and the municipalities with expanded scope act<sup>9</sup>. Shires undertook the competencies which had not been undertaken by the municipalities. Many things changed in the social security system and social work as such thanks to this change of territorial administration. Many of the competencies were transmitted to new entities, it was necessary to delimitate and transfer the district offices' employees and possessions, social work clients had to get used to new institutions and often to new work mode of their staff. Some of the steps seemed unpremeditated, so they were followed by other quick changes which sometimes complicated the social work clients' situation even more<sup>10</sup>.

These changes in administration significantly impacted the activities of nongovernment non-profit organizations as well. The shires were the units which started to influence the situation of the nongovernment non-profit organizations in regions through their grant policy. The Czech Republic's joining the European Union in May 2004 effected this situation even more. Nongovernment non-profit organizations as well as the statutory corporations and the other units had drawn different forms of support from EU even before this date in the preparing

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<sup>7</sup>It was delivered by the Act no. 208/2006, social services act, before that and only partially the Act no. 359/1999, social and legal protection of children act.

<sup>8</sup>By this date the first election for the municipal authorities in shires took place. The shires were created along with the Act no. 347/1997, higher administrative units' creation act, and they are operating along the Act no. 129/2000, shires' act.

<sup>9</sup>In the Czech Republic nowadays the mixed model of state administration is applied. The municipalities carry out their administrative autonomy in their independent activities, and in the same time the state delegates on them some activities for the state (delegated powers). The law, municipality act, defines three basic types of municipality according to the amount of delegated powers:

- municipality with basic municipal office (municipality of the I. type),
- municipality with authorized municipal office (municipality of the II. type),
- municipality office in municipality with delegated powers (municipality of the III. type).

<sup>10</sup>As an example we can mention the transfer of the states' social support offices (the 2nd pillar of the social security). Originally the system operated in the district offices (state administration units), later it was transferred to the municipality offices in municipalities with expanded scope in the former district towns (state administration in municipalities with delegated powers) and eventually it was moved to the labour offices (state administration units).

process for joining in, but the admission itself delivered new options. The membership in EU also supported new important law to be proceeded since 2004; above all:

- Act no. 435/2004, employment act, which reflected changes in the labour market and employment that had (inevitably) taken place since 1990. Shortly after this act, new labour act was adopted (Act no. 262/2006);
- Act no. 187/2006, health insurance act, which was not adopted before the 1st of January 2009 for some of its controversies<sup>11</sup>.

Creating complex and systemized pillar of social help (social care) delivered the main changes for the social work clients. As already mentioned the meaning of this pillar is to provide the most vulnerable groups of people, who are at the biggest risk of social exclusion with benefits and services. The pillar is based on the subsidiary principle and provides help and support everywhere, where the situation of the social clients cannot be reformed by themselves, or by their families and relatives, and where also the precedent two social security pillars did not provide patronage that would have guaranteed the clients' independency. The subsystems of social insurance and state social support are implemented and guaranteed by the state. On the other hand, the social help system engages other significant units like statutory corporations and nongovernment non-profit organizations. Even commercial units and individuals can join in the system, when they fulfil conditions defined by law. Social help subsystem includes help instruments for people in material need, social services and social and legal protection of children. This last step towards social security systematization was mediated by (above all) this law:

- Act no. 110/2006, life and existence wage act; Act no. 111/2006, material need help act. These delivered a principally brand new construct of life wage and new institution of existence wage. Their aim and sense were to improve the situation of people in material need and to give them some social security warranty. The acts were supposed to harmonize the employment and the social protection sphere by using instruments leading to fulfilling the motto that every person who works must have higher quality of life than the person who avoids being employed (EU inspired this by its campaign „making work pay policies“ (EU, 2005)). Public service<sup>12</sup> became a new motivating event.
- administrative reform with wide consequences was delivered by the Act no. 108/2006, social services act. Its target groups are people at the risk of social exclusion, mainly people with health disorders, old people, crime victims, homeless, and inadaptible people. Adopting this act caused strong changes in financing social service because it formulated new social benefit – care allowance<sup>13</sup>. This act also formulated the criteria of quality in

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<sup>11</sup>The health insurance act delivered two main systematic changes. The first was the transition of providing the health insurance from the employers to the district units of social security administration (state administrative units). The second was providing the benefits for the sick people not until the 22<sup>nd</sup> day of their working incapacity. The first 3 days of illness are the guard period (there is no benefit), and the insured person is provided by the income compensation by the employer from the 4<sup>th</sup> until the 21<sup>st</sup> day of the working incapacity.

<sup>12</sup> People who were dependent on social (material need) benefits for more than 6 month had two options. The first one was lowering the livelihood benefit to the level of the existence wage (approx. 2 000 Crowns/80 €). The second was to get involved into public service for 20 hours a month and that allowed the person to gain the livelihood benefit on the same level as the life wage (approx. 3 100 Crowns/124 € for an individual). Public service included mainly working in favour to municipalities and in favour to nongovernment on-profit sphere. The expected outcome was motivating people to work, maintaining their working habits in case of their long-term dependency on the material need help system. This instrument was not meant for people incapable to work, who had not been punished for being dependent on the material need help benefits.

<sup>13</sup> Care allowance is a social benefit which is supposed to help people with health disorders to buy exactly that kind of social services they need to overcome their dependency on other people's care. This instrument



social services and qualification or other demands for the professional social workers and social care workers<sup>14</sup>. The Czech Ministry of Social Affairs administers the Registry of social services providers.

This third period is notionally finished by the years 2010 and 2011 when all the significant systematic reforms settled down. It is possible to say that since then the Czech Republic provides its complex three-pillar system of social security with stabilized functions and reliable institutional basis.

The social insurance pillar is made safe by mechanism, when people facultative or obligatorily postpone some part of their consumption in case of future unpleasant social events. The system is mainly financed by the insurance. The main instruments of the social insurance pillar are:

- general pension insurance (obligatory instrument guaranteed by the state through the Czech Social Security Administration<sup>15</sup>);
- additional pension insurance (facultative instrument provided by commercial entities under control and warranty of the state),
- health insurance (it is obligatory for the employees, facultative for the self-employed; institutionally it is provided by the Czech Social Security Administration in cooperation with the employers),
- unemployment insurance and the contribution to the active employment policy (obligatory for all economically active people; main authorities are here the Czech Ministry of Social Affairs and the Czech Labour Office<sup>16</sup>).

The state social support pillar is provided by the Czech Labour Office. It is an instrument for solving situations, which are considered as considerable according to some social consensus, when it is sensible to support target groups, especially families with dependent children and low incomes. All the social benefits here are noninsurance and come from the state budget, the taxes within the widest societal solidarity.

The social help pillar includes instruments and institutions designed to solve difficult social incidents and the situations of material need which people are or will not be able to solve themselves or with the family help. In contrast to the previous two pillars, this is not only about redistributing funds, but also material benefits and social services in support of the social work tools are provided here. It is the individualized form of application that makes social help different from the previous two systems. Each form of social help gets money from the public budgets and other sources, like gifts from individuals or corporations. In the third pillar there are subsystems provided:

- material need help – pays out noninsurance benefits to help people and households fulfil their needs in ratio that is socially formulated to be minimally necessary in defined time period. It provides connected social field work to activate the target groups and help them return to the labour market. In this period the help in material need system in authorized power was provided by the municipality offices in municipalities with delegated powers.

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limited state support for social service (mainly so called cost limits) and it was the person with disorder, who decides whether to pay for field, ambulant or residential kind of service, or whether to give this care allowance to a close person who would care personally.

<sup>14</sup>Social worker has to have at minimum 3 years of university studies in the field of social work or some fields related to it. Every year social worker also has to undertake 24 hours in the system of lifelong education courses which are accredited by the Ministry of Social Affairs.

<sup>15</sup>Czech Social Security Administration is a part of the state administrative.

<sup>16</sup> Czech Labour Office is a part of the state administrative.

- social services, which are non-financial forms of help for people weakened by their age, unpleasant health conditions, crisis etc.. In this area there are a lot of subjects from the state to citizens themselves. There are different financial sources for this subsystem.
- social and legal protection of children. This is a very special part of social security system with a strong bond to the social work practices. The prime interest in this subsystem is the concern and well-being of a child, who is entitled to gain prosperous development and quality education, protection of the legal interests, working towards disturbed family functions restoring and providing foster care in case of a child, who cannot be temporally or ever raised in his/her own family. The main authorities in social and legal protection of children are the municipalities with extended scope.

Even now the Czech Republic is still missing some systematic needs provision for a very important target group – the people with health disorders.

#### **4<sup>th</sup> period of development – social reform**

The long-term dealing with the project of complex and effective social security system for the Czech Republic citizens enters its last period in 2011. There is an effort to make the social care more available and comfortable for the clients and more financially efficient and economical in the same time. The Czech Republic had to respond to the consequences of the global economic crisis and look for the necessary economy measures in the social sphere. For this purpose, the Czech government through the Ministry of Social Affairs formulated a plan for so called Social Reform, which began to be fulfilled in 2012 and 2013. The legislators wanted to make the social system simpler, cheaper and more comfortable for the clients. Through the reform activities, they also wanted to extend the control over the system. These targets were supposed to be fulfilled through more effective state administration, lowering the paperwork for the social service users, better aim and directness of the social benefits, and the effort to make the social benefits as efficient as possible.

Along with the social legislation, the social reform was divided into several phases or steps (Práce&Sociálnipolitika, 2011, p. 2):

**Step 1** centralized the payoff system for the noninsurance social benefits in one place. The authority in this area is the Czech Labour Office, which – after this reform – controls the state social support benefits, material need help benefits, foster care benefits, the benefits for people with health disorders and care allowance. Most of the benefits were transferred here from the municipality offices in municipalities with expanded scope.

**Step 2** of the social reform focused on changing the sphere of social care and security for the people with health disorders. There is new law here; it is Act no. 329/2011, social benefits for the disabled people act, which became valid on the 1<sup>st</sup> of January 2012. Nowadays the Czech Labour Office provides two main benefits<sup>17</sup> for this target group, which consist of all the benefits that used to exist before and were not very well-arranged.

**Step 3** dealt with the changes in the sphere of social security for people in material need, when the benefits and public service were taken from the authorized municipality offices and are provided by the Czech Labour Office (see step 1).

**Step 4** was supposed to reach the goals in the employment sphere; mainly it was judging the claims for the unemployment benefits. New instruments were implemented into the active employment policy and the punishment for illegal work was made more restrictive. There was also one highly controversial project called DONEZ<sup>18</sup> (from the first letters of the Czech

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<sup>17</sup> These are mobility and special aid benefit. There is also an ID card for people with health disorders. This card enables these people to withdraw further social benefits, for example lower prices in public transport.

<sup>18</sup> In the DONEZ project there were some of the job seekers obliged to come in particular randomly selected time to the Czech point, which is a public administrative contact place. Attending the programme meant making

equivalents of the words attendance and the unemployed) which was designed by the Ministry of Social Affairs and the Czech Labour Office to make illegal employing more complicated. There was also the employment act novel which changed the frame of the public service<sup>19</sup>.

**Step 5** focused on the family policy. This step influenced the social security sphere, because it changed the way the parental benefit was provided (parents have more option to decide about the amount of money they receive per month and the number of months when they receive it) and some changes were done within foster care. Since the 1<sup>st</sup> of January 2013 the foster care benefits have been provided by the social and legal protection of children act and not anymore by the social support act. There are also new instruments of foster care, e.g. the new professional time-limited foster care. Thanks to the social reform these non-insured benefits were transferred under control of the Czech Labour Office.

We also have to mention the changes that took place in the pension insurance system, where the two-pillar system (general obligatory pension insurance – so called state pension – and facultative additional pension insurance) was amended with pension savings system. This system is facultative and designed for people under 35 years. Decision to attend this system is irreversible and lasts until the person reaches the retirement age (contrary to the system of additional pension insurance). When the person enters this II pillar, he or she gives 3% less to the obligatory pension system (the I. pillar). These 3% plus 2% from the state goes to a pension fund which is chosen and contracted by the participant<sup>20</sup>.

The new reform is settling down and its positive and negative impacts are being examined. Despite in some cases the changes had big impact on the organization and the whole frame of the system and the social work itself, it is possible to say that the reform is taking place within relatively stable conditions of social security system which is standing still on the comprehensibly profiled pillars.

### **Conclusion**

Presented survey of the social policy (specifically social security) system's development in CR after 1989 has of course its limits. Many of the interesting spheres were only pointed out, it was not possible to postulate all the details, despite some of them were essential and provided useful feed-back for the designers of the Czech social security system.

The text allows seeing the most important characteristics of the Czech social policy's development in the frame of the welfare state in its birth. Let us specify two of them. The first one is the tendency to lower the expenditure on social policy (recently with references to the global economic crisis and the growth of the state internal debt). The second is some kind of clutter in putting the visions of changes beard by different political programmes and ideologies into practice. Večerník (2005, p. 864) says that changes in social sphere are never easy and putting even the best theoretical programme into practice is almost unreal. He illustrates this by the situations when Czech right-wing Civic Democratic Party made its

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approximately 2–3 visits per week within 3 months. The aim was to make it more difficult to get illegally employed. Refusing the attendance led to the punishment of being displaced from the job seekers evidence for 6 months. As a result, the job seekers lost the claim for material need help benefits.

<sup>19</sup>Public service (named in the chapter *3rd period of development – complex social security system*) was transferred to the labour offices under changed conditions. It happened to be the instrument for annulling the illegal work with its amount of up to 20 hours a week. A job seeker, who refused to attend the public service, could suffer the punishment of being displaced from the job seekers evidence for 6 months. But this punishment also affected people who did not receive any social benefits. Public service did not offer any forms of bonuses for the participants. This form of public service was found to be against the Czech Constitutional Law, therefore annulled by the Constitutional Court Decision no. 437/2012. Public service in this form was practically called forced labour.

<sup>20</sup>Regulated by law, Act no. 427/2012, additional pension savings act.

liberal vision of the residual welfare state real only in some parts and left many of the previous social securities untouched. On the other hand, the left-wing social democrats were under pressure of the growing state budget deficit and had to consider economies. This all makes the Czech social security system hardly predictable.

Nowadays we can consider the Czech social security system finished. However, it will change – naturally – because even a good system is expected to be able to react flexibly on the changing society, state economy and other determinants.

Important weakness of the present Czech welfare state, which we cannot avoid mentioning, remains the absence of the social work legislation, e.g. the social workers act. Indeed, the field of social work practice became clearer thanks to the previously named reforms. Most of the controlling mechanisms, weight and responsibility for the involuntary clients were undertaken by the state (labour offices). There is only one exception, the social and law protection of children, which is provided mostly in the delegated powers by the municipalities with expanded scope. Thanks to this, the municipalities and the nongovernment non-profit organizations have more space to offer their social services and social work instruments to voluntary clients, to offer help even in cases where the state already took the control<sup>21</sup>.

The Czech Republic has got a long journey ahead. Nevertheless, it has also a big job behind, it created its own pieces of experience which can be of good use in the future. Indeed, it is necessary to keep building the civic society, where it is not only a few leaders who care about the changes, but all the members of the society feel responsible for and engaged in the future social prosperity.

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<sup>21</sup>We can describe this on situation, when municipality rules supervision of dependent children's education in a family and it is done by the social and legal protection of children authority; it means the municipality with expanded powers. Nongovernment non-profit organization can offer help, which is called socially activating service for families with children. In the first step the family is an involuntary client overruled by the state control, in the second it is a voluntary client offered with help.

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