



Czech Republic

“Feeding in” and “Feeding out”, and Integrating Immigrants and Ethnic Minorities

A Study of National Policies

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1. Feeding in and feeding out analysis

1.0 Summary

In terms of “feeding in,” the Implementation Report (IR hereafter) emphasizes a wide range of activities related to the NRP. However, no concrete information is available regarding the involvement of social partners and there are no indications of the participation of social service providers or NGOs during the NRP preparation and implementation. There is also little attempt to bridge or integrate the NRP and NAPs/inclusion, but rather apply a sense of complementarity and division between both domains. The NRP explicitly tackles inclusion on the labour market but the connection to social inclusion is not made explicit enough. Communication with the general public should be accomplished by websites of the government and relevant ministries. While the basic document has been easy to access, little other information about the process was provided.

In terms of “feeding out,” economic growth slowly projects itself in employment, wages and social protection. With regard to decent social protection, the Czech labour market produces sector-specific jobs perceived by the local population as unattractive or of an inferior quality. Compared to 460,000 Czechs currently unemployed, there are 90,000 vacancies and 165,000 jobs performed by legally employed foreigners, not to mention the many unreported jobs performed by undeclared foreigners. Social expenditures have stagnated and average pension benefits have declined in relation to the average wage. Despite of that, the state budget has had large deficits for several years and the long-term fiscal sustainability of public finances should be seen as rather critical. In the household sector, another worrisome development is that some households are taking on too much debt and financial risk, particularly among low-income categories.

Government effort have been directed at more closely linking social benefits to active participation in the labour market, and increasing the gap between welfare and working status since 2007. In the sphere of taxation, measures have been enacted that advantage working persons over those not working, such as tax credits. The joint taxation of couples is already in force and widely used. In the sphere of social benefits, new acts include some workfare measures. The minimum wage has increased rapidly and those working for the minimum wage will be further entitled to social benefits. The motivating function of the minimum wage is questionable, however, as the reservation wage of the long-term unemployed remains closer to the economy’s average wage than to the minimum wage. On the other hand, it is assumed that the rising gap between the Minimum living standard for a single adult and the minimum wage has a positive effect on employment, but no assessment of this has been made.

Czech employment policy focuses on preventing unemployment by activation, consultancy and retraining, in particular for young jobseekers up to 25 years, the low-skilled unemployed and persons returning to the labour market. Several measures were taken and are documented in the IR. A contribution for employers was established who hire a jobseeker from disadvantaged categories. Regarding flexibility on the labour market, little progress has been really made. The new Labour Code presumably should create a legislative background for using modern forms of employment. The Roma problem is not tackled in the NRP but it is treated in the IR where various programmes are enumerated. Corporate social responsibility is mentioned in the NRP but no measures are proposed and no attention is paid to this topic in the IR. The social economy is also not deemed an issue.

The educational system is extensive but not very inclusive, and there is no particular focus on inclusion in educational and training systems. The CR ranks very well in the categories of early withdrawals from the educational system and completion of secondary education, but ranks very low in the share of

tertiary-educated and the development of lifelong learning. The unemployed and people with low qualifications fare the worst in terms of access to further education programmes. Nevertheless, access to training expanded for all interested persons and labour offices can also pay for courses for people other than registered jobseekers. While there is a focus on allowing employers to participate in preparing study programmes, there is not a particular focus on vulnerable categories. The adaptability and qualifications of the labour force should be supported in connection with the introduction of modern systems of management, new technologies including ICT and environmental technologies.

1.1 Feeding in analysis

Regarding recent developments since the “assessment report” which was submitted on 1st October 2006, no changes have occurred in the field. It should be mentioned that a new Czech government took power in September 2006, which was formed by the Civic Democratic Party with the participation of non-partisan ministers. The government failed to receive confidence by Parliament and no agreement about solving the current political stalemate has been made so far. This obviously affects the overall situation in the country, and indirectly affects the SP/SI agenda too. The new Labour Minister announced steps to prepare for pension reform, proposed to revise the new Labour Code (its sections where there are conflicts with other legislative norms) and stressed the need to better target social benefits.

Regarding NRP implementation process, in “The Commission's Assessments of National Reform Programmes for Growth and Jobs,” the Czech Republic was asked to implement its NRP with vigour.¹ The assessment stressed the following areas requiring further attention: ensuring the long-term sustainability of public finance (especially with regard to the reform of pension and health care systems), finding ways to improve human capital through lifelong learning (taking into account of the most vulnerable groups and regional disparities in unemployment), and developing policies to improve R&D and innovation, particularly by improving the impact of human capital for the R&D system. Those issues were also to be dealt with in the 2006 progress report on the implementation of the NRP, which was formally entitled *Report on Implementation of the National Lisbon Programme 2005-2008* (IR hereafter).

The introductory part of the IR emphasizes the Czech Republic's broad base of activities related to the NRP and its significant degree of communication. However, those activities do not sufficiently concern SI/SP issues and challenges. For instance, the website established with the support of the *Office of the Government for Information about European Affairs* to provide information about European affairs does not contain a section on social protection/social inclusion (but it includes the section “Modernization of the European Social Model”) and is not very helpful in this sense.² Similarly, in the journal “Eurokuryr – Euro-news from the Czech Administration” published bi-monthly by the same Office, between September 2005 and May 2006 no information about SP/SI issues was provided. Indeed, there is not much information available about preparations for the NRP and IR at all.

In terms of the involvement of the relevant ministry, the MoLSA's *Section for Employment Services Administration* was responsible for the elaboration of the “Employment Part” of the NRP and the IR. There is little evidence of the active involvement of the other departments of the MoLSA in the NRP and IR. Formally, the MoLSA Deputy Minister participated in the “Horizontal Group for the Preparation of the NRP”, administered by the Department for European Affairs of the Office of the Government.

¹ See http://ec.europa.eu/growthandjobs/pdf/2006_annual_report_czech_republic_en.pdf

² See <http://lisabon.naseevropa.cz>. The *Office of the Government for Information about European Affairs* was established in Spring 2005.

Reportedly, the person responsible for the *Coordination Unit* of the MoLSA-administered *Committee on Social Inclusion* was engaged only in the final phase when the document was near completion. Several sentences on social services were accepted for inclusion (NRP, p. 30), whereas nothing was mentioned about Roma, as it was argued that Roma were sufficiently discussed in the NAPs/inclusion.

For individual areas, so-called interdepartmental sub-groups for the “Macroeconomy,” “Microeconomy” and “Employment” have been in operation. The introductory parts of the NRP and IR stress the need for partnership with a wide range of other governmental, non-governmental, regional and local stakeholders. The involvement of local actors was used as an example of good practice. Apparently, the *Office of the Government* does not emphasize bridging NRP and NAPs/inclusion, but rather the complementarity of both documents and assumes a division between their respective areas. Nevertheless, a section about Roma was included in the section on “Inclusion on the Labour Market” of the final IR. In order to better interlink the two areas in the future, a representative of the NRP should join the *Committee on Social Inclusion*.

Regarding the involvement of social partners, the *Council of Economic and Social Agreement* (Tripartite) has participated. However, no concrete information has been available except for brief minutes of a meeting held on 17 October 2005. At the meeting, trade unions (CMKOS) expressed their dissatisfaction of not being involved in the preparation of the NRP and expressed the possibility that they would protest if certain steps were to be implemented. Even so, they admitted that they are not well informed about the process and demanded to be provided with the final version sent by the government to the EC. According to the “provisional timeframe” presented by the Head of the *Department for European Affairs of the Office of the Government* to the EC, the IR should have been discussed between 15 and 30 September in the Economic and Social Agreement Board, but as a result of the post-election situation, the meeting was deferred to 5 December 2006.

No information has been available on the participation of the relevant stakeholders (e.g. social service providers, NGOs, civil society) in the NRP’s preparation and implementation. As the representative of the SKOK (an association of Czech NGOs active in social assistance and social health care) reported, NGOs were not involved in the process and their appeals to support the social economy were not heard. However, many projects supported from the operational programmes are implemented via NGOs or in close cooperation with them.

The NRP also does not make an explicit link with the SP/SI, as it refers to the NAPs/inclusion regarding those issues. To be sure, the NRP explicitly tackles inclusion on the labour market, but the relation between the two is not made quite clear. The only statement where “social inclusion” is used is the following: “To change the trend of the participation rate and in particular of the employment rate is a task for labour market policy. An increase in labour market flexibility, a developed educational system and the social inclusion of disadvantaged population groups into the labour market are preconditions” (NRP p. 9). This is not a very clear statement, however, since labour market participation is rather a precondition of social inclusion, as it is implicitly assumed in the “Employment Part” of the NRP, in the section on “Inclusion on the Labour Market.”

As stated in the document, the NRP was elaborated on the basis of the *Integrated Guidelines for Growth and Jobs (2005–2008)*, but the SI/SP challenges are not emphasized by it. NRP’s strategy is basically consistent with the NAPs/inclusion and NRSSPSI, but more in the sense of their partition and complementarity. The IR stresses that it builds on common SI/SP objectives set in the EC Communication “Working together, working better.” In the “Introduction,” it refers to NRSSPSI regarding problems of supporting social inclusion, and fighting poverty and social exclusion (IR, p. 5). The problem

of social inclusion is tackled through inclusion on the labour market, thoroughly treated within the “Employment Part” of the IR. Here, a special attention is given to Roma regarding support of their inclusion via education and field social work.

Following the IR, websites of the *Office of the Government* as well as of relevant ministries responsible for individual parts of the NRP were used for communication with the general public. However, while the basic document was quite readily available, little other information about the process was provided. For example, on the website of the MoLSA, which is responsible for the “Employment Part,” nothing else besides the sole NRP can be found. In addition, other websites, in particular the website established by the *Office of the Government for Information about European Affairs*, provides only the basic document and links to EU documents.³ Information booklets and leaflets basically cover only general themes. No summary information is available about the thematic seminars, workshops and conferences for special publics, which are reported by the IR.

1.2 Feeding out analysis

The main link between NRP objectives and social inclusion is in the area of employment. Generally speaking, the main employment problems that have persisted in the country include the following:

- Jobs are still far too costly for employers (the payroll tax reaches 47.5% of wages). The NRP takes a critical position towards statutory non-wage labour costs and promises the introduction of ceilings on social security contributions. The proposal has not, however, passed the Parliament.
- Despite increases in the minimum wage, the unemployment trap is too attractive for low-wage categories, as the reservation wage of the long-term unemployed remains closer to the economy’s average wage than to the minimum wage.
- The labour force is not very flexible (the government has stressed vocational and specialized training over a more general education) and workers are not very mobile (due to rigid attitudes and the absence of a sizable rental market).
- The development of regional frameworks and the involvement of local authorities in the job creation and job retention process are rather weak, although improving slowly.

With regard to decent level of social protection, the Czech labour market produces segments of jobs that are perceived by the local population as not beneficial or even inferior. While there are 460,000 currently unemployed, there are also 90,000 vacancies and 165,000 jobs performed by legally employed foreigners, not to mention the many foreign workers that are illegally employed.⁴ The reason for the high number of vacancies is not only due to the lack of territorial fit between labour supply and demand, since vacancies and employed foreigners are also common in regions with high rates of general unemployment and long-term unemployment in the local labour force. It has been estimated that up to a half of new jobs created by FDI companies - supported by governmental investment incentives – are occupied by foreigners, since unemployed Czechs are not interested in taking them. This figure cannot be verified, however.

³ In contrast, according to a special survey collected for the publication *Czech Republic in Year One* (January 2006), employment and social protection are the most important themes among a scale of issues that the general public wants to be most informed about.

⁴ Speech of new Labour Minister Petr Necas in Parliament held on 3 October 2006. See <http://www.psp.cz/eknih/2006ps/stenprot/005schuz/s005019.htm#r6>

The focus on vulnerable categories is stressed in the NRP's implementation. Several measures have been taken and are documented in the IR. Within the OP HRD, the priorities "Active policy of employment" (115 projects) and "Social integration and equality of opportunities" (171 projects) are important. Regionally targeted programmes address the work placement of persons exposed to social exclusion. Altogether, 1015 new jobs within 12 programmes were supported in 2005. The project "Occasional registered work" was tested within the PHARE programme between October 2005 and February 2006 in three districts of South Moravia. Of 561 participants, 118 were finally placed. Unemployed persons receiving the unemployment benefit could earn up to half the minimum wage.

Unfortunately, policy measures are not backed by analyses that would allow an assessment of the extent to which job creation is benefiting groups at particular risk of poverty and social exclusion, such as jobless households, the very long-term unemployed, single parents, large families, young people, immigrants, ethnic minorities and people with disabilities. For instance, the preliminary *ex ante* analysis of the new benefit system (Jurajda and Zubricky, 2005) assessed the system very positively, particularly in terms of the possible financial gain of persons motivated to take a job. However, the analysis did not pay any attention to the real implementation of the programme under given conditions, e.g. the sensitivity of the populace to anticipated income advantages, and the important context of the coping strategies of households. An analysis of mobility between various socioeconomic statuses is also missing.⁵

Regarding the system of taxes and benefits, the NRP discusses the relevant reforms to improve work incentives. As stated in the "Macroeconomic Part", "social benefits have to be more closely connected to active participation in the labour market" and "Since 2006, further tax cuts for low-income families will be applied, which strengthens their motivation to participate actively on the labour market" (p. 15). However, "In order to increase the employment rate significantly, further modifications in the tax and benefit system will be necessary" (p. 13). As stated in the "Employment Part" of the NRP, "the non-transparent system of social benefits, combined with infrequent reassessments of the social situation of beneficiaries, the high tax burden on labour, notably on the low-income groups, the need for pension system reform and the non-existence of a complex lifelong learning system, those are some of the weaknesses of the Czech labour market" (p. 27).

Important changes that will come into force in January 2007 are expected to support work motivation by increasing the gap between welfare and working status. In the sphere of taxation, measures have already been enacted that advantage working persons over those not working, such as tax credits. The joint taxation of couples is already in force and largely used. In the sphere of social benefits, the "Act on Assistance in Cases of Material Need" and the "Act on living and existence minimum" should both be supportive for employment, as they include some workfare measures such as the possibility to reduce or even withdraw benefits in the case of the lack of activity or non-cooperative behaviour on the part of recipients. Simultaneously, those working for the minimum wage will be further entitled for social benefits. For calculating benefits, only 70% of earnings will be counted for consideration of material need. Tax reductions for low-income categories were made, and the existence minimum (vindictory lower) is to be introduced, but problems are pending.

Unfortunately, there is no study or assessment of the extent to which the combination of wages, tax deductions and in-work and family benefits ensures that people moving into employment are also moving out of poverty. Even a simple table is missing in the IR on the ratios between various income

⁵ The CSO does not publish any data or analyses of labour market flows. Labour Force Survey is not analyzed by the MoLSA-related research institute RILSA either. The last relevant data on labour market flows were commanded by the CSO in 1998 by the present author and published in Vecernik, 2001.

indicators, such as the average wage, low wages, minimum wage, average and minimum pension benefits, unemployment benefits, the amounts of the Minimum living standard and welfare benefits (see Table 1.1 in this report), not to speak about their ratios on specific (low) income levels. There is no replication or application of the method such as of “taxing wages” (OECD, 2006) or, even, the use of in-depth analysis of the effect of various changes recently introduced on household finance (see example in Table 1.2 of this report).⁶ According to Family Expenditures Survey for the first quarter 2006, the tax burden including insurance contributions is about 22% in employee households without children, 21% in employee households with children and 12% in employee households with children having income close to the Minimum living standard (MoLSA, 2006).

Economic growth projects itself in wages and employment and social protection slowly and partially. In 2005, the CR reached its highest rate of GDP growth (6%). It was paralleled by the lowest increase of the real average wage (3.2%), a negligible reduction of unemployment (8% since 2000) and a greater percentage of long-term unemployed (54%). While wages increased more in 2006, the outlook for 2007 is between 1.6% (estimate of the agency Mercer, based on a sample of 85 multinational companies) and 7% (estimated of CMKOS Trade Unions, based on current trends in labour productivity). Consequently, the CMKOS requires wages to be increased on average by 7% in 2007, which employers’ unions consider unrealistic. Expenditures on the social system have risen by 3.9% between 2004 and 2005, while their share in GDP decreased slightly from 12.4% to 12.2% (including health care from 19.6% to 19.1%). The average pension benefit as a percent of the gross average wage increased only from 40.3% in 2004 to 40.7% in 2005 (before, it underwent a continuous decrease since 1998, when it was 46%).

Several programmes are focused on supporting new entrepreneurs and SMEs. Within Priority 1 of the “OP Industry and Enterprise”, such programmes include *START* (financial support of person starting a business for the first time or after a longer interruption), *INCUBATOR* (support of infrastructure of *de novo* firms, in particular start-up and spin-off firms with an innovation potential, including so-called Business Angels) and *CREDIT* (support of entrepreneurs in the first period by advantageous micro-credits). Within Priority 2 of this OP, the programme “Infrastructure for the HRD” has been developed. The upper tax margin for businesses should decrease on 24% in 2006 (28% in 2004). For the self-employed, the level of lump-sum deductions from the tax base was increased. The ceilings for health insurance contributions for employers, planned since 2007, will not be introduced. The decrease of these contributions, announced as advantageous for employers, is rather controversial and will probably not be implemented in January 2007 as planned.

In the household sector, families are carrying greater risk through indebtedness. Due to a general economic optimism, low interest rates and the marketing pressure of banks and other financial/commercial bodies, the indebtedness of households has significantly increased to 500 billion CZK in September 2006 (48,000 CZK per inhabitant). Although two-thirds of those loans are mortgage loans, some families face difficulties in paying them off. Many low-income families use loans to pay off the former ones and the number of seizures is increasing (CNB, 2005). Although the level of indebtedness is still only a third of the EU average, Czechs are not accustomed to living with indebtedness and do not assess their long-term possibilities well. This concerns the low-income categories in particular.⁷

⁶ The Table 1.2 presents some results of the simulation made by the present author. It simulates the effects of various proposals of personal tax reform. Only the accomplished reform is presented (see more in Vecernik, 2006).

⁷ The Association SOLUS (<http://www.solus.cz/>), which administers a register of debtors, has reported a 40% rise of consumers having problems with paying-off their debts during the last year, most of which are low-income households.

No information on earnings inequality is provided by the IR (or any other related document for that matter). CSO's statistics on wages reveal that the share of employees located in the lowest income category used in wage surveys (i.e. up to 8,000 CZK) declined from 3.4% in 2003 to 2.6% in 2004 and to 1.9% in 2005. The share of those earning between 8,000 and 10,000 CZK declined from 7.4% in 2003 to 6.4% in 2004 and to 5.6% in 2005. Nevertheless, even the lowest band is still above the minimum wage while the number of minimum wage recipients is actually unknown. Taking the lowest ten percent of employees into account, the situation does not appear strictly uniform: while the relative income of first decile level (better speaking, the lower bound value of the first decile) decreased only slightly since 2000, the decile ratio widened substantially (see Table 1.3 in this report).⁸

The motivating function of the minimum wage is questionable as the reservation wage of the long-term unemployed remains closer to the economy's average wage than to the minimum wage. For employers, the amount of payroll taxes paid increases with the rise of the minimum wage. The anecdotal evidence says that many employers use the minimum wage as the official salary for employees who are in reality compensated with unregistered remuneration - in the services and catering sectors in particular. Nevertheless, after repeated increases of the minimum wage, such employers are tempted with two possibilities: either maintain the job position but as fully informal, or terminate the position and dismiss the employee completely. The *Chamber of Commerce* has protested against a rapid increase of the minimum wage and has demanded that it be frozen for one year.⁹

An issue that is often ignored in analyses is that during the recent period economic development, some occupations (e.g. in construction, assembly lines, forestry) have lost a significant degree of their prestige and are increasingly considered "less decent." People in less skilled jobs often prefer the combination of welfare status and informal earnings before regular employment. There is no systematic research on the informal economy in the CR and its effect on people's coping strategies. Basic descriptions collected on small samples indicate that about one-quarter of people in active age perform undeclared activities (Hanousek and Palda, 2003). Estimates on Hanousek's and the Ministry of Finance's data made by Martin Fassmann, who differentiated the data by economic status, reveal that 38% of employees, 63% of the self-employed, and 56% of unemployed have some earnings in the informal economy. While the estimated share of undeclared income to official earnings is usually low, the share among unemployed is 58%. The overall share of undeclared income in the GDP is estimated below 3%, however (Fassmann, 2006, p. 92).

Regarding the extent to which economic growth increases the resources of those having the lowest incomes and reduces income inequalities, no analysis is available. There are also few links between descriptions of developments in the area of wages, household nominal income and the cost of living. According to published documents, administrative data on the recipients of social benefits are used only at the aggregate level.

One should remark that the statistics on indebtedness provided by banking sector are not exhaustive, as an increasing percent of loans (consumer loans in particular) are provided by other institutions.

⁸ Unfortunately, there has not been a calculation of either a more detailed distribution (e.g. vintiles), or averages in individual quantiles. Calculations by the CSO in wage surveys present only the bound values of the first and tenth decile, first and third quartile but not the shares of individual quantiles in the income distributed. This limits the explanatory value of the figures quite considerably. In contrast to a simple decile ratio, the ratio of the averages of the upper and lower ten percent is more telling and – obviously – much higher.

⁹ The minimum wage was raised in January 2006 to 7570 CZK and again in July 2006 on 7955 CZK.

As for the impact on social protection and social inclusion processes, the NRP does not make the relationship explicit, and instead refers to the NAPs/inclusion regarding this issue. The connecting area is employment policy.

As stressed in the IR, employment policy focuses on the prevention of unemployment by activation, consultancy and the retraining of young (up to 25), low-skilled unemployed persons and persons returning to the labour market (p. 38). The new "Employment Act" has widened entitlements for benefits provided to persons on the margin of the labour market, thus supporting their activation and social inclusion. Also, the range of persons who can qualify for free-of-charge training has increased. A contribution for employers was established who hire job seekers from disadvantaged categories, such as the disabled, young up to 25, tertiary education leavers, older persons above 50, and unemployed persons registered more than six months. The Roma problem is not tackled in the NRP but various programmes in the field of education and social work are enumerated in the IR.

The NRP and IR do not discuss the issues of employment and income from the perspective of households, with the exception of ICT where data collected by the CSO report on households. The accumulation of various problems in some families is not particularly tackled and a focus on working poor households is missing. Similarly as in the case of earnings, the distribution of household income is not discussed in the documents. Implicitly however, the situation of low-income households is addressed in relation to the goal of improving the incentive effect of direct taxes and benefits with the aim of increasing the motivation of low-income groups to work and reducing unemployment in this way.

1.3 Analysis per relevant guidelines

GL14 To create a more competitive business environment and encourage private initiative through better regulation. *What is the attention given to social cohesion in terms of balance among the three overarching objectives? Are there specific targets set that are relevant for SI/SP?*

Regarding the business environment, the NRP stressed that "Modern and developed infrastructure, incentives for the use of environmental technologies and the rational utilisation of human resources are also among the main pillars of a well functioning economy" (p. 14). Regarding attempts at promoting private initiative through better regulation, one can point out the so-called "getting-over" benefit, which was established for persons starting their self-employment or business, and which supports them for the first three months of their independent activity. Since February 2006, persons with partial disability can earn without limit while keeping their disability benefit.

Corporate social responsibility of businesses is mentioned once in the NRP in this form: "To develop long lasting and fruitful partnership between entrepreneurs, public administration bodies and relevant interest groups, it is advisable to apply the principles of corporate social responsibility" (p.15). The thesis is not developed further, no measures are proposed and no attention is paid to this topic in the IR. It should also be mentioned that in September 2006 the NGO *GARDE* organized the conference "Expectations versus Reality" on corporate social responsibility in the CR (with participation of Commissioner Vladimír Špidla). It was concluded at the end of the conference that the state of corporate social responsibility in Central Europe is dismal, and that due to the communist legacy, businesses do not generally engage in volunteerism and instead use the "CSR" logo as a public relations tool.

GL17 Implement employment policies aiming at achieving full employment, improving quality and productivity at work, and strengthening social and territorial cohesion. *What is the attention given to social cohesion in terms of balance among the three overarching objectives? Are there specific targets set that are relevant for SI/SP?*

Within investment incentives, support is given to employers who create new jobs in districts where the registered unemployment rate has been at or below the national average during the last six months. The government establishes the amount of compensation it will give to the employer for each new job created. The first assessment of the impact of the measure in the Moravian/Silesian region proved its efficiency. This region also applied the project "Get a Job," which was realised by the MoLSA and the company *Trenkwalder KAPPA People*. The project demonstrated that complex services are needed for unemployed people moving territorially for a job. Car and electronics manufacturers were interested in getting new workers. The consultancy and information network EURES, administered by the MoLSA, is active in the field and organized the first international fair of job opportunities in March 2006.

The established targets concern only the overall and specific employment rate that should be reached in 2008: overall 66.4% (the reality is 64.8% in the first quarter of 2006), of women 57.6% (56.5%) and older persons 47.5% (45.4%). There are no specific targets relevant for SI/SP. Improvements in labour productivity are related to R&D investments, modernization and development of the transport, information and communication infrastructure and cultivation of business environment. The question of the quality of jobs is not tackled. Part Two of the IR discusses strengthening social and territorial cohesion in general terms and in connection with SF financial flows aimed to weaken regional disparities. In the "Employment Part," job support programmes are referred to, in particular to the regional targeted programmes of employment, applied at the district, regional or national level. Target categories of those programmes are job seekers in general and persons with lower employability in particular. Special attention is given to young, women, older persons and foreigners.

GL18 Promoting a lifecycle approach to work →GL 2 To safeguard economic and fiscal sustainability as a basis for increased employment. *How clear and consistent is the cross-reference to the SI/SP process? Are measures to promote modern SP systems, including pensions and healthcare, sufficient to meet challenges identified in the SI/SP process? Are these measures consistent with the NRSSPSI? Are socially adequate and accessible? Is there a good interaction between SP system and the LM? Does the NRP refer specifically to older workers and pensions? How is reconciliation of work and family life addressed?*

The NRP sees the situation regarding the long-term fiscal sustainability of the social protection system quite critically, as "the CR could become a country with one of the oldest populations in Europe" and "the pension system and the systems of health and long-term care would be exposed to enormous pressures on expenditure." "Effective reforms" are therefore required (NRP, p. 7). The arguments are discussed in the "Macroeconomic Part" of the NRP and summarized into tasks to "Adopt strategic decisions necessary for financial stabilisation of pension and healthcare system" and to "Increase the participation rate of population in productive age." The IR only states the necessity to "take strategic decisions in the shortest possible time" while "no substantial steps for solving the overall sustainability" were made (p. 16).

Although the economy is performing well and the current pension system is considered to be stabilized for next twenty years, the CR has had significant deficits in public finance for the last several years and

the outlook is not very optimistic.¹⁰ In the EC report, the country was among those facing high financial risk.¹¹ As planned, family allowances, pension benefits and the Minimum living standard will increase in 2007. The 2007 budget anticipates a 3.8% deficit as the lowest estimate and the share of mandatory social expenditures in all budgetary expenditures may rise from 46% to 53% between 2006 and 2007. Strategic decisions regarding the stabilization of the pension system and financing of health care are considered necessary, but no progress in those areas has been made, mostly due to the political stalemate.¹² No consensus about a thorough reform has reached so far in either the pension or health care systems.

As no actual reform of the system is in view, both the NRP and IR discuss only general directions of solving problems, but without concrete measures. There is thus no explicit cross-reference between financial sustainability and the SI/SP process. One could say that the social dimension is generally considered as very important in the country, but more in terms of basic social protection on a decent level and less in terms of the conditionality of social benefits, workfare measures and a good fit between the social protection system and the labour market. This concerns also the employment of older workers where the awareness of its necessity is still weak, in contrast with strong declarations. Similarly, the reconciliation of work and family life - not addressed in the NRP or IR – is not perceived as an acute problem by the population. Although women look after children most often in 87% of families, women have also expressed conflicts between work and family life less often than men (Kucharova et al., 2006).

GL19 Ensuring inclusive labour markets. *Are there any measures promoting an inclusive LM? Are they consistent with the SI/SP objectives? Does the NRP focus specifically on the inclusion of those furthest away from the labour market? How and for which groups? Are clear pathways towards employment put in place? How does the NRP plan to contribute to the eradication of poverty?*

In the “Inclusion on the Labour Market” section within the “Employment Part” of the IR, there is a special focus on youth, women, older persons and foreigners. Various programmes regarding Roma are also enumerated. Overall, all these measures are consistent with the SI/SP objectives. Besides measures targeting Roma, there are no other measures focussed specifically on the inclusion of those furthest away from the labour market. The eradication of poverty is not explicitly tackled by either the NRP or IR documents. Concretely speaking, the IR discusses the following measures and their accomplishments made so far.

Young persons. Already in 2004, labour offices have spread the programme “First Chance,” which offers the development of individual action plans to all job seekers under 25 years and to university graduates. The share of young people registered as unemployed for more than 6 months decreased from 34% in 2003 to 30% in 2005. In 2005, around 22,000 school leavers and young people under 25 were involved in the community initiative EQUAL and other programmes. Courses of practical retraining, non-specific

¹⁰ In the sphere of pension reform, the government-established expert team, headed by CNB economist Vladimír Bezdek, calculated the concepts of pension reform submitted by the main political parties. Results refer to the stabilization of the current system for next twenty years, but also draw attention to its long-term unsustainability: it would produce a cumulated deficit of 43% of GDP by 2050, while the replacement ratio would decrease from the current 42% to 38% (Final Report, 2005:16). After the report was released there was some attempt at achieving a political consensus over increasing the retirement age, but nothing more.

¹¹ See http://ec.europa.eu/economy_finance/publications/european_economy/2006/ee0406sustainability_en.htm.

¹² In 2006, several “stabilization measures” were declared as having been made in the public health system. In fact however, resources were only transferred from other budgetary resources.

retraining, supplementary and extension retraining and specific retraining are targeted at young persons.

Women. Following the *National Concept of Family Policy*, the “Action plan for support of families with children 2006-2009” intends to support parents by social transfers and tax allowances. A proposal will be worked out about how to motivate employers to provide short-term childcare facilities for children of preschool age at the workplace. Another proposal will be made to motivate employers to help their employees caring for pre-school children to maintain their qualification, to enable employees to work from home, and to enable flexible working times and part-time jobs. Changes in legislation regulating parental leave will be prepared, funded by an analysis co-financed by the ESF. Within OP HRD, 27 projects were approved focusing on equal opportunities of men and women.

Older persons. Various projects have been developed. Within the programme EQUAL, the project “Stabilization and reintegration of active seniors” aims to survey the labour market, the behaviour of older people, and identify barriers and test some solutions on a sample of the target category. Another project is “Life long learning and equal labour market opportunities for persons over 50,” which promises to create methods supportive for further education. The number and share of older persons in retraining has increased from 9% in 2004 to 13% in 2005 and 16% in the second quarter 2006. The solutions that should support full or at least partial activity of older workers will be part of the upcoming pension reform.

Foreigners. The amendment of the “Act on Foreigners” reduced the required time to apply for permanent residency from 10 to 5 years and the entire procedure was simplified. Within the CIP EQUAL, projects “Work in Czech” and “Work in Prague” are being carried out. Within the measure “Integration of specific categories of the population exposed to social exclusion,” a project called “Individual support of employing foreigners in the CR” is developed targeting asylum holders and unemployed foreigners. MoLSA-managed pilot programme “Active selection of skilled foreign workers” is continuing and 420 persons were selected by mid-2006, the most of them well educated. On the other hand, as the Ombudsman’s 2005 Annual Report states, the poor conduct of the Foreigner’s Police towards immigrants and the lack of adequate information provided to them have been key barriers preventing foreigners from seeking work opportunities in the CR.¹³ The second chapter of this Report will discuss these issues in more detail.

Roma. The issues facing Roma are developed in the IR in particular in connection with the “Programme for supporting integration of the Roma community” of the Ministry of Education within which Roma Teacher Assistants are financed. Recently accomplished “Analysis of socially excluded Roma communities and the absorption capacity of actors working in this area” is referred to and various supportive programmes of the MoLSA described. Of importance is also the national project “Support of creation of the field social work system” which is carried out since October 2005 with the aim to train all actors involved and coordinate their activities. More about the activities regarding the integration of Roma is in the second section of the second chapter of this report.

GL21 Promote flexibility combined with employment security and reduce LM segmentation, having due regard to the role of social partners → GL 5 To promote greater coherence between macroeconomic, structural and employment policies. *Does the NRP refer to tax- or benefit reforms to improve incentives and to make work pay? Are these measures in line with the SI objective of*

¹³ A study of the *Multicultural Centre Prague* concludes that in terms of gaining employment, an immigrant’s country of origin plays a more important role than his or her real skills. Immigrants from Eastern Europe are only considered suitable for manual jobs, thus ignoring their education and knowledge of Czech language.

"necessary resources to live in accordance with human dignity"? Are there any plans made to increase adaptability of labour markets? Is employment flexibility combined with security?

Regarding work incentives, this should be supported by the reduction in the personal income tax for the two lowest income bands and the newly introduced tax credits, which advantage working persons over those not working. Only 70% of earnings will be counted for consideration of material need. In the sphere of social benefits, the "Act on Assistance in Cases of Material Need" and the "Act on living and existence minimum" both include some workfare measures such as the possibility to reduce or even withdraw benefits in the case of the lack of activity or non-cooperative behaviour on the part of recipients. Simultaneously, those working for the minimum wage will be further entitled for social benefits. Since February 2006, persons taking partial disability pension can earn without limit.

Although the majority of Czechs considers the current Minimum living standard was insufficient, it is in fact on a decent level.¹⁴ Newly, the Minimum living standard has been reconstructed so that only personal costs will be considered and housing support will be treated separately. Also, the so-called existence minimum standard will be introduced on a lower level addressed to those who avoid employment (2020 CZK). Only in extreme cases of non-cooperation, this benefit could be withdrawn. The current system of additional social benefits will be simplified by reconstructing various former benefits into three new benefits: contributions to well-being, extraordinary immediate assistance and housing support. Socially acceptable (maximum) housing costs are set at 30% of personal or household income (35% in Prague).

The IR does not report on the situation regarding flexible forms of labour relations (part-time work, fixed-term contracts, teleworking). In fact, these practices are still only partly used: Labour Force Survey for the first quarter of 2006 reports that only 8% of employees' contracts (2.2% of men and 8.7% of women) are fixed-term and only 3.5% (6.8% of men and 9.6% of women) of all jobs are part-time. There is little change in this area. The NRP and IR promise that the new Labour Code has brought more freedom of contract in employment relationships and creates a legislative framework for using modern forms of employment. This should be reached, for example, by working time accounts, presumably significantly increasing the efficiency of production enterprises and, thus, increasing the attractiveness of the CR for foreign investors (NRP, p. 28).

The new Labour Code was challenged by employers who believe that the increased powers of trade unions as an infringement on business activity. The *Legislative Council of the Government* called some sections of the Labour Code as anti-constitutional and the *Chamber of Commerce* already submitted a lawsuit at the Constitutional Court against it. The new Minister of Labour announced that there are many problems in the Labour Code due to the extreme rush with which it was drafted: at least 60 articles in the Labour Code need to be revised and 14 related norms need to be changed. Therefore, he proposed to postpone the time the new Labour Code is to go into force by one year and solve the problems during that time. Nevertheless, since the postponing can hardly pass the Parliament, the Labour Code will be enforced since 1 January 2007 anyway.

GLs23-24 Expand and improve investment in human capital, Adapt education and training systems → **GL 9 To facilitate the spread and effective use of ICT and build a fully inclusive information society** *Are education and training policies inclusive? Is access to all ensured? Is the policy response towards reducing significantly the number of early school leavers sufficient and in line*

¹⁴ In the March CVVM survey, 62% of respondents answered that the Living Minimum amounts are not sufficient to cover basic needs of poor households. It was even 80% among those who perceived themselves as poor.

with SI/SP National Strategy Reports? Does the NRP refer to any measures to make ICT use, and the information society in general, fully inclusive?

The NRP emphasizes that the CR has a high ranking in terms of early withdrawals from the educational system and completion of secondary education, but a low ranking in the share of tertiary-educated and the development of lifelong learning. It concentrates on the implementation of the curriculum reform, improvements in access to post-secondary technical and tertiary education, and cooperation between employers, employees and educational and professional institutions. The NRP also discusses improving the interconnection between the systems of primary and continuing education, promoting the movement of students between specific stages of tertiary education, promoting continuing education in firms and in increasing information literacy. There is no explicit focus on inclusion regarding education and training systems. Nevertheless, larger supply of higher education, better cooperation between employers and education providers and further education provided by firms, all described in IR's section on education, can contribute to inclusive character of educational system indirectly.

In fact, the Czech education system is extensive but not very inclusive. At the elementary level, it tracks pupils on the basis of social origin at a very early age, directing many towards so-called special schools (recently renamed as basic schools with a special education programme), particularly Roma and those with low aptitude or educational handicaps.¹⁵ At the secondary level, social background is the predominant factor of in determining which pupils attend gymnasia and, in particular, multi-year gymnasia (since the sixth year of school attendance), where the transition to tertiary education is the easiest. At the tertiary level, roughly half of applicants succeed and chances are so unequal that students from high-status families constitute over 40% of all students in the lucrative fields of the natural sciences, medicine, arts, and law.¹⁶ These problems are not tackled by the NRP and IR nor referred to the NAPs/inclusion.

Regarding further education and training, an April 2006 report of the *National Training Fund* revealed that the CR ranks 21st among the EU-25 in terms of participation in further education programmes (30% of the population participates in such programmes compared to the 42% EU average). The new "Act on Employment" expanded access to training for all interested persons so that labour offices can pay for the course for people other than registered job seekers. Instead of establishing a systematic approach to further education, the "Act on Further Education" deals only with the issue of the verification and recognition of the results of various forms of education. The NRP stresses the need to increase incentives for individuals and employers to invest in training. Nonetheless, the unemployed and people with low qualifications fare the worst in terms of access to further education programmes.

There is a focus on promoting cooperation between employers, educational institutions and professional institutions by allowing employers to take part in preparing new educational and study programmes and,

¹⁵ Even if Roma parents request that their children attend special schools or programmes, this does not mean that the system of selection is unproblematic. Since other Roma children attend these programmes, Roma parents may desire that their children be in classes with other Roma children (creating a kind of cultural trap), without fully understanding the consequences of such decisions for pupils' future educational and occupational attainment. One current research project entitled "Roma in the system of special school education and institutional education from the perspective of professionals" by Karel Cervenka has shown that educational professionals, such as school counsellors, play a very significant role in determining what kinds of children attend these special education programmes.

¹⁶ The analyses of Czech educational system were recently collected in Mateju and Strakova (2006). Here we refer also to Review Essay of Michael L. Smith (2006) which summarizes basic findings and their analytical background. The findings thus precisely document the argument of the EC document *Efficiency and equity in European education and training systems* that "Contrary to what is often assumed, entirely state-funded, 'free' systems of higher education do not guarantee equitable access and participation" (http://ec.europa.eu/education/policies/2010/back_gen_en.html).

further, interconnecting activities between universities, other educational institutions and professional institutions on the one hand, and regions, potential employers and users of R&D outcomes on the other (NRP, p. 35). There is not, however, a particular focus on vulnerable categories. Nevertheless, the IR emphasizes the programme “Profession” (co-financed from ESF within OP HRD), which is focused on – among other things – retaining the employability of people in the manufacturing industry, construction and related services. The adaptability and qualification of the labour force should be supported in connection with the introduction of modern systems of management, new technologies including ICT and environmental technologies.

Regarding the objective to make ICT use, and the information society in general, fully inclusive, the IR refers to the “National Computer Literacy Programme”. In 2005, already 82 thousand of people participated in relevant courses, the most of them aged 40-60 and 60% women. A STEM/MARK 2005 survey reported that 27% people possess computer literacy, and the outlook is very optimistic in this sense. A project supportive of working at home with ICT use was financed within the CIP EQUAL. Pilot educational programmes have been initiated for the unemployed and firms, which provide, for example, legal and technical consultancy, improving computer literacy and also free-of-charge leasing of information and communication technologies. A centre of supply and demand for teleworking is to be established.

2. Integration of immigrants and ethnic minorities

2.0 Summary

While the percent of immigrants and ethnic minorities as a share of the overall population is low compared to other EU countries, the immigrant population is growing rapidly. Few measures are in place to further their social integration. Though there is a large number of Slavic-speaking minorities and immigrants, that fact does not solve, but rather masks, the leading problems of their integration: poor housing conditions, the difficulty of navigating Czech laws and institutions, the tendency to fall into the informal economy, etc. While there is a range of programmes addressing the Roma, those programmes are not generally developed at large enough of a scale to sufficiently tackle the discrimination and multiple forms of exclusion that they face.

The new “Updated Concept of Immigrant Integration”, which was approved by the government in February 2006, provides a new and much needed focus on immigrants’ social inclusion and the importance of mutual dialogue between Czechs and foreigners. The document also calls for the implementation of a wide range of programmes and legislative measures to support immigrant integration, such as requiring that applicants for permanent residency demonstrate knowledge of the Czech language. Since the proposals introduced in the document are new, it will be important to monitor their implementation closely.

The new “Act on Foreigners”, passed by Parliament in March 2006, introduced positive changes in terms of the regulations governing long-term and permanent residency, such as reducing the time immigrants with long-term visas can apply for permanent residency from 10 to 5 years. However, NGOs working on immigrant integration continue to complain of the lack of information for immigrants in languages they can understand, as well as the long lines and the uncooperative approach of the Foreigners Police. The widespread problem of illegal foreign labour also complicates immigrant integration. Solving the problem requires not only repressive police measures, but also smarter policies that provide incentives for foreigners to seek legal employment.

There is also insufficient attention to the integration of immigrants and ethnic minorities in educational programmes. Also, though reports of violence against immigrants are infrequent, the general public and media often harbour negative or discriminatory attitudes towards them, and government programmes at promoting tolerance and mutual understanding are absent. While the government encourages local authorities to develop integration programmes, they are not required to do so and few actually have such programmes.

The situation of the Roma continues to be severe and is thought to be worsening. While educational programmes such as preparatory classes and teaching assistants are generally positive, Roma pupils continue to suffer from poor access to secondary education, which limits their prospects on the labour market. While the Roma qualify for various activation measures, employment policies do not specifically target them, and there is little information about whether Roma are benefiting from job training measures. The most recent governmental “Concept of Roma Inclusion” describes many of problems of social exclusion Roma face but does not envision large and comprehensive programmes needed to solve the problem.

Indeed, a recent analysis has identified over three hundred Roma communities exposed to social exclusion in the country, in which Roma suffer from a combination of housing segregation, dilapidated housing conditions, extremely high unemployment rates and a host of other conditions. The causes of these problems are now well-known: widespread discrimination, poor educational and job qualifications, welfare dependency, household indebtedness, forced evictions due to the lack of rent payment, etc. Since these problems feed into each other, more comprehensive, complex and better funded programmes are required to tackle them.

Note: The situations of immigrants and ethnic minorities, on the one hand, and Roma on the other hand, differ in important respects. To properly describe the overall situation of these two groups, it is necessary to treat each group separately. We will first focus on the situation of immigrants, followed by the Roma.

2.1 Immigrants and ethnic minorities (except Roma)

2.1.1 General background information

According to the CSO, there were 295,955 foreigners (including non-Czech EU citizens) living in the CR by mid-2006, of which 32% are Ukrainian citizens, 18% are Slovak citizens and 13% are citizens of Vietnam. 42.5% of those foreigners have permanent residency. Citizens of EU-25 constitute 31% of all foreigners (and 49% among economically active foreigners, a percentage that has remained constant in 2003-2005). After a period of modest growth in immigrant inflows (rising from 200,951 in 2000 to 254,294 in 2004), the rate of growth has accelerated somewhat over the last 18 months, with immigrants currently accounting for nearly 2.9% of the CR’s population (compared to 1.8% in 2002).¹⁷ Immigration remains a relatively muted issue in political discourse, and did not even register as a major theme of political campaigns in the 2006 parliamentary elections.

¹⁷ Recent prognoses suggest that immigration is increasingly necessary to help fuel the Czech economy’s expansion and to compensate for the declining Czech birth rate. According to a 2005 prediction made by the CSO, the population of the Czech Republic will drop to 9.5 million by 2050 (the median prediction), which will however include some 1.4 million immigrants.

Over the last decade, the CR has transformed from being a transit to a target country of immigration. Contributing factors include EU membership, robust GDP growth in recent years (led by manufacturing and construction, where about 35% of immigrants are employed), and the increasing ratio of available jobs to the number of unemployed (in September 2006 this stood at 4.7 unemployed persons per available job, compared to 9.0 in September 2005). Media reports estimate that foreigners will constitute roughly half of the 3,000 workers likely to be employed at the planned Hyundai car manufacturing plant in the Moravia-Silesia region, which will be the country's largest single case of FDI.

In 2005, immigrants constituted 4.0% of the workforce in the CR, but as high as 10.4% in Prague, where 32% of all immigrants live. Approximately 79% of immigrants are economically active, of which nearly one-third work on the basis of a business license. Indeed, foreigners from different countries exhibit quite different patterns of economic behaviour. While 98.9% of the country's 22,876 economically active Vietnamese worked on the basis of a business license at the end of 2005, most immigrants from Eastern Europe worked in dependent employment. By the end of June 2006, Czech labour offices recorded that 51% of all foreign employees were from Slovakia, 25% from Ukraine and 8% from Poland (see Table 2.1 for detailed data).

The process of integration is eased somewhat by the large number of immigrants from Slavic speaking countries (immigrants from Ukraine, Slovakia, Poland, Russia, Moldavia and Bulgaria constituted 65% of all immigrants in the country in mid-2006), who can more easily learn Czech. By sector, these immigrants are heavily concentrated in the manufacturing and construction industries. However, the reliance of immigrants on social networks with persons of the same nationality for job opportunities, as well problems with the Czech language for non-Slavic immigrants, are key barriers to integration (Grygar et al., 2006).

Developments and challenges of immigrant integration can be best observed with the Vietnamese as the largest non-European immigrant group. Vietnamese typically live in a "parallel world" (Hurrell, August 2006): on the one hand, they are generally respected by the majority society and face relatively little explicit discrimination, and their inexpensive shops are often popular among Czech consumers; on the other hand, Vietnamese adults have a poor grasp of the Czech language and live almost completely separate from the rest of society. Vietnamese children, however, are leading the way in integration, as they generally speak Czech well, are known for their strong academic performance, and often have Czech friends. In the town of Cheb, where a fifth of the population is Vietnamese, many Vietnamese families hire Czech women as nannies, who provide the children with their first exposure to Czech.

Since Vietnamese immigrants work on the basis of business licenses, they face greater economic risks, and thus greater potential for exclusion, than other immigrants. The local government of the city Cheb, for example, has decided to close down the largest open market run by Vietnamese in the country (called Dragoun). The closure of the market will affect 300-400 Vietnamese families. Since there is a general trend towards closing down such markets across the country, it will be important to monitor whether the Vietnamese will be able to adjust to changing economic conditions.

However, the above discussion excludes illegal immigration, which remains an unsolved problem. The conditions for labour migration are complicated and highly regulated, which leads a significant number of foreigners to enter the grey economy (Gabal, 2004). Experts and NGOs estimate that the number currently ranges from 50,000-300,000 persons, the majority from Eastern Europe. The number is thought to have stabilized or is slightly increasing. On the other hand, the Ministry of Interior recorded 14,545 illegal immigrants in the country in 2005 (compared to 55,075 in 2000), of which approximately

two-thirds were caught living in the country with an expired visa (of those, 70% were Ukrainian), with the rest caught crossing the state border illegally.

Illegal immigration represents not only a major form of tax evasion, but also prevents foreigners from receiving legal protections, such as against work discrimination or remuneration below the minimum wage. One recent study (Cermak and Dzurova, 2006) estimated that illegal immigrants work 11 hours a day on average, oftentimes for 50-70 CZK an hour, and predominate in the construction and service sectors. It is estimated that roughly half of illegal immigrants rely on mediators, the mafia or other informal connections for job opportunities.

2.1.2 Recent trends in immigrant integration policy

Integration policy has developed gradually since 1999, when the “Principles for the concept of immigrant integration” were prepared and approved by the government. Based on that, the “Concept of immigrant integration in the territory of the Czech Republic” was adopted in 2000. The Concept particularly addressed the issue of dividing the responsibilities of relevant government ministries for the preparation and implementation of proposed integration projects. A December 2001 government resolution required that each affected ministry appoint one contact employee who would deal with the issue of immigrant integration. However, existing personnel and organizational resources for immigrant integration are not considered sufficient.

Before 2004, the Ministry of Interior was responsible for preparing and coordinating government policy in the field of immigrant integration. Since that time, the MoLSA has taken over that agenda. As a result, a new intergovernmental *Commission for the Integration of Foreigners* at the MoLSA was established, which serves to foster cooperation and implementation of the *Concept* across the public administration. The Commission, as well as its four Expert Consultation Groups, includes representatives from the government, NGOs and social partners. The MoLSA also has a *Department for the Migration and Integration of Foreigners*, which coordinates integration policy within the MoLSA, carries out analyses, provides information to the public through websites, etc. The *Czech Helsinki Committee*, in its “2005 Report on Human Rights”, positively evaluated MoLSA’s adoption of the integration agenda as a move away from seeing immigration as a security issue to recognizing its complex aspects including social.

In February 2006, a new “Updated Concept of Immigrant Integration in 2005” (the Updated Concept hereafter) was approved by the government. The Updated Concept provides a long-term framework for integration policy of (non-EU) foreigners who have legally resided in the country for more than a year. The document changed policy direction in a number of ways, particularly by focusing more on immigrants’ social integration and harmonizing EU and Czech priorities in immigrant integration to effectively utilize existing and future EU funds.

The Updated Concept establishes two types of measures: *targeted specific measures*, which are based on key factors influencing successful integration; and *support measures*, which mainstream integration policy in related areas, such as the access of health insurance for the dependents of immigrant workers (a proposal for which is to be prepared by the end of 2006). Targeted specific measures are designed with a view to fulfilling these prerequisites (among others):

- *Knowledge of the Czech language.* For the first time, the Updated Concept envisions requiring that applicants for citizenship and permanent residency receive a certificate confirming knowledge of Czech. Government actions necessary for realizing this proposal should be completed by the end of 2007.

- *Economic self-sufficiency.* The document envisions that the length of extension of an immigrant's work permit should be based on how long he/she has already worked. The Updated Concept also seeks to simplify the application process for the permit, but no specific proposals were listed.
- *Orientation in society.* The Updated Concept envisions that more and higher quality information necessary for social integration needs to be provided in immigrants' native languages.
- *Relations with members of the majority society.* The Updated Concept seeks to tackle the problem of xenophobia and prejudice of Czechs towards foreigners and to promote multicultural education. However, very few concrete measures or definite timeframes are provided.

By the end of 2006, a report on the implementation of the Updated Concept should be submitted to the government.

One of the main problems of Czech integration policy is the lack of adequate funding. In 2004, 20 million CZK was allotted for implementing the Concept, which was decreased to only 12 million in 2005, but was increased to 25 million CZK in 2006. In 2006, the MoLSA gave grants totalling 8.5 million CZK to 19 NGOs in support of social services in the area of immigrant integration. Since funds for implementing the *Concept* have to be approved annually, the amount and structure of funding favours short-term over long-term projects and generally places NGO support on an unsure footing.

2.1.3 Employment issues

Compared to the situation of the Roma minority, there are fewer gaps between evolving legislation and practice in immigrant employment. There has been little evidence of explicit institutional racism or discriminatory attitudes of labour offices towards immigrants as a whole. But to fight against possible discrimination, the NGO *Multicultural Centre Prague* conducted the project "Antidiscrimination education of public administration employees" from November 2005 to October 2006, which was financed by the 2004 Transition Facility. The project involved 15 seminars on "antidiscrimination education" for 500 officials, mainstreamed the issue into public service training, published a manual on the problem, etc.

One key gap between legislation and practice which was subject to much criticism (e.g. Gabal, 2004) concerns the management of residency permits by the Foreigners Police. Due to long lines and language barriers, many immigrants have relied on hired mediators at the police, which can lead to unequal access to the residency process and brings foreigners into contact with illegal or semi-legal service structures. However, the Foreigners Police is set to open a new Prague facility in fall 2006, which would remedy the above problems. The facility should speed up the application process and offer supplemental services, such as space for translation and notary agents.

However, the complex procedures for third-country nationals to apply for a work permit (and for long-term residency for the purpose of work) contribute to the restrictive nature of immigration policy. Work permits and long-term residency visas are valid only for up to one year, as are their extensions. This means that foreigners have to generate the required paperwork every year, which is undoubtedly very burdensome for both them and the state administration. The difficulty of this process for foreigners is thought to significantly contribute to illegal migration.

Contrary to the situation of immigrants relying on work permits, the situation of holders and applicants of permanent residency, as well as EU citizens and their relatives, have been significantly improved by the new “Act on Foreigners”, which was signed by the President in April 2006 but was made retroactively effective to January 2006. The law implements Directive 2003/109/EC, will likely increase the share of permanent residents among all immigrants, and brings about greater life security for them. For example:

- The time period for long-term residents to apply for permanent residency has been shortened from 10 to 5 years. As a result, roughly 40,000 foreigners should now be able to gain permanent residency, and thus the right to work.
- Third-country nationals who are residents of other EU states can reside in the country for three months without a visa and are entitled to long-term residency; if they stay for at least a year, they can work without the need for a work permit.
- Foreigners who reside in the country for more than five years have the legal standing of a long-term EU resident in the CR, which eases their ability to travel and work across the EU; which provides them access to educational services (such as school lunches or public art schools) for the same cost as Czech citizens; and which enables their qualifications to be validated on the basis of the same conditions as other EU citizens.

Further, the amendment revises the legal standing of residency for EU citizens and their family members, specifically implementing Directive 2004/38/EC. According to the amendment, family members of EU citizens who are third-country nationals and who want to reside in the CR will continue to need (and will be entitled to) a permanent residency permit, which provides them with the same protections as EU citizens. The amendment also extends the category of family members to persons who are being cared for by an EU citizen in his/her household out of health reasons.¹⁸

As opposed to the new “Act on Foreigners”, less progress has been made in applying the Directive 2000/43/EC on racial discrimination. The “Act on Employment” of May 2004 protects foreigners from discrimination in employment on the basis of ethnicity, race or country of origin, but does not cover the full scope of situations outlined in the directive. A new “Antidiscrimination Act” was proposed by the government in 2004, which would protect against discrimination in access to employment, self-employment, education, social protection (social security, medical care) and access to goods and services, including housing. Legal residents would be protected against discrimination on the basis of ethnicity, nationality, race, religion and other factors.

The antidiscrimination bill has been actively lobbied by NGOs for its approval. However, while it was first anticipated to be in force by 2005, it has not been passed by Parliament. The House of Deputies approved the bill in its third reading in December 2005, but was later rejected by the Senate in January 2006. After the bill was returned to the House, it was finally rejected by that body in May 2006. In light of the current political stalemate in Parliament – that the parties on the left and on the right have an equal number of seats, preventing a government from gaining confidence – it will likely be some time until a new bill will be drafted and passed.

By law as well as in practice, immigrants entitled to work have the same employment opportunities as Czechs. The MoLSA website “Jobs for Foreigners” (http://portal.mpsv.cz/sz/zahr_zam/prociz) enables

¹⁸ While NGOs commenting on the legislation have generally praised the new liberal policy, it is not without problems. The NGO *Organization for Aid to Refugees* has criticized the amendment for not exempting EU long-term residents from visa duty if he/she travels to another EU member state. A foreigner holding a long-term permit in the Czech Republic could easily be granted an EU long-term resident status, but it does not allow him/her to visit family members in another EU country with the exception of Slovakia. Those clauses of the amendment could thus be seen as in conflict with the fundamental right of free movement of persons in the EU.

foreigners to search for job vacancies in the CR (it currently lists over 32,000 vacancies), to post their CV online, as well as for employers to post job opportunities. The search engine includes jobs listed at all labour offices, and is automatically set up to display job offers in which the employer is authorized and willing to employ foreigners. In early 2006, MoLSA also set up a similar EURES search engine. Both sites contain useful information for how employers can employ foreign workers.

While there are no specific measures to support migrant entrepreneurship, the process for gaining a business license is quite liberal and is the same for both Czech citizens and foreigners. According to the CSO, 30.7% of all economically active foreigners had a business license at the end of 2005, nearly double the percentage of 15.8% for the Czech workforce. 99% of all Vietnamese immigrants work on the basis of a business license.¹⁹ Lastly, the possibility of immigrant entrepreneurship has also been improved by the new *Act on Foreigners*, which enables foreigners to acquire a business licence if they have a residency permit for the purpose of study, to unite their family, or to work in dependent employment.

One of the most significant developments in government action towards immigrant labour is the pilot project "Active Selection of Qualified Foreign Workers," approved by the government in July 2003. Applicants from selected countries are ranked on a point system addressing seven criteria (employment, work experience, education, experience in the CR, language abilities and family members). The project does not provide an applicant with a job, housing or financial support. But if an immigrant loses a job during the first 2.5 years due to no fault of his/her own, a 30 day period is allowed in which the applicant can find a new job without the need for a new visa. Another benefit is that participants can apply for permanent residency after only 2.5 years instead of the current 5 year requirement.

The pilot project initially targeted immigrants from Kazakhstan, Croatia and Bulgaria, but has been gradually extended to more countries.²⁰ The programme has also been extended to recent graduates of Czech secondary schools and universities regardless of their country of origin. While the programme claims to target immigrants with dependents, approximately half of all successful applicants do not have children. By the beginning of May 2006, there were 405 successful applicants (still well below the goal of 1,000 participants), the majority of which are from Belarus and Bulgaria, as well as have some university education (see Table 2.2).

The pilot project also has a number of drawbacks. One of the main conditions for the programme is that the applicant has to gain a valid work permit and long-term residence permit for the purpose of employment on his/her own, which is very difficult for many foreigners to do. Also, Czech employers have been reluctant to hire skilled foreign workers due to administrative barriers, poor language skills, and other reasons (Vavreckova et al., 2006). The programme has not been accompanied with a public debate about key questions about the programme, such as how, which and by whom foreigners should be "selected."

¹⁹ One reason for the high degree of migrant entrepreneurship is that the process of gaining a business license is significantly easier than gaining a work permit. It used to be believed that the so-called "Svarc system" also contributed to this (in which persons, who *de facto* work as employees, invoice their work to the employer on the basis of a business license, with the effect that the employer does not have to pay for health or social benefits or respect other social protections), but the 2004 "Law on Employment" has cracked down on that practice.

²⁰ The project is now open to citizens from Belarus, Bosnia and Herzegovina, Bulgaria, Croatia, Canada, Kazakhstan, Macedonia, Moldova, Russia, Serbia and Montenegro, and Ukraine.

Lastly, corporate social responsibility is a relatively new phenomenon in the CR and is not discussed in the Updated Concept or other documents concerning immigrant integration. The Ministry of Industry and Transport also does not have a programme or contact person for corporate social responsibility. The leading NGO in this area, GARDE (part of the Environmental Law Service), approaches the concept of corporate social responsibility from the environmental point of view.

2.1.4 Education

According to the CSO, in the 2004/2005 school year 11,860 foreign students studied at Czech basic schools (30% from Vietnam, 22% from Ukraine, 14% from Slovakia and 9% from Russia), representing 1.29% of all pupils at those schools (see Table 2.4 for comprehensive data). At the tertiary level, Slovak citizens constitute 66% of all foreign students at Czech universities. While the number of tuition-based programmes in English is increasing at a number of universities, language continues to hinder access to tertiary education.

According to the NGO *Organization for Aid to Refugees*, the new “Act on Schools,” which went into effect at the beginning of 2005, negatively impacts immigrant integration since it deprives foreign pupils who do not have residency status from attending primary education. Before that time, all foreign children, regardless of their residency status, had the right to education, as required by international treaties and EU documents. After releasing their report on the problem, the *Committee for the Rights of Foreigners* of the *Government Council for Human Rights* agreed that regulations need to be established to ensure access to education for all foreign children regardless their residency status. A draft amendment to the Act on Schools has also been submitted to the government addressing this issue.

In the area of language instruction, the Act on Schools provides that children of EU citizens have the same access to education as Czech pupils. In addition, regional authorities are required to provide free Czech language preparation to children of EU citizens who work or reside in the Czech Republic (children of asylum-seekers are also entitled to this). However, regional authorities are not required to provide free preparatory Czech language classes or other forms of tutoring for non-EU immigrants. While immigrant pupils from Slavic-speaking countries, as well as many Vietnamese children, have been able to learn Czech quickly, this cannot be generalized to all immigrant pupils as a whole. Language instruction will likely become a greater problem as more children of first generation immigrants enter the Czech educational system.

The CR also lacks a comprehensive system of Czech language instruction for immigrant workers. In line with the Updated Concept’s goal of requiring knowledge of Czech as a condition for permanent residency, the Ministry of Education is designing new curriculum for Czech language instruction. However, attention needs to also be given to the problems of access and cost. As a best practice, since 2004 the Pardubice regional government has provided “Integration Courses” (which includes 45 hours of instruction of Czech language and society) in which 30% of the cost is paid by the immigrant and 70% is covered by a grant from the region. Pardubice is the only region in the country to offer such a programme.

In terms of valuing the diverse background of immigrants, significant changes have taken place in the new programme on curriculum reform, which Czech primary schools will begin to implement in the 2007/2008 school year. The 2004 “Act on Schools” provided the basis for the “Framework Education Programme for Primary Education,” which requires primary schools to develop their own curriculum in line with the Framework and encourages teaching to move away from rote memorization towards a

focus on critical thinking, discussions among pupils, and other social and civic competencies (e.g. respecting the convictions of others). The Framework Education Programme for Primary Education points out that the integration of minority pupils (so-called “pupils with social handicaps”) may require that schools adopt individual education plans for them or other forms of special attention. In addition, one of the cross-sectional themes of the Programme is the promotion of multicultural education, particularly in terms of learning one’s own culture as well as that of other pupils in the classroom. The main themes to be promoted are cultural differentiation, human relationships, equality of peoples, multiculturalism and the solidarity of peoples. The Programme is supposed to be binding, but the curriculum reform promotes a decentralization of curriculum development, providing more scope for teachers and schools. It will be important to monitor in the future the degree to which basic schools actually integrate multiculturalism into their curricula.

The 2004 Czech “Act on the Recognition of Professional Qualifications” enables EU citizens, as well as citizens of EEA countries and Switzerland, to apply for the recognition of their professional qualifications. The legislation is in accordance with the three EU directives on the “general system for the recognition of professional qualifications.” The application process for the 480 regulated professions in the CR is relatively simple; but if the given profession is also regulated in the applicant’s home country, he/she will have to include certification of the qualification in the home country as part of the application. As mentioned earlier, foreigners who reside in the country for more than 5 years now have the legal standing of a long-term EU resident in the CR, which enables their qualifications to be recognized on the basis of the same conditions as other EU citizens.

2.1.5 Housing, health care and problems of target groups

Access to decent housing for immigrants is limited due to the undeveloped nature of the rental market outside of Prague and the high cost of rent on the open market (particularly in Prague). Researchers have found that Ukrainian immigrants in Prague often live in over-crowded apartments with numerous persons per room and pay 2-3 thousand CZK to live in those conditions. One key reason for this is the continued regime of rent regulation (affecting 750,000 apartments in total), which limits the available housing stock available on the rental market, limits mobility and inflates the price of rent for unregulated apartments. This is set to gradually change with the “Act on the Unilateral Increase of Rents from Apartments”, which will go into effect in January 2007.

In the “Housing Policy Concept” approved by the government in March 2005, there is no mention of any policies or proposals oriented towards foreigners, immigrants or national minorities. While access to decent housing and improvements to the urban environment are major areas of government policy, immigrants’ sense of belonging has not been a target of those policies. The Updated Concept mentions that access to housing is a significant problem for immigrants, but did not mention any proposals to solve the problem. The City of Prague has said that it will develop a new policy for the immigrant integration in Prague in light of the Updated Concept.

Unlike Roma communities, immigrants face fewer problems of residential segregation due to the economic and national diversity of immigrant populations. There is a significant concentration of Vietnamese communities in border areas of West and North Bohemia. While Vietnamese families tend to live near each other, the situation is not seen as racial segregation. In Prague, some immigrant groups tend to live in certain neighbourhoods, such as Ukrainians in the Liben district, but residential segregation of non-Roma immigrants has not been significantly addressed by NGOs. In March 2004,

the CSO recorded that roughly half of all permanent residents had the permit on the basis of family unification with a Czech citizen, which also eases their integration.

Immigrants can apply to live in municipal flats, which are usually the most affordable housing option available. However, the *Counselling Centre for Citizenship, Civil and Human Rights* has claimed that municipal offices often discriminate in the application process for municipal apartments by using suspicious criteria as the “respectability” or the “reputation of the applicant and his/her family.” Recent data is not available on the number of immigrants who live in municipal apartments and other forms of housing.

Further, access to housing by third-country nationals who are not permanent residents of the CR is restricted by the fact that most do not have the right to buy real estate. Sometimes, foreigners, with the help of mediators, create untransparent, quasi-legal business entities and joint ventures in order to get around the restrictive legislation (Gabal, 2004). For immigrants who can purchase property, almost all banks providing mortgage loans also provide loans to foreigners. According to a study by the *Multicultural Centre Prague*, the number of foreigners receiving mortgage loans has also been increasing.

In terms of the access to social services, the greatest problem is that dependents of third-country nationals who are not permanent residents cannot participate in the public health insurance. While working immigrants have access to public health insurance via their employment, their children and other dependents are not covered. However, according to the Updated Concept, the Ministry of Health Care is supposed to submit to the government, by the end of 2006, a proposal for a bill that would enable unsupported children of immigrants who have a visa for residence exceeding 90 days to have access to public health insurance. Similarly, the Ministry should also adopt measures allowing immigrants with private health insurance to pay insurance contributions in monthly instalments. In 2004, only 24,357 foreigners had had private insurance contracts with the *General Health Insurance Company*, which may suggest a large number of uninsured, particularly among illegal immigrants.

As for immigrants with disabilities or mental health problems, access to the relevant health services is provided on the basis of their health insurance. The CR does not have special programmes addressing that specific group. In terms of other target groups, the integration of immigrant women (who constitute 40% of all immigrants) is a particular problem. According to the Updated Concept, immigrant mothers, particularly those who stay at home, struggle with the Czech language, face social exclusion and often do not have the language skills to assist their children in school or to navigate health care and other institutions. However, no specific measures are envisioned to facilitate their integration.

There have also been NGO and media reports focusing on the problem of the exploitation of female immigrants for forced labour and prostitution. According to a June 2006 study by the NGO *La Strada*, most cases of forced labour involve female immigrants from Asian countries, such as China and Vietnam. Jelinkova (2006) documented the problem of possible forced labour among North Koreans, particularly in the town of Nachod. Overall, these problems are tackled by the Ministry of Interior through immigration, asylum and other laws, rather than through integration practices. The new “Act on Foreigners” will enable victims of trafficking in humans (who serve as witnesses against the perpetrators) to gain residency for a minimum of 6 months for purpose of their protection, in line with Directive 2004/81/EC. They will also be provided with free health care, financial assistance on level of the Minimum living standard, and be able to work without a work permit for that period.

Since immigration to the CR is a relatively new phenomenon, most second generation immigrants are still young children in primary education. Therefore, the issue of the discrimination of second and third generation immigrants is not tackled in ways other than by the integration programmes and proposals focusing on immigrants as a whole.

2.1.6 Information, communication and cultural issues

As for the civic and political participation of immigrants, non-EU permanent residents still do not have the right to vote in municipal elections. The denial of that right significantly limits the integration of foreigners in the civic life of communities in which they live. On the other hand, the new “Act on Foreigners”, for the first time, enables foreigners to establish civic associations. This should end the Ministry of Interior’s practice in denying the registration of civic associations whose founders are all foreigners.

The Updated Concept affirms that immigrant integration requires an active role by local and regional governments. However, Czech law does not require regions or municipalities to deal with the issue of immigrant integration. In 2001, the government established consultative bodies for immigrant integration in all districts of the CR, but after the dissolution of District Offices at the end of 2002, the activities of those consultative bodies also ended.

While some regions and municipalities have developed their own programmes, such as the integration programme by Pardubice regional authority mentioned earlier, much more progress is necessary. In the South Moravia region, there is currently a programme called “Our fellow foreigners” which supports a broad range of projects in the area of immigrant integration. For the 2006 programme, 1 million CZK of funds are available. Similarly, in the South Bohemia region in 2005, there was a programme on “strengthening the social inclusion of members of Roma communities and immigrants” in which 300,000 CZK was available for a range of integration projects. Also, the Prague City Hall has a *Committee for the Integration of Foreigners* and has a grant programme for immigrants and national minorities. Overall, however, regional governments need to do more in terms of providing better quality information to foreigners about living and working conditions in the given region.

In terms of integration policy, NGOs serving the needs of immigrants actively participate in the bodies responsible for policy formulation, such as the intergovernmental *Commission for the Integration of Foreigners* at the MoLSA. While the MoLSA has made great improvements to providing information in English, information in other languages is not as accessible. The IOM administered site www.domacr.cz (financially supported by the MoLSA), which provides useful information to help with the integration process, is translated into English, Russian, Ukrainian, Vietnamese and Armenian.

On the other hand, information provided by the Ministry of Interior is very poor. It has still not updated information on its website on residency and work permits in accordance with the new “Act on Foreigners”. Information on immigration laws is both difficult to find on the Ministry’s website, is of poor quality, and is translated into English, German, Russian, French and Spanish, which are not languages that best correspond to the demographics of the immigrant population. Potential immigrants therefore usually have to rely on information provided by Czech embassies abroad or by non-state websites. Official documentation, particularly laws, policies and concepts relating to immigrant integration, are generally not accessible in languages other than English and Czech on government websites.

Perhaps the greatest threat relating to the discrimination of immigrants concerns their representation in the media. Ukrainians and Vietnamese immigrants are frequently portrayed as being involved in criminal activities (illegal migration for the former, illegal smuggling in goods for the latter). The NGO *Multicultural Centre Prague* actively monitors discrimination against immigrants in the media. In July 2006, for example, most media articles discussing the Vietnamese in the Czech press focused on criminal activities (in which they were either the victims or persecutors) or portrayed Vietnamese as “market people.” The media typically describes outdoor markets in which some Vietnamese work as “Vietnamese markets,” which reinforces a sense of collective guilt when a negative event happens there. The media presentation ultimately reinforces negative stereotypes about their ways of life, which are often seen as mysterious or unknown to Czechs. On the other hand, positive articles focusing on the success of Vietnamese pupils at primary and secondary schools are gradually being published.

In the face of negative stereotypes about immigrants, government attempts at awareness raising are not yet sufficient. In 2006, the Ministry of Culture supported 22 projects in its “Integration of Foreigners” programme. Most of the projects went to support NGOs providing information or activities about specific groups of foreigners. While the presentation of cultures is important, there also needs to be a greater emphasis on projects focused on having Czechs critically think of their country as a multicultural society and as a country of immigrants. There is also a need for funding for projects and advertisement campaigns that would specifically challenge the negative stereotypes of immigrants in the press and among the population.

2.1.7 Emigration

Emigration is generally seen as a less significant issue compared to immigration, and out-migration flows are also significantly smaller. According to the CSO, while 58,576 foreigners immigrated to the Czech Republic in 2005, only 21,796 left the Czech Republic for abroad. Ukrainian citizens constitute 52% of emigrants, Slovak citizens 9% and Vietnamese 7%. The profile of emigrants and immigrants by statehood thus coincides somewhat. Importantly, while the number of emigrants had gradually increased from 2001-2004 (from 20,566 to 33,784), the sharp decline in 2005 took place at the same time as the number of immigrants also began to accelerate.

Today, the emigration of skilled Czech workers (the so-called “brain drain”) to Western Europe is frequently discussed in the press. While comprehensive data for the total number of Czech emigrants is not available, as an example, British media (referring to the Accession Monitoring Report May 2004-June 2006) has reported that roughly 25,000 Czechs applied for work permits during that two-year period in the UK alone. A number of academic studies are now focusing on the issue (e.g. Vavreckova et al. 2006), with particular attention on the supply/demand causes of Czech emigration and its impact on the competitiveness of the Czech economy. Special problem issue related to social inclusion is the emigration of Roma which is treated in the second section of this chapter.

2.2 Roma

2.2.1 General background information

Roma in the CR face multiple forms of social exclusion. Despite years of attention to the problem and modest efforts by the state, the situation is not getting better, but worse. Roma continue to face a social exclusion trap due to the difficulty of overcoming simultaneous exclusionary forces, which include long-

term unemployment (often of both parents), multiple children per family, welfare dependency and income below the national poverty line, long-term and repeated unemployment, indebtedness, poor access to secondary and tertiary education, and low-quality housing conditions, which leads to frequent evictions and *de facto* forced resettlement into destitute housing arrangements.

According to most estimates, there are between 200,000-300,000 Roma in the CR. However, only 11,746 declared themselves as such in the 2001 Census of the Population, meaning official data is almost entirely unreliable. In fact, the almost non-existent statistical data on the Roma community also contributes to their social exclusion, since it is difficult to ascertain the seriousness of the problems they face and thus dedicate state resources effectively. In 2004, the government allotted 93 million CZK for various programmes addressing the Roma, and the proposed amount for 2005 was nearly 111 million CZK. A greater amount of funds is certainly necessary to tackle all of the forms of social exclusion Roma face.

A part of the problem is that Czech legislation does not recognize the status of persons on the basis of "ethnic minority," "ethnic origin" or "race." Most scholars, officials and NGOs thus use the term "member of the Roma community" instead. According to the "Act on the Protection of Personal Data", ethnicity is considered sensitive data that can be collected only with the consent of the individual in question. This problem has the effect of denying the phenomenon of race and racial discrimination in Czech society. While the data collection issue has been known for many years, the government has shown little initiative for developing innovative research methods for getting around the issue. Too much time has been lost debating the definition of "Roma" and less on actually solving the problems that face them.

As was mentioned earlier, in 2006 the Czech Parliament failed to pass the "Antidiscrimination Act", which would implement Directive 2000/43/EC on racial discrimination and provide needed protections for the Roma community. At the current moment it is not clear if and when a new bill will be drafted.

The Czech government has two main bodies that address Roma issues. *The Government Council for National Minorities* supports the maintenance, development and presentation of national minority cultures, such as supporting publications in national languages. It addresses the social exclusion of Roma by promoting tolerance and understanding by the majority society and by promoting Roma traditions and culture. Recognized national minorities include Bulgarian, Croatian, German, Greek Hungarian, Polish, Roma, Ruthenian, Russian, Serbian, Slovak and Ukrainian. Only 2 of the 28 Council members represent the Roma community.

The Government Council for Roma Community Affairs is an advisory and coordinating body of the government for issues relating to the Roma community. The membership consists of ministerial representatives and 14 Roma representatives, each from a different region. As an advisory body, the Council cannot control what local and regional governments do, which is problematic since many of the problems of the social exclusion of Roma exist on the local level. One of the ways the Council tries to address social exclusion is through grant programmes. Its 2007 grant programme focuses on field social work in socially excluded Roma communities, in which municipalities can receive up to 200,000 CZK for a single field social worker. The Council requested 13 million CZK from the state budget for the programme. An additional grant programme on preventing the social exclusion of Roma communities is also expected for 2007 (but has not been announced), for which the Council requested 30 million CZK.

The Government Council for Roma Community Affairs also publishes the "Concept of Roma Integration", the most recent one being for 2005. The *2005 Concept* seeks to improve the standing of

Roma in all spheres of life and remedy the inequalities that afflict them. The 2005 Concept had seven priorities:

- Remove discriminatory barriers to the social inclusion of Roma
- Provide help in removing internal handicaps to inclusion, particularly the problems of education and professional qualifications of Roma
- Help improve the social standing of Roma, such as reducing their unemployment, improving their housing and health situation, etc.
- Stop the emergence and spread of socially excluded Roma communities
- Ensure the development of the Roma language and culture
- Help create a tolerant environment in Czech society
- Ensure the security of members of the Roma community

The 2005 Concept accurately describes the multiple problems the Roma community faces. However, unlike the updated 2005 “Concept of Immigrant Integration” discussed above, the 2005 “Concept of Roma Integration” does not systematically list how all of the problems it discusses should be addressed and does not use concrete timelines for achieving given targets. Ministries are thus not held accountable for accomplishing targets by a given timeframe. This is partly because the 2005 Concept overviews the degree to which regulations concerning Roma integration have been fulfilled, rather than proposing new or innovative measures to solve the problems.

The Council also published the “Report on the Roma Community in 2004” (again, a more recent document is not available), which overviews the problem of the social exclusion of the Roma community and the government programmes aimed to address it. Like the 2005 Concept, it does not list new or more effective measures or provide timeframes for achieving specific targets. To enhance the effectiveness of both documents, there needs to be a greater differentiation between them, such as by having the “Concept of Roma Integration” focus more on proposals, targets, responsibilities and timeframes.

2.2.2 Employment issues

The social inclusion of Roma cannot be achieved without a solution to the problem of unemployment. It is estimated that the unemployment rate of Roma ranges from 45-50%, of which three-quarters are long-term unemployed (of those, 30% are thought to be unemployed for more than four years). It is also estimated that 35% of Roma suffer from repeated unemployment. In the city of Ostrava, for example, where 30-40 thousand Roma live, it is estimated that 80-95% are unemployed. Over time, the long-term unemployed become dependent on social assistance, they lose aspects of their work qualifications, and fall into a culture of poverty. According to a Special RILSA-Brno survey on social exclusion (Mares and Sirovatka, 2006), 19% of economically inactive respondents declared themselves as Roma, 11% of the long-term unemployed declared themselves as Roma, and 7% of the short-term unemployed said they were Roma.

While the above numbers are alarming, a new August 2006 report “Analysis of socially excluded Roma communities and the absorption capacity of actors working in this area” (Analysis hereafter) indicates that the social exclusion of Roma is worse than previously thought. The Analysis, which was commissioned by the MoLSA, used a combination of intensive fieldwork and criteria for identifying socially excluded communities in order to create a database of some 330 socially excluded Roma

communities in the country.²¹ The Analysis found that in the majority of Roma communities researched, the Roma unemployment rate ranged from 90-100% (the regional unemployment rate had little impact on this). Since even employed Roma often work in seasonal or occasional labour, they also face economic marginality.

In terms of the factors leading to Roma unemployment and social exclusion, the authors of the Analysis identified the following factors, among others:

- *Lack of education.* Most Roma in socially excluded communities have no work qualifications, have had only basic education, and are less interested in performing unqualified labour than immigrants (e.g. Ukrainians).
- *Poor health conditions* of Roma, in part a result of poor housing conditions.
- *Household debt.* Families have had problems with quick loans with high interest rates; property execution and housing evictions are also common.
- *A tendency to work in the grey economy.* This type of seasonal or occasional labour is quite risky, as Roma are deprived of labour regulations.
- *A low level of mobility.* Given their poor economic state, they are also unable to find housing in other communities where there may be jobs.
- *Discrimination* on the part of employers is also frequent.

Another theme of the Analysis is that the state support benefit system does not provide economic incentives for Roma to work. It will be important to see if the widening gap between welfare and working status influences the motivation and ability of unemployed Roma to find a job. Lastly, the Analysis also emphasized that government's efforts to provide equal opportunities on the labour market for Roma have not been successful. Labour offices need to make more efforts in working directly with prospective employers in job creation. Another part of the problem is that data is not collected on Roma during the evaluation of employment programmes.²² On the other hand, the MoLSA has a *Commission for Solving Issues Related to Citizens with Difficulties in the Labour Market with Special Regard to the Roma Community*. Established in 2001, the commission seeks to ensure that labour offices implement special retraining programmes and apply preferential treatment to Roma when creating public works and socially useful job opportunities. Data on the Commission's progress are not available.

Given the complex nature of the unemployment problem facing Roma communities, effective measures will likely have to incorporate a more active role for social workers and assistants in the given communities in order to help create better family, social and educational preconditions for working on the labour market. A key condition for this is for the government to provide greater financial resources for more and better qualified social workers. The current grant programme by the *Government Council for Roma Community Affairs*, which will support up to one social worker in a given socially excluded community, is far from sufficient in this regard. Nevertheless, some NGOs (e.g. People In Need) also finance field social workers in excluded Roma communities.

2.2.3 Education

²¹ Since the release of the Analysis in August 2006, there has been significant debate about its contents by experts and the informed public. On September 11, the *Government Council for Roma Community Affairs* made a statement supporting the results of the Analysis and called for the government to solve the problems through intergovernmental cooperation and to make systematic changes in the areas of education and employment policy. The Analysis has also led to debate about what counts as a socially excluded Roma community and whether "ghetto" is an appropriate term for such communities. While the Analysis avoided using that term (it is thought to have negative connotations from Jewish ghettos during WWII), the Roma NGO *Dzeno Association* and the *People in Need Foundation* analyze socially excluded Roma communities as ghettos.

²² For example, the 2006 RILSA report "Evaluating the effectiveness of active employment policy programs did not even mention Roma a single time.

As is well known, a fundamental barrier to the labour market participation of Roma is the fact that the majority of Roma in socially excluded communities have finished only primary education. A combination of poor knowledge of Czech, poor school attendance and a poor motivation to learn are key factors that lead Roma pupils to drop from basic to special schools. According to the “Analysis of socially excluded Roma communities and the absorption capacity of actors working in this area” funded by the MoLSA, in the majority of schools in socially excluded Roma communities, Roma pupils constitute half of all of the pupils in special schools and only a small percent of pupils in basic schools. It should be noted, however, that the 2004 “Act on Schools” has replaced special schools with “basic schools with a special educational programme.” As the Ministry of Education has not yet produced a report evaluating the effectiveness of the change, it seems that this has largely involved a name change without a fundamental change of curriculum.

Regarding policies aimed at the protection of children at risk of social exclusion, the Ministry of Education developed a “Concept of the early care of children from socio-culturally disadvantaged backgrounds in the area of education,” which the government adopted on May 11, 2005. One of the goals of the Concept is to increase the number of Roma pupils in the main educational track (i.e. in basic schools), increase their academic success, and provide support to parents and children towards their social integration. On the basis of the Government’s decision, the Ministry has, among other things, the responsibility to:

- realize programmes and measures aimed at increasing the number of children from socio-culturally disadvantaged backgrounds that will complete preschool education in preschools or in preparatory classes for children from such backgrounds;
- develop programmes and measures for the training of teachers who work with preschool children from 3 years of age from socio-culturally disadvantaged backgrounds;
- realize pilot projects on the early care of children from socio-culturally disadvantaged backgrounds by creating centres for early care through or at the preschools or basic schools at which the pupils will study.

In addition to nationwide educational programmes (discussed below), the Ministry of Education seeks to provide early educational preparation of Roma children through the grant “Programme for the Support of the Integration of the Roma Community.” The programme provides grants for:

- support for increasing the participation of Roma children in preschool education, and for increasing the chances of Roma children to successfully enter basic school;
- support for basic and secondary schools with a large number of Roma pupils, so as to further their integration in the main educational track;
- support for the further education and pedagogical training of teachers working with Roma children in preschools and basic schools, with the aim of increasing the effectiveness of educating them;
- Afterschool and interest-based activities for Roma children and youth, so as to support their educational needs; and other areas.

In 2006, the grant programme provided 9.63 million CZK in two rounds of funding, roughly constant with the allocation for 2005. The predominant recipients of the funding are schools and Roma NGOs.

Another promising effort can be observed in the creation of preparatory classes for children of socio-culturally disadvantaged backgrounds, which were established on the basis of the 2004 “Law on Schools.” The classes take place in the year before the first year of obligatory education and are intended to provide more even conditions for those children to enter basic schools. Much of the education in the preparatory classes focuses on learning the Czech language and on mental

development, but they also include creative activities to motivate Roma pupils to attend them. By law, free preparatory classes can be established if at least 7 pupils will attend it, but can have at most 15 pupils. The principal of a basic school decides whether a child should attend preparatory classes, which it does on the request of the child's parents and on the basis of a written recommendation by the school counsellor. As of September 2005 there were 123 preparatory classes for 1,441 Roma pupils. The 79 of those classes took place in regular basic schools. By comparing the data from the 2004 and 2005 Reports on the Roma Community, it is clear that the number of such classes and children enrolled has been declining: compared to the 2005 figures above, in 2004 there were 126 classes for 1,779 children, while in 2003 there were 137 classes for 1,824 pupils.

On a positive note, a 2003 "Report on the Project on Monitoring the Effectiveness of Preparatory Classes" found that 89% of pupils attending preparatory classes at basic schools were able to advance to a basic school for the first grade, while only 49% of pupils attending the classes at special schools were able to do the same thing. On the other hand, in the report "Analysis of socially excluded Roma communities" discussed above, it was found that only 68 of the 383 schools in those communities offer preparatory classes. Another problem of the preparatory classes is that they can be seen as a form of segregation, since virtually all of the students in those classes are Roma.

One of the most important mechanisms for the future social inclusion of Roma children is attendance in preschool education (for pupils aged 3 to 6 years), which would provide them greater exposure to Czech language earlier on. Municipalities operate public preschools (kindergardens) but charge an attendance fee, which can be waived in the case of pupils from socio-culturally disadvantaged backgrounds. Also, according to the "Act on State Social Support" that went into effect in January 2006, parents can receive the parental benefit (which will be doubled in January 2007 to 7,600 CZK) if they are caring for a child under four years of age (under seven years in the case of a physically disabled child). However, a condition of the law is that, to receive the benefit, the child younger than three years old cannot attend a creche or similar state-supported day-care facility for more than 5 calendar days a month. Also, a child who is three years old cannot attend preschool (kindergarten) or similar facility for more than four hours a day.

A positive area of reform in Roma education concerns so-called Teacher Assistants (formerly known as Roma assistants). The assistants are usually recruited from the Roma community and help prevent adaptation and communication difficulties and other educational problems experienced by Roma pupils. They also communicate with Roma parents, monitor that pupils do their homework, help with individualized lessons, and also help other pupils from socially disadvantaged backgrounds. Importantly, schools requesting teacher assistants do not need to have a minimum number of pupils from socially disadvantaged backgrounds. The increase of the number of assistants from 150 in 1999 to 318 in 2006 can be seen as a positive development, though more assistants are necessary (see Table 2.3). Only 127 of the 383 schools located in socially excluded Roma communities said that they had teaching assistants, and of those, 63 were at special schools.

Lastly, in terms of multilingualism, national minorities have the right to be taught in their national language. However, no Roma communities have been able to exercise this right due to the low number of Roma evidenced in the 2001 Census of the Population. The only national minority to have primary and secondary schools in their native language are Poles. In 2005, all schools where Polish was the language of instruction were in Northern Moravia, where there were approximately 3,700 pupils enrolled in 32 preschools, 25 primary schools and 5 secondary schools (Report on National Minorities in 2005).

2.2.4 Housing, health care and social services

Many Roma communities suffer from poor access to decent housing. The majority of Roma slums and poor housing conditions emerged as a consequence of the economic transition, such as through the restitution and privatization of residential apartments (leading to tenant evictions), as well as the gentrification of urban centres where many Roma once lived, in which market forces compelled them to find cheaper housing. Many housing policies – from regulated rent to apartment privatizations – were implemented without regard to the socio-economic conditions of tenants.

In addition, Roma have also suffered from the trend of forced evictions – most often by municipal governments themselves – as a result of their inability to pay rent, which forces them to stay in shelters, boarding-houses and other alternative housing. Many of those alternative housing facilities are in poor technical condition, lack adequate infrastructure, and are isolated from other populated areas. Forced evictions also reflect a tension between social inclusion policy, on the one hand, and the apparent desire of some municipalities to have Roma move out of their community, on the other.

Most recently, in October 2006 the city of Vsetin has begun to evict 46 families (who are mostly non-rent paying Roma) from dilapidated municipal apartments, moving most of them into small housing modules or “containers” at the outskirts of the city. The “containers” are similar to modules at construction sites but they are equipped as comfortable apartments and assembled into small houses. According to the mayor (Vsetin 2006), the Roma families will be given a one-month rental contract, and if they do not abide by it, they will be evicted from the modules as well. A controversial public debate evolved about legitimacy and appropriateness of such procedure. In the meantime, the mayor was elected Senator in last elections.

The combination of the above economic, social and discriminatory forces has gradually led to the development of slums and residential segregation. Regional governments have also not utilized their authority to oversee local governments by coordinating housing policies between them. Further, while there are government funds for housing construction for the socially needy, access to those funds depends on the interest of the municipal governments, who in turn often apply for funds for projects that do not reach the Roma community at all (Concept of Roma Integration).

Solutions to the problem of Roma resident segregation require initiative from municipalities and larger and better targeted grant programmes. The CR, for example, does not have non-profit social housing, unlike some Western countries. Field social workers also help to mediate the problem of the non-payment of rents. State funds could also be used to target the reconstruction of apartment complexes in which the majority of residents are members of the Roma community or have been designated as socially excluded community.

Social services addressing the needs of Roma communities are also indispensable for fighting social exclusion. In this regard the government programme “Field social work in excluded Roma communities” has helped shift social services away from social allowances towards direct social assistance and counselling of persons living in excluded communities. The purpose of a field social worker is to analyze the social situation of families living in these communities and find appropriate methods for improving their situation. Since 2002, the Roma NGO *Drom* has been organizing a specially accredited programme for the field social workers, which has been funded by the state budget and the ESF. Also, in September 2006, the NGO *Drom*, the *Government Council for Roma Community Affairs* and other stakeholders organized a series of seminars on field social workers aimed at informing municipal and regional authorities about the possibilities of utilizing them for alleviating the social exclusion of Roma.

As regards the health care of Roma, there is a significant need for objective data on the health situation of Roma communities as compared to the majority society, as well as whether Roma have the same access to health services as others. The Ministry of Health Care does not have a major programme oriented towards Roma; indeed, the Programme "Health 21," which establishes long-term policy objectives for improving the healthcare of the Czech population, does not mention Roma a single time. The "Report on the Roma Community in 2004" overviewed basic health trends of the Roma population, mainly in terms a survey conducted on how Roma perceive the quality of their health care. In September 2006, the *Government Council for Roma Community Affairs* organized a seminar on "The Reduction of Health Inequalities in the Roma Community," which provided information about the international project SASTIPEN.

Lastly, in December 2005 the Ombudsman of the CR issued a final report on the problem of the sterilization of Roma women (Ombudsman 2006), which has been widely discussed in the international literature. The Ombudsman concluded the final report with recommendations in terms of legislative reform, new methods for preventing the practice of forced sterilizations, and recommendations for reparations. Those recommendations have not yet been acted upon by the Czech government.

2.2.5 *Other problems: discrimination, communication, political participation and emigration*

As already mentioned, the key legislative measure for fighting against ethnic discrimination was the *Anti-Discrimination Act*, which failed to pass the Parliament. However, there have also been modest efforts made to raise the awareness of the public about the problem of discrimination in general. The *National Education Fund* has carried out the project "Legal Aspects of Various Forms of Discrimination in the EU and the CR." In 2005, the project involved the creation of a moot court for young students to educate them about EU discrimination policy. In 2006, the Czech government has supported projects in its "Campaign against Racism 2006" aimed at promoting a tolerant and open society towards minorities. Since only three NGO projects received support under the campaign in 2006, it is unlikely that the campaign will have broad society-wide impact.

Coupled with the problem of discrimination, Roma also lack visibility in the mainstream media. There is one radio program (*O Roma vakeren*) on Roma issues and in the Roma language on Czech Radio. Czech Television does not have a program focused on current issues of the Roma community, nor do private television stations.

In a related area, official documentation is not available in the Roma language. However, in 2005 the Ministry of Culture supported five magazines published in the Roma language, totalling over 5.5 million CZK, which represents roughly a sixth of all the funds used to support publications in the languages of national minorities (Report on National Minorities in 2005). Nonetheless, the lack of pedagogical and other educational materials in the Roma language prevents Roma children from gaining a better grasp of their native language, and perhaps also Roma culture.

While Roma enjoy rights to political participation, they are poorly represented in local, regional and national political institutions. There are currently no Roma in either house of the Czech Parliament. To promote greater political participation of Roma, the NGO *Athinganoi* has been carrying out a project on the "political training of Roma women," which is a part of the Roma Decade project. In the October 2006 local elections, the political party Roma Democratic Social Party gained only one municipal seat across the country, and the Roma Civic Initiative gained no seats. Roma politicians running for mainstream

parties gained only a small number of municipal seats. In addition, it has been reported in the media that 97% of Roma in socially excluded neighbourhoods of the city of Most have voted for the political party "Residents of Most for Most," which focused its campaign on the poor and Roma (the party itself had no Roma candidates running for office). As part of the election campaign, the political party gave away a hundred bicycles and 35 computers to potential voters, and promised other large prizes (three cars to be disbursed in a lottery) if they won office. While the case has received media criticism for potentially "buying votes," Roma NGOs have evaluated the success of the party positively.

As previously mentioned, addressing the problem of the social exclusion of Roma communities requires the active involvement of local and regional governments. Few local governments have specific bodies dealing directly with the issue, such as Usti nad Labem's *Coordination Group for the Care of Ethnic Minorities*, which engages in a number of activities focused on social work, has developed a network of consultancy centres for minorities, etc. At the regional level, a positive development can be observed in the establishment of Roma Regional Coordinators, which all regional governments are required to have on the basis of the 2000 "Act on Regional Authorities". The Regional Coordinators serve as contact points for problems of the Roma community, organize seminars on Roma issues, and help in bringing together integration activities at the national, regional and local levels. According to the "Concept of Roma Integration", the coordinators face a number of problems, such as the fact that they occupy different positions in different regional governments and that they tend to be viewed as social workers or Roma advisors, which prevents them from fulfilling their main executive duties.

Regarding the emigration of Roma, it gained international attention in 1997 when hundreds Roma persons left to Canada, the United Kingdom and some other West European countries. The declared causes of the emigration were discrimination that Roma perceived and the desire to give better chances to their children. Canada reacted by re-introducing visa obligation for Czech citizens. In mid-2001, British immigration officers performed preventive controls in Prague airport but this procedure was removed soon after being considered discriminatory by British justice. Only very few of asylum applications were complied and the rights vanished after EU accession. After EU accession, Roma emigration attenuated, also after stimulating a more intensive interest of the Czech government in Roma issues. No data on ethnic structure of emigration are available, however, due to impossibility to specify Roma ethnicity in statistics.

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- <http://www.athinganoi.cz> – Athinganoi Roma NGO
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- <http://www.romea.cz> – Romea Civic Association
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- <http://www.helcom.cz> – Helsinki Committee Czech Republic
- <http://www.opu.cz> – Organization for Aid to Refugees
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Tables

Table 1.1 Wage and benefits levels (CZK monthly and percent of the average wage)

Indicator	1991	1992	1994 **	1996 **	1998 **	2000 **	2002	2003	2004	2005
<i>In CZK monthly:</i>										
Gross average wage	3792	4644	7004	9825	11801	13614	15866	16917	18041	18985
Net average wage	3087	3715	5484	7654	9217	10660	12439	13212	14036	14366
Minimum wage	2000	2200	2200	2500	2650	4250	5700	6200	6700	7185
Net minimum wage	1600	1802	1878	2187	2318	3583	4702	5080	5457	5806
Unemployment benefit	1562	1351	1804	2275	2320	2781	3164	3324	3562	4215
Minimum living standard for single adult	1700	1700	2143	2718	3333	3685	4100	4100	4100	4300
Minimum living standard for family of four*	5600	5600	7005	8623	10245	10988	11980	11980	11980	12400
Average pension benefit	1777	2413	3059	4213	5367	5962	6830	7071	7256	7728
<i>In percent of the net (gross) average wage:***</i>										
Minimum wage	52.7	47.4	31.4	25.4	22.5	31.2	35.9	36.6	37.1	37.8
Unemployment benefit	50.6	29.1	32.9	28.6	25.2	26.1	25.4	25.2	25.4	29.3
Minimum living standard for single adult	55.1	45.8	39.1	35.5	36.2	34.6	33.0	31.0	29.2	29.9
Minimum living standard for family of four***	181.4	150.7	127.7	112.7	111.2	103.1	96.3	90.7	85.4	86.3
Average pension benefit	57.6	65.0	55.8	55.0	58.2	55.9	54.9	53.5	51.7	53.8
Net minimum wage in % of Minimum living standard for single adult		106.0	87.6	80.5	69.6	97.2	114.9	123.9	133.1	135.0

Sources: Statistical Yearbooks of the Czech Republic, Ministry of Labour and Social Affairs.

* Two adults and two children 10-15 years old.

** The weighted value used for the adjustment of the minimum living standard or minimum wage during the year.

*** Only the minimum wage is related to gross average wage, all other items are related to the estimated net wage. The estimate is made on family expenditures data by the Ministry of Labour and Social Affairs.

Following the January 2006 increase, the monthly minimum wage is currently CZK 7,570 and will rise again to CZK 7,955 in July 2006. This will bring the minimum wage to about 40% of the average wage (assuming the average wage in 2006 to be about CZK 20,000). According to OECD data, the minimum wage was only about 22% of the median wage in the late 1990s but this had already risen to 37% of the median by 2004.

Table 1.2 Changes of the personal income tax: resulting differences in income and tax averages by deciles of household gross income (static simulation in CZK yearly and percent taxing)

Income Decile	2004	2005	2006	2004	2005	2006
	Resulting differences in income			Tax averages		
1	108849	77	2556	2.7	2.6	1.1
2	151981	233	2660	5.5	5.3	2.9
3	181239	526	3517	6.4	5.9	4.5
4	205583	982	3865	7.2	6.8	5.4
5	231309	1097	4637	7.5	7.1	5.4
6	256777	1310	4894	8.3	7.8	6.6
7	286332	1368	5338	8.5	8.1	6.7
8	322495	875	4264	9.5	9.2	8.0
9	373536	983	3964	10.7	10.5	9.8
10	552314	-145	-1041	14.5	14.5	14.7
Average	266950	708	3444	9.8	9.5	8.6

Source: Vecernik, 2006.

Only households of non-agricultural employees with at least one and at most three economically active persons are included. Households must have non-zero income from earnings and zero income from self-employment. Fiscal drag is not taken into account and no indexation for income increase after 2002 is made. Household income for computing deciles is defined as gross labour income before tax and contributions and it is not weighted by persons.

Table 1.3 Distribution of wages (in CZK monthly and percent of the median of wage distribution)

	2000	2002	2003	2004	2005
<i>CZK monthly:</i>					
Average wage	15187	18133	19510	20545	21674
Minimum wage	4250	5700	6200	6700	7185
<i>In % of the median:</i>					
1st Decile	60.7	59.5	58.7	57.8	57.4
1st Quartile	77.6	76.9	76.2	75.8	75.6
Median	100.0	100.0	100.0	100.0	100.0
3rd Quartile	130.5	129.6	130.0	130.3	131.4
9th Decile	175.9	175.5	176.1	175.1	177.9
Q3/Q1	1.68	1.69	1.71	1.72	1.74
D9/D1	2.90	2.95	3.0	3.03	3.10
Average wage	115.9	116.7	116.8	116.0	116.6
Minimum wage	32.4	36.7	37.1	37.8	38.7

Source: CSO2006.

Table 2.1 Employment of foreigners 1995-2005 (persons)

Year	Foreigners with work permits	Other foreigners who are employees	Slovak citizens who are employees	Other EU citizens who are employees	Foreigners with business licenses	Total employment of foreigners	Total size of workforce	Percent f foreigners in the workforce
1995	52 536	-	59 323	-	36 996	148 855	5 220 095	2.85
1996	71 002	-	72 244	-	45 499	188 745	5 296 592	3.56
1997	61 044	-	69 723	-	63 529	194 296	5 138 708	3.78
1998	49 927	-	61 320	-	44 962	156 209	5 170 024	3.02
1999	40 312	-	53 154	-	58 386	151 852	5 203 422	2.92
2000	40 080	-	63 567	-	61 340	164 987	5 210 973	3.17
2001	40 097	-	63 555	-	64 000	167 652	5 192 006	3.23
2002	44 621	-	56 558	-	60 532	161 711	5 245 663	3.08
2003	47 704	-	58 034	-	62 293	168 031	5 263 144	3.19
2004	34 397	747	59 818	13 022	65 219	173 203	5 242 782	3.30
2005	55 210	2 659	75 297	18 570	67 246	218 982	5 419 285	4.04

Source: Horakova, 2006.

Table 2.2 Participants in the pilot project "Active Selection of Qualified Foreign Workers" according to citizenship and highest educational attainment (as of December 31, 2005)

Citizenship	Secondary technical without diploma	Secondary grammar school with diploma	Secondary technical with diploma	Higher technical degree	Bachelors degree	Masters degree	Doctoral degree	Total
Belarus	4	5	10	0	5	40	1	65
Bulgaria	4	15	77	12	8	45	10	171
Croatia	0	1	0	0	2	1	0	6
Kazakhstan	1	5	2	2	0	15	0	33
Moldavia	5	2	1	1	3	6	1	23
Serbia and Montenegro	0	0	0	0	0	4	0	6
Secondary school graduates in CR (all states)	0	0	0	0	0	0	0	1
University graduates in CR (all states)	0	0	0	0	10	17	8	35
<i>Total</i>	<i>14</i>	<i>28</i>	<i>107</i>	<i>15</i>	<i>28</i>	<i>128</i>	<i>20</i>	<i>340</i>

Source: Horakova, 2006.

Table 2.3 Grants by the Ministry of Education for Roma Teacher Assistants in 2006

<i>Region</i>	<i>Number of full-time assistants</i>	<i>Total distributed funds (CZK)</i>
South Bohemia	11	1 990 725
South Moravia	34,25	7 168 214
Karlovy Vary	14	2 915 192
Hradec Kralove	12,21	2 547 187
Liberec	19	4 118 138
Moravia-Silesia	66,64	15 056 906
Olomouc	36,76	7 161 809
Pardubice	8	1 811 398
Plzen	2,75	640 465
Prague	11	2 399 141
Central Bohemia	25	5 503 890
Ústí n/L region	60,29	13 497 803
Vysočina	8,5	2 016 730
Zlín	8,725	1 740 833
<i>Total</i>	<i>318</i>	<i>68 568 431</i>

Source: Ministry of Education.

Table 2.4 Children and pupils at nursery schools, basic and special schools, and at schools established with educational institutions by citizenship (school year 2004/2005)

	Nursery schools		Basic schools		Special schools		Schools established with educational institutions	
	Pupils	% of foreigners	Pupils	% of foreigners	Pupils	% of foreigners	Pupils	% of foreigners
<i>Total</i>	280,487	-	917,738	-	64,193	-	2,349	-
Czech Republic	277,284	-	905,878	-	63,877	-	2,296	-
Foreigners, total	3,203	100.0	11,860	100.0	316	100.0	53	100.0
EU 25, total	585	18.3	2,183	18.4	166	52.5	10	18.9
Other countries European	1,020	31.8	4,810	40.6	90	28.5	15	28.3
Other countries	1,598	49.9	4,867	41.0	60	19.0	28	52.8
With permanent residence	1,994	62.3	6,809	57.4	205	64.9	8	15.1
With temporary, or long-term residence	1,157	36.1	4,729	39.9	104	32.9	6	11.3
Refugees	48	1.5	306	2.6	7	2.2	4	7.5
Not identified	4	0.1	16	0.1	0	0.0	35	66.0
<i>Selected countries:</i>								
Vietnam	1,201	37.5	3,482	29.4	35	11.1	5	9.4
Ukraine	522	16.3	2,662	22.4	46	14.6	13	24.5
Slovakia	357	11.1	1,675	14.1	156	49.4	9	17.0
Russia	212	6.6	1,057	8.9	14	4.4	-	-
Kazakhstan	23	0.7	233	2.0	4	1.3	-	-
Mongolia	57	1.8	258	2.2	3	0.9	-	-
Armenia	20	0.6	209	1.8	3	0.9	-	-
Belarus	52	1.6	176	1.5	3	0.9	-	-
Serbia and Montenegro	32	1.0	155	1.3	8	2.5	.	-
Moldavia	21	0.7	188	1.6	-	-	.	-
Poland	30	0.9	144	1.2	5	1.6	.	-
China	73	2.3	176	1.5	-	-	11	20.8
Romania	47	1.5	133	1.1	5	1.6	-	-
Bulgaria	40	1.2	141	1.2	5	1.6	8	15.1
Germany	-	-	144	1.2	.	-	-	-
Croatia	50	1.6	106	0.9	3	0.9	-	-
USA	54	1.7	116	1.0	.	-	.	-
Bosnia and Herzegovina	21	0.7	85	0.7	3	0.9	-	-
Other	391	12.2	720	6.1	17	5.4	3	5.7

Source: Institute for Information on Education.