



SOCIAL RIGHTS MONITOR 2020



COUNTRY MONITOR: CZECHIA

Living and working conditions in Czechia continue to improve, according to SOLIDAR's National Strategy Group (NSG). Towards the end of 2019, the employment rate reached 80.3%, and the unemployment rate decreased to 2%. Czechia also registers the lowest rate of risk of poverty and social exclusion in the EU, at 12.5% of the population, driven by a rise in net income of 6.9% in 2019 from 2018. Yet these improvements are yet to reach low-skilled workers, women, people with disabilities and other vulnerable groups. Labour shortages are contributing to worsening working conditions, such as excessive overtime work. People also suffer from rising levels of over-indebtedness

and the geographical concentration of opportunities. Furthermore, the NSG reports an erosion in Czech people's sense of social justice and their trust in the welfare system, prompted by a decrease in the quality of and access to social services. Low levels of tax revenue have led to a decrease in public spending, which has disproportionately affected vulnerable groups and people in rural areas. Civic space is being continuously eroded: social dialogue partners, civil society organisations (CSO) and critical journalists are struggling with a decrease in available funding, media concentration and increasing attacks from public figures.

	2018	2019	EU-28 2019
GINI index ¹	24.0	24.0	30.7
Unemployment ²	2.2%	2.0%	6.3%
Gender Equality Index ³	55.7 (2019)	56.2 (2020)	67.9 (2020)
In-work poverty ⁴	3.5%	3.5%	9.2%
Housing Overcrowding ⁵	15.7%	15.4%	15.6%
CIVICUS Civic Space Monitor ⁶		OPEN	N/A

Selected indicators on the state of social rights

1 Eurostat (2020). Gini coefficient of equivalised disposable income: http://appsso.eurostat.ec.europa.eu/nui/show.do?lang=en&dataset=ilc_di12

2 Eurostat (2020). Unemployment by sex and age: annual data: https://appsso.eurostat.ec.europa.eu/nui/show.do?dataset=unert_a&lang=en

3 European Institute for Gender Equality (2020). Gender Equality Index: <https://eige.europa.eu/gender-equality-index/2020/BE>

4 Eurostat (2020). In-work at-risk-of-poverty-rate: <https://ec.europa.eu/eurostat/databrowser/view/tespm070/default/table?lang=en>

5 Eurostat (2020). Overcrowding rate by age, sex and poverty status – total population: https://ec.europa.eu/eurostat/databrowser/view/ilc_lvho05a/default/table?lang=en

6 CIVICUS (2020). Civic space monitor – Czech Republic: <https://monitor.civicus.org/country/czech-republic/>

EQUAL OPPORTUNITIES AND FAIR WORKING CONDITIONS

Following international trends, economic growth in Czechia increased at a slower pace after 2017 and then dropped sharply as a result of the Covid-19 outbreak. Amongst other consequences, the decrease in GDP will undoubtedly impact tax revenue.

A flat income tax of 15% with no exemption for low incomes and a 7% solidarity charge on income above four times the average⁷ make Czechia's taxation on labour amongst the highest in the EU and OECD⁸ for low-income earners. The tax wedge on labour has been increasing since 2009 and reached 41.7% in 2019, four percentage points above the EU-28 average.⁹ Alongside high childcare costs, this tax burden is actively discouraging low-earning single parents and dependants on a single income from participating in the labour market. In contrast, self-employed workers are seen as clear beneficiaries of the system, as they have lower social security contributions – an advantage expected to be maintained despite plans for reform.¹⁰ To compensate for this disproportionate tax burden, the National Strategy Group (NSG), led by Multikulturní Centrum

Praha, considers meal vouchers for low-income households a positive measure.

Czechia continues to be a high performer on the Social Scoreboard for labour market dynamics. At the end of 2019, the employment rate stood at 80.3%,¹¹ the third highest in the EU, and unemployment reached an all-time low of 2%,¹² the lowest rate in the EU. A similar positive pattern can be seen for youth unemployment, which declined from 19.5% in 2012 to 5.6% at the end of 2019.¹³ The NSG indicates that the country's Youth Guarantee has been instrumental here: only one in four young people registered were waiting for a job offer for more than four months, and the Youth Guarantee helped 39.7% of young NEETs (people not in employment, education or training).^{14 15}

Despite the overall positive results, low-skilled workers, women, people with disabilities and other vulnerable groups still have greater difficulty in entering in the labour market. The 2019 Employment Package's proposed measures to target unemployment take into account key profile elements such as age, health, education,

7 European Commission (2020) Taxation Trends in the European Union 2020 Edition https://ec.europa.eu/taxation_customs/business/economic-analysis-taxation/taxation-trends-eu-union_en

8 OECD (2020) Taxing Wages – The Czech Republic <http://www.oecd.org/czech/taxing-wages-czech-republic.pdf>

9 Eurostat (2020) Tax rate on low wage earners: Tax wedge on labour costs https://ec.europa.eu/eurostat/en/web/products-datasets/-/EARN_NT_TAXWEDGE

10 European Commission (2020) Country Report 2020: Czechia <https://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:52020SC0502&from=EN>

11 Eurostat (2020) Employment and activity by sex and age – annual data <https://appsso.eurostat.ec.europa.eu/nui/submitViewTableAction.do>

12 Eurostat (2020) Unemployment by sex and age – monthly data <https://appsso.eurostat.ec.europa.eu/nui/submitViewTableAction.do>

13 Eurostat (2020) Unemployment by sex and age – annual data <https://appsso.eurostat.ec.europa.eu/nui/submitViewTableAction.do>

14 Ministry of Labour and Social Affairs (2019) Youth unemployment is falling https://www.mpsv.cz/documents/20142/511219/TZ_-_Nezamestnanost_mladych_lidi_se_snizuje.pdf/11d1aab3-3360-a9e1-60e9-f95031c0bd65

15 European Commission (2020) Youth Guarantee Country Fiche: Czech Republic January 2020 <https://ec.europa.eu/social/main.jsp?catId=1161&langId=en&intPagId=3329>

residence and possible disadvantages when matching registered profiles with employment opportunities.¹⁶ Yet as a result of active employment policies, users of the unemployment service who fail to find a job face limited access to living allowances and housing benefits.¹⁷ Furthermore, unemployment rose to 2.8% and youth unemployment to 8.1%¹⁸ in November 2020 as a result of the COVID-19 crisis.

GENDER EQUALITY

Improvement in gender equality has been slower than the EU average, and Czechia ranks 21st in the Gender Equality Index with a score of 55.7.¹⁹ The gender employment gap remains above average with a difference of 15 percentage points:²⁰ 72.7% women were employed and 87.7% of men.²¹ The NSG additionally highlights a significant gender pay gap, which averages 20.1%,²² one of the highest in the EU.

Leading factors for the pay gap include mothers' longer leave of absence after childbirth and their consequent lower participation in the labour market and difficulties in advancing in their careers. There has also been a drop in the number of women on the boards of the largest publicly listed companies and public institutions.²³ ²⁴ Given this panorama, the NSG calls for more progress on gender equality.

GOOD PRACTICE THE MATAPE PROJECT

The MATAPE project results from a joint public-private-civil initiative in the city of Holicice and has implemented a series of measures to help new mothers re-enter the labour market and reduce their social exclusion. Measures include individualised job counselling, skills development, gender audits of local companies and a media campaign on work-life balance. Using resources from the European Social Fund (ESF), the project has aided more than 200 women, of whom 59% found work or became self-employed.²⁵

In response, the government has been focusing on increasing the capacity of the formal childcare infrastructure with ESF funding support, as Czechia continues to rank second to last in the EU, with a 6.3% participation rate in formal childcare.²⁶ An additional scheduled amendment to the Children's Group Act for 2022 aims to set a new national standard for such services, and flexible working arrangements have been promised for 2021 to further support working mothers.²⁷ The "22% to Equality" programme, named after the gender pay

16 Ministry of Labour and Social Affairs (2019) Review for social policy and research: The employment package is intended to respond to the aging of society, the fourth industrial revolution or the employment of foreigners <https://socialnipolitika.eu/2019/07/ministryne-malacova-predstavila-balicek-zamestnanosti-jedna-se-o-nejvetsi-zmenu-v-teto-oblasti-v-poslednich-letech/>

17 Ibid.

18 Eurostat (2020) Unemployment by sex and age – monthly data <https://appsso.eurostat.ec.europa.eu/nui/submitViewTableAction.do>

19 European Institute for Gender Equality (2020) Gender Equality Index: Index score for Czechia for 2019 <https://eige.europa.eu/gender-equality-index/2019/CZ>

20 European Commission (2020) Social Scoreboard <https://composite-indicators.jrc.ec.europa.eu/social-scoreboard/explorer>

21 Eurostat (2020) Unemployment by sex and age – annual data <https://appsso.eurostat.ec.europa.eu/nui/submitViewTableAction.do>

22 European Commission (2020) Social Scoreboard <https://composite-indicators.jrc.ec.europa.eu/social-scoreboard/explorer>

23 European Institute for Gender Equality (2020) Gender Equality Index: Index score for Czechia for 2019 <https://eige.europa.eu/gender-equality-index/2019/CZ>

24 European Commission (2020) Country Report 2020: Czechia <https://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:52020SC0502&from=EN>

25 European Commission (2016) Projects: Helping new mothers back into work <https://ec.europa.eu/esf/main.jsp?catId=46&langId=en&projectId=1978>

26 European Commission (2020) Social Scoreboard <https://composite-indicators.jrc.ec.europa.eu/social-scoreboard/explorer>

27 European Commission (2020) Country Report 2020: Czechia <https://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:52020SC0502&from=EN>

gap in 2014 and co-financed by the ESF, has implemented a wage transparency instrument, increased the Labour Authority's vigilance and offered advice and support on the gender pay gap. The accompanying awareness campaign is considered by the NSG to have had limited impact. Last but not least, Czechia has yet to implement the EU Work-Life Balance Directive, though a working group with legal experts and NGO representatives has been created.²⁸

INCLUSION OF MIGRANTS

Since 2010, yearly action plans have been implemented as part of Czechia's migration integration strategy, which focuses on Czech language skills, economic self-sufficiency, immersion into Czech culture and a gradual transition to permanent residency or citizenship.^{29 30} Among the ongoing and proposed measures, the National Strategy Group (NSG) highlights the 2019 amendment of the Act on the Residence of Foreign Nationals, which introduces compulsory integration courses and new rules on the employment of third-country nationals.³¹

Through a network of agencies supported by Asylum Migration and Integration Funds, regional authorities and NGOs will collaborate to provide the newly mandatory integration and adaptation courses from 2021. These courses, which are for third-country nationals wanting to obtain permanent residence, consist of four-hour sessions on basic values, cultural context and rights and obligations.³² Despite recognising such courses as a first step towards institutionalising the integration of migrants, the NSG

reports several risks. Firstly, the responsible agencies have not been equipped with sufficient funding to cover the demand that will be driven by the mandatory nature of the courses. Secondly, the requirement for the course to be implemented in Czech, whilst allowing for the presence of interpreters, leads the NSG to believe that less content will be covered, reducing the quality and impact of the sessions. Thirdly, the courses will increase the financial burden on attendees, as migrants will have to pay for such services themselves or face a fine of EUR 400. Fourthly, the NSG indicates that the design of the measure has not been based on existing evidence. Given these structural deficiencies and barriers, the NSG points out scepticism on the part of certain NGOs, as the courses do not cover all aspects of integration. The NSG indicates the need for developments in labour rights, work conditions and access to education.

As an additional part of the Employment Package, amendments to the Residence of Foreign Nationals Act establish a points-based migrant integration system, which has had an impact on integration into the labour market.³³ A quota system and an employee card simplify entry for students, scientists and high-skilled applicants, but they limit integration into the labour market to a certain profile of high-skilled migrant, and they bind their residency status to their employment status.³⁴ Third-country nationals under this scheme are not able to switch employers in the first six months. NGOs criticise this condition, as it leaves migrants in a vulnerable position if they are faced with poor working conditions.

28 Government of the Czech Republic (2019) Minutes of the meeting of the Committee on Reconciliation of Work, Private and Family Life (hereinafter referred to as "the Committee") held on 17 December 2019 https://www.vlada.cz/assets/ppov/rovne-prilezitosti-zen-a-muzu/sladeni_pracovniho_a_soukromeho_zivota/Zapis_sladeni_17--prosinec-2019_final27-1-2020.pdf

29 European Commission (2019) Governance of Migrant Integration in the Czech Republic <https://ec.europa.eu/migrant-integration/governance/czech-republic>

30 Government of the Czech Republic (2019) Procedure In the implementation of the updated Concept of Integration of Foreigners in Mutual Respect 2020 <https://www.mvcr.cz/migrace/clanek/zakladni-dokumenty-k-integracni-politice-ke-stazeni.aspx>

31 Ministry of the Interior (2019) News: The Chamber of Deputies has approved an amendment to the Act on the Residence of Foreigners, which will help in the area of security and the economy <https://www.mvcr.cz/clanek/poslanecka-snemovna-schvalila-novelu-zakona-o-pobytu-cizincu-pomuze-v-oblasti-bezpecnosti-i-ekonomiky.aspx>

32 European Commission (2018) Czech Republic: Government approves mandatory integration courses <https://ec.europa.eu/migrant-integration/news/czech-republic-government-approves-mandatory-integration-courses>

33 Ministry of Labour and Social Affairs (2019) Review for social policy and research: The employment package is intended to respond to the aging of society, the fourth industrial revolution and the employment of foreigners <https://socialnipolitika.eu/2019/07/ministryne-malacova-predstavila-balicek-zamestnanosti-jedna-se-o-nejvetsi-zmenu-v-teto-oblasti-v-poslednich-letech/>

34 European Commission (2019) Czech parliament approves amendment to the Aliens Act

WORKING CONDITIONS

There have been some recently reported improvements in working conditions in Czechia. The statutory retirement age has been maintained at 65, after a decision in 2019 not to increase it for five years.³⁵ Following an agreement with social partners, the Czech government has amended the Labour Code to better regulate job sharing, clarify the entitlement to paid-holiday leave and increase compensation for work-related accidents and occupational diseases, amongst other measures.³⁶ Moreover, a decision made prior to the COVID-19 outbreak to give workers greater say over working schedules, leave and teleworking has enhanced the work-life balance.³⁷ As part of the 2019 Employment Package, amendments to the Employment Act increased the mobility allowance to CZK 3,500 per month (EUR 133).³⁸ Amongst these reforms, the NSG singles out a CZK 1,250 (EUR 50) increase in the statutory minimum wage to CZK 14,600 (EUR 588) per month, an increase of 9% that has been in force since January 2020.³⁹

Yet the NSG is sceptic about the improvements these measures will bring. The percentage of the population living on the minimum wage is close to 4%,⁴⁰ leading the NSG to believe the new minimum wage will not bring much change. Labour shortages, especially in construction and heavy industry, and high levels of personal indebtedness are driving an increase in overtime work, which does not have an adequate regulatory framework, according to the NSG. Furthermore, the Ministry of Labour and Social Affairs recently disclosed

4,583 cases of undeclared work through temporary agencies, of which 75% concerned the employment situation of non-EU workers.⁴¹ Additional structural barriers reported by the NSG are hindering improvements in working conditions. These include the geographical concentration of opportunities in specific global chain industries, the subsequent increase in long-distance commuting, and limited access to a social services system constrained in capacity and resources.

In the eyes of the NSG, the difficulty in providing more-effective measures to improve working conditions results partially from decreasing trade union membership. Given unions' consequent reduction in financial capacity, they cannot fulfil their role in national-level bargaining. The NSG calls for additional capacity-building efforts to overcome this barrier and improve working conditions in Czechia.

EARLY LEAVERS FROM EDUCATION AND TRAINING

Czechia has been on track to reach the Europe 2020 goal of reducing the rate of early leavers from education and training by 50%, as these have been consistently below the EU average. A high performer on the Social Scoreboard with regard to this indicator, Czechia currently registers a rate of 6.7%, as well as significant advances in the provision of basic skills.⁴² Nevertheless, the early-leaver rate has been rising since 2013, calling into question the country's track record. Moreover, the average rate hides significant regional and social

35 European Commission (2020) Country Report 2020: Czechia <https://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:52020SC0502&from=EN>

36 Eurojust (2020) Living and working in Czechia <https://www.eurofound.europa.eu/country/czechia#quality-of-life>

37 Eurojust (2019) Labour market segmentation: Piloting new empirical and policy analyses https://www.eurofound.europa.eu/sites/default/files/ef_publication/field_ef_document/ef19033en.pdf

38 Ministry of Labour and Social Affairs (2019) Review for social policy and research: The employment package is intended to respond to the aging of society, the fourth industrial revolution or the employment of foreigners <https://socialnipolitika.eu/2019/07/ministryne-malacova-predstavila-balicek-zamestnanosti-jedna-se-o-nejvetsi-zmenu-v-teto-oblasti-v-poslednich-letech/>

39 Eurofound (2020) Living and working in Czechia <https://www.eurofound.europa.eu/country/czechia#quality-of-life>

40 Grossmann, Jakub; JuraJda, Štěpán; and Smolka, Vladimír (2019) Employment effects of minimum wage increases in the Czech Republic https://idea-en.cerge-ei.cz/files/IDEA_Study_04_2019_Minimum_wage.pdf

41 European Commission (2020) Country Report 2020: Czechia <https://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:52020SC0502&from=EN>

42 European Commission (2020) Social Scoreboard <https://composite-indicators.jrc.ec.europa.eu/social-scoreboard/explorer>

disparities. Whilst most regions are close to the 6% average, the difference in rates between Severozápad (16%) and Prague (2%) continues to grow.⁴³ Two out of three members of socially excluded families (57% in the case of Roma communities) and a high proportion of people with disabilities leave school prematurely.⁴⁴ The main causes of this phenomenon are a lack of family support and the attractiveness of easy access to the labour market. As a result, vulnerable young people are often left exposed to low-paid and low-quality job opportunities and a higher probability of unemployment further in the future.⁴⁵

In spite of this situation, the NSG reports a lack of will to tackle this at national level. The Action Plan for Inclusive Education to provide more

support for students in low socio-economic groups has not put forward the measures expected of it, especially with regards to reducing the segregation of Roma children.⁴⁶ Financial support dedicated to reducing dropout rates is only given to regions that develop specific methodologies to implement at school level. With schools lacking the capacity to integrate the needed pedagogical services and a reported teacher shortage,⁴⁷ the lack of coordination between social services, schools and families further hinders any action to solve this issue.⁴⁸ Nevertheless, the NSG indicates that measures for the re-introduction of early leavers into education are currently being discussed, and more efforts are being introduced to coordinate the implementation of inclusive education amongst regions.

43 European Commission (2020) Social Scoreboard <https://composite-indicators.jrc.ec.europa.eu/social-scoreboard/explorer>

44 European Commission (2020) Country Report 2020: Czechia <https://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:52020SC0502&from=EN>

45 Agency for Social Inclusion (2019) Early school leaving: causes and financial implications in the light of Social Inclusion Agency research <http://www.socialni prace.cz/zpravy.php?oblast=2&clanek=1152>

46 European Commission (2020) Country Report 2020: Czechia <https://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:52020SC0502&from=EN>

47 Ibid.

48 Agency for Social Inclusion (2019) Early school leaving: causes and financial implications in the light of Social Inclusion Agency research <http://www.socialni prace.cz/zpravy.php?oblast=2&clanek=1152>

SOCIAL PROTECTION AND INCLUSION

Czechia continues to be a high performer at reducing the risk of poverty and material deprivation, as reported by the National Strategy Group (NSG). The country has the lowest AROPE (at risk of poverty or social exclusion) rate in the EU, currently 12.5%, and significant advances have been made in reducing material deprivation, the rate of which is now 2.7%, compared to 7% in 2014.⁴⁹ Furthermore, in-work poverty remains low: the standard rate is 3.5% and youth in-work poverty is 2.3%.⁵⁰ According to the NSG, this is due to a rise in net income of 6.9 % from 2018,⁵¹ which has had a positive impact on overall living conditions.

Czechia's performance and effectiveness in healthcare provision have been high in recent years, as reported by the NSG. With more than 80% of health expenditure deriving from public spending, the national public healthcare system is successful at ensuring accessibility. The rate of self-reported unmet medical needs is just 0.5%.⁵² This has been achieved despite per-capita health expenditure lower than the EU average⁵³ and out-of-pocket expenditure that has been rising since 2015 and now amounts to 14.2%.⁵⁴ Nevertheless, the NSG reports geographical inequality in the number of medical staff per capita, which has a negative impact on the provision of care in rural areas. Additional concerns are raised regarding migrants' accessibility to healthcare, as barriers persist in the form of employment status and language.

The NSG reports persistent challenges to the improvement of living conditions. Poverty rates are especially high amongst the elderly, who have an AROPE rate of 16.5%,⁵⁵ the unemployed (21.7%) and single parents (36.9%).⁵⁶ The NSG notes that one of the main causes of poverty and social exclusion is over-indebtedness, which it indicates as one of the country's most pressing social issues. Despite recent debt relief measures, 5.1% of households continue to experience an overdue debt obligation, which averages EUR 1,580 per month;⁵⁷ 1 million Czechs are facing foreclosure.⁵⁸

Social expenditure has been continuously decreasing since 2013, reaching 12% of GDP in 2018,⁵⁹ and so has the impact of social transfers, which currently reduce poverty by 39.2%.⁶⁰ Even though housing support and the childcare allowance play significant positive roles overall, the NSG indicates that Czechia's remaining social protection focuses on the most vulnerable and leaves out many people who are experiencing non-standard forms of precariousness. As a result, according to the NSG, the sense of social justice and trust in the social protection system are being eroded. The Social Inclusion Strategy for 2021-2030 is expected to focus on indebtedness, access to housing and social exclusion in the upcoming programming period of EU funds.⁶¹

49 European Commission (2020) Social Scoreboard <https://composite-indicators.jrc.ec.europa.eu/social-scoreboard/explorer>

50 Eurostat (2020) In-work at-risk-of-poverty rate by age and sex – EU-SILC survey <http://appsso.eurostat.ec.europa.eu/nui/submitViewTableAction.do>

51 Czech Statistical Office (2019) Short Commentary: Living Conditions Survey <https://www.czso.cz/documents/10180/125571069/16002120kc.pdf/00a7cd3d-7dfe-4696-8f42-db28a67f7223?version=1.0>

52 European Commission (2020) Social Scoreboard <https://composite-indicators.jrc.ec.europa.eu/social-scoreboard/explorer>

53 OECD; European Observatory on Health Systems and Policies (2019), Czechia: Country Health Profile 2019, State of Health in the EU https://ec.europa.eu/health/sites/health/files/state/docs/2019_chp_cs_english.pdf

54 European Commission (2020) Social Scoreboard <https://composite-indicators.jrc.ec.europa.eu/social-scoreboard/explorer>

55 Eurostat (2020) People at risk of poverty or social exclusion by age and sex <https://appsso.eurostat.ec.europa.eu/nui/submitViewTableAction.do>

56 European Commission (2020) Country Report 2020: Czechia <https://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:52020SC0502&from=EN>

57 Ibid.

58 Rychlíková, Apolena; Uhlová, Saša; and Mahdalová, Kateřina (2018) Exekuce: černé svědomí Česka <https://a2larm.cz/2018/12/exekuce-cerne-svedomi-ceska/>

59 Eurostat (2020) General government expenditure by function (COFOG) https://ec.europa.eu/eurostat/databrowser/view/gov_10a_exp/default/table?lang=en

60 European Commission (2020) Social Scoreboard <https://composite-indicators.jrc.ec.europa.eu/social-scoreboard/explorer>

61 European Commission (2020) Country Report 2020: Czechia <https://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:52020SC0502&from=EN>

ACCESS TO AFFORDABLE HOUSING

The NSG is concerned that a lack of sufficiently affordable housing is having a significant impact on living conditions in Czechia and pointed to it as one of the country's three most pressing social issues. Housing prices rose faster than wage growth from 2014 to 2018, driven by the limited supply of new units and strong demand in bigger cities.⁶² In 2018, for the third time in a row, the Czech Republic has ranked as having Europe's least affordable housing in Deloitte's Property Index: a standardized new dwelling costs the equivalent of 11 years of average gross salary.⁶³ Given this increase in housing costs, low-income households in Czechia dedicate an average of 43.9% of their disposable income to housing alone.⁶⁴ As a result, 16.6% of households consider housing costs a significant financial burden, a figure that rises to 44% amongst the unemployed.⁶⁵ Affordability is a more prominent issue in cities like Prague and Ostrava, where additional pressure on prices comes from housing units dedicated to Airbnb and rental accommodation.⁶⁶

There are 21,230 homeless people in Czechia⁶⁷ and a further 119,000 at risk of becoming homeless, according to the latest available data.⁶⁸ In 90% of the cases, the reason is indebtedness and subsequent eviction. The Housing First programme,⁶⁹ a dedicated strategy to prevent and combat homelessness, is being expanded, but municipalities are still struggling to fulfil the expectation placed on them by the legislative framework to provide quality, affordable housing.⁷⁰

62 European Commission (2020) Country Report 2020: Czechia <https://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:52020SC0502&from=EN>

63 Deloitte (2019) Property Index: Overview of European Residential Markets <https://www2.deloitte.com/be/en/pages/real-estate/articles/deloitte-property-index-2019.html>

64 FEANTSA and Fondation Abbe Pierre (2020) Fifth Overview of Housing Exclusion in Europe https://www.feantsa.org/public/user/Resources/resources/Rapport_Europe_2020_GB.pdf

65 Czech Statistical Office (2019) Short Commentary: Living Conditions Survey <https://www.czso.cz/documents/10180/125571069/16002120kc.pdf/00a7cd3d-7dfe-4696-8f42-db28a67f7223?version=1.0>

66 European Commission (2020) Country Report 2020: Czechia <https://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:52020SC0502&from=EN>

67 FEANTSA and Fondation Abbe Pierre (2020) Fifth Overview of Housing Exclusion in Europe https://www.feantsa.org/public/user/Resources/resources/Rapport_Europe_2020_GB.pdf

68 European Commission (2020) Country Report 2020: Czechia <https://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:52020SC0502&from=EN>

69 Baptista, Isabel and Marlier, Eric (2019) Fighting homelessness and housing exclusion in Europe: A study of national policies <https://op.europa.eu/en/publication-detail/-/publication/2dd1bd61-d834-11e9-9c4e-01aa75ed71a1/language-en>

70 Ibid.

71 Ibid.

72 European Commission (2019) RE:START-Strategy for economic restructuring of Czech coal regions https://ec.europa.eu/energy/sites/ener/files/documents/restart-strategy_for_economic_restructuring_of_czech_coal_regions.pdf

73 European Commission (2020) Country Report 2020: Czechia <https://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:52020SC0502&from=EN>

TRANSITION TO A GREEN ECONOMY

Reaching climate neutrality by 2030 and further developing a transition to a green economy is a major challenge for Czechia. Not only does it have one of the EU's highest levels of greenhouse gas emission per capita, but the Czech economy continues to be carbon-intensive, with a 15% share of renewables in final energy consumption, below the EU average. The public is relatively unmotivated to make changes and reduce their energy consumption, an attitude which acts as an additional barrier to green transition. Furthermore, Czechia provides limited effective tax measures to incentivise such transition.⁷¹

This is a particular concern for the National Strategy Group (NSG), as no strategy has been laid out to phase out coal production, nor have any just concrete transition measures. The current RESTART programme, which aims to regenerate and achieve social stabilization for Czech coal regions, is yet to enter the implementation stage, and it faces delays due to a lack of capacity in the regions.⁷² Coal mines employ 21,000 people directly and a further 19,000 indirectly in the already poverty-stricken regions of Moravskoslezsko and Severozápad,⁷³ and the NSG expressed a need to develop further reskilling, digital-development and active-employment measures.

CIVIC SPACE

Civic space in Czechia remains open, as indicated by CIVICUS's Civic Space Monitor. Overall, the National Strategy Group (NSG) considers that civic-space freedoms are sufficiently respected. The Civil Code clarified some issues regarding the nature, structure and purpose of civil society organisations and intends to align freedom of association with the values of the constitution. The NSG has not reported any restrictions on the freedom of peaceful assembly. For example, there were peaceful anti-government protests calling for the resignation of Prime Minister Babiš over misuse of public funds and EU subsidies fraud.⁷⁴

Nevertheless, there is some unease regarding the future of civic space. One proposal would restrict subsidies to those civil society organisations that fulfil state objectives in the fields of culture, education, health and social services, and leave out environmental CSOs.⁷⁵ The NSG criticises the subjectivity of the notion of public benefit used in the proposal, as

it threatens freedom of association. Furthermore, attacks on CSOs by Prime Minister Babiš have hindered the associations' work during the pandemic.⁷⁶ Reporters Without Borders is concerned by the increased concentration of media ownership and government supervisory bodies' repeated attacks on critical journalists, which have fuelled a mistrust of the media and restricted critical journalism.⁷⁷ As a result, Czechia dropped from 13th place in 2014 to 40th in 2020 in the Reporters Without Borders (RSF) World Press Freedom Index.⁷⁸

The NSG indicates that CSOs have been relegated to a consultative role in the tripartite system of social dialogue. Without a stable funding framework and limited capacity and time to review policies, CSOs' influence in decision-making is further constrained. To change this, the NSG suggests making it mandatory to consult with CSOs, especially on key issues, following a precedent set in the Housing First programme.

74 CIVICUS (2020) Draft law seeks to reduce funding to CSOs; PM attacks CSOs during pandemic <https://monitor.civicus.org/updates/2020/08/11/draft-law-seeks-reduce-funding-csos-pm-attacks-csos-during-pandemic/>

75 CIVICUS (2020) Draft law seeks to reduce funding to CSOs; PM attacks CSOs during pandemic <https://monitor.civicus.org/updates/2020/08/11/draft-law-seeks-reduce-funding-csos-pm-attacks-csos-during-pandemic/>

76 Ibid.

77 Reporters Without Borders (2020) Czech Republic <https://rsf.org/en/czech-republic>

78 CIVICUS (2020) Draft law seeks to reduce funding to CSOs; PM attacks CSOs during pandemic <https://monitor.civicus.org/updates/2020/08/11/draft-law-seeks-reduce-funding-csos-pm-attacks-csos-during-pandemic/>

COMPARISON WITH THE COUNTRY SPECIFIC RECOMMENDATIONS

The underlying sentiment in the European Commission's 2020 country-specific recommendations for Czechia is worry over persistent regional disparities, especially between the Karlovarský and Ústecký regions and the rest of the country. These disparities are expected to grow as a result of the socio-economic crisis caused by Covid-19, and the Commission focuses its recommendations on the education system, healthcare infrastructure and green investment needs, all of which are concerns raised by the National Strategy Group. The Commission calls for healthcare to be made more resilient, especially by increasing the number of health workers, and for equal

access to inclusive, quality education and training. Even if no concerns are raised regarding the rise in unemployment as a result of the crisis, the Commission insists that active employment policies for vulnerable groups be improved and that coverage of relief measures be extended for workers in short-term contracts or hired through temporary work agencies. Furthermore, both the Commission and the NSG await the expected plans for a just transition for coal-dependent regions. However, there is no mention in the recommendations of the need to address rising housing costs or low salaries for low-skilled workers. These are, however, key concerns for the NSG.

SOLIDAR's Social Rights Monitor 2020 has been developed in the framework of the Together for Social Europe programme co-funded by the EU Programme for Employment and Social Innovation (EaSI). It provides an insight into the state of social rights in 17 European countries. The Monitor assesses the state of social Europe in terms of equality of opportunities, fair working conditions, social protection, inclusion and civic space based on the observations of Civil Society Organisations working on the ground in combination with statistical data and scientific findings. It does so on the basis of observations of National Strategy Groups set up in each of these countries by a SOLIDAR member or partner. The 2020 Monitor also analyses to what extent these aspects are reflected in the Country Specific Recommendations of the European Semester process towards a socially sustainable recovery after the Covid-19 crisis.

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