

BASIC INDICATORS OF LABOUR AND SOCIAL PROTECTION

IN THE CZECH REPUBLIC

TIME SERIES AND GRAPHS

2009

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LIST OF ABBREVIATIONS

ARIS	Automated Financial Information System (managed by Ministry of Finance)
CR	Czech Republic
CSSA	Czech Social Security Administration
CZ-NACE	Classification of Economic Activities
CZK	Czech Crowns
CZSO	Czech Statistical Office
EC	European Commission
ESSPROS	European System of integrated Social Protection Statistics
EU	European Union
GDP	Gross Domestic Product
HN/SS	Information System of Material Need and Social Services
LAU	Local Administrative Units
MEA	Participation Rate
MoLSA	Ministry of Labour and Social Affairs
MS	Member States of European Union
NE	National Economy
NGO	Non-governmental Organisation
NUTS	Nomenclature of Territorial Units for Statistics
OECD	Organization for Economic Co-Operation and Development
UN	United Nations

The Czech Republic, as an independent state, was established on January 1, 1993 by a split of the former Czech and Slovak Federal Republic. With an area of 78,866 sq. km, population of 10.5 mil. and population density of 133 inhabitants per sq. km, it could be classed as a small Central European state.

The area of the state is administratively structured into 76 territorial entities - (LAU 1 - districts), each with approximately 120 thous. inhabitants on average, plus the capital Prague (NUTS 3 and LAU 1 at the same time), with 1.249 mil. inhabitants. Concerning territorial performance of state administration the district offices were abolished in 2003, whereas the function of state administration, which these authorities had exercised until that time, passed largely on municipal and regional offices. The regional self-government is performed on the level of individual municipalities (ca 6.2 thous. municipalities) and from January 1, 2000 also on the level of 14 regions (it corresponds with the classification NUTS 3) that are higher self-government units. They were gradually involved in some functions, formerly provided at the level of district offices or ministries.

The economic and social transformation proceeding after 1989 had an impact on certain demographic characteristics of the population. The most significant aspects are postponement of a family establishment and birth of children. Number of born children had dropped constantly. Since 1993 the natural population increment has turned into a decrement. Since 2006 the population development was in the sign of the superior numbers of live-born children over the deaths. In 2009 there were 118.3 thous. live-born children, the number of the deaths was 107.4 thous. Total population of the Czech Republic has continuously increased for seven years (solely due to immigration until 2005). In 2009 the total number of inhabitants increased by 39.3 thous. inhabitants compared to 86.4 thous. in 2008. The increase of foreign migration was significantly lower than a year before: 28.3 thous. inhabitants in 2009 against 71.8 thous. in previous year. In December 31, 2009 the Czech Republic had thus 10,506.8 thous. inhabitants.

In 2009 the economic development in the Czech Republic was negatively affected by global economic recession. After previous period of continuous growth the real GDP increased by 4.1% (i.e. 1.7% in current prices). This development was marked by economic results in the fourth quarter of 2008, when export-oriented industry faced sales problems caused by dramatic decline of foreign demand. Slight grow of the economy was obvious in the third quarter of 2009 when the level of GDP (in comparison with previous quarter) increased modestly. The economic recession unfavourably affected the labour market situation. There was an annual decrease of employment by 68.2 thous. to 4,934.3 thous. persons. In 2009 the average registered unemployment rate increased by 2.6 percentage points to 8.0%. The number of job seekers at the end of 2009 represented almost 540 thous. persons. The negative impact of these factors was on the other hand mitigated by low rate of price inflation.

Table No. 1.1

Basic Demographic and Socio-economic Indicators

Indicator	Unit of measurement	Year										
		2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	
Population as of December 31		10 295	10 206	10 203	10 211	10 221	10 251	10 287	10 381	10 468	10 507	
aged		1 673	1 622	1 590	1 554	1 527	1 501	1 480	1 477	1 480	1 494	
0-14		7 206	7 170	7 195	7 234	7 260	7 293	7 325	7 391	7 432	7 414	
15-64	thous. persons	1 416	1 414	1 418	1 423	1 434	1 457	1 482	1 513	1 556	1 599	
65+		90 910	90 715	92 786	93 685	97 664	102 211	105 831	114 632	119 570	118 348	
Live births		109 001	107 755	108 243	111 288	107 177	107 938	104 441	104 636	104 948	107 421	
Deaths												
Live expectancy: men	years	71,6	72,1	72,1	72,0	72,6	72,9	73,4	73,7	74,0	74,2	
women		78,3	78,5	78,5	78,5	79,4	79,1	79,7	79,9	80,1	80,1	
Natural increase of population		-18 091	-17 040	-15 457	-17 603	-9 513	-5 727	1 390	9 996	14 622	10 927	
Migration balance		6 539	-8 551	12 290	25 789	18 635	36 229	34 720	83 945	71 790	28 344	
Total growth of population	number of persons	-11 552	-25 591	-3 167	8 186	9 122	30 502	36 110	93 941	86 412	39 271	
GDP in current prices	CZK mil.	2 189 169	2 352 214	2 464 432	2 577 110	2 814 762	2 983 862	3 222 369	3 535 460	3 688 997	3 625 865	
GDP growth (current prices)		5,2	7,4	4,8	4,6	9,2	6,0	8,0	9,7	4,3	-1,7	
Average inflation rate	%	3,9	4,7	1,8	0,1	2,8	1,9	2,5	2,8	6,3	1,0	
Average unemployment rate		9,0	8,5	8,5	9,9	9,2	9,0	8,1	6,6	5,4	8,0	
Economic active persons	thous. persons	5371	5171	5173	5132	5133	5174	5199	5198	5232	5287	

Source: CZSO, MoLSA

The current Czech pension system is based on two pillars. The first one is basic obligatory pension insurance with continuous manner of financing (PAYGO). The scheme is universal and secures all economically active persons. The regulation is unified for all insured persons (the Act No. 155/1955 Coll., Pension Insurance Act as amended) except some administrative and organizational divergences in departments of the armed forces.

The second scheme is voluntary supplementary pension insurance with state contribution that is considered as third pension pillar. It represents individual saving for old age based on capital financing regulated by the Act No. 42/1994 Coll., State-Contributory Supplementary Pension Insurance Act as amended. Rate of this scheme on incomes of pensioners is insignificant so far compared to basic obligatory pension insurance. The pension system with state contribution was established in 1994.

The following pension benefits are provided under pension insurance: old-age pension, full disability pension and partial disability pension (generally, since 2010 disability pension awarded as pensions for one, two and three stage of invalidity depending on the insured individual's work ability decrease), widow's pension, widower's pension and orphan's pension. A pension is composed of two elements: a basic amount (stipulated by universal fix amount regardless of insurance period and earnings) and a percentage-base assessment. Czech Social Security Administration takes a decision on claim, amount and payment of pension benefits except cases when relevant authorities of social welfare of Ministry of Defence, Ministry of Interior and Ministry of Justice are appropriate for these issues.

In view of the most significant legislative changes in pension area adopted in 2009, the approval of the gradual increase of retirement age has to be mentioned. The age limit for entitlement to retirement pension is increased by the same way as so far, i.e. by 2 calendar months for men and 4 calendar months for women for each calendar year up to 65 years for men, childless women and women, who have brought up one child, up to 64 years for women, who have brought up 2 children, up to 63 years for women, who have brought up three children, and up to 62 years for women, who have brought up at least four children. At the same time there is a gradual extension of the required period of insurance for entitlement to old-age pension from 25 to 35 years, including non-contributory periods, or to 30 years without non-contributory periods. Since 2010 three stage of invalidity were introduced by approved measures (into full and partial disability pensions). A beneficiary cancelation of previous split is defined as a disabled, if due to long-term unfavourable health condition the decline in his work ability dropped at least by 35%.

Since 2003 the pension benefits are regularly increased every January. Increases in pensions are set so that for the average old-age pension it corresponds to at least by 100% of price growth as well as to at least one third of the growth of real wages. Since 2008 (the Act No. 178/2008 Coll., the change of Pension Insurance Act) the pension are newly increased exceptionally if the price increases at least by 5% (at least by 10% in the previous period). At the same time the relevant act stipulated that in 2008 pensions would be increased, apart from regular term, from the pension benefit payment due in August 2008. It means pension benefits were valorised two times in 2008. At the same time the Act stipulated that in 2008 the pensions would be increased, apart from the regular term, from the pension benefit payment in August 2008. Consequently the valorising of pensions was performed twice times in 2008. The further valorising of pensions was realised in January 2009, when the percentage-base assessment of a pension was increased by 4.4%.

Table No. 2.1.

Number ¹⁾ of Pensions Paid out by Type of Pension

thous. persons

Year	Pension							total
	old-age	full disability	partial disability	widow's ²⁾	widower's ²⁾	orphan's	others ³⁾	
1985	1 646	349	122	636	-	49	49	2 850
1989	1 707	344	126	631	-	66	43	2 916
1990	1 737	353	130	635	-	66	31	2 952
1991	1 777	367	127	635	-	63	28	2 997
1992	1 804	382	123	633	4	60	26	3 033
1993	1 815	398	119	631	5	60	24	3 052
1994	1 811	410	117	627	5	60	21	3 051
1995	1 811	420	117	623	5	62	18	3 057
1996	1 806	408	124	625	31	58	-	3 052
1997	1 813	398	138	629	51	59	-	3 088
1998	1 859	392	145	627	68	56	-	3 147
1999	1 891	385	150	623	75	59	-	3 184
2000	1 919	382	155	619	79	57	-	3 210
2001	1 936	380	162	615	82	55	-	3 230
2002	1 921	382	171	612	85	56	-	3 227
2003	1 933	385	178	607	86	57	-	3 246
2004	1 965	388	184	604	88	56	-	3 285
2005	1 985	389	189	600	89	54	-	3 308
2006	2 024	390	199	598	91	53	-	3 355
2007	2 061	389	208	596	93	51	-	3 397
2008	2 102	383	216	594	94	49	-	3 438
2009	2 147	375	221	590	95	48	-	3 478

As a % of total

1985	57,7	12,2	4,3	22,3	-	1,7	1,7	100,0
1989	58,5	11,8	4,3	21,6	-	2,2	1,5	100,0
1990	58,8	12,0	4,4	21,5	-	2,2	1,1	100,0
1991	59,3	12,2	4,2	21,2	-	2,1	0,9	100,0
1992	59,5	12,6	4,1	20,9	0,1	2,0	0,9	100,0
1993	59,5	13,0	3,9	20,7	0,2	2,0	0,8	100,0
1994	59,3	13,4	3,8	20,5	0,2	2,0	0,7	100,0
1995	59,2	13,7	3,8	20,4	0,2	2,0	0,6	100,0
1996	59,2	13,4	4,1	20,5	1,0	1,9	-	100,0
1997	58,7	12,9	4,5	20,4	1,6	1,9	-	100,0
1998	59,1	12,4	4,6	19,9	2,2	1,8	-	100,0
1999	59,4	12,1	4,7	19,6	2,4	1,8	-	100,0
2000	59,8	11,9	4,8	19,3	2,5	1,8	-	100,0
2001	59,9	11,8	5,0	19,0	2,5	1,7	-	100,0
2002	59,5	11,9	5,3	19,0	2,6	1,7	-	100,0
2003	59,5	11,8	5,5	18,7	2,7	1,7	-	100,0
2004	59,8	11,8	5,6	18,4	2,7	1,7	-	100,0
2005	60,0	11,8	5,7	18,1	2,7	1,6	-	100,0
2006	60,3	11,6	5,9	17,8	2,7	1,6	-	100,0
2007	60,7	11,4	6,1	17,5	2,7	1,5	-	100,0
2008	61,1	11,1	6,3	17,3	2,7	1,4	-	100,0
2009	61,7	10,8	6,4	17,0	2,7	1,4	-	100,0

Source: Czech Social Security Administration

Note: ¹⁾ The number of pensions paid in December, incl. pensions paid abroad and other pensions.²⁾ Widow's and widower's pensions include combinations with direct pensions.³⁾ Social, personal, long-term service and other pensions granted before January 1, 1957.

Table No. 2.2

Number of Pensioners in December 1996 - 2009

Year	Old-age				Partial old-age	Disability		Widow's and widower's	Orphan's	Total (persons)
	total	non-reduced	permanen. reduced	temporar. reduced		full	partial			
total										
1996	1 760 331	1 749 528	7 235	3 568	36 667	404 756	120 743	98 118	57 058	2 477 673
1997	1 768 248	1 734 757	23 407	10 084	34 416	394 766	134 584	95 475	57 621	2 485 110
1998	1 816 181	1 733 679	66 153	16 349	32 458	387 888	140 675	88 902	55 139	2 521 243
1999	1 849 739	1 721 213	110 885	17 641	30 144	381 542	146 266	83 183	57 285	2 548 159
2000	1 878 555	1 702 846	156 420	19 289	28 204	377 679	150 609	77 545	55 273	2 567 865
2001	1 896 495	1 681 223	199 528	15 744	26 277	376 456	157 831	72 998	53 961	2 584 018
2002	1 883 314	1 659 163	210 960	13 191	24 516	378 433	166 405	70 729	54 401	2 577 798
2003	1 891 577	1 639 500	225 933	26 144	22 642	380 416	173 569	67 438	55 202	2 590 844
2004	1 923 728	1 648 673	250 683	24 372	21 187	384 203	179 173	63 374	54 020	2 625 685
2005	1 942 079	1 656 890	270 892	14 297	19 791	385 149	184 906	60 632	52 543	2 645 100
2006	1 976 693	1 667 628	295 328	13 737	18 657	385 764	194 291	57 411	50 968	2 683 784
2007	2 011 281	1 677 398	323 263	10 620	17 584	383 913	202 773	54 195	49 415	2 719 161
2008	2 049 530	1 690 727	354 415	4 388	16 475	377 723	211 022	51 507	47 754	2 754 011
2009	2 092 894	1 697 687	391 734	3 473	15 474	370 154	215 790	49 281	46 798	2 790 391
men										
1996	622 546	618 906	2 416	1 224	627	199 059	72 537	5 660	28 461	928 890
1997	622 725	610 398	8 686	3 641	693	194 354	77 957	6 544	28 526	930 799
1998	638 053	605 988	25 603	6 462	761	191 517	80 408	6 525	26 517	943 781
1999	650 189	597 884	44 310	7 995	831	188 746	82 587	6 817	27 180	956 350
2000	658 489	588 539	61 390	8 560	891	187 370	84 787	6 664	26 249	964 450
2001	664 091	579 347	77 806	6 938	957	187 258	88 696	6 709	25 409	973 120
2002	656 217	568 327	82 034	5 856	1 057	188 680	92 891	7 255	25 339	971 439
2003	657 771	559 274	87 433	11 064	1 146	190 456	96 562	7 532	25 453	978 920
2004	669 969	563 112	96 641	10 216	1 251	192 961	99 197	7 535	24 773	995 686
2005	679 071	568 237	104 780	6 054	1 327	193 836	101 710	7 701	23 871	1 007 516
2006	694 678	572 642	115 531	6 505	1 421	194 512	106 163	7 759	22 971	1 027 504
2007	710 131	576 665	128 069	5 397	1 487	193 744	110 009	7 635	22 140	1 045 146
2008	733 276	589 616	141 574	2 086	1 553	189 678	113 199	7 506	21 253	1 066 465
2009	760 365	600 696	157 933	1 736	1 613	184 918	114 416	7 438	20 680	1 089 430
women										
1996	1 137 785	1 130 622	4 819	2 344	36 040	205 697	48 206	92 458	28 597	1 548 783
1997	1 145 523	1 124 359	14 721	6 443	33 723	200 412	56 627	88 931	29 095	1 554 311
1998	1 178 128	1 127 691	40 550	9 887	31 697	196 371	60 267	82 377	28 622	1 577 462
1999	1 199 550	1 123 329	66 575	9 646	29 313	192 796	63 679	76 366	30 105	1 591 809
2000	1 220 066	1 114 307	95 030	10 729	27 313	190 309	65 822	70 881	29 024	1 603 415
2001	1 232 404	1 101 876	121 722	8 806	25 320	189 198	69 135	66 289	28 552	1 610 898
2002	1 227 097	1 090 836	128 926	7 335	23 459	189 753	73 514	63 474	29 062	1 606 359
2003	1 233 806	1 080 226	138 500	15 080	21 496	189 960	77 007	59 906	29 749	1 611 924
2004	1 253 759	1 085 561	154 042	14 156	19 936	191 242	79 976	55 839	29 247	1 629 999
2005	1 263 008	1 088 653	166 112	8 243	18 464	191 313	83 196	52 931	28 672	1 637 584
2006	1 282 015	1 094 986	179 797	7 232	17 236	191 252	88 128	49 652	27 997	1 656 280
2007	1 301 150	1 100 733	195 194	5 223	16 097	190 169	92 764	46 560	27 275	1 674 015
2008	1 316 254	1 101 111	212 841	2 302	14 922	188 045	97 823	44 001	26 501	1 687 546
2009	1 332 529	1 096 991	233 801	1 737	13 861	185 236	101 374	41 843	26 118	1 700 961

Source: Czech Social Security Administration

Note: Pensions paid abroad are not included.

Permanently reduced = up to 3 years before reaching the retirement age pursuant to § 31 of the Act No. 155/1995 Coll.

Temporarily reduced = up to 2 years before reaching the retirement age pursuant to § 30 of the Act No. 155/1995 Coll.

Non reduced = old-age pension upon reaching the retirement age.

Partial old-age pension = old-age pensions awarded according to § 26 of the Act No. 100/1988 Coll. and to § 29 letter b) the Act No. 155/1995 Coll. (short period of insurance).

At widow's, widower's and orphan's pensions only pensions paid separately.

Table No. 2.3

Average Monthly Amounts of Solo Paid out Pensions in December 1996 - 2009

Year	Old-age				Partial old-age	Disability		Widow's and widower's	Orphan's	Total (CZK)
	total	non-reduced	permanen. reduced	temporar. reduced		full	partial			
total										
1996	4 609	4 609	4 538	4 556	2 987	4 455	2 933	3 430	2 181	4 335
1997	5 149	5 151	5 139	4 972	3 283	4 986	3 338	3 804	2 546	4 837
1998	5 578	5 587	5 504	5 233	3 444	5 398	3 592	4 069	2 761	5 242
1999	5 914	5 936	5 733	5 474	3 524	5 731	3 739	4 250	2 918	5 549
2000	6 296	6 350	5 943	5 686	3 647	6 118	3 905	4 480	3 077	5 909
2001	6 814	6 908	6 303	6 011	3 808	6 638	4 147	4 783	3 289	6 389
2002	6 841	6 949	6 272	5 896	3 705	6 666	4 132	4 739	3 327	6 398
2003	7 083	7 226	6 432	6 122	3 699	6 911	4 243	4 830	3 440	6 616
2004	7 280	7 454	6 537	6 191	3 666	7 088	4 315	4 889	3 529	6 797
2005	7 755	7 953	6 914	6 536	3 775	7 537	4 584	5 143	3 780	7 238
2006	8 200	8 437	7 241	7 091	3 859	7 962	4 847	5 385	3 998	7 653
2007	8 761	9 040	7 699	7 646	3 994	8 496	5 161	5 705	4 278	8 176
2008	9 653	9 963	8 538	8 129	4 545	9 337	5 893	6 407	4 989	9 039
2009	10 062	10 412	8 903	8 433	4 511	9 681	6 076	6 567	5 145	9 413
men										
1996	5 099	5 098	5 172	5 164	3 441	4 834	3 092	2 387	2 178	4 770
1997	5 689	5 688	5 784	5 584	3 571	5 393	3 507	2 804	2 539	5 310
1998	6 173	6 179	6 135	5 848	3 589	5 834	3 785	3 042	2 748	5 758
1999	6 557	6 578	6 386	6 065	3 566	6 194	3 947	3 215	2 903	6 101
2000	6 998	7 047	6 650	6 350	3 562	6 611	4 132	3 378	3 064	6 503
2001	7 594	7 682	7 074	6 743	3 609	7 172	4 399	3 620	3 274	7 040
2002	7 627	7 731	7 044	6 625	3 437	7 192	4 382	3 651	3 313	7 045
2003	7 909	8 044	7 241	6 934	3 376	7 449	4 501	3 770	3 426	7 285
2004	8 141	8 306	7 379	7 020	3 313	7 628	4 579	3 862	3 512	7 487
2005	8 671	8 860	7 802	7 406	3 413	8 096	4 861	4 123	3 761	7 969
2006	9 168	9 401	8 170	7 932	3 503	8 538	5 133	4 358	3 977	8 419
2007	9 796	10 077	8 687	8 503	3 664	9 094	5 457	4 668	4 254	8 990
2008	10 728	11 036	9 565	9 067	4 239	9 943	6 193	5 412	4 960	9 888
2009	11 189	11 536	9 982	9 416	4 249	10 301	6 384	5 580	5 114	10 311
women										
1996	4 178	4 177	4 204	4 219	2 966	3 993	2 674	3 494	2 183	3 949
1997	4 687	4 686	4 739	4 602	3 266	4 490	3 089	3 878	2 552	4 426
1998	5 087	5 091	5 086	4 803	3 435	4 865	3 320	4 150	2 773	4 803
1999	5 390	5 407	5 274	4 941	3 520	5 163	3 456	4 342	2 931	5 082
2000	5 734	5 781	5 459	5 106	3 655	5 510	3 598	4 584	3 089	5 410
2001	6 195	6 278	5 778	5 372	3 829	5 977	3 809	4 901	3 303	5 841
2002	6 221	6 319	5 744	5 255	3 739	6 015	3 803	4 863	3 340	5 854
2003	6 438	6 571	5 879	5 479	3 748	6 243	3 905	4 963	3 452	6 053
2004	6 610	6 774	5 963	5 545	3 730	6 415	3 975	5 028	3 544	6 216
2005	7 042	7 227	6 302	5 839	3 848	6 840	4 235	5 291	3 796	6 621
2006	7 444	7 668	6 586	6 259	3 942	7 243	4 492	5 546	4 016	7 002
2007	7 952	8 217	6 985	6 652	4 080	7 750	4 800	5 875	4 298	7 484
2008	8 799	9 094	7 783	7 106	4 634	8 588	5 535	6 577	5 013	8 311
2009	9 149	9 482	8 096	7 175	4 597	8 925	5 718	6 743	5 169	8 636

Source: Czech Social Security Administration

Note: Pension paid out abroad are not included.

Permanently reduced = up to 3 years before reaching the retirement age pursuant to § 31 the Act No. 155/1995 Coll.

Temporarily reduced = up to 2 years before reaching the retirement age pursuant to § 30 the Act No. 155/1995 Coll.

Not reduced = old-age pension upon reaching the retirement age.

Partial old-age pension = old-age pension awarded according to § 26 of the Act No. 100/1988 Coll. and to § 29 letter b) of the Act No. 155/1995 Coll. (short period of insurance).

At widow's, widower's and orphan's pensions only pensions paid separately.

Table No. 2.4

Expenditures on Pensions by Type of Pensions (civil sector)

mil. CZK

Year	Důchod									
	old-age	partial old-age	full disability	partial disability	widow's	widowers ¹	orphans ¹	others ¹	total	
1993	50 178	686	11 505	1 942	8 467	48	634	178	73 638	
1994	56 995	764	13 507	2 122	9 274	62	724	182	83 630	
1995	71 018	1 016	17 037	2 966	10 119	106	1 150	279	103 691	
1996	83 795	1 269	19 887	3 967	11 681	330	1 432	5	122 365	
1997	104 198	-	22 363	5 188	13 127	608	1 794	2	147 281	
1998	114 605	-	24 578	6 162	13 747	831	1 882	0	161 805	
1999	123 666	-	25 557	6 669	14 268	967	1 887	0	173 014	
2000	130 932	-	26 412	7 012	14 534	1 055	1 975	0	181 921	
2001	140 657	-	27 970	7 677	15 938	1 200	2 373	0	195 814	
2002	150 772	-	30 222	8 501	17 078	1 368	2 498	0	210 440	
2003	156 273	-	31 531	9 135	17 343	1 487	2 504	0	218 273	
2004	163 026	-	32 719	9 631	17 408	1 532	2 567	0	226 883	
2005	175 669	-	35 028	10 575	18 042	1 651	2 684	0	243 648	
2006	188 949	-	37 239	11 802	18 924	1 810	2 740	0	261 464	
2007	203 933	-	40 420	13 254	20 382	1 984	2 904	0	282 876	
2008	222 105	-	42 446	14 952	20 871	2 096	3 066	0	305 536	
2009	243 636	-	44 380	16 609	21 576	2 249	3 254	0	331 705	

Source: Czech Social Security Administration

Note: Helplessness included since 1999.

Net expenditures not include advances to post offices for the payment of pensions.

¹⁾ Benefits granted according to the legal regulations effective before the Act No. 155/1995 Coll.

Table No. 2.5

Development of Expenditures on Pensions in Relation to GDP

Year	Expenditures on pensions* (mld. CZK)	GDP in current prices (mld. CZK)	Relation (%)
1993	76,5	1 020,3	7,5
1994	88,2	1 182,7	7,5
1995	109,8	1 466,5	7,5
1996	127,6	1 683,3	7,6
1997	150,2	1 811,1	8,3
1998	166,1	1 996,5	8,3
1999	177,9	2 080,8	8,5
2000	186,9	2 189,2	8,5
2001	201,1	2 352,2	8,5
2002	213,6	2 464,4	8,7
2003	225,8	2 577,1	8,8
2004	230,9	2 814,8	8,2
2005	247,4	2 983,9	8,3
2006	272,9	3 222,4	8,5
2007	289,9	3 535,5	8,2
2008	312,5	3 689,0	8,5
2009	339,8	3 625,9	9,4

Source: State closing account

Note: *) Incl. expenditures on pensions in the armed forces.

Table No. 2.6

Development of Average Old-age Pensions in Relation to Average Wage

Year	Average pension ¹⁾ (in CZK)	Average wage (in CZK)		Total replacement rate (in %)	
		gross ²⁾	net ³⁾	gross	net
1988	1 496	3 095	2 451	48,3	61,0
1989	1 598	3 170	2 504	50,4	63,8
1990	1 731	3 286	2 586	52,7	66,9
1991	2 176	3 792	2 952	57,4	73,7
1992	2 413	4 644	3 563	52,0	67,7
1993	2 734	5 817	4 551	47,0	60,1
1994	3 059	6 896	5 351	44,4	57,2
1995	3 578	8 172	6 318	43,8	56,6
1996	4 213	9 676	7 520	43,5	56,0
1997	4 840	10 696	8 308	45,3	58,3
1998	5 367	11 693	9 090	45,9	59,0
1999	5 724	12 655	9 842	45,2	58,2
2000	5 962	13 490	10 447	44,2	57,1
2001	6 352	14 640	11 324	43,4	56,1
2002	6 830	15 711	12 082	43,5	56,5
2003	7 071	16 769	12 807	42,2	55,2
2004	7 256	17 882	13 601	40,6	53,3
2005	7 728	18 809	14 252	41,1	54,2
2006	8 173	20 050	15 506	40,8	52,7
2007	8 736	21 527	16 509	40,6	52,9
2008	9 347	23 280	17 714	40,2	52,8
2009	10 027	24 091	18 665	41,6	53,7

Source: MoLSA

Note: ¹⁾ Monthly average of yearly pension payment (paid out solo without survivorship annually).²⁾ The average gross wage = the average assessment base (§17 subsection 2 of the Act No. 155/1995 Coll.) determined by government direction according to average monthly wage (find out by CZSO).³⁾ Average net wage = the average gross wage decreased by the corresponding amount of income tax, health insurance and social security premium.

Amount of wage and pensions increased by state compensatory allowance in period when it belongs.

Graph No. 2.6.1

Development of Average Old-age Pensions in Relation to Average Wage*

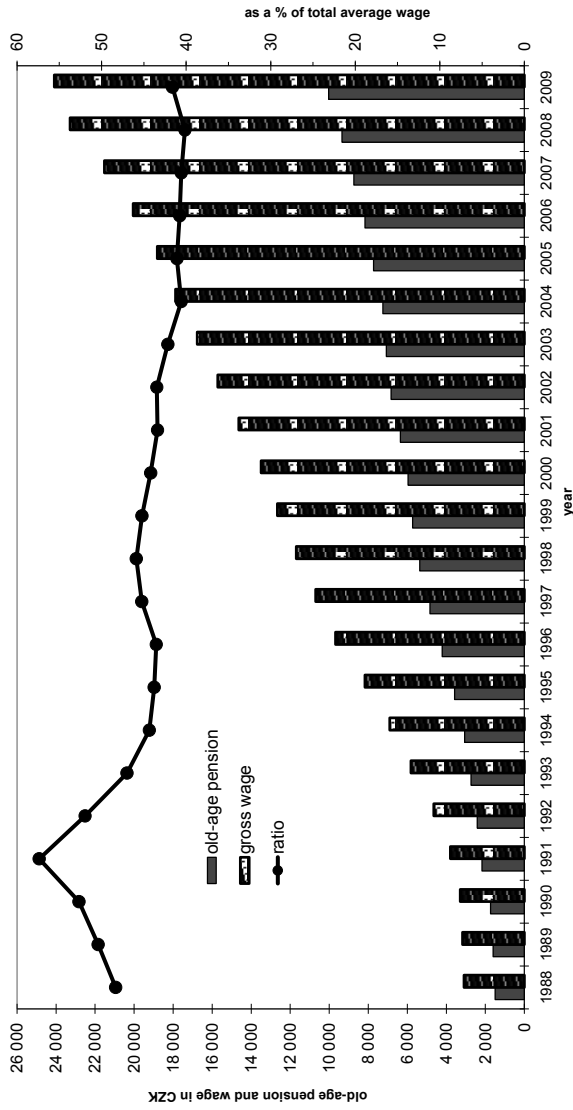


Table No. 2.7

Overviews of Increases to Paid out Pensions

Months and year the increase came into effect	Increase			Basic amount of pension
	in the percentage-based assessment old-system pensioners	new-system pensioners	in the basic amount of pension	
April 1996	8%	8%	240 CZK	920 CZK
October 1996	6%	6%	140 CZK	1 060 CZK
August 1997	8%	8%	200 CZK	1 260 CZK
July 1998	9%	5%	50 CZK	1 310 CZK
August 1999	7,5%	5%		1 310 CZK
December 2000	9%	5%		1 310 CZK
December 2001	11%	8%		1 310 CZK
January 2003	4,0%	3,8%		1 310 CZK
January 2004	2,5%	2,5%		1 310 CZK
January 2005	5,4%	5,4%	90 CZK	1 400 CZK
January 2006	6%	4%	70 CZK	1 470 CZK
January 2007	6,6%	5,6%	100 CZK	1 570 CZK
January 2008	3%	3%	130 CZK	1 700 CZK
August 2008			470 CZK	2 170 CZK
January 2009	4,4%	4,4%		2 170 CZK

Source: MoLSA

Note: Old-system pensioners = pensions granted before January 1, 1996.

New-system pensioners = pensions granted after December 31, 1995.

The sickness insurance system is intended for people in remunerative work, for whom it provides security through financial sickness insurance benefits in cases of so-called short-term social events (temporary inability to work, due to an illness, injury or quarantine, caring for a family member, pregnancy and maternity or caring for a child).

Since January 1, 2009, sickness insurance has been regulated through the Act No. 187/2006 Coll., on Sickness Insurance, as amended. This act represents a comprehensive unification of sickness insurance legislation of the sickness insurance for employees, self-employed persons and this group of persons, whose participation in the sickness insurance was regulated by specific legislation (members of Police of the CR, Fire Brigade of the CR, Customs Administration of the CR, Prison Service of the CR, Security Information Service). The sickness insurance for all insured persons (except the armed forces, persons in the custody and sentenced persons) is administered by District Social Security Administration.

Contrary of self-employed person, whose participation in sickness insurance remains voluntary, employees participate in compulsory bases. An employee is subject to sickness insurance if he/she fulfils three basic conditions stipulated by the Sickness Insurance Act: the performance of work in the Czech Republic, the scope of work specified by minimum number of days (the employment lasted or should lasted at least 15 calendar days) and the minimum arranged income (so called decisive income with limitation at 2,000 CZK and which will be increased according to development of the average wage).

There are four types of benefits in the Czech Republic: sickness benefit, care benefit, maternity benefit and maternity compensation benefit. The amount of these benefits is calculated from the employee's income level in the decisive period (normally a period of 12 calendar months before calendar month, in which the social event occurred). The calculation of the benefit is consequently based on daily average of these incomes (so called daily assessment base), which is subject for further reduction.

New Act on Sickness Insurance has increased involvement of employers to their employee sick insurance in the connection with the provision of salary compensation. Sick employees are entitled to sickness benefits only from the 15th calendar day of temporary inability to work or quarantine (for a maximum of 380 calendar days beginning from the origin of temporary inability to work or quarantine). During the first 14 calendar days an employee whose employment relationship with an obligation for participation in sickness insurance remains effective, receive salary compensation from the employer. The salary compensation is per working days and, in the event of temporary inability to work, from the 4th working day (in event of quarantine from the 1st working day).

Concerning the employers the obligation to pay salary compensation of employees was balanced by reduction of their sickness insurance premium rate (from previous 3.3% to 2.2% since 2009). Moreover starting 2009 employers are refunded half the salary compensation paid to their employees in the form of a deduction from the paid premium.

Table No. 3.1
Basic Sickness Insurance Indicators

	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
1. Average number of sickness insured persons	4 711 075	4 755 667	4 708 151	4 603 615	4 833 831	4 784 482	4 578 688	4 517 546	4 483 455	4 466 699	4 435 434	4 389 251	4 442 703	4 497 033	4 597 021	4 572 443	4 253 139
2. Newly notified cases of incapacity of work	3 925 021	4 048 326	4 324 828	3 951 214	4 192 150	3 790 700	3 813 161	3 812 185	3 863 031	3 589 680	3 621 995	2 705 662	3 029 448	2 706 725	2 726 654	2 221 739	1 441 516
3. Number of calendar days of incapacity of work	91 138	100 177	105 693	101 921	110 312	101 552	99 509	106 730	110 431	110 411	110 306	94 083	99 346	95 428	94 274	86 757	64 956
4. Average period of disability per 1 case of incapacity of work	23,2	24,8	24,4	25,8	26,3	26,8	26,1	28,0	28,6	30,8	30,5	34,8	32,8	35,3	34,6	39,1	45,1
5. Average percentage of incapacity of work	5,30	5,77	6,15	6,05	6,25	5,82	5,95	6,46	6,75	6,77	6,81	5,86	6,13	5,81	5,62	5,18	4,18
6. Incomes from sickness insurance (premium)	14 133	17 064	19 604	21 492	23 706	25 181	25 839	27 285	29 653	31 563	33 316	35 738	37 679	40 535	44 354	46 677	23 298
7. Expenditures on sickness insurance total	11 961	16 173	18 049	20 409	19 794	18 533	19 287	27 205	29 985	32 609	34 307	29 563	31 660	32 773	34 671	31 882	26 033
including:																	
sickness benefits	9 665	13 589	15 416	17 662	16 959	15 733	16 434	23 653	25 574	28 222	29 523	24 704	26 258	26 963	27 881	24 769	18 215
care benefits	655	835	893	927	864	765	696	785	957	893	1 004	730	819	825	893	811	729
maternity benefits	1 623	1 732	1 722	1 811	1 963	2 028	2 151	2 759	3 047	3 487	3 774	4 123	4 579	4 981	5 893	6 297	7 084
pregnancy and maternity compensatory benefits	18	17	18	9	8	7	6	8	7	7	6	5	5	4	4	4	5
8. Difference between incomes and expenditures	2 172	891	1 555	1 083	3 912	6 648	6 552	80	68	-1 046	-991	6 175	6 019	7 762	9 683	14 795	-2 735
9. Percentage of expenditures on sickness insurance benefits covered by incomes	118,2	105,5	108,6	105,3	119,8	135,9	134,0	100,3	100,2	96,8	97,1	120,9	119,0	123,7	127,9	146,4	89,5

Source: Incapacity for Work due to Disease or Injury in the Czech Republic (statistical information from Czech Statistical Office), MoLSA, Czech Social Security Administration (incomes including fines, penalties, surcharge to insurance and other obligations and claims)

Graph No. 3.1.1
Basic Sickness Insurance Indicators

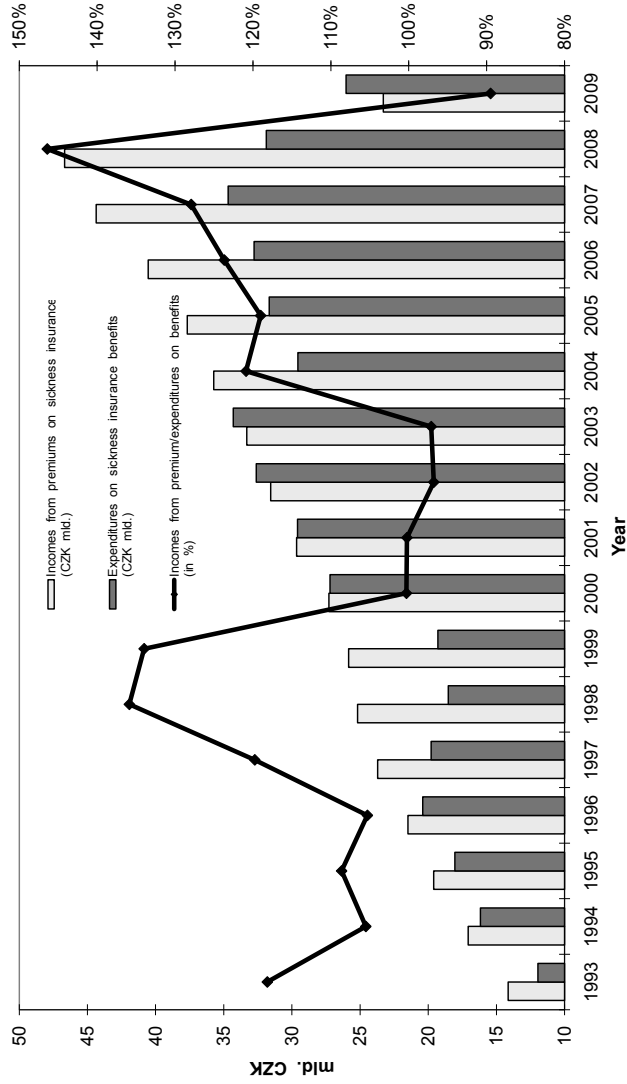


Table No. 3.2

Development of the Average Daily Sickness Benefits, Average Daily Wage and their Ratio

Year	Average wage ¹⁾ (gross)		Average daily sickness benefit ³⁾ in CZK	Ratio average daily sickness benefits to average daily wage in %
	monthly in CZK	daily ²⁾ in CZK		
1985	2 920	96	64	67
1989	3 170	104	69	66
1990	3 286	108	72	67
1991	3 792	125	77	62
1992	4 644	152	90	59
1993	5 817	191	106	55
1994	6 896	227	136	60
1995	8 172	269	146	54
1996	9 676	317	173	55
1997	10 696	352	150	42
1998	11 693	384	152	39
1999	12 655	416	158	38
2000	13 490	442	209	47
2001	14 640	481	226	47
2002	15 711	517	248	48
2003	16 769	551	262	48
2004	17 882	586	254	43
2005	18 809	618	260	42
2006	20 050	659	273	41
2007	21 527	708	285	40
2008	23 280	763	290	38
2009	24 091	792	361	46

Source: MoLSA

1) Average wage = general assessment base determined by the relevant government decree according to figure of the Czech Statistical Office (average wage in given year)

2) Average daily wage = average wage / average number of days per months

3) Until 1996: ratio of expenditure on sickness benefits / number of calendar days of sick leave (based on CSZO data), for 1985 - 1992 conversion from working to calendar days.

Since 1997: ratio of expenditure on sickness benefits / number of reimbursed days (CSSA data).

The system of state social support is regulated by the Act No. 117/1995 Coll., on the State Social Support, as amended. The system guarantees direct assistance especially for families with dependent children in specific social situations when this family can not solve these situations with their own forces and means. These different difficult situations include for example insufficient income, care for a new-born or small child, care for handicapped child, incompleteness of family etc.

Property of family is not tested when entitlement of a benefit is evaluated. Only family income was subject of testing in case of the following benefits in 2009: child allowance, social allowance and housing allowance. Parental allowance, foster care benefits, birth grant and funeral grant were provided without regard to family income. Income decisive for an entitlement to state social support benefits includes, in particular, income from dependent activity (employment), income from entrepreneurship or other self-employment, sickness and pension scheme benefits, unemployment benefit, including similar income from abroad. Benefits are not subject of taxation.

The basis for determination of family income level when the entitlement to an income-tested benefit is evaluated (as well as the amount of a benefit) is the living minimum. The living minimum represents the socially accepted minimum level of cash income that guarantees nutrition and other basic personal needs.

The system of State Social Support has been significantly amended by the Act No. 261/2007 Coll., on Stabilisation of the Public Budgets. Mainly in effort to reduce the total amount of expenditure of the system in 2007, many economy measures were accepted. The essential change consisted in cancellation of annual automatic valorisation of benefits; the amount of almost all benefits was fixed. The payment of benefits became more direct. The financial support of families with children was partly transferred to taxation system.

The entitlement to child allowance was newly stipulated with relation to dependent child to 26 years living in the families with income of less than 2.4 times the family's living minimum. The amount of this allowance was fixed depending on the age of the child. In the 2nd half of 2009, in connection with the temporary measures for reduction of global economic crisis impact, the amount of child allowance was increased by 50 CZK and the household income limit associated with entitlement to this benefit was increased to 2.5 times of the minimum.

Social allowance is paid out to parents who care for at least one dependent child. These parents are entitled to this allowance provided the family income in the previous calendar quarter does not exceed 2.0 times the family's living minimum (2.2 times until 2008). The amount of this allowance is also influenced by age and number of dependent children, health state of children or parents, cases of lone-parent families, study of the child, and birth of more children.

The parental allowance was significantly changed. This parental allowance is provided at three rates set at fixed monthly amounts according to duration of drawing - increased rate (11,400 CZK), basic rate (7,600 CZK) and reduced rate (3,800 CZK). If a child diagnosed as a child suffering from a long-term disability or a severe long-term disability and does not draw care allowance, the parent is entitled (since January 2009) to parental allowance at the lower rate (3,000 CZK) from 7 to 15 years of the child's age. A parent may choose to draw parental allowance for a period of up to two, three or four years of the child. By selecting the period of support, the parent also selects the amount of the allowance. The parents, when they have disabled children, are entitled to an allowance at the basic rate (7,600 CZK) up to 7 years of child age. If the child draws care allowance (according to the Act on Social Service), the parent is entitled to half-pay parental allowance.

The amount of birth grant was determined from the beginning of year 2008 by the amount of 13,000 CZK. Concerning the funeral grant the range of applicants, who are entitled to this benefit, was extensively restricted. From the beginning of year 2008 the funeral grant is awarded to a person who has arranged for the funeral of a dependent child, or to a person who was the parent of a dependent child.

The fostering grant was set as a fixed sum and relates to the age of the child when taking the child into foster care. The allowance for school aids, which was provided to children when entering compulsory school attendance, was cancelled to January 1, 2008.

Expenditure on state social support allowances amounted 41.1 mld. CZK in 2009. Compared to previous year (41.9 mld. CZK) there was a decrease by ca 2%. This development (especially in 2008) is affected mainly by force of the above-mentioned the Act No. 261/2007 Coll., on stabilisation of public budgets. Moreover, given the fact that in 2009 the subsistence minimum was not valorised and the wages grew annually, there has been a significant decline of number of recipients of income tested child benefit and social allowance, and thereby reduction of system costs. The most significant ratio on total expenditure was represented by parental allowance (69.6%), child allowance (11.5%) and social allowance (7.2%).

Table No. 4.1

Expenditure on State Social Support Benefits

in mil. CZK

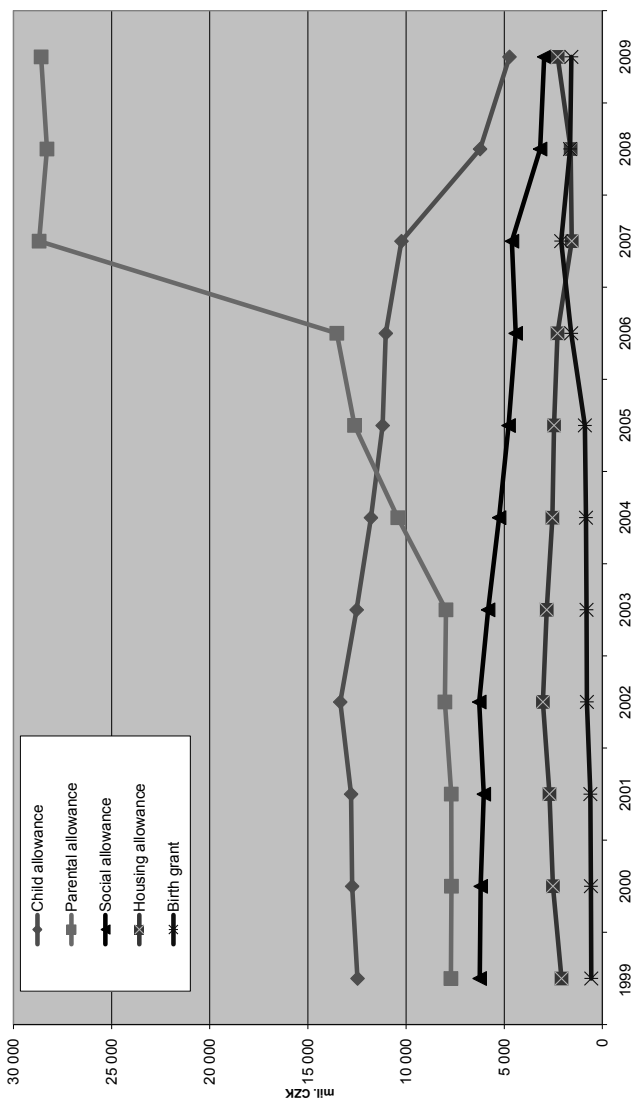
Benefits	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
Child allowance	12 474	12 748	12 799	13 353	12 519	11 790	11 195	11 033	10 236	6 232	4 736
Social allowance	6 251	6 199	6 041	6 271	5 822	5 262	4 779	4 418	4 607	3 174	2 962
Housing allowance	2 084	2 518	2 699	3 028	2 835	2 548	2 459	2 287	1 565	1 619	2 280
Transportation benefit ¹⁾	994	1 045	1 173	1 298	1 267	856	-3	-1	-	-	-
Parental allowance	7 718	7 691	7 701	8 022	7 964	10 425	12 627	13 526	28 690	28 294	28 586
Providing-for benefit ¹⁾	19	15	14	14	8	3	-	-	-	-	-
Foster care benefits	315	339	366	395	407	427	467	585	771	844	922
Birth grant	566	581	616	791	807	832	895	1 591	2 097	1 647	1 579
Funeral grant	543	540	528	529	549	525	533	513	509	71	17
Care allowance for a child in facility ²⁾	-	-	-	-	-	-	2	24	-	-	-
Allowance for school aid ³⁾	-	-	-	-	-	-	-	65	57	2	-
Heating benefit ⁴⁾	236	106	-	-	-	-	-	-	-	-	-
Rent benefit ⁴⁾	127	73	6	-	-	-	-	-	-	-	-
Total	31 328	31 855	31 942	33 700	32 178	32 669	32 954	34 041	48 532	41 883	41 082

Source: MoLSA

(-) no cases registered

¹⁾ Transportation benefit was terminated on June 30, 2004 (with return premium in 2005 and 2006) as well as providing-for benefit on December 31, 2004²⁾ Care allowance for a child in a facility was introduced on October 1, 2005 and abolished on May 31, 2006³⁾ Allowance for school aid was paid out from June 1, 2006 to December 31, 2007⁴⁾ Heating benefit was terminated to June 30, 2000, as well as rent benefit on December 31, 2000

Graph No. 4.1.1
Expenditures on Decisive Selected State Social Support Benefits



5. Social Assistance Benefits for People with Disabilities, Benefits of Assistance in Material Need and Care Allowance

Starting January 1, 2007, the Act No. 111/2006 Coll., on Assistance in Material Need as amended came into effect. It regulates providing of the assistance for assuring basic living conditions to persons (in situations connected with insufficient level of subsistence, housing and in extraordinary events). The main purpose of the system is motivation to active effort for ensuring means to meet basic necessities of life and to prevent social exclusion. The system is based on the principle that “all persons who work must be better off than those who are out of work or who avoid work“. Social work plays an important role in the system of assistance in material need.

Another feature of the system is help to deal the certain special circumstances that can only be solved with immediate assistance. It sets the rule that everyone is entitled to receive basic information that can not only address their particular material need, but in the first place to prevent it from generation. Delegated municipal authorities are responsible for granting and disbursing of the benefits in material need.

Important innovation in the field of assistance in material need is the introduction of the institute of public service since January 1, 2009. This tool is targeted for long-term unemployed persons (receiving allowance for living more than 6 months) enabling to get at least a short-term job opportunity with possibility to increase amount of allowance for living. By working 20 hours per calendar month, a person in material need may increase the amount of allowance of living from 2.020 CZK (subsistence minimum) to 3.126 CZK. By working 30 hours per calendar month, the amount of subsistence minimum is increased up to amount of 3.679 CZK. The public service primarily represents assistance to municipality in matters in its interest, such as improving the environment, conservancy and assistance in cultural development and social welfare.

Under the system of material need are distinguished these benefits:

1. *Allowance for Living* - this benefit covers cases of material need that tackles the insufficient income of a person or family. Beneficiaries are entitled to an allowance for living if the income of these persons or families is less than the amount of living when reasonable housing costs have been deducted. The amount of living is established on a case-by-case basis based on an evaluation of the person's income, efforts and opportunities.

2. *Supplement of housing* - tackles cases where the income of the person or family, including the entitlement to a housing allowance from the system of state social support, is insufficient to cover justified housing costs.

3. *Extraordinary immediate assistance* - is provided to persons (with low income) who find themselves in situations that have to be resolved immediately: suffer from a serious threat to health, persons are victims of a serious extraordinary event (a natural disaster, ecological disaster, etc.); persons are at risk of social exclusion (it concerns, for example, the situation of persons who have been released from custody

of from prison), persons do not have enough resources to cover essential one-off expenditure connected or persons do not have enough resources to acquire or repair basic furniture or durables, in particular, with the payment of an administrative fee or to cover justified costs relating to the education or special interests of dependent children.

The Act No. 108/2006 Coll., Social Services Act (effective since January 1, 2007) introduced essential innovation in the area of social benefits – care allowance. The care allowance shall be provided to persons dependent on another physical person's assistance for the purposes of arranging for necessary assistance. A person can reimburse (within this allowance) professional social service or cover costs on securing assistance within its family.

In 2009 the amendment to the Social Services Act (the Act No. 206/2009 Coll.) came into force. The main purpose was to regulate social services system to reflect knowledge from practice and analyses. In case of the care allowance, the scope of control activities was extended and modified to control real utilization of a benefit. Furthermore, entitlement to this allowance was restricted in cases, when other system takes care of the person (health service, education system and resort of prison service). Number of acts, which establish entitlement to care allowance for children till 18 years of their age, was reduced. From August 1, 2009, amount of care allowance was raised in IV. degree of dependence from 11,000 CZK to 12,000 CZK due to intensity of care provision.

Social assistance benefits for people with disabilities tackles unfavorable level of living of these persons by providing means for their need related to housing, transport and provision of special compensatory aids. Social assistance benefits for severely handicapped persons are provided in accordance with Decree by the Czech Ministry of Labour and Social Affairs No. 182/1991 Coll., to Implement the Act on Social Security and Act on Jurisdiction of Czech Republic Bodies in Social Security as amended.

5. Social Assistance Benefits for People with Disabilities, Benefits of Assistance in Material Need and Care Allowance

Table No. 5.1

Social Assistance Benefits for People with Disabilities

	2005		2006		2007		2008		2009	
	total number of benefits	non-investment expenditures (thous. CZK)	total number of benefits	non-investment expenditures (thous. CZK)	total number of benefits	non-investment expenditures (thous. CZK)	total number of benefits	non-investment expenditures (thous. CZK)	total number of benefits	non-investment expenditures (thous. CZK)
PERIODIC BENEFITS										
Periodic benefits for the handicapped people of which	2 134 365	380 839	2 252 495	406 389	2 178 599	480 953	32 215	15 065	33 992	14 465
allowance for increased costs of living *)	2 083 504	364 062	2 171 229	385 594	2 144 149	466 609	1 684	521	.	.
benefit for use of barrier-free flat	21 785	8 673	22 963	9 237	23 837	9 494	22 381	9 340	21 703	8 837
benefit for use of garage	6 595	1 492	6 796	1 513	6 507	1 497	6 707	1 506	6 961	1 621
benefit for blind citizen to feed for a guide dog	3 761	2 959	3 931	3 087	4 106	3 343	4 443	3 691	4 517	3 614
ONE-OFF BENEFITS										
One-off benefits for the handicapped people of which	245 151	2 163 343	254 209	2 361 497	273 570	2 434 897	266 188	2 481 254	266 378	2 455 337
benefit for vehicle purchase	4 890	383 695	4 946	395 120	4 712	381 258	4 951	401 246	4 988	349 900
benefit for general overhaul of motor vehicle	165	7 050	175	8 386	107	5 421	70	3 137	73	2 883
benefit for special modification of motor vehicle	361	14 866	373	15 581	374	16 558	453	18 761	393	16 786
benefit for motor vehicle operation	217 068	1 287 392	229 032	1 461 055	239 339	1 523 778	243 141	1 547 079	244 002	1 569 437
benefit for flat modification	2 117	63 500	2 099	65 614	1 984	62 638	2 080	65 566	1 874	59 784
benefit for individual transport	6 559	68 666	6 469	42 991	5 922	45 781	5 889	36 374	5 334	33 834
benefit for acquisition of special aids	7 277	307 502	7 778	317 357	8 227	376 742	7 992	391 700	8 371	411 782
benefit to blind citizen for a guide dog	44	6 870	48	8 416	62	9 766	52	7 941	31	5 592

Source: MoLSA

*) Allowance for increased costs of living (the provision of the Decree No. 182/1991 Coll. was abolished on December 31, 2007) was not paid in 2009. In 2008 there were return premium.

Table No. 5.2

Benefits of Assistance in Material Need and Care Allowance

Benefit	2007		2008		2009	
	Number of benefits (in thous.) *	Total expenditures (in thous. CZK) **	Number of benefits (in thous.) *	Total expenditures (in thous. CZK) **	Number of benefits (in thous.) *	Total expenditures (in thous. CZK) **
Benefits of assistance in material need	1 230	3 286 638	1 100	2 794 322	1 190	3 089 111
of which	861	2 592 920	788	2 176 145	864	2 328 053
allowance for living	303	523 518	250	472 619	233	511 627
supplement for housing	66	170 200	62	145 558	93	249 431
extraordinary immediate assistance	3 119	14 607 633	3 688	18 252 620	3 643	18 696 865
Care allowance						

Source: MoLSA and Ministry of Finance

* data source: information system HN/SS about drawing of benefits of assistance in material need and care allowance incl. retrospectively awarded benefits
 ** data source: information system ARIS (Ministry of Finance)

The Act No. 108/2006 Coll., Social Services Act as amended (effective since January 1, 2007), has brought significant changes in the system of social services. This Act aims to secure assistance to people unfavourable social situation through newly defined spectrum of social services. The assistance is intended as activities necessary for social inclusion and dignified living conditions accordant with level of society development. Provision of assistance is based on:

- availability – in light of type of assistance, regional availability, accessibility to information and economic availability,
- effective – social service have to comply with needs of human not the system,
- quality – way and scope of provision correspondent to current knowledge and feasibility of society,
- reliable – provision shall not limit rights and interests of persons,
- economical – public and private expenditures on assistance provision shall maximally cover objective scope of needs.

Persons in unfavorable social situation that require assistance to be self-sufficient are entitled to individual benefit – care allowance – provided irrespective of origin of help (family of social services provider) – for more see the previous chapter. Its amount corresponds to extent of needs. The care allowances are provided to all competent persons without regard to the fact that the help is ensure from utilize of natural resources, especially family or social service providers.

The Act also regulated significant news concerning an authorization for social services provision. Introduction of register of social services providers (<http://iregistr.mpsv.cz>) is basic precondition for obtaining of overview on scope and nature of social services net. Registration of social service providers represents one of prerequisite for transfer of financial means from public budgets.

On the basis of the Act the conditions for “reliable, quality and effective” provision of social services were stipulated with goal to secure protection of persons with reduced capability to assert their rights and interests. These conditions form series of obligations of social services providers and the system of control. Beside the standard control procedure there is also the system of supervision on quality of social services introduced by the Act and the system is based on the inspection of quality of social services, it means expert assessment of conditions and procedures of the social services providing. The Act launched conditions of vocational skills for performing a profession of social workers too.

Henceforth, the state regulates conditions for provision of social services, but does not provide these services except 5 facilities under administration of the MoLSA. The position of the state as a majority social services provider terminated with abolition of district offices. The state supports regional and local self-administration to assess set of needs of its population for formation of available net of social services.

Table No. 6.1

Number of Social Services

Type of service (§ 34 of the Act No. 108/2006 Coll.)	2008			2009		
	number	capacity	number of users to 31. 12.	number	capacity	number of users to 31. 12.
Day services centres	88	2 470	961	91	1 215	1 158
Day care centres	238	4 866	3 571	246	3 844	3 442
Week care centres	78	1 009	812	71	956	816
Homes for elderly	225	15 113	14 604	218	14 552	14 085
Homes for disabled persons	452	37 733	35 945	453	37 192	35 640
Special regime homes	150	7 396	7 016	165	8 223	7 911
Protected housing	113	2 503	2 291	116	2 591	2 461
Asylum homes	185	5 600	3 864	189	5 593	4 797
Half-way homes	35	332	184	38	346	264
Crisis centres	36	28	15	39	71	55
Low-threshold day centres	41	0	0	40	0	0
Low-threshold facilities for children and youth	177	0	0	192	0	0
Hostels (homeless shelters)	54	1 112	680	58	1 085	833
Therapeutic communities	16	270	160	16	251	220
Social counselling facilities	686	0	0	609	0	0
Social therapeutic workshops	78	886	805	88	911	870
Social rehabilitation services centres	218	1 558	1 262	241	991	871
Early intervention services centres	41	0	0	40	0	0
Intervention centres	15	0	0	16	0	0
Follow-up services	23	62	41	31	130	80
TOTAL	2 949	80 938	72 211	2 957	77 951	73 503

Source: MoLSA

Table No. 6.2

Social Services by Founder in 2009

Type of service (§ 34 of the Act. No. 108/2006 Coll.)	Total		State		Regional		Municipal		Church		Others	
	number	capacity	number	capacity	number	capacity	number	capacity	number	capacity	number	capacity
Day services centres	91	1 215	0	0	5	55	23	261	31	169	32	730
Day care centres	246	3 844	3	170	42	714	74	1 215	62	602	65	1 143
Week care centres	71	956	1	50	36	507	10	124	13	127	11	148
Homes for disabled persons	218	14 552	5	868	159	11 690	32	1 491	13	224	9	279
Homes for the elderly	453	37 192	0	0	189	18 114	161	15 106	69	2 640	34	1 332
Special regime homes	165	8 223	0	0	90	4 788	41	2 268	11	266	23	901
Protected housing	116	2 591	2	41	42	1 337	15	515	14	164	43	534
Asylum homes	189	5 593	0	0	3	218	47	1 151	70	2 033	69	2 191
Half-way houses	38	346	0	0	1	4	7	62	9	80	21	200
Crisis centres	39	71	0	0	1	10	2	2	11	9	25	50
Low-threshold day centres	40	0	0	0	0	0	1	0	22	0	17	0
Low-threshold facilities for children and youth	192	0	0	0	2	0	14	0	61	0	115	0
Hostels (homeless centres)	58	1 085	0	0	1	233	13	171	21	293	23	388
Therapeutic communities	16	251	0	0	1	15	1	15	1	12	13	209
Social counselling facilities	609	0	0	0	53	0	27	0	75	0	454	0
Social therapeutic workshops	88	911	1	35	7	86	4	62	16	180	60	548
Social rehabilitations services centres	241	991	2	20	4	10	2	0	42	91	191	870
Early interventions social centres	40	0	1	0	0	0	1	0	13	0	25	0
Intervention centres	16	0	0	0	5	0	0	0	4	0	7	0
Follow-up services	31	130	0	0	0	0	2	11	4	7	25	112
TOTAL	2 957	77 951	15	1 184	641	37 781	477	22 454	562	6 897	1 262	9 635

Source: MoLSA

Table No. 6.3

Costs on Residential Social Services and Incomes from Residents' Contributions

Year	Type of service (§ 34 of the Act No. 108/2006 Coll.)	Average non-investment expenditures per 1 bed for a year (thous. CZK)	Average contribution of a resident per year (thous. CZK)	Portion of residents' contribution to non-investment expenditure per 1 bed for a year (in %)
		(1)	(2)	(2/1)
2007	Homes for the elderly	214	106	49,7
	Homes for disabled persons	297	108	36,4
	Special regime homes	247	125	50,5
2008	Homes for the elderly	237	123	51,8
	Homes for disabled persons	315	133	42,2
	Special regime homes	255	132	51,7
2009	Homes for the elderly	250	134	53,6
	Homes for disabled persons	347	143	41,2
	Special regime homes	291	151	51,9

Source: MoLSA

Table No. 6.4

Home Care Services

Year	Total expenditures (in mil. CZK)	Number of services beneficiaries	Number of employees	Average payment by a service beneficiary per year in CZK
1994	1 897	85 533	6 656	330
1995	2 526	86 201	6 372	483
1996	1 799	89 673	5 660	755
1997	1 215	91 030	5 761	985
1998	1 493	90 897	5 569	1 184
1999	1 331	106 825	5 885	1 211
2000	1 540	113 528	5 760	1 316
2001	1 588	114 203	5 659	1 473
2002	2 255	109 034	5 466	1 796
2003	2 051	116 128	5 430	1 793
2004	2 148	109 475	4 978	1 859
2005	1 593	112 927	4 821	2 028
2006	1 637	105 088	4 556	2 156
2007	1 591	98 373	4 478	4 263
2008	1 643	111 871	560 ^{*)}	4 261
2009	1 903	114 364	372 ^{*)}	5 063

Source: MoLSA

^{*)} includes only number of medical employees since 2008

Summary of development of current (cash) household incomes is provided in the Table No. 7.1. From the quantity indicators of the national accounts statistics (CZSO) it is evident that the most significant part of current household incomes is represented by the compensations paid to employees, especially wages and salaries (basic wages and salaries, bonus and remunerations, compensation money, natural wages not included in basic wage like for example the value of products and services offered to employees free or with discount, the value of uniforms and meal tickets, contributions on holiday, culture, sport etc.). The ratio of wages and salaries (in this conception) on compensation of employees stagnates in last 10 years (c to 76%), their relation to current household incomes increased from 39% to 42% in this period of time.

Current household incomes made up 2,883.6 mld. CZK in 2009. Compared to 2008 it represents nominal decline by 2.2% (- 63.8 mld. CZK) and real decline by 3.2%. It is the first nominal and real annual decline since 1999.

The next items included in the current household incomes are social benefits and mixed pension (almost 20% ratio), pension from property and so-called other current transfers (compensations from non-life insurance, wins from bets, lotteries etc.) with c 5% ratio.

The average gross monthly wage is another indicator for evaluation of development of household living situation. This indicator is based on ratio of wages excl. other personal costs, which is related to one employee (before reduction by premiums on general health insurance and social security, advance payment of income tax and other legal deductions eventually).

In recent 10 years the annual dynamics of average gross monthly wage has oscillated in interval from 3.5% to 8.8%, in real expression (i.e. reduced by growth of consumer prices) from 1.9% to 6.1%.

Average nominal wage (per number of employees – full-time equivalent) in the national economy in 2009 was 23,488 CZK with annual growth by 3.5% (797 CZK) – in 2008 (compared to 2007) the growth was 8.3% (1,734 CZK). In the business sector (its employees made up almost 82% within all reported subjects) the average nominal wage reached 23,277 CZK after annual growth by 3.2% (718 CZK). The average salary in non-business sector (organisations fully or partly financed by state or local budgets and non-profit institutions) increased by 4.7% (1,095 CZK) to 24,432 CZK.

The overview of development of social income households by basic expenditure dimensions (MoLSA database) is stated in the Table No. 7.3. The ratio of social incomes in the structure of total social incomes of households reached 18.2% and exceeded this ratio in 2008 by 1.9 percentage point.

Total amount of social incomes of households reached the amount of 436.5 mld. CZK, it represents increase by 7.0% (28.4 mld. CZK) compared to 2008. The most significant part (75.6%) of social transfers were pension insurance benefits (330.2 mld. CZK), i.e. annual growth by 8.7% (26.4 mld. CZK).

Table No 7.1

Current Incomes and Average Wages of Household Sector in the National Economy in the Czech Republic in 2001 - 2009

	2001	2002	2003	2004	2005	2006	2007	2008	2009
Current incomes of households^{a)}									
total	1 844,2	1 940,0	2 057,0	2 206,6	2 328,0	2 520,5	2 763,3	2 947,4	2 883,6
index - year-on-year	105,5	105,2	106,0	107,3	105,5	108,3	109,6	106,7	97,8
- year 2000 = 100	105,5	111,0	117,6	126,2	133,1	144,2	158,0	168,6	164,9
of which: wages and salaries^{b)}									
total	745,7	793,7	848,2	895,1	963,0	1 049,2	1 142,9	1 232,0	1 215,4
index - year-on-year	108,4	106,4	106,9	105,5	107,6	109,0	108,9	107,8	98,7
- year 2000 = 100	108,4	115,3	123,3	130,1	140,0	152,6	166,1	179,1	176,8
Average wage in the national economy (on recalculated numbers)^{b)}									
total	14 378	15 524	16 430	17 466	18 344	19 546	20 957	22 691	23 488
index - year-on-year	108,8	108,0	105,8	106,3	105,0	106,6	107,2	108,3	103,5
- year 2000 = 100	108,8	117,5	124,3	132,2	138,8	147,9	158,6	171,7	177,7

Source: Czech Statistical Office

^{a)} according to National Accounts Statistics, MoLSA calculation^{b)} data CZSO, MoLSA calculation

Graph No. 7.1.1

Current Incomes of Household Sector in the Czech Republic and Average Wage in the National Economy in the Czech Republic in 2001 - 2009 (comparing in % with 2000)

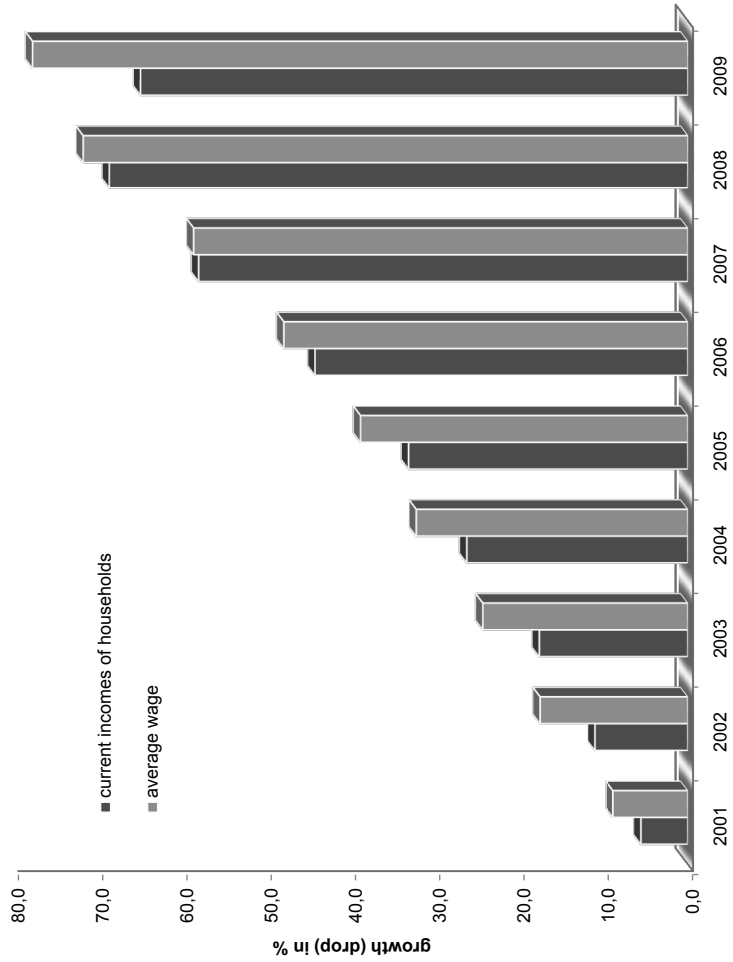


Table No 7.2

Average Gross Monthly Wage in accordance with Branches - Section CZ-NACE ¹⁾ in 2000 - 2009

	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
Czech Republic total	13 219	14 378	15 524	16 430	17 466	18 344	19 546	20 957	22 691	23 488
agriculture, forestry and fishing	10 451	11 441	11 809	12 181	13 234	13 948	14 828	16 164	17 524	17 941
industry total	13 228	14 149	15 071	15 844	17 014	17 825	18 953	20 293	21 915	22 862
mining and quarrying	16 557	17 747	18 752	19 690	21 126	22 693	24 055	25 722	29 284	28 008
manufacturing	12 838	13 757	14 647	15 398	16 574	17 348	18 472	19 833	21 350	22 233
electricity, gas, heat and air-conditioned supply	18 509	19 879	21 720	23 186	24 728	26 622	28 949	31 178	35 239	39 055
water supply; activities connecting with sewage and waste disposal and sanitations	13 219	14 031	15 119	15 756	16 726	17 641	18 689	19 703	21 433	22 333
construction	12 622	13 559	14 218	15 194	16 259	16 790	17 873	19 022	21 107	21 615
wholesale and retail sale; repair and maintenance of motor vehicles and motorcycles	12 597	13 736	14 825	15 436	16 350	17 109	18 300	19 905	21 759	21 563
transport and storage	13 363	14 296	15 415	16 256	17 344	18 182	19 300	20 666	22 941	23 091
accommodation, hotels and restaurants	7 510	8 636	9 555	9 712	10 057	10 507	11 516	12 186	13 036	12 481
information and communication activities	22 055	25 370	27 264	29 303	31 187	33 343	35 682	38 129	41 817	42 959
finance and insurance	25 129	28 659	31 299	32 890	35 269	37 337	40 077	42 410	45 663	47 127
real estate activities	12 362	13 710	15 677	16 350	17 564	17 946	19 434	20 782	21 672	22 470
professional, scientific and technical activities	16 012	17 353	19 621	20 749	21 872	23 557	24 712	27 047	30 875	31 494
administrative and supportive activities	10 461	11 275	12 113	12 193	12 956	13 512	14 496	15 314	16 662	16 268
public administration and defence; compulsory social security	15 472	16 855	18 460	19 858	20 861	22 247	23 297	25 046	26 207	27 043
education	12 214	13 473	14 781	16 543	17 748	18 788	20 040	21 253	22 080	23 457
health care and social care	11 970	13 444	15 174	16 468	16 883	17 610	19 043	20 164	21 317	23 527
cultural, show business and recreational activities	11 405	12 890	13 205	14 259	15 071	16 062	16 816	17 890	18 766	19 231
other activities	11 099	12 040	13 172	14 017	14 734	15 398	16 447	17 318	18 557	17 858

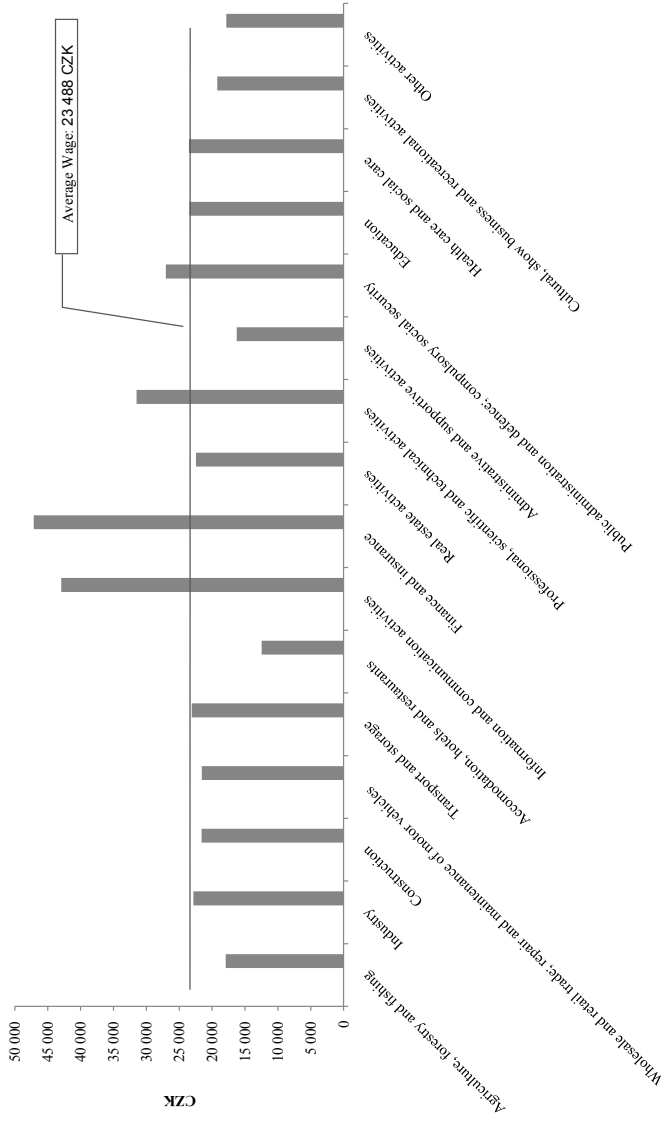
Source: Czech Statistical Office

1) Data are concerning only to employees in working relation to unit

Persons with public are not included, e.g. members of parliament, senators, released councillors of local authority of all levels, judges act. In data about average wage are published wages accounted for payment in this period of time.

Graph No. 7.2.1

Gross Monthly Wage Differentiation by National Economy Branches - Sections CZ-NACE in 2009



7. Incomes of Households

Table No. 7.3

Social Incomes of Households (in mil. CZK)

	2001	2002	2003	2004	2005	2006	2007	2008	2009	2002	2001	2003	2002	2003	2004	2005	2006	2007	2008	2009
Pension insurance benefits ¹⁾	196 650	210 971	218 790	222 371	240 726	260 939	281 726	303 738	330 150	107.3	103.7	101.6	108.3	108.4	108.4	108.4	108.0	107.8	108.7	
Sickness insurance benefits ²⁾	29 583	32 605	34 303	29 560	31 656	32 764	34 664	31 873	26 018	110.2	105.2	86.2	107.1	103.5	105.8	105.8	91.9	81.6		
State social support benefits ³⁾	31 942	33 700	32 178	32 730	32 954	34 051	48 533	41 883	41 082	105.5	95.5	101.7	100.7	103.3	142.5	86.3	98.1			
One-off benefit ⁴⁾	x	x	x	6 538	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	
Passive employment policy ⁵⁾	5 162	6 141	6 870	7 030	7 014	7 276	6 986	7 086	15 035	119.0	111.9	102.3	99.8	103.7	96.0	101.4	212.2			
Social care benefits ⁶⁾	11 646	13 327	14 148	14 317	14 196	14 674	3 785	2 489	2 453	114.4	106.2	101.2	99.2	103.4	25.8	65.8	98.5			
Benefits of assistance in material need	x	x	x	x	x	x	3 287	2 794	3 089	x	x	x	x	x	x	x	x	85.0	110.6	
Care allowance	x	x	x	x	x	x	14 608	18 253	18 697	x	x	x	x	x	x	x	x	125.0	102.4	
Social incomes total	274 983	296 744	306 289	312 546	326 546	349 704	393 589	408 116	436 524	107.9	103.2	102.0	104.5	107.1	112.5	103.7	107.0			

Source: MoLSA

¹⁾ including supplementary pension insurance, pension balance with Slovakia, increase of pensions of incapacity and compensation like rehabilitations (pensions paid abroad are not included); advance payment for post offices from previous year and expenditures on pensions in armed forces are not included).

²⁾ without armed forces and allowances paid abroad.

³⁾ without transfers to deposit account, refund of extrajudicial allowances and transfers to income account of state budget.

⁴⁾ one-off benefits for children in amount 3 866 mil. CZK and one-off benefits for pensioners in amount 2 672 mil. CZK.

⁵⁾ unemployment support for job seekers (expenditures on postage and bank fees are not included).

⁶⁾ benefits for people with disabilities, social care allowances (for elderly people, for families and children and for socially excluded) and other social need benefits

8. Basic Information on Labour Market

In 2009, the situation in the labour market was affected by the global economic crisis. Its impacts on the labour market were evident in the Czech Republic at the end of 2008. Gradually, there were redundancies especially in industrial branches (first in the car and glass industry, and later on in other sectors, mainly in manufacturing). In the second half of 2009 crisis consequences reduced – the unemployment growth partially slowed down, the common increase of unemployment at the end of 2009 was not as expressive as at the end of 2008.

The registered unemployment rate and the number of job seekers registered by labour offices increased - compared to previous years - during the whole year 2009 (except October). The average unemployment rate for 2009 was 8.0% (December 31, 2009 amounted to 9.2%), i.e. annually by 2.6 p.p. At the end of 2009 the number of job seekers reached 539.1 thous. (annual growth by 186.9 thous. of applicants).

During 2009 number of job seekers entitled to unemployment benefits increased significantly due to higher number of new job applicants in the registers of labour offices. The highest increase was recorded in the first half of the year; gradual decline in subsequent months was related to reduction in job layoffs and termination of support period of many applicants. At December 31, 2009, the unemployment benefit was received by 189.5 thous. applicants (i.e. 35.1% of all applicants). In 2009 the average number of these applicants was 188.1 thous. (annual growth by 78.7 thous. applicants).

The average monthly state of job vacancies annually declined by 93.2 thous. to 48.6 thous. At the end of 2009 it was reported only 30.9 thous. job vacancies, i.e. by 60.3 thous. less than at the end of 2008. In comparison, the number of applicants per a vacancy increased from 2.3 to 9.6. At the end of 2009 the indicator annually increased from 3.9 to 17.4.

Concerning regional structure, annual growth of number of job seekers was registered in all regions and districts. In December 2009, the highest unemployment rate was still in *Ústecký* region (13.6%), *Olomoucký* region (12.2%) and *Moravskoslezský* region (12.1%), in districts segmentation in *Jeseník* (19.6%), *Most* (16.4%) and *Hodonín* (15.9%).

Particularly high numbers of applicants for employment and higher average amount of unemployment benefit (associated with the arrival of job seekers with higher qualifications, more experience and higher decisive incomes, as well as legislative changes in percentage rates for unemployment benefits from January 1, 2009) represented higher demand of financial means from state budget on unemployment benefits. In 2009, the total amount of 15.1 mld. CZK exceeded more than two times the level in 2008 (7.1 mld. CZK).

In 2009 the active employment policy spent almost 5.0 mld. CZK. Compared to the previous year the spending on this policy decreased by 1.2 mld. CZK, i.e. by 19.2%, with subsequent changes in the structure of expenditure in connection with higher involvement of ESF funding in publically beneficial work, socially useful jobs and retraining and counselling.

Within the framework of state employment policy it was spent another 2.3 mld. CZK in the form of contribution to employers which employ more than 50% of people with disabilities (§ 78 the Act No. 435/2004 Coll., Employment Act) and furthermore 0.8 mld. CZK on payment of wage claims to employees in the case of employer's insolvency.

In 2009, in the area of employment there was - according to Labour Force Survey (CZZO) - the decline in the total employment in all spheres of national economy to 4,934.3 thous. persons (annual decline by 68.2 thous. persons, i.e. by 1.4%).

Slowdown of employment growth during each quarter of 2008 broke into significant decrease in the first quarter of 2009 (by 86.6 thous. persons). In the second and third quarter a decrease was not as expressive as in previous quarters, it represented 5.5 thous. persons, respectively 19.6 thous. persons. In the fourth quarter compared to the previous quarter, the employment increased slightly by 5.6 thousand people.

In the primary sector the employment declined by 5.0 thous. to 153.8 thous. persons, the share dropped to 3.1%. In the secondary sector the employment dropped by 124.1 thous. to 1,903 thous. persons, the ratio decreased to 38.6%. The tertiary sector increased by 60.9 thous. to 2,877.4 thous. persons, the ratio increased to 58.3%.

The employment rate of people aged 15 – 64 years dropped annually by 1.2 p.p. to 65.4%. The women employment rate decreased by 0.9 p.p. to 56.7%, for men by 1.6 p.p. to 73.8%. For group aged 55 – 64 years, employment rate decreased by 0.8 p.p. to 46.8%.

There was increase of number of economically active persons to 5,286.5 thous. due to growth of number of unemployed persons (122.3 thous.), number of the employed decreased (by 68.2 thous.). The participations rate in the category aged 15 – 64 years increased by 0.4 p.p. to 70.1%, in the category aged 15+ years by 0.2 p.p. to 58.7%.

8. Basic Information on Labour Market

Table No. 8.1

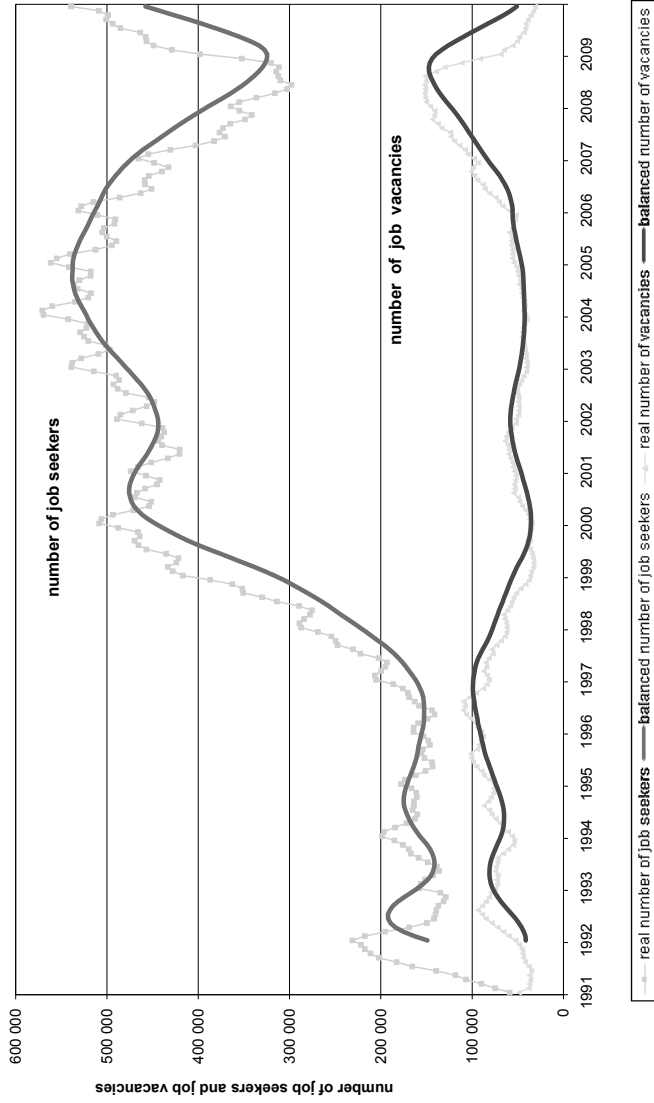
Basic Indicators of Labour Market

As of	Employment	Job seekers							Job vacancies	Number of job seeker per 1 job vacancy	Unemployment rate (%)
		total	of which					disability persons			
			with unemployed benefit	the unemployed more than 6 months	the unemployed more than 12 months	women	graduates and youth				
31.12.1995	5 067 054	153 041	67 623	60 468	36 218	88 113	20 085	22 687	88 047	1,7	2,93
31.12.1996	5 110 253	186 339	93 430	66 066	37 562	105 100	27 178	31 455	83 976	2,2	3,52
31.12.1997	4 945 112	268 902	138 108	100 911	52 588	151 772	44 174	40 460	62 284	4,3	5,23
31.12.1998	4 888 672	386 918	190 396	154 521	86 772	205 401	68 220	48 951	37 641	10,3	7,48
31.12.1999	4 787 358	487 623	206 836	253 406	144 726	248 120	70 751	57 615	35 117	13,9	9,37
31.12.2000	4 735 704	457 369	164 139	257 070	175 563	229 804	57 938	59 025	52 060	8,8	8,78
31.12.2001	4 746 718	461 923	169 046	253 447	171 203	231 870	57 393	61 518	52 084	8,9	8,90
31.12.2002	4 780 903	514 435	192 615	290 052	191 327	257 438	59 895	66 907	40 651	12,7	9,81
31.12.2003	4 749 819	542 420	189 479	318 435	218 336	272 498	54 217	71 806	40 188	13,5	10,31
31.12.2004	4 704 699	541 675	143 236	307 919	219 730	276 254	47 260	74 672	51 203	10,6	10,33
31.12.2005	4 746 299	510 416	141 753	292 860	212 804	265 631	38 545	75 316	52 164	9,8	8,88 *
31.12.2006	4 813 534	448 545	129 882	254 764	184 909	238 713	31 955	71 318	93 425	4,8	7,67 *
31.12.2007	4 895 690	354 878	112 675	190 653	136 913	191 150	22 680	65 216	141 066	2,5	5,98 *
31.12.2008	4 985 916	352 250	138 506	151 593	101 524	183 639	24 634	61 136	91 189	3,9	5,96 *
31.12.2009	4 960 814	539 136	189 497	248 202	123 873	258 112	35 612	67 738	48 554	17,4	9,24 *

Source: MoLSA and CZSO (data about employment are from Labour Force Sample Survey)

* according to new MoLSA methodology

Graph No. 8.1.1
Numbers of Job Seekers and Job Vacancies



8. Basic Information on Labour Market

Table No. 8.2

State Budget Expenditures on State Employment Policy

	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
Expenditures on employment policy	7 631 216	9 086 623	9 522 338	9 879 089	10 960 415	11 750 430	11 908 975	14 202 321	15 072 541	15 680 608	23 132 685
- passive policy	5 709 466	5 680 469	5 228 947	6 209 746	6 949 250	7 030 047	7 046 845	7 307 521	7 015 755	7 114 894	15 077 723
- active policy	1 921 750	3 406 154	4 063 277	3 483 250	3 274 160	3 939 856	3 977 708	5 300 675	5 673 321	6 131 729	4 953 467
Active employment policy:											
- graduated position ¹⁾	304 790	358 012	388 336	347 996	331 220	418 018	144 687	143	-	-	-
- socially beneficial job	523 563	989 720	1 042 504	616 819	691 559	1 030 597	1 184 356	1 071 803	867 971	570 288	411 950
- publicly beneficial works	481 915	759 308	924 451	713 953	685 001	833 189	838 951	899 298	684 989	465 645	292 931
- re-training	236 232	345 920	382 652	370 431	480 870	480 635	408 250	357 299	269 288	271 130	119 388
- disabled	165 836	195 194	211 214	177 575	223 585	251 354	310 040	318 873	235 689	255 656	323 545
in which:											
- creation of sheltered workshop and sheltered jobs	53 000	54 892	46 380	42 135	61 819	83 800	96 390	90 382	43 907	36 137	84 475
- creation of sheltered workshop and sheltered jobs employed persons ²⁾	109 003	132 995	158 446	131 632	155 036	162 244	208 799	219 772	185 201	210 469	231 848
- benefit for self-employed persons ²⁾	x	x	x	3 769	6 729	5 048	4 798	7 065	4 638	5 041	4 094
- occupational rehabilitation	3 833	7 307	6 388	39	0	262	53	1 654	1 943	4 009	3 129
- goal-directed programmes ³⁾	x	x	x	x	x	x	50 093	217 265	235 924	80 613	0
- programmes of ESF	x	x	x	x	x	x	x	1 277 664	2 100 517	2 678 240	2 736 538
- investment incentives ⁴⁾	179 855	590 730	674 495	685 131	803 871	858 853	976 732	1 048 236	1 190 421	1 721 803	1 010 368
- others ⁵⁾	23 726	31 646	64 197	47 237	133 055	67 473	114 744	110 094	88 522	88 354	58 747
grants to employers which employ at least 50% handicapped employees	x	x	375 428	527 709	524 446	669 012	736 913	1 410 552	2 187 432	2 283 655	2 257 461
insolvency administration services and administration⁶⁾	x	135 623	230 114	186 093	212 651	133 489	147 506	183 573	196 032	150 330	844 033
	1 736 350	1 621 746	1 619 479	1 651 335	1 896 263	3 428 217	3 846 861	4 175 901	4 711 639	4 460 873	4 695 252

Source: MoLSA

¹⁾ the Act No. 435/2004 Coll., Employment Act, as amended, does not regulate graduated positions (occupational experience and retraining of youth) anymore, i.e. new job positions are not created; expenditures of labour offices results from agreements concluded before force of the Employment Act

²⁾ benefit for self-employed persons with handicap for creation and operation of sheltered workshop for the handicapped

³⁾ according to the Act No. 435/2004 Coll. § 120, Employment Act, as amended (according regional targeted programmes for solution of unemployment and Programme for support of renewal or technical improvement of material investment goods for job realisation of handicapped people)

⁴⁾ including investment incentives and programmes for creation of new job positions

⁵⁾ including costs on informative materials issued by Labour Offices and Social Security Administration, others support employment programmes, costs on active employment policy elsewhere not introduced, until 2006 also projects of ESF

⁶⁾ including capital and expenditures incl. costs on salaries, other payments for realised work and premium

European System of integrated Social PROtection Statistics (ESSPROS) was developed by the EC Statistical Office (Eurostat) in cooperation with MS experts in the 70's of the last century. ESSPROS represents a significant instrument for mutual comparison of social protection level in MS. Since its introduction ESSPROS methodology has been amended in a little scope. On the basis of the agreement between CZSO and MoLSA the inter-departmental Working group (led by the MoLSA) for implementation of this system in the Czech Republic was established in 2000. For the Czech Republic time series of ESSPROS Core system (1995-2008), module on number of pension beneficiaries (2000-2008); methodically in the definitely internationally comparable form till from 2006), and module on net benefits on social protection for 2002 - 2005 are available so far. The module net benefit on social protection methodology is finished nowadays. Regular obligatory data collection and data calculation with guarantee of international comparison aspect will start soon.

ESSPROS is divided into the Core system that includes data on receipts and expenditures in the area of social protection and modules containing additional statistical information. All financial transactions under the ESSPROS should be based on accountancy. In the cases when accountancy sources are not available statistical and administrative sources as well as estimates can be used.

According to the ESSPROS Manual the conception of social protection is defined as all interventions from public or private bodies intended to relieve households and individuals of the burden of a defined set of risks or needs, provided that there is neither a simultaneous reciprocal nor an individual arrangement involved. The list of risks or needs is defined on the basis of an agreement by eight functions of social protection:

1. Sickness/Health care
2. Disability
3. Old age
4. Survivors
5. Family/Children
6. Unemployment
7. Housing
8. Social exclusion, not elsewhere classified.

The Core system includes social protection in a form of cash payments, reimbursements and goods and services provided to protected households and individuals. Specific information for more qualitative monitoring of social functions is given in relevant module.

9. European System of Integrated Social Protection Statistics (ESSPROS)

The ESSPROS Core system defines and describes classification of social protection schemes. A social protection scheme is a distinct body of rules, supported by one or more institutional units, governing the provision of social protection benefits and their financing. Social protection schemes should at all times meet the condition that it must be possible to draw up a separate account of receipts and expenditures. Schemes are classified into categories according to following criteria:

- decision-making (public and private schemes),
- legal enforcement (compulsory and non-compulsory schemes),
- establishments of entitlements (contributory and non-contributory schemes),
- scope (universal, general and special schemes),
- level of protection (basic and supplementary schemes).

Receipts of social protection schemes in the ESSPROS Core system are classified by type (social contributions, general government contributions, transfers from other schemes and other receipts) and origin (institutional sector from which the payment is received). Expenditures of social protection schemes are also classified by type or reason for which are paid out.

The ESSPROS system identifies exact reasons for which benefit under given scheme and function is provided. It also defines social protection schemes with regard to national (MS and candidate countries) practices to cover all benefits with social protection dimension under above-mentioned classification. This is the only way how to ensure comparable statistics among countries reflecting their institutional differences in the system of social protection.

Expenditures on social protection of ESSPROS Core system according to individual social protection functions in the time series (1995 - 2008) are in the Table No. 9.1. More detailed data and international comparison of social protection level in the EU MS and other European countries according to the ESSPROS methodology are available on Eurostat web sites (database CIRCA). The data in the Table No. 9.2 (Total Social Protection Expenditures in relation to GDP) are drawn from recently published data.

Table No. 9.1

ESSPROS Core System* - Expenditure on Social Protection by Function

mil. CZK

Social protection function	Year													
	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008
1. Sickness/Health care	91 866	105 696	112 736	120 068	128 129	139 075	151 884	168 804	178 920	185 298	195 067	199 876	215 487	222 767
2. Disability	18 412	22 382	25 817	28 634	30 661	32 037	35 302	37 479	40 685	41 493	43 040	49 752	52 431	54 786
3. Old age	86 406	101 726	123 576	140 002	150 247	160 644	169 625	182 541	185 229	193 614	211 897	225 545	252 205	278 865
4. Survivors	12 016	14 193	16 308	17 484	18 204	18 663	20 632	22 120	22 589	22 764	23 697	24 901	26 778	27 202
5. Family/Children	29 442	31 434	32 589	32 626	33 904	34 984	36 452	38 738	38 477	44 164	41 765	44 040	58 787	53 559
6. Unemployment	5 618	7 341	9 395	10 908	14 444	14 271	14 355	16 469	20 254	20 596	19 755	18 559	22 030	23 643
7. Housing	43	688	938	1 818	2 458	2 710	2 720	3 038	2 904	2 623	2 547	2 389	2 205	2 194
8. Social exclusion not elsewhere classified	3 277	2 965	4 287	6 563	9 116	11 178	11 818	12 803	14 742	14 780	14 676	15 648	6 726	5 637
Total expenditure**	247 080	286 425	325 646	358 103	387 163	413 562	442 788	481 992	503 800	525 332	552 424	580 710	636 649	668 653

Source: MoLSA

Note: The data are processed according to Eurostat methodology for ESSPROS Core system (ESSPROS Manual 1996 - incl. revision).

* ESSPROS = The European System of integrated Social Protection Statistics,

** total expenditure do not include administration costs

9. European System of Integrated Social Protection Statistics (ESSPROS)

Table No. 9.2

Total Social Protection Expenditures in Relation to GDP*) in selected European Countries using ESSPROS**) Data

in % of GDP

eurostat	Year									
	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008
EU27 - current MS	-	26,4	26,6	26,9	27,2	27,1	27,1	26,7 p	25,7 p	26,4 p
EU25 - EU27 without Bulgaria and Romania	-	26,5	26,7	26,9	27,3	27,2	27,2	26,9 p	25,9 p	26,5 p
EU15 - MS until enlargement in 2004	26,9	26,8	27,0	27,3	27,7	27,6	27,7	27,3 p	26,4 p	27,1 p
EA15 - states with Euro (Eurozone)	-	26,7	26,8	27,4	27,8	27,7	27,7	27,3	26,8	27,5
BE - Belgium	27,0	26,2	27,2	28,0	29,0	29,2	29,6	30,2	26,8	28,3
BG - Bulgaria	-	10,2	9,7	10,2	9,7	9,7	15,1	14,2	14,1	15,5
CZ - Czech Republic	19,2	19,5	19,4	20,2	20,2	19,3	19,2	18,7	18,6	18,7
DK - Denmark	29,8	28,9	29,2	29,7	30,9	30,7	30,2	29,2	28,8	29,7
DE - Germany	29,3	29,3	29,5	30,1	30,5	29,8	29,7	28,7	27,7	27,8 p
EE - Estonia	15,4	13,9	13,0	12,7	12,5	13,0	12,6	12,1	12,3	15,1
IE - Ireland	14,6	13,9	14,9	17,2	17,8	18,0	18,1	18,4	18,9	22,1
EL - Greece	22,7	23,5	24,3	24,0	23,5	23,6	24,6	24,6	24,5	26,0
ES - Spain	19,8	20,3	20,0	20,4	20,7	20,7	20,9	20,9	21,0 p	22,7 p
FR - France	29,9	29,5	29,6	30,4	30,9	31,3	31,4	30,7	30,5	30,8 p
IT - Italy	24,8	24,7	24,9	25,3	25,8	26,0	26,4	26,6 p	26,7 p	27,8 p
CY - Cyprus	-	14,8	14,9	16,3	18,4	18,1	18,4	18,4	18,1	18,4
LV - Latvia	17,2	15,4	14,5	14,1	13,9	13,1	12,7	12,6	11,2	12,6 p
LT - Lithuania	16,3	15,8	14,8	14,1	13,6	13,4	13,3	13,4	14,5	16,2 p
LU - Luxembourg	20,5	19,6	20,9	21,6	22,1	22,3	21,7	20,4	19,3	20,1
HU - Hungary	20,3	19,5	19,2	20,3	21,2	20,6	21,9	22,4	22,4	22,7
MT - Malta	17,8	16,9	17,8	17,8	18,3	18,7	18,5	18,1	18,0	18,9
NL - The Netherlands	27,1	26,4	26,5	27,6	28,3	28,3	27,9	28,8	28,3	28,5 p
AT - Austria	29,0	28,4	28,8	29,2	29,6	29,3	28,9	28,4	27,9	28,2
PL - Poland	-	19,7	21,0	21,1	21,0	20,1	19,7	19,4	18,1	18,6
PT - Portugal	20,6	20,9	21,9	22,9	23,3	23,9	24,6	24,6	24,0	24,3
RO - Romania	-	13,0	12,8	13,6	13,1	12,8	13,4	12,8	13,6	14,3
SI - Slovenia	24,1	24,2	24,5	24,4	23,7	23,4	23,0	22,7	21,3	21,5 p
SK - Slovak Republic	20,2	19,4	19,0	19,1	18,2	17,2	16,5	16,3	16,0	16,0 p
FI - Finland	26,4	25,1	25,0	25,7	26,6	26,7	26,7	26,4	25,4	26,3
SE - Sweden	30,8	29,9	30,5	31,3	32,2	31,6	31,1	30,3	29,1	29,4 p
UK - United Kingdom	25,7	26,4	26,8	25,7	25,7	25,9	26,3	26,0	23,3	23,7 p
IS - Iceland	18,8	19,2	19,4	21,2	23,0	22,6	21,6	21,2	21,4	22,0
NO - Norway	26,9	24,4	25,4	26,0	27,2	25,9	23,8	22,6	22,9	22,4
CH - Switzerland	27,4	27,0	27,7	28,5	29,2	29,3	29,3	28,0	27,3	26,4 p

Source: Eurostat (CIRCA - http://circa.europa.eu/Public/irc/dsis/esspros/info/data/esspros_public_data/publication)

(-) not available

p = provisional data

*) data of gross domestic product (GDP) according to Eurostat methodology harmonized with standards defined by European system of accounts (ESA 1995)

**) ESSPROS = The European System of integrated Social PROtection Statistics

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