

**BASIC INDICATORS OF LABOUR
AND SOCIAL PROTECTION
IN THE CZECH REPUBLIC**

TIME SERIES AND GRAPHS

2008

Prague 2009



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CR	Czech Republic
CSSA	Czech Social Security Administration
CZK	Czech Crowns
CZSO	Czech Statistical Office
EAO	Economically active persons
EC	European Commission
ESF	European Social Fund
ESSPROS	European System of integrated Social Protection Statistics
EU	European Union
GDP	Gross Domestic Product
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
SCA	State Compensatory Allowance
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 was administratively structured into 76 territorial entities – (LAU 1 – districts), each with approximately 120 thousand inhabitants on average, plus the capital Prague (NUTS 3 and LAU 1 at the same time), with 1.233 mil. inhabitants and 22 basic local authorities of municipal districts. District authorities were abolished in 2003. Their functions were mainly dislocated to municipal and regional offices. Labour Offices have operated (under responsibility of MoLSA) on the district level (similarly in the City of Prague). Social security is administered by the Czech Social Security Administration and its offices. Self-government exists on the level of individual municipalities; there are approximately 6,250 of them. The change on January 1, 2000, led to the creation of 14 new regions (NUTS 3) as higher self-government units. They are gradually involved in some functions, earlier provided at the level of District Offices or within the authority of 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 later. The birth rate has dropped constantly. Since 1993 the natural population increment has turned into a decrement. In 2006 the population development was in the sign of the superior numbers of live born children above the departed that was noticed the first time after thirteen years. The fertility growth along with decrease of departed in 2008 led to positive value of natural growth. However, this increment was not so significant (14.6 thousand persons). The population increase was mainly caused by number of immigrants (71.8 thousand persons). Total number of inhabitants in the Czech Republic has continuously increased for six years (especially caused by immigration of foreigners until 2005). In 2008 the growth of population was in an amount 86.4 thousand persons. The amount is lower by 7.5 thousand persons than in 2007, when the growth of population was the highest in the history from the fiftieth in the last century in the Czech Republic. Number of inhabitants of the Czech Republic made up 10,468 thousand persons as of December 31, 2008.

The registered unemployment rate was 6.0% at the end of year 2008, which is approximately the same as at the end of previous year. The unemployment rate in the Czech Republic was the seventh lowest in EU-27 countries. In the end of 2008 the Czech Republic countered the first consequences of the present world economic situation. From this point of view the reducing of unemployment remains one of the main social tasks.

In the global comparison by UN, the Czech Republic was included among the countries with a high standard of human development. The Czech Republic has been an OECD member since 1996 and became the member state of European Union in 2004.

Table No. 1.1
Basic Demographic and Socio-economic Indicators

Indicator	Unit of measurement	Year										
		2000	2001	2002	2003	2004	2005	2006	2007	2008		
Population as of December 31, 2008		10 295	10 206	10 203	10 211	10 221	10 251	10 287	10 381	10 468		
aged	thous. persons	1 673	1 622	1 590	1 554	1 527	1 501	1 480	1 477	1 480		
0-14		7 206	7 170	7 195	7 234	7 260	7 293	7 325	7 391	7 432		
15-64		1 416	1 414	1 418	1 423	1 434	1 457	1 482	1 513	1 556		
65+		90 910	90 715	92 786	93 685	97 664	102 211	105 831	114 632	119 570		
Live births		109 001	107 755	108 243	111 288	107 177	107 938	104 441	104 636	104 948		
Death total		71,6	72,1	72,1	72,0	72,6	72,9	73,4	73,7	74,0		
Live expectancy: men	years	78,3	78,5	78,5	78,5	79,4	79,1	79,7	79,9	80,1		
women		-18 091	-17 040	-15 457	-17 603	-9 513	-5 727	1 390	9 996	14 622		
Natural increase of population		6 539	-8 551	12 290	25 789	18 635	36 229	34 720	83 945	71 790		
Migration balance		-11 552	-25 591	-3 167	8 186	9 122	30 502	36 110	93 941	86 412		
Total growth of population		2 189 169	2 352 214	2 464 432	2 577 110	2 814 762	2 983 862	3 222 369	3 535 460	3 696 389		
GDP in current prices	CZK mil.	5,2	7,4	4,8	4,6	9,2	6,0	8,0	9,7	4,6		
GDP growth (current prices)	%	413 486	442 694	481 939	503 714	525 149	552 153	580 523	658 072	.		
Expenditures on social protection ¹⁾	CZK mil.	18,89	18,82	19,56	19,55	18,66	18,50	18,02	18,61	.		
GDP on social protection total		3,9	4,7	1,8	0,1	2,8	1,9	2,5	2,8	6,3		
Average inflation rate	%	9,0	8,5	8,5	9,9	9,2	9,0	8,1	6,6	5,4		
Average registered unemployment rate		5,371	5,171	5,173	5,132	5,133	5,174	5,199	5,198	5,232		
Economic active persons	thous. persons											

Source: CZSO, MaLSA

¹⁾ according to ESSPROS methodology

. - data not available

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 pensions are provided under pension insurance: old-age, full invalidity, partial invalidity, widow's, widower's and orphan's. Old-age pension amount is composed of the basic amount (stipulated by universal fix amount irrespective of duration of insurance and earnings) and a percentage amount. Specialised assistance in matters concerning pension insurance is provided to citizens and organisations by the Czech Social Security Administrations except members of the armed forces (professional soldiers, police, prison guards and others) where the authorities are performed by the Ministry of the Interior, Ministry of Defence and Ministry of Justice.

In view of the most significant changes in pension area adopted after 1995, when the Pension Insurance Act was passed, it is necessary to mention amendments effective since 2004: enhancement of age level for entitlement to old-age pension to reach single level both for men and childless women (63 years) after 2007, cancellation of temporarily reduced old-age pension (except full and partial invalidity conditions), reduction of evaluation of period of studies and abolishment of condition limiting the claim on payment of old-age pension by the amount of gainful employment incomes. Self-employment was divided into main and minor category (main self-employed persons always participate in pension insurance irrespective level of their income). The changes in the insurance were based on the transfer of the part of contributions at the state employment policy into the pension insurance system (the increase of the premium on pension insurance about 2 percentage points, i.e. from 26% on 28%, the gradual reduction on the state employment policy from 3.6% on 1.6%) and in gradual increase of the minimal assessment base for the determination of premium at self-employed persons in 2004–2006.

In view of the significant changes in pension insurance area it is necessary to point out the legal amendment that was adopted in July 2008 (the Act No. 306/2008 Coll., the change of Pension Insurance Act) to start the first period of pension insurance reform. Its aim is to contribute to the financial sustainability of basic pension insurance and to eliminate some microeconomic inefficiency and in this way to ensure its better long-term stability. The changes are related to expenditures side of basic pension insurance referred to insurance period and substitute insurance period (period without necessity to pay premiums), conditions for entitlement to the pension benefit, the amount of pension, entitlement to pension payment and change of invalidity definition. The legal amendment will come into force on January 1, 2010.

The paid out pensions are as of 2003 increased regularly in January every year. This pension insurance (for an average old-age pension) is derived from 100% price growth at least plus one third of real wage growth. The new Act No. 178/2008 Coll., the change of Pension Insurance Act adopted in set a new condition for raising the pensions in an extraordinary term already if prices increase by at least 5% (previously, this provision applied only if prices increased by at least 10%). 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.

Table No. 2.1

Number¹⁾ of Pensions Paid out by Type of Pension

thous. persons

Year	Pension							total
	old-age	full invalidity	partial invalidity	widow's ²⁾	widower's ²⁾	orphan's	other 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

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

Source: Czech Social Security Administration

Notes: 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 – 2008

Year	Old-age				Partial old-age	Invalidity		Widow's and widower's	Orphans	Total (persons)
	total	not reduced	temporarily reduced	permanently reduced		full	partial			
1998	1 816 181	1 735 679	163 49	66 153	32 458	387 888	140 675	88 902	55 139	2 521 243
1999	1 849 739	1 721 213	17 641	110 885	30 144	381 542	146 266	83 183	57 285	2 548 159
2000	1 878 555	1 702 846	156 420	156 420	19 289	377 679	150 609	77 545	25 675	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	131 191	210 960	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	2 665 100
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	2 072 161
2008	2 049 530	1 690 727	4 388	354 415	16 475	377 723	211 022	51 507	47 754	2 754 011
men										
1998	638 053	605 988	25 603	6 462	7 61	191 517	80 408	6 525	26 517	943 781
1999	650 189	597 884	44 310	7 995	8 31	188 746	82 387	6 817	27 180	956 350
2000	658 489	588 539	61 390	8 560	8 91	187 370	84 787	6 664	26 249	964 450
2001	664 091	579 347	77 806	6 938	9 57	187 258	88 696	6 709	25 409	973 120
2002	656 217	568 327	82 034	5 856	10 57	188 680	92 891	7 255	25 339	971 439
2003	657 771	559 274	87 433	11 064	11 46	190 456	96 562	7 532	25 453	978 920
2004	669 969	563 112	96 641	10 216	12 51	192 961	99 197	7 535	24 773	995 686
2005	679 071	568 237	104 780	6 054	13 27	193 836	101 710	7 701	23 871	1 007 516
2006	694 678	572 642	115 531	6 505	14 21	194 512	106 163	7 759	22 971	1 027 504
2007	710 131	576 665	128 069	5 397	14 87	193 744	110 009	7 635	22 140	1 045 146
2008	733 276	589 616	141 574	2 086	15 53	189 678	113 199	7 506	21 253	1 066 465
women										
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	1 220 866	1 116 307	95 030	10 729	27 313	190 309	65 822	70 881	29 024	1 608 415
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	63 474	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	49 652	28 672	1 637 584
2006	1 282 015	1 094 986	179 797	7 232	17 236	191 252	88 128	52 931	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

Source: Czech Social Security Administration
 Notes: Persons paid out abroad are not included.
 Permanently reduced = up to 3 years before reaching the retirement age pursuant to § 31 of Act No. 155/1995 Coll.
 Temporarily reduced = up to 3 years before reaching the retirement age pursuant to § 30 of 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 Act No. 100/1988 Coll. and to § 29 letter b) Act No. 155/1995 Coll. (short period of insurance)
 At widow's, widowers and orphans pensions only, pensions paid separately.

Table No. 2.3
Average Monthly Amounts of Solo Paid out Pensions in December 1996 – 2008

Year	total			Old-age		Partial old-age			Invalidity		Widow's and widower's	Orphan's	Total (CZK)
	total	not reduced	temporarily reduced	permanently reduced	temporarily reduced	Partial old-age		full	partial				
						full	partial						
1998	5 578	5 587	5 504	5 233	5 398	3 444	3 592	5 398	3 592	4 069	2 761	5 242	
1999	5 914	5 936	5 733	5 474	5 731	3 524	3 739	5 731	3 739	4 250	2 918	5 549	
2000	6 296	6 350	5 943	5 686	6 118	3 647	3 905	6 118	3 905	4 480	3 077	5 909	
2001	6 814	6 908	6 303	6 011	6 638	3 808	4 147	6 638	4 147	4 783	3 289	6 389	
2002	6 841	6 949	6 272	5 896	6 666	3 705	4 132	6 666	4 132	4 739	3 327	6 398	
2003	7 083	7 226	6 432	6 122	6 911	3 699	4 243	6 911	4 243	4 830	3 440	6 616	
2004	7 280	7 454	6 537	6 191	7 088	3 666	4 315	7 088	4 315	4 889	3 440	6 797	
2005	7 755	7 953	6 914	6 536	7 537	3 775	4 584	7 537	4 584	5 143	3 780	7 238	
2006	8 200	8 437	7 241	7 091	7 962	3 859	4 847	7 962	4 847	5 385	3 998	7 653	
2007	8 761	9 040	7 699	7 646	8 496	3 994	5 161	8 496	5 161	5 705	4 278	8 176	
2008	9 653	9 963	8 538	8 129	9 337	4 545	5 893	9 337	5 893	6 407	4 989	9 039	
muži													
1998	6 173	6 179	6 155	5 848	5 834	3 589	3 785	5 834	3 785	3 042	2 748	5 758	
1999	6 557	6 578	6 386	6 065	6 194	3 566	3 947	6 194	3 947	3 215	2 903	6 101	
2000	6 998	7 047	6 650	6 350	6 611	3 562	4 132	6 611	4 132	3 378	3 064	6 503	
2001	7 594	7 682	7 074	6 743	7 172	3 609	4 399	7 172	4 399	3 620	3 274	7 040	
2002	7 627	7 731	7 044	6 625	7 192	3 437	4 382	7 192	4 382	3 651	3 313	7 045	
2003	7 909	8 044	7 241	6 934	7 449	3 376	4 501	7 449	4 501	3 770	3 426	7 285	
2004	8 141	8 306	7 379	7 020	7 628	3 313	4 579	7 628	4 579	3 862	3 512	7 487	
2005	8 671	8 860	7 802	7 406	8 096	3 413	4 861	8 096	4 861	4 123	3 761	7 969	
2006	9 168	9 401	8 170	7 932	8 538	3 503	5 133	8 538	5 133	4 358	3 977	8 419	
2007	9 796	10 077	8 687	8 503	9 094	3 664	5 457	9 094	5 457	4 668	4 254	8 990	
2008	10 728	11 036	9 565	9 067	9 943	4 239	6 193	9 943	6 193	5 412	4 960	9 888	
ženy													
1998	5 087	5 091	5 086	4 803	4 865	3 435	3 320	4 865	3 320	4 150	2 773	4 803	
1999	5 390	5 274	5 163	4 941	5 163	3 520	3 456	5 163	3 456	4 342	2 931	5 082	
2000	5 734	5 781	5 459	5 106	5 510	3 655	3 598	5 510	3 598	4 584	3 089	5 410	
2001	6 195	6 278	5 778	5 372	5 977	3 829	3 809	5 977	3 809	4 901	3 303	5 841	
2002	6 221	6 319	5 744	5 255	6 278	3 739	3 803	6 278	3 803	4 863	3 340	5 854	
2003	6 438	6 571	5 879	5 479	6 243	3 748	3 905	6 243	3 905	4 963	3 452	6 053	
2004	6 610	6 774	5 963	5 545	6 415	3 730	3 975	6 415	3 975	5 028	3 544	6 216	
2005	7 042	7 227	6 302	5 839	6 840	3 848	4 235	6 840	4 235	3 796	3 621	6 621	
2006	7 444	7 668	6 586	6 259	7 243	3 942	4 492	7 243	4 492	5 346	4 016	7 002	
2007	7 952	8 217	6 985	6 652	7 750	4 080	4 800	7 750	4 800	5 675	4 298	7 484	
2008	8 799	9 094	7 783	7 106	8 588	4 634	5 335	8 588	5 335	6 577	5 013	8 311	

Source: Czech Social Security Administration

Notes: Pensions paid out abroad are not included.

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

Permanently reduced = up to 5 years before reaching the retirement age pursuant to § 30 of Act No. 155/1995 Coll.

Not reduced = full pension payable before the retirement age pursuant to § 29 of Act No. 155/1995 Coll.

Partial old-age pension = old-age pension payable according to § 26-Act No. 100/1988 Coll. and to § 29 letter b) Act No. 155/1995 Coll. (above partial of insurance)

Solo pensions = pension paid out separately (not concurrently with survivor pensions).

Table No. 2.4

Expenditures on Pensions by Type of Pensions (civil sector)

mil. CZK

Year	Pension										total
	old-age	partial old-age	full invalidity	partial invalidity	widow's	widower's	orphans's	other ¹⁾			
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

Source: Czech Social Security Administration (Statistical Yearbook)

Notes: Helplessness is not 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 ¹⁾ (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	3 693,5	8,5

Source: State closing account

Notes: ¹⁾Incl. expenditures on pensions in the armed forces.

GDP in current prices revised by Czech Statistical Office in October 2009.

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 ratio (in %)	
		gross ²⁾	nett ³⁾	gross	nett
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	3 356	2 656	51,6	65,2
1991	2 176	3 932	3 092	55,3	70,4
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	23 395	17 800	40,0	52,5

Source: MoLSA

Notes: ¹⁾ Monthly average of yerly pension payments (paid out solo without survivorship annuity).

²⁾ The average gross wage = the average assessment base (§ 17 subsection. 2 of Act No. 155/1995 Coll.) determined by government direction according to average monthly wage (find out by CZSO).

³⁾ The average nett wage = the average gross wage decreased by the corresponding amount of income tax, health insurance and social security premiums.

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

Graph No. 2.6.1

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

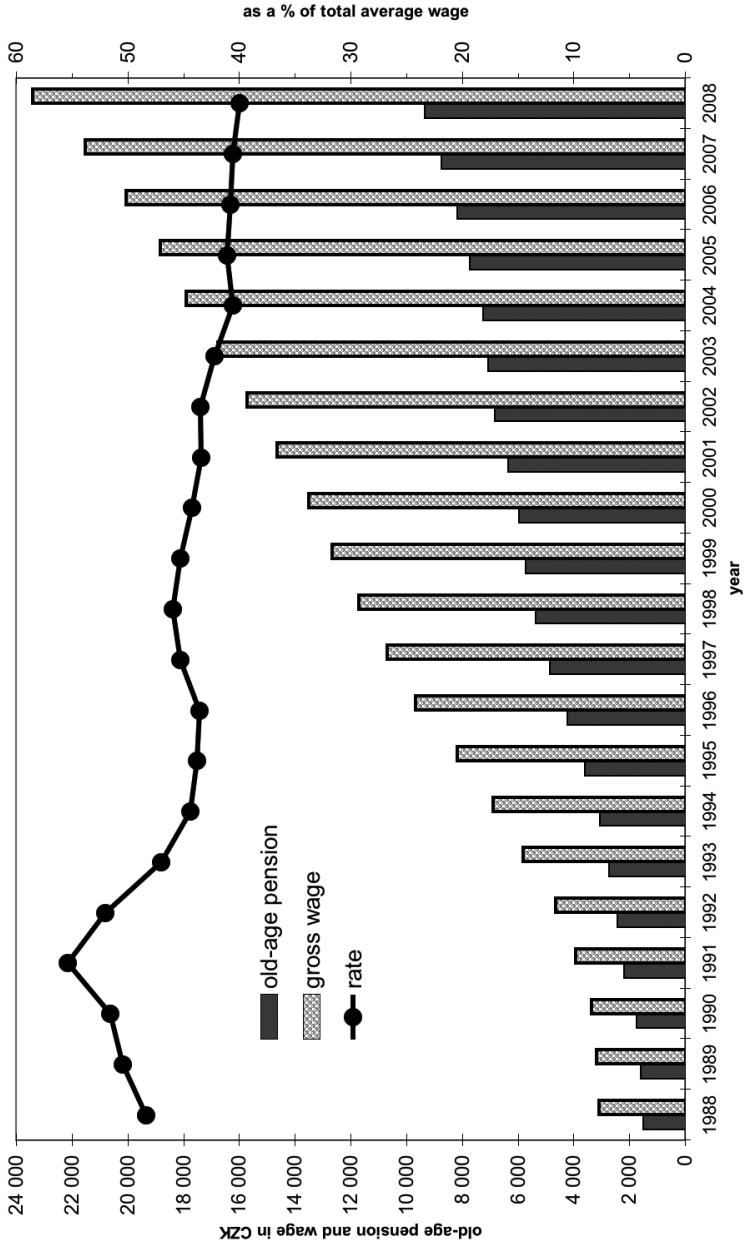


Table No. 2.7

Overview of Increases to Paid out Pensions

Month and year the increase came into effect	Increase			Basic amount of pension
	in the percentage-based assessment		in the basic amount of pension	
	old-system pensioners	new-system pensioners		
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 %	0 CZK	1 310 CZK
December 2000	9 %	5 %	0 CZK	1 310 CZK
December 2001	11 %	8 %	0 CZK	1 310 CZK
January 2003	4,0 %	3,8 %	0 CZK	1 310 CZK
January 2004	2,5 %	2,5 %	0 CZK	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	0 %	0 %	470 CZK	2 170 CZK

Source: MoLSA

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

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

There were three systems of sickness insurance in the Czech Republic (regulated by the separate legislation) to the end of year 2008: sickness insurance of employees, members of the armed forces and self-employed persons. Each of these sickness insurance had its own individual legal regulation. From January 1, 2009 the new Sickness Insurance Act (Act No. 187/2006 Coll.) came into force with the following characteristics:

- Comprehensive regulation of the system (except for insurance premium).
- Involving employers more extensively in sickness rates of their employees. Sick employees are entitled to sickness benefits only from the 15th calendar day of sick leave. For the first 14 calendar days of sick leave the employer provides wage compensation.
- The amount of benefit depends more on income earned due to the introduction of the third reduction limit.
- Implementation of sickness insurance has been delegated from employers to district social security administrations.

There were many major changes in the sickness insurance field before the adoption of the new law. In connection with the tax system reform, the method of calculation of sickness insurance benefits has been changed since January 1, 1993 and it depends on the gross income (instead of net income). Providing of benefits for working days was replaced for providing for calendar days. There has been a possibility of voluntary sickness insurance for self-employed since 1994. In 1995, the benefit system of sickness insurance was reduced – in connection with the introduction of the State Social Support system – to four types of benefits (sickness benefit, family member care benefit, maternity benefit and pregnancy and maternity compensation benefit).

The amount of sickness benefit depends on level of incomes of which social insurance premium is paid (so called assessment base ascertained for the period in question). This base has been extended since January 1, 2004 from calendar quarter to 12 calendar months antecedent to the beginning of incapacity for work. The amount of benefit depends on daily average of these incomes, so called daily assessment base, which is limited by stipulated way.

From January 1, 2008 the waiting period was introducing (the sickness benefit for the period of the first three calendar days does not belong) as well as gradation of percentage rates for determining of daily amount of benefit according to the number of days of incapacity for work. The rate for 4. – 30. day of incapacity for work were set at 60%, the rate for 31. – 60. day at 66% and the rate for other days of incapacity for work at 72% from limited daily assessment base.

The waiting period was abolished by ruling of the Constitutional Court. Since June 30, 2008 till August 31, 2008, the amount of sickness benefits for first three days of incapacity for work was 60%. For the period from September 1, 2008 till December 31, 2008, this rate was changed at 25% from limited daily assessment base by the Act No. 305/2008 Coll., amending the Act No. 187/2006 Coll., on Sickness Insurance.

3. Sickness Insurance

Table No. 3.1
Basic Sickness Insurance Indicators

	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008
1. Average number of sickness insured persons	4 711 075	4 755 667	4 708 151	4 603 615	4 833 831	4 784 382	4 578 888	4 517 546	4 483 855	4 466 699	4 435 634	4 389 251	4 442 703	4 497 033	4 597 021	4 572 843
2. Newly notified cases of incapacity for work	3 925 021	4 048 226	4 324 828	3 951 214	4 192 150	3 790 700	3 813 161	3 812 185	3 863 031	3 589 880	3 621 995	2 705 662	3 029 448	2 706 725	2 726 634	2 221 739
3. Number of calendar days of incapacity for 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
4. Average period of disability per 1 case of incapacity for 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
5. Average percentage of incapacity for 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
6. Incomes from sickness insurance (premium)	CZK mil.	14 133	17 064	19 604	21 492	23 706	25 839	27 285	29 653	31 563	33 316	35 738	37 679	40 535	44 354	46 677
7. Expenditures on sickness insurance in total including:	CZK mil.	11 961	16 173	18 049	20 409	19 794	19 287	27 205	29 585	32 609	34 307	29 563	31 660	32 773	34 671	31 882
sickness benefits	CZK mil.	9 665	13 589	15 416	17 662	16 939	16 434	23 653	25 574	28 222	29 523	24 704	26 258	26 963	27 881	24 769
family member care benefits	CZK mil.	653	835	893	927	864	696	785	957	893	1 004	750	819	825	893	811
maternity benefits	CZK mil.	1 623	1 732	1 722	1 811	1 963	2 028	2 759	3 047	3 487	3 774	4 123	4 579	4 981	5 893	6 297
pregnancy and maternity compensation benefit	CZK mil.	18	17	18	9	8	6	8	7	7	6	5	5	4	4	4
8. Difference between incomes and expenditures	(L.6 - L.7)	2 172	891	1 555	1 083	3 912	6 648	6 552	80	68	-1 046	6 175	6 019	7 762	9 683	14 795
9. Percentage of expenditures on sickness insurance benefits covered by incomes	(L.6 / L.7) * 100	118.2	105.5	108.6	105.3	119.8	134.0	100.3	100.2	96.8	97.1	120.9	119.0	123.7	127.9	146.4

Source: Incapacity for Work due to Disease or Injury in the Czech Republic in 1993-2000 (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

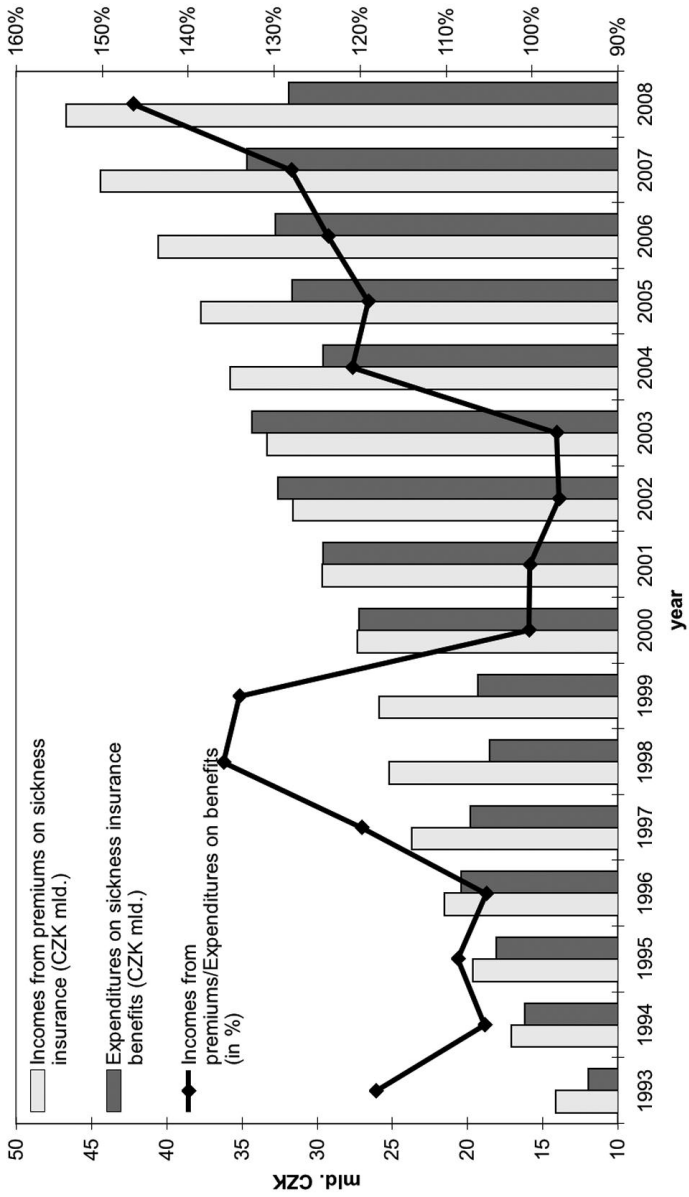


Table No. 3.2

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	23 395	767	290	38

Source: MoLSA

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

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

³⁾ Until 1996: ratio of expenditure on sickness benefits / number of calendar days of sick leave (based on CZSO 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 help 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 incomes are the object of testing in case of the following tested benefits in 2008: child allowance, social allowance and housing allowance. Without regard to the income of family there are parental allowance, foster care benefits, birth grant and funeral grant. Incomes which have decisive influence at state social support benefits are especially incomes from dependent activity, incomes from the enterprise or the self-employment activity, furthermore the sickness and pension insurance benefits, unemployment benefits including similar incomes from foreign countries. The state social support benefits are not the 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 incomes to ensure nutrition and other basic personal needs.

Starting January 1, 2008, the system of State Social Support has been significantly amended by the Act No. 261/2007 Coll., on Stabilisation of the Public Budgets. These changes influenced almost all benefits in the system. The essential change consisted in cancellation of annual automatic valorisation, the amount of almost any benefit was fixed. The payment of benefits has become more direct. The financial support of families with children has been 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 incomes 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.

The 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 dependant children, health state of children or parents, cases of lone-parent families, studies of the child, birth of more children.

The parental allowance has significantly changed. This parental allowance is provided at three rates that are set at fixed monthly amounts according to duration of drawing-increased rate (CZK 11,400), basic rate (CZK 7,600) and reduced rate (CZK 3,800). If a child diagnosed as a child suffering from a long-term disability or a severe long-term disability does not draw care allowance, the parent is entitled (since January 2009) to parental allowance at the lower rate (CZK 3,000) from 7 to 10 years of the child's age. A parent may elect to draw parental allowance for a period of up to two, three or four years of the child. The selecting is possibly to make the period of support the parent also selects the amount of the allowance, as follows:

- faster drawn-down of parental allowance – after maternity benefit (hereinafter referred to as maternity benefit) at the increased rate (CZK 11,400) until the child is 24 month old; only

parents who are entitled to maternity benefit of at least CZK 380 per calendar day may request this form of draw down,

- standard drawn-down – after maternity benefit at the basic rate (CZK 7,600) until the child is 36 months old; only parents who are entitled to maternity benefit may request this form of draw down,
- slower draw-down – after maternity benefit or from the birth of the child (if the parent is not entitled to maternity benefit) at the basic rate (CZK 7,600) until the child is 21 months old and after it at the reduced rate (CZK 3,800) until the child is 48 months old.

In the case of disabled children, the parent is entitled to parental allowance at the basic rate (CZK 7,600) until the child is 7 years of age. If the child draws care allowance (according to the Act on Social Service), the parent is entitled to half-pay parental allowance.

The most significant changes were also implemented in the case of the other state social support allowances. The birth grant has amount CZK 13,000 since January 2008. Concerning the funeral grant the range of applicants, who are entitled to this benefit, was 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 is 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.

The expenditures on state social support allowances amount of 41.9 mld. CZK in 2008. Compared to previous year (CZK 48.5 mld.) there was a decrease by 13.7%. This development is affected especially by force of the above-mentioned act on stabilisation of public budgets. The most significant ration of total expenditures is represented by parental allowance (67.6%), child allowance (14.9%) and social allowance (7.6%).

Table No. 4.1

Expenditures on State Social Support Benefits

in mil. CZK

Benefits	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008
Child allowance (incl. upbringing allowance)	12 700	12 770	12 194	12 495	11 493	12 474	12 748	12 799	13 353	12 519	11 790	11 195	11 033	10 236	6 232
Social allowance (incl. SCA to children)	5 014	6 029	6 244	6 224	6 273	6 251	6 199	6 041	6 271	5 822	5 262	4 779	4 418	4 607	3 174
Housing allowance	-	-	677	813	1 367	2 084	2 518	2 699	3 028	2 835	2 548	2 459	2 287	1 565	1 619
Transportation benefit ¹⁾	-	-	839	938	947	994	1 045	1 173	1 298	1 267	856	-3	-1	-	-
Parental allowance	5 171	5 824	7 357	7 612	7 780	7 718	7 691	7 701	8 022	7 964	10 425	12 627	13 526	28 690	28 294
Providing-for benefit ¹⁾	48	39	34	25	23	19	15	14	14	8	3	-	-	-	-
Foster care benefit	103	111	144	154	233	315	339	366	395	407	427	467	585	771	844
Birth grant	434	428	484	525	563	566	581	616	791	807	832	895	1 591	2 097	1 647
Death grant	144	329	348	331	519	543	540	528	529	549	525	533	513	509	71
Care allowance for a child in a facility ²⁾	-	-	-	-	-	-	-	-	-	-	-	2	24	-	-
Allowance for school aids ³⁾	-	-	-	-	-	-	-	-	-	-	-	-	65	57	2
Separate benefits															
Heating benefit ⁴⁾	-	-	-	67	277	236	106	-	-	-	-	-	-	-	-
Rent benefit ⁴⁾	-	-	-	49	163	127	73	6	-	-	-	-	-	-	-
Other benefits ⁵⁾	-	-	-	5	-	-	-	-	-	-	-	-	-	-	-
Other expenditures ⁶⁾	-	-	-	-	-	-	-	-	-	-	-	-	9	-	-
Total	23 613	25 531	28 319	29 237	29 637	31 328	31 855	31 942	33 700	32 178	32 669	32 954	34 050	48 532	41 883

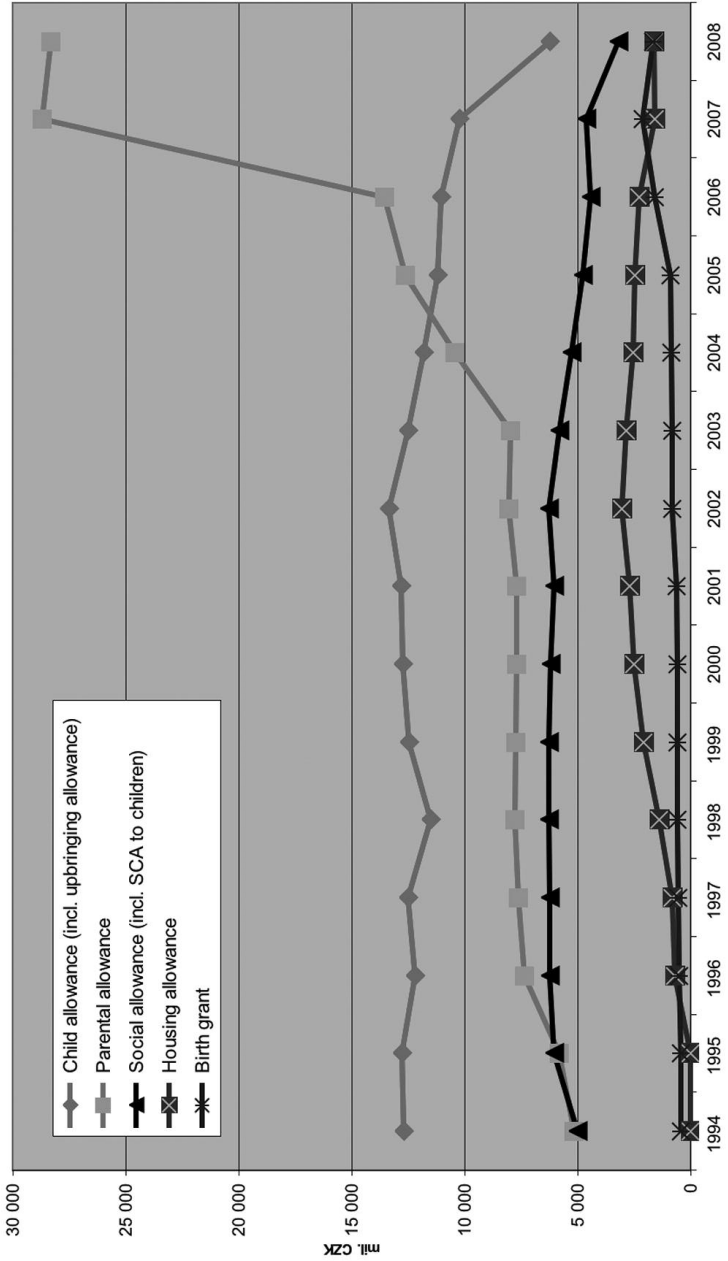
Source: MoLSA

(-) no cases registered

SCA = state compensatory allowance

¹⁾ Transportation benefit was terminated on June 30, 2004 (with return premium in 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 on June 30, 2000 as well as rent benefit on December 31, 2000⁵⁾ Other benefits – unspecified entitlements generated before the Act on State Social Support (Act No. 117/1995 Coll.) as amended into force⁶⁾ Other expenditures – unspecified payments of entitlement concerning cancelled benefits

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



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 resolved 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 following benefits in material need:

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 beneficiary can reimburse (within this allowance) professional social service or cover costs on securing assistance within its family. A person shall be considered dependent on the assistance of another physical person in 4 degrees of dependence (from slight to total dependence). The allowance is paid out from 2,000 to 11,000 CZK according to the level of the dependence.

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.

Table No. 5.1
Social Assistance Benefits for People with Disabilities

	2004		2005		2006		2007		2008	
	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 allowance for increased costs of living	2 000 064 1 945 955	371 068 353 455	2 134 365 2 083 504	380 839 364 062	2 252 495 2 171 229	406 389 385 594	2 178 599 2 144 149	480 953 466 609	32 215 1 684	15 065 521
ONE-OFF BENEFITS										
One-off benefits for the handicapped people	229 361	2 100 099	245 151	2 163 343	254 209	2 361 497	273 570	2 434 897	266 188	2 481 254
benefit for motor vehicle purchase	5 369	418 633	4 890	383 695	4 946	395 120	4 712	381 258	4 951	401 246
benefit for general overhaul of motor vehicle	138	6 222	165	7 050	175	8 386	107	5 421	70	3 137
benefit for special modification of motor vehicle	416	16 771	361	14 866	373	15 581	374	16 558	453	18 761
benefit for motor vehicle operation	203 226	1 225 213	217 068	1 287 392	229 032	1 461 055	239 339	1 523 778	243 141	1 547 079
benefit for flat modification	2 298	71 230	2 117	63 500	2 099	65 614	1 984	62 638	2 080	65 566
benefit for individual transport	6 323	35 985	6 559	68 666	6 469	42 991	5 922	45 781	5 889	36 374
benefit for acquisition of special aids	7 804	295 111	7 277	307 502	7 778	317 357	8 227	376 742	7 992	391 700
benefit to blind citizens for a guide dog	57	6 725	44	6 870	48	8 416	62	9 766	52	7 941

Source: MoLSJ

Table No. 5.2
Benefits of Assistance in Material Need and Care Allowance

Benefit	2007			2008		
	Number of benefits (in thous.) *	Total expenditures (in thous. CZK) **	Average amount of a benefit (CZK)	Number of benefits (in thous.) *	Total expenditures (in thous. CZK) **	Average amount of a benefit (in CZK)
Benefits of assistance in material need	1 219	3 286 638	2 696	1 100	2 794 322	2 540
allowance for living	861	2 592 920	3 012	788	2 176 145	2 762
of which supplement for housing	303	523 518	1 730	250	472 619	1 894
extraordinary immediate assistance	66	170 200	2 579	62	145 558	2 336
Care allowance	3 119	14 607 633	4 684	3 688	18 252 620	4 950

Source: MoL, SA and Ministry of Finance

* data source: information system OKHN/SS about drawings of benefits of assistance in material need and care allowances incl. back admitted benefits (MoL, SA)

** 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). 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 regulates 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 are 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 is launching 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 services (§ 34 of the Act No. 108/2006 Coll.)	2008		
	number	capacity	number of users to 31. 12.
Day services centres	88	2 470	961
Day care centres	238	4 866	3 571
Week care centres	78	1 009	812
Homes for the elderly	225	15 113	14 604
Homes for disabled persons	452	37 733	35 945
Special regime homes	150	7 396	7 016
Protected housing	113	2 503	2 291
Asylum houses	185	5 600	3 864
Half-way houses	35	332	184
Crisis centres	36	28	15
Low-threshold day centres	41	0	0
Low-threshold facilities for children and youth	177	0	0
Hostels (homeless shelters)	54	1 112	680
Therapeutic communities	16	270	160
Social counselling facilities	686	0	0
Social therapeutic workshops	78	886	805
Social rehabilitations services centres	218	1 558	1 262
Early intervention services centres	41	0	0
Intervention centres	15	0	0
Followup services	23	62	41
Total	2 949	80 938	72 211

Source: MoLSA

Table No. 6.2
Social Services by Founder

Type of services (§ 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	88	0	0	0	5	0	22	0	32	0	29	0
Day care centres	238	0	3	0	42	0	72	0	56	0	65	0
Week care centres	78	1 009	1	33	38	526	15	178	12	115	12	157
Homes for the elderly	225	15 113	5	893	163	12 083	35	1 633	14	248	8	256
Homes for disabled persons	452	37 733	0	0	195	19 520	163	14 821	70	2 517	24	875
Special regime homes	150	7 396	0	0	86	4 351	36	2 048	9	211	19	786
Protected housing	113	2 503	2	38	38	1 224	16	520	16	171	41	550
Asylum houses	185	5 600	0	0	3	138	48	1 261	70	2 163	64	2 038
Half-way houses	35	332	0	0	2	16	8	81	8	77	17	158
Crisis centres	36	28	0	0	1	7	4	8	10	0	21	13
Low-threshold day centres	41	0	0	0	0	0	2	0	23	0	16	0
Low-threshold facilities for children and youth	177	0	0	0	2	0	15	0	57	0	103	0
Hostels (homeless shelters)	54	610	0	0	1	81	14	146	20	213	19	170
Therapeutic communities	16	270	0	0	1	15	1	15	1	12	13	228
Social counselling facilities	686	0	0	0	52	0	31	0	76	0	527	0
Social therapeutic workshops	78	137	1	35	5	40	2	0	14	0	56	62
Social rehabilitations services centres	218	644	2	20	4	10	2	50	34	91	176	473
Early intervention services centres	41	0	1	0	0	0	1	0	13	0	26	0
Intervention centres	15	0	0	0	7	0	0	0	4	0	4	0
Followup services	23	62	0	0	0	0	2	11	3	15	18	36
Total	2 949	71 437	15	1 019	645	38 011	489	20 772	542	5 833	1 258	5 802

Source: MoLSA

Table No. 6.3

Costs on Social Services and Incomes from Residents' Contributions

Year	Type of services (§ 34 of the Act No. 108/2006 Coll.)	Average non-investment expenditures per 1 bed a year (thous. CZK)	Average contribution of a resident per year (thous. CZK)	Portion of residents' contribu- tion to non-invest- ment expenditure per 1 bed a year (%)
		(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

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	128 250	560 ^{*)}	3 717

Source: MoLSA

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

Summary of development of current (cash) household incomes is taken down in the Table No. 7.1. From the dimensional 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 which are 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 in last 10 years (c 76%), their relation to current household incomes increased from 39% to 42% in this period of time.

Current household incomes made up CZK 2,898.6 mld. in 2008, i.e. growth by 6.0% (+ CZK163.8 mld.) compared to 2007. However, with regard to high level of inflation rate, there was real decline of household income by 0.3%. It represents second case of real annual decline as well as in 1998 (by 4.4%).

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

The average gross monthly wage is another indicator to evaluate the development of household living situation based on wages (excl. other personal costs) related to an employee per one month before reduction by premiums on general health and social insurance, advance payment of income tax of natural person and other legal deduction eventually.

In recent 10 years the annual dynamics of average gross monthly wage has oscillated in interval from 5.3% to 8.7%, in real expression (the growth of consumer prices is taken into account) from 2.1% to 6.5%. The decrease of real wage (about 1.4%) was reported in 1998 (by the annual increase of average price level by 10.7% compared to 2007).

The average nominal wage (per natural persons) in the national economy in 2008 was CZK 23,542 and will annual growth by 8.5% (CZK 1,848) – for 2007 (compared to 2006) the growth was 7.3% (CZK 1,475). In the business sector (its employees made up more than three quarters within all subjects) the average nominal wage was CZK 23,961 after annual growth of 9.6% (CZK 2,105). The average salary in non-business sector (organisations fully or partly financed by state or municipal budget and institutions whose aim is not to make profit) increased by 4.4% (CZK 920) to CZK 22,037.

This was the lowest annual growth of the average real (gross) monthly wage in past 10 years by 2.1% (by 4.4% in 2007) of which by 3.1% in business sector (by 4.5% in 2007). There was decrease by 1.8% (increase by 3.8% in 2007) in non-business sector.

The average nominal wage for all employees (in the whole national economy, i.e. employees of small business and natural persons in the business sector according to the estimation of Czech Statistical Office) increased annually by 8.0% and made up CZK 21,957. The most intensive (average) dynamics of growth of wages was reported for medium seized and large business subjects; the earnings of employees in non-business sphere increased at least. In this context the lag of wages of small busi-

ness employees (legal and natural persons with less than 20 employees) in business sector (with growth of average nominal wage by 5.4%) behind all-society average of earnings was slightly deepened (ratio reached 71.0%; 72.8% in 2007).

The development overview of the amount of resources, which are spent in the form of social household incomes of in structure of basic expenditure characteristics (from database of MoLSA) is reported in the Table No. 7.3. The ratio of social income in structure of total household incomes was 16.5%, i.e. decrease by 0.5% compared to 2007.

The total amount of social household incomes reached the amount of CZK 408.1 mld., it represent increase by 3.7% (CZK 14.5 mld.) compared to 2007. The most significant part (74.4%) of social transfers were pension insurance benefits (CZK 303.7 mld.), i.e. growth by 7.8% (by CZK 22.0 mld.).

Table No. 7.1

Current Incomes and Average Wages of Household Sector

	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008
Current incomes of households¹⁾										
total	CZK mld.	1 748,5	1 844,2	1 940,0	2 057,0	2 206,6	2 328,0	2 512,0	2 734,8	2 898,6
index										
- year-on-year	%	104,4	105,5	105,2	106,0	107,3	105,5	107,9	108,9	106,0
- year 1998 = 100	%	104,4	109,5	121,5	128,8	138,2	145,8	157,4	171,4	181,7
of which: wages and salaries²⁾										
total	CZK mld.	650,4	745,7	793,7	848,2	895,1	963,0	1 039,5	1 131,7	1 216,7
index										
- year-on-year	%	103,4	108,4	106,4	106,9	105,5	107,6	107,9	108,9	107,5
- year 1998 = 100	%	103,4	109,4	126,2	134,9	142,3	153,1	165,2	179,9	193,4
Average wage in NE³⁾										
total	CZK	12 797	14 793	15 866	16 917	18 041	18 992	20 219	21 694	23 542
index										
- year-on-year	%	108,4	108,7	107,3	106,6	106,6	105,3	106,5	107,3	108,5
- year 1998 = 100	%	108,4	125,3	134,4	143,3	152,8	160,9	171,4	183,9	199,5

Source: CZSO

¹⁾ according to National Accounts Statistics, MoLSA calculations²⁾ data CZSO, MoLSA calculations

Graph No. 7.1.1
Current Incomes and Average Wages of Household Sector

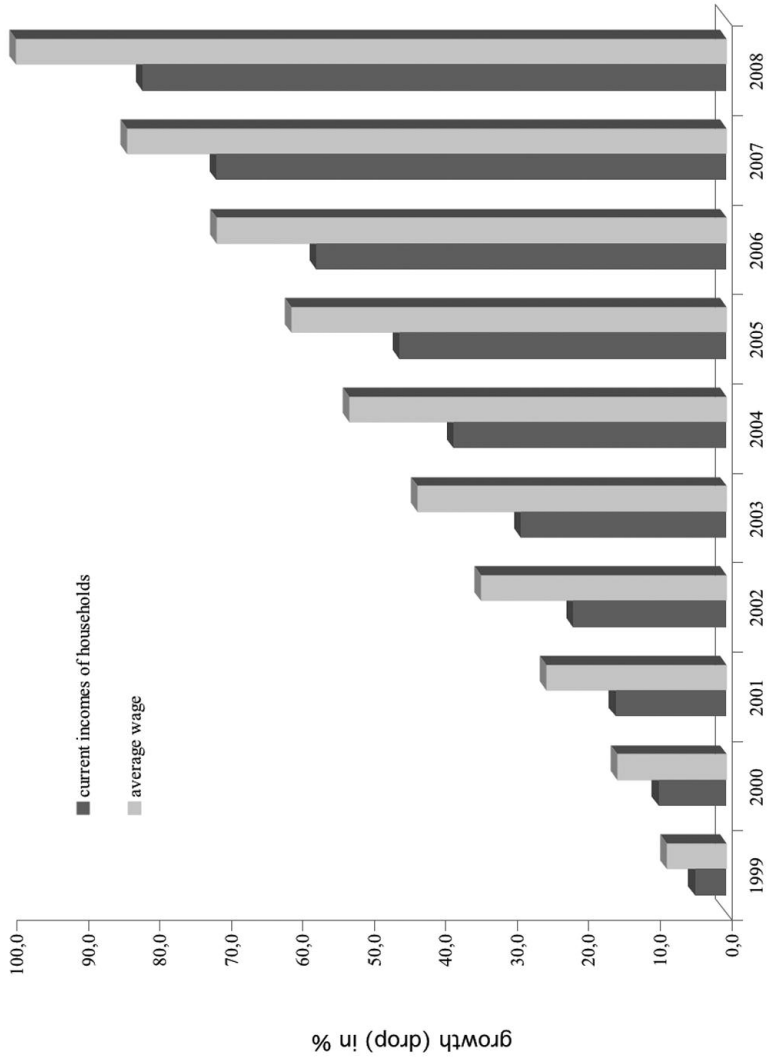


Table No. 7.2

Wage Differentiation by National Economy Branches

part 1

	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008
Czech Republic total										
average wage in CZK	12 797	13 614	14 793	15 866	16 917	18 041	18 992	20 219	21 694	23 542
year-on-year index (%)	108,4	106,4	108,7	107,3	106,6	106,6	105,3	106,5	107,3	108,5
Industry										
average wage in CZK	12 671	13 589	14 543	15 368	16 293	17 502	18 347	19 548	20 949	22 735
year-on-year index (%)	106,7	107,2	107,0	105,7	106,3	107,4	104,8	106,5	107,2	108,5
ratio (%) ^{a)}	99,0	99,8	98,3	96,9	96,3	97,0	96,6	96,7	96,6	96,6
Agriculture, hunting and forestry										
average wage in CZK	9 589	10 284	11 247	11 640	12 014	13 146	13 879	14 843	16 376	17 966
year-on-year index (%)	104,0	107,2	109,4	103,5	103,2	109,4	105,6	106,9	110,3	109,7
ratio (%) ^{a)}	74,9	75,5	76,0	73,4	71,0	72,9	73,1	73,4	75,5	76,3
Building industry										
average wage in CZK	12 783	13 531	14 666	15 695	16 852	18 071	18 933	20 258	21 906	24 500
year-on-year index (%)	105,4	105,9	108,4	107,0	107,5	107,2	104,8	107,0	108,1	111,8
ratio (%) ^{a)}	99,9	99,4	99,1	98,9	99,6	100,2	99,7	100,2	101,0	104,1
Commerce, motor vehicles and consumer goods repairs										
average wage in CZK	12 847	14 171	15 354	16 367	17 144	18 346	18 949	20 037	21 972	24 067
year-on-year index (%)	108,1	110,3	108,3	106,6	104,7	107,0	103,3	105,7	109,7	109,5
ratio (%) ^{a)}	100,4	104,1	103,8	103,2	101,3	101,7	99,8	99,1	101,3	102,2

^{a)} Ratio (%) = average nominal wage (natural person) in given branch / average wage in the national economy of the CR.

Table No. 7.2

Wage Differentiation by National Economy Branches

part 2

	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008
Transport, storage and communications										
average wage in CZK	13 646	14 842	16 052	17 247	18 281	19 418	20 561	21 811	23 180	25 590
year-on-year index (%)	108,2	108,8	108,2	107,4	106,0	106,2	105,9	106,1	106,3	110,4
ratio (%)¹⁾	106,6	109,0	108,5	108,7	108,0	107,6	108,3	107,9	106,8	108,7
Banking and insurance system										
average wage in CZK	23 182	25 630	29 136	31 570	33 223	35 426	37 366	39 706	41 394	44 491
interannual index (%)	109,5	110,6	113,7	108,4	105,2	106,6	105,5	106,3	104,3	107,5
ratio (%)¹⁾	181,2	188,3	197,0	199,0	196,4	196,4	196,7	196,4	190,8	189,0
Public administration and defence										
average wage in CZK	14 816	15 064	16 448	18 073	19 484	20 490	21 870	22 896	24 636	25 762
year-on-year index (%)	111,8	101,7	109,2	109,9	107,8	105,2	106,7	104,7	107,6	104,6
ratio (%)¹⁾	115,8	110,7	111,2	113,9	115,2	113,6	115,2	113,2	113,6	109,4
Education										
average wage in CZK	11 088	11 283	12 447	13 612	15 312	16 415	17 187	18 358	19 437	20 166
year-on-year index (%)	112,6	101,8	110,3	109,4	113,0	107,2	104,7	106,8	105,9	103,7
ratio (%)¹⁾	86,6	82,9	84,1	85,8	90,5	91,0	90,5	90,8	89,6	85,7
Health care, veterinary and social services										
average wage in CZK	11 312	11 747	13 356	15 051	16 311	16 753	17 511	19 021	19 909	20 943
year-on-year index (%)	113,7	103,8	113,7	112,7	108,4	102,7	104,5	108,6	104,7	105,2
ratio (%)¹⁾	88,4	86,3	90,3	94,9	96,4	92,9	92,2	94,1	91,8	89,0

¹⁾ Ratio (%) = average nominal wage (natural person) in given branch / average wage in the national economy of the CR.

Source: CZSO

Graph No. 7.2.1
Wage Differentiation by National Economy Branches

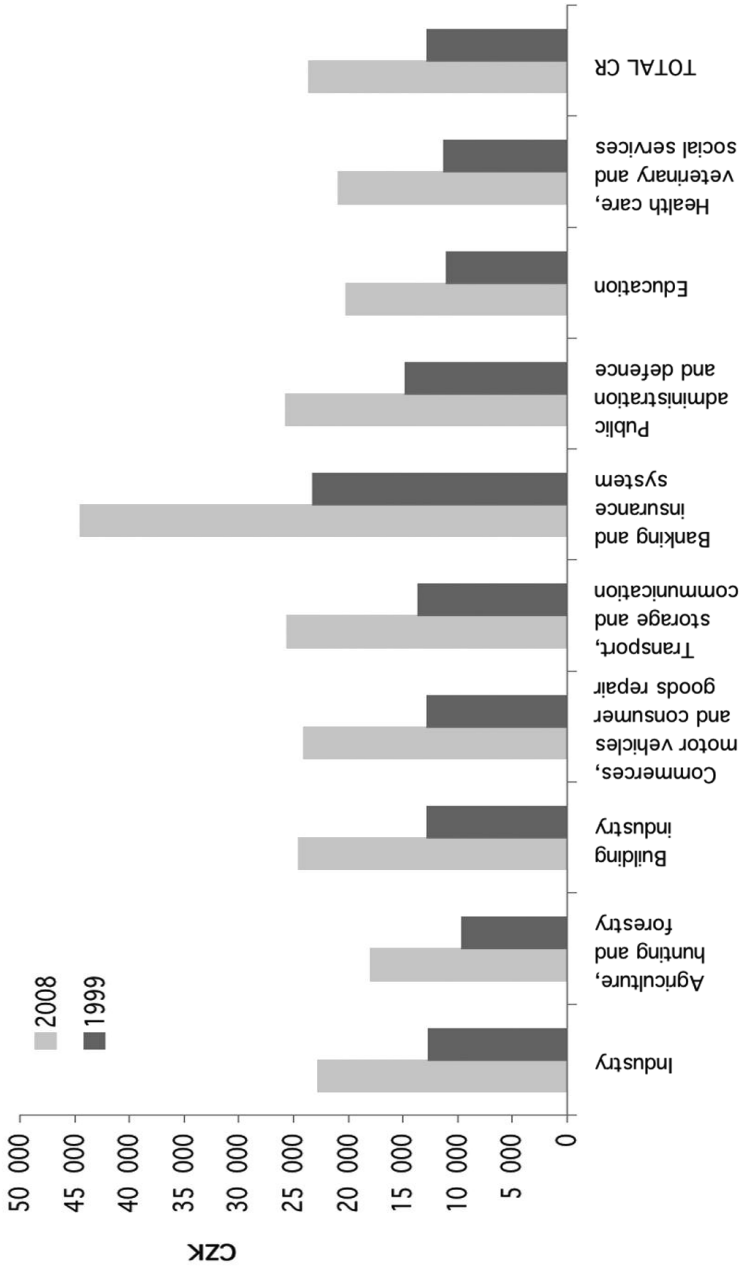


Table No. 7.3
Social Incomes of Households (in mil. CZK)

(in %)

	2000	2001	2002	2003	2004	2005	2006	2007	2008	2000	2001	2002	2003	2004	2005	2006	2007	2008
Pension insurance benefit ¹⁾	182,457	196,650	210,971	218,790	222,371	240,726	260,939	281,726	303,738	107,8	107,3	103,7	101,6	108,3	108,4	108,0	107,8	
Sickness insurance benefits ²⁾	27,520	29,583	32,605	34,303	29,560	31,656	32,764	34,664	31,873	107,5	110,2	105,2	86,2	107,1	103,5	105,8	91,9	
State social support benefits ³⁾	31,855	31,942	33,700	32,178	32,730	32,954	34,051	48,533	41,883	100,3	105,5	95,5	101,7	100,7	103,3	142,5	86,3	
One-off benefit ⁴⁾	x	x	x	x	6,538	x	x	x	x	x	x	x	x	x	x	x	x	
Passive employment policy ⁵⁾	5,590	5,162	6,141	6,870	7,030	7,014	7,276	6,986	7,086	92,3	119,0	111,9	102,3	99,8	103,7	96,0	101,4	
Social care benefits ⁶⁾	11,276	11,646	13,327	14,148	14,317	14,196	14,674	3,785	2,489	103,3	114,4	106,2	101,2	99,2	103,4	25,8	65,8	
Benefits of assistance in material need	x	x	x	x	x	x	x	3,287	2,794	x	x	x	x	x	x	x	85,0	
Care allowance	x	x	x	x	x	x	x	14,608	18,253	x	x	x	x	x	x	x	125,0	
Social incomes total	258,698	274,983	296,744	306,289	312,546	326,546	349,704	393,589	408,116	106,3	107,9	103,2	102,0	104,5	107,1	112,5	103,7	

Source: MoLSA

¹⁾ including supplementary pension insurances, pension balance with Slovákia, increase of pensions for incapacity and compensations like rehabilitation (pensions paid out abroad are not included) advance payments for post offices from previous year and expenditures on pensions in armed forces are not included;

²⁾ without armed forces and allowance paid out abroad;

³⁾ without transfers to deposit accounts, refunds of extinguished allowances and transfers to income account of state budgets;

⁴⁾ one-off benefits for children in amount of 3 866 mil. CZK and one-off benefit for pensioners in amount of 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 peoples, for families and children and for socially excluded) and other social need benefits

According to the Labour Force Sample Survey (CZSO) there were on average 5,002.5 thous. employed persons in the whole national economy in the Czech Republic in 2008. This is more by 80.5 thous. employed persons than in 2007 representing 1.6% annual growth. The employment in the fourth quarter of 2008 represented 5,033.4 thous. persons and it is the highest amount in this year.

Employment of women increased by 1.1% to 2,139.3 thous. persons, with regard to slower growth compared to total employment (the ratio of women on growth of employment was only 29.1%), the ratio of women to total employment annually declined to 42.8%.

In primary sector the employment reduced by 10.4 thous. to 165.7 thous persons and its ratio to the total employment decreased to 3.3%. In secondary sector the employment increased by 49,3 thous. to 2,028.5 thous. persons and the ratio increased to 40.5% (industry reported the increase by 34.1 thous. to 1,566.6 thous. persons, building industry by 15.2 thous. to 461.9 thous. persons). In tertiary sector the employment increased by 41.8 thous. to 2,808.5 thous. persons (its ratio in total employment – 56.2% – was unchanged).

The number of employees working for wage increased by 82.4 thous. to 4,183.7 thous. persons. The increase of the number of enterprisers is 10.5 thous. persons, their number increased to 806.5 thous. (number of enterprisers without employees increased by 14.0 thous. to 596.3 thous. persons, the number of enterprisers with employees decreased by 5.3 thous. To 178.7 thous. persons). The ratio of enterprisers on the total employment was reduced compared to 2007 by 0.1 p.p. to 16.1%. The amount of 4,757.0 persons was full-time working, 245.3 thous. persons were part-time working in their main employment (their ratio decreased on the whole employment to 4.9% with 74.0% of women).

From the regional point of view the increase of employment was the highest in Central Bohemia Region and in Moravian-Silesian Region, in Prague and Ústí nad Labem Region. Slightly decrease of employment was reported in Vysočina Region and Hradec Králové Region.

The employment of foreigners increased, at the end of 2008 there were 284.6 thous. employees, i.e. annually by 44.3 thous. persons. Their ratio on total employment in the Czech Republic (incl. 77.2 thous. foreigners carrying business in the CR on base of the trade licence) was 7.3%.

The total rate of employment people in age 15–64 (one of the most important indicators of employment strategy in EU) increased to 66.6% annually. The women employment rate increased to 57.6%, the men employment rate to 75.4%. The employment rate of elderly people (55–64 ages) has rapidly increased to 47.6%.

The increase of economically active persons (EAO) to 5,232.3 thous. was supported by the increase of number of employees (by 80.5 thous.). The number of unemployed persons decreased (by 6.5 thous.). In spite of the increase of the number of EAO the participation rate (MEA) of people 15 – 64 age decreased by 0.1 p.p. to 69.7% as MEA of people 15+ by 0.3 p.p. to 58.5%.

The trend of the decrease of job seekers in the evidence in labour offices was slower than in the previous year. At the end of 2008 the number of job seekers increased rapidly than usually. The average number of job seekers decreased annually by 68.2 thous. to 324.6 thousand.

The average rate of registered unemployment in year 2008 decreased to 5.4%, i.e. by 1.2 p.p., but the value was the same (6.0%) at the end of 2008 as one year before.

The average monthly job vacancies number (registered at labour offices) was 141.8 thous. (higher annually by 19.2 thousand). In the second half of 2008 the number of job vacancies decreased. At the end of 2008 the number was lower by 20.1 thous. persons compared to the end 2007.

Due to the decrease of average job seekers number and increase of average job vacancies number, the ratio of job seekers on 1 job vacancy decreased from 3.2 to 2.3. As a result of number of job seekers increase and significant decline of job vacancies especially at the end 2008, this indicator increased from 2.5 (end of 2007) to 3.9.

The number of new registered job seekers increased annually by 19.8 thous., and the number of people who leave labour offices, was higher by 71.3 thousand. The ratio of newly employed persons to total out-of-registered persons decreased annually to 62.4% (63.1% in the same time of previous year). The number of out-of-registered job seekers, who were excluded because of no cooperation with labour office, decreased (by 6.1 thous.).

The decrease of job seekers with disability continued. On December 31, 2008, the number of job seekers with disability registered in labour offices was 61.1 thous. (by 4.1 thous. less than in previous year). Their ratio on total job seekers number decreased annually from 18.4% to 17.4%.

The number of job seeker with age of 50+ decreased annually (by 5.7 thousand), their ratio on the total job seekers number, decreased by 1.3 p.p. to 29.3%. The decrease of job seekers in age of 50–59 led to this decrease. The increase of both number ratio of job seeker older than 60 years was minimal.

The annual increase of absolute number of unemployed younger than 25 of their age was annually by 5.9 thous., i.e. by 10.7%, and their ratio on the total unemployment increased by 1.7 p.p. to 17.2%. The number of graduates and youth after leaving school annually increased by 2.0 thousand to 24.6 thous., their ratio increased by 0.6 p.p. to 7.0% of total job seekers.

The share of women within job seekers decreased (after long-term increase) from 53.9% (as of December 31, 2007) to 52.1% to the end of 2008. Absolute number of women (job seekers) declined in the same period from 191.2 thous. to 183.6 thous., i.e. by 3.9%.

The decline of long-term unemployment – annually by 28.8% to 101.5 thousand persons in December 2008 – was caused by economic growth, high demand on labour forces and by more restrictive conditions for provision of social benefits. The ratio of the long-term unemployed decreased from 38.6% at 28.2%. This decline was especially caused by higher number of new job seekers registered during last months of 2008.

The most extensive group of job seekers by level of education is the group of skilled graduates (39.3%) and applicants without elementary education (30.6%). Their ratio to all job seekers has slightly increased.

Annually increase of job seeker at the end of year was recorded in 10 regions, mostly in Plzeň Region, Liberec Region, Central Bohemia Region and in Vysočina Region. To the contrary the number of job seekers decreases in region with higher unemployment, most in Moravian-Silesian Region (by 8.4 thous.) and Ústí nad Labem Region (by 4.2 thous.). In these regions the unemployment rate decreased (in Moravian-Silesian Region by 1.1 p.p. to 8.5%, in Ústí nad Labem Region by 0.7 p.p. to 10.3%.

By structure of districts the number of job seeker increased in 48 of them at the end of year, the unemployment rate in 51 of them. The highest decrease of unemployment was in districts of Most, Frýdek-Místek and Karviná. The highest unemployment rate was in district Most (13.1%). The absolutely highest number of job seekers was registered in Prague Capital City – 17.4 thousand with 2.1% unemployment rate (district of Prague-east – 1.8% and Prague- west – 1.9% had lower unemployment rate).

The labour supply was still high (growth of employment and high number of job vacancies), demand after labour decreased (unemployment). The slow-down of economic growth (by 3.0%) and consequence of world financial and economic crisis appeared at the end of the year.

Table No. 8.1
Basic Indicators of Labour Market

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

Source: MoL.S.A. and CZSO (data about employment from Labour Force Sample Survey)

* according to new MoL.S.A. methodology

Graph No. 8.1.1
Number of Job Seekers and Job Vacancies

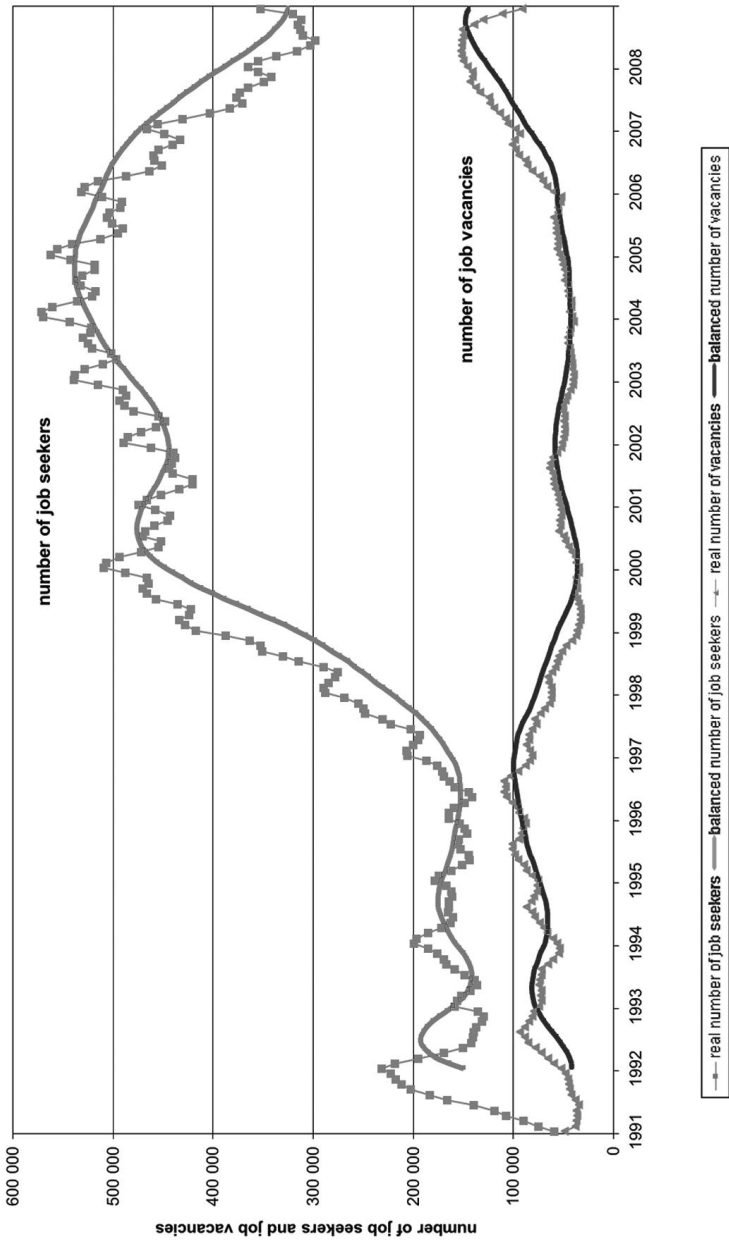


Table No. 8.2

State Budget Expenditures on State Employment Policy

in thous. CZK

	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008
Expenditures on employment policy	2 416 637	2 664 493	3 972 035	5 096 712	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
- positive policy	1 781 846	2 106 406	3 420 038	4 193 698	5 709 466	5 680 469	5 228 947	6 209 746	6 949 250	7 090 047	7 046 845	7 307 321	7 015 755	7 114 894
- active policy	634 791	558 087	551 995	903 014	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
Active employment policy:														
- graduated position ¹⁾	117 754	100 334	101 759	117 777	304 790	358 012	388 336	347 996	331 220	418 018	144 687	143	-	-
- socially beneficial jobs	163 636	102 427	66 193	201 514	525 363	989 720	1 042 504	616 819	691 559	1 030 597	1 184 356	1 071 803	867 971	596 654
- publicly beneficial works ²⁾	189 470	199 069	224 926	280 828	481 915	759 308	924 451	713 953	685 001	833 189	838 951	899 298	684 989	949 087
- retraining	100 091	91 727	90 418	147 325	236 232	345 920	382 652	370 431	405 870	480 635	408 250	357 299	269 288	271 130
- disabled	59 861	57 432	59 886	127 078	165 836	195 194	211 214	177 575	223 585	251 354	310 040	318 873	235 689	255 656
in which:														
- creation of sheltered workshop and sheltered jobs	26 510	17 683	15 881	50 505	53 000	54 892	46 380	42 135	61 819	83 800	96 390	90 382	43 907	36 137
- operation of sheltered workshops and sheltered jobs	33 351	39 749	44 005	76 533	109 003	132 995	158 446	131 632	155 036	162 244	208 799	219 772	185 201	210 469
- benefit for self-employed persons ³⁾	x	x	x	x	x	x	x	3 769	6 729	5 048	4 798	7 065	4 638	5 041
- occupational rehabilitation	x	x	x	40	3 833	7 307	6 388	39	0	262	53	1 654	1 943	4 009
- goal-directed programmes ³⁾	x	x	x	x	x	x	x	x	x	x	x	217 265	235 924	80 613
- programmes of ESF ⁴⁾	x	x	x	x	x	x	x	x	x	x	x	1 277 664	2 100 517	2 168 432
- investment incentives ⁵⁾	3 979	7 099	8 814	28 492	23 726	31 646	64 197	47 237	133 055	67 473	114 744	110 094	88 322	88 354
- others ⁶⁾	x	x	x	x	x	x	375 428	527 709	524 446	649 012	736 913	1 410 552	2 187 432	2 283 655
60% of employees with at least 5 years of handicapped employees	x	x	x	x	x	135 623	230 114	186 093	212 651	133 489	147 506	183 573	196 032	150 330
insolvency employment services and administration⁷⁾	1 292 300	1 382 000	1 386 900	1 453 400	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

Source: MAF, S.A.

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

²⁾ benefit for self-employment persons with handicap for creating and operation of sheltered workshop for the handicapped.

³⁾ according to the Act No. 435/2004 Coll. § 12b, Employment Act, as amended (including regional targeted programmes for solution of unemployment and Programme for support of research or technical evaluation of material investment possession, which is for use of the handicapped) per-

son in 2008 without publicly beneficial works and socially beneficial jobs realized on base of Operating Programme of Human Resources and Employment, these are included in data on these instruments).

⁴⁾ incl. Investment incentives and programmes for support creation of new jobs.

⁵⁾ incl. costs on informative material is used by labour offices and Social Security Administration, other support employment programmes, costs on active employment policy elsewhere not introduced, until 2006, the projects of ESF.

⁶⁾ incl. capital and material expenditures (incl. costs on salaries, other payments for realized work and premium).

⁷⁾ incl. capital and material expenditures (incl. costs on salaries, other payments for realized 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 (1995–2007), module on number of pension beneficiaries (2000–2007); 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 benefits 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 that may give rise to social protection is, by convention, as follows:

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.

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 criterions:

- 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 (1995–2007) 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

Total Social Protection Expenditures in Relation to GDP**) in chosen European Countries

mil. CZK

Social protection function	Year												
	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007
1. Sicknes/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
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	51 566
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	252 990
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
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
6. Unemployment	5 618	7 341	9 395	10 908	14 444	14 271	14 355	16 469	20 254	20 596	19 735	18 559	22 030
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
8. Social exclusion	3 277	2 965	4 287	6 563	9 116	11 178	11 818	12 803	14 742	14 780	14 676	15 645	6 722
Total expenditure	247 080	286 425	325 646	358 103	387 163	413 562	442 788	481 992	503 800	525 332	552 424	580 707	636 565

Source: MoLSA

*) ESSPROS = The European System of Integrated Social Protection Statistics

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

Table No. 9.2

Total Social Protection Expenditures in Relation to GDP**) in European Countries

in % GDP

	Year									
	1998	1999	2000	2001	2002	2003	2004	2005	2006 ^{***)}	2007 ^{***)}
EU27 - current MS	-	-	-	-	-	-	-	27,1	26,7	26,2
EU25 - EU27 without Bulgaria and Romania	-	-	26,5	26,7	27,0	27,4	27,2	27,3	26,9	26,4
EU15 - MS until enlargement in 2004	27,0	26,9	26,8	27,0	27,3	27,7	27,6	27,7	27,3	26,9
EA15 - states with Euro (Eurozone)	-	-	26,7	26,8	27,4	27,8	27,7	27,7	27,4	27,0
BE - Belgium	27,1	27,0	26,5	27,3	28,0	29,0	29,2	29,6	30,2	29,5
BG - Bulgaria	-	-	-	-	-	-	-	16,0	14,9	15,1
CZ - Czech Republic	18,5	19,2	19,5	19,4	20,2	20,2	19,3	19,2	18,7	18,6
DK - Denmark	30,0	29,8	28,9	29,2	29,7	30,9	30,7	30,2	29,3	28,9
DE - Germany	28,9	29,2	29,3	29,4	30,1	30,4	29,8	29,7	28,7	27,7
EE - Estonia	-	-	13,9	13,0	12,7	12,5	13,0	12,6	12,3	12,5
IE - Ireland	15,2	14,6	13,9	14,9	17,5	17,9	18,1	18,2	18,3	18,9
EL - Greece	21,7	22,7	23,5	24,3	24,0	23,5	23,5	24,6	24,5	24,4
ES - Spain	20,2	19,8	20,3	20,0	20,4	20,6	20,7	20,9	20,9	21,0
FR - France	30,1	29,9	29,5	29,6	30,4	30,9	31,3	31,4	30,7	30,5
IT - Italy	24,6	24,8	24,7	24,9	25,3	25,8	26,0	26,4	26,6	26,7
CY - Cyprus	-	-	14,8	14,9	16,3	18,4	18,1	18,4	18,4	18,5
LV - Latvia	16,1	17,2	15,3	14,3	13,9	13,8	12,9	12,4	12,3	11,0
LT - Lithuania	15,2	16,3	15,8	14,7	14,0	13,5	13,3	13,1	13,2	14,3
LU - Luxembourg	21,2	20,5	19,6	20,9	21,6	22,1	22,3	21,7	20,3	19,3
HU - Hungary	-	20,3	19,6	19,2	20,3	21,2	20,6	21,9	22,4	22,3
MT - Malta	17,9	17,8	16,9	17,8	17,8	18,4	18,8	18,6	18,2	18,1
NL - The Netherlands	27,8	27,1	26,4	26,5	27,6	28,3	28,3	27,9	28,8	28,4
AT - Austria	28,5	29,0	28,4	28,8	29,2	29,6	29,3	28,9	28,5	28,0
PL - Poland	-	-	19,7	21,0	21,1	21,0	20,1	19,7	19,4	18,1
PT - Portugal	20,9	21,4	21,7	22,7	23,7	24,1	24,7	25,3	25,4	24,8
RO - Romania	-	-	13,0	12,8	13,6	13,0	12,7	13,2	12,5	12,8
SI - Slovenia	24,5	24,1	24,2	24,5	24,4	23,7	23,4	23,0	22,7	21,4
SK - Slovak Republic	20,0	20,2	19,4	19,0	19,1	18,2	17,2	16,5	16,3	16,0
FI - Finland	27,0	26,3	25,1	24,9	25,7	26,6	26,7	26,8	26,2	25,4
SE - Sweden	31,4	31,0	30,1	30,8	31,6	32,6	32,0	31,5	30,7	29,7
UK - United Kingdom	26,3	25,7	26,4	26,8	25,7	25,7	25,9	26,3	26,1	25,3
IS - Iceland	18,3	18,8	19,2	19,4	21,2	23,0	22,6	21,6	21,2	21,5
NO - Norway	26,9	26,9	24,4	25,4	26,0	27,2	25,9	23,8	22,6	22,8
CH - Switzerland	27,3	27,4	27,0	27,7	28,5	29,2	29,3	29,3	28,0	27,3

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

(-) data not available

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

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

***) provisional data

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