

National Poverty Watch Report

Czech Republic

Introduction

EAPN Czech Republic is a network representing its member organizations, NGOs whose scope of work contains the issue of poverty and social exclusion etc., people experiencing/threatened by poverty and social services providers. Currently, we focus on following topics: minimum income and improvement of MI schemes, quality of life of seniors and over-indebtedness.

What do we mean by poverty?

“The main measure of monetary poverty included in the EU list of indicators is a relative one (net income less than 60% national median), known as the “at-risk-of-poverty” rate. Since the EU Council of Ministers in 1975, poverty in the EU has been conceived of as relative to a particular country at a particular time. There was and is strong justification for this approach rooted in social science understandings. Poverty in the post war period has been understood as a relative concept that went beyond the notions of poverty as a lack of basic physical needs but aspired to social participation standards or human functioning.” (Source: THE MEASUREMENT OF EXTREME POVERTY IN THE EUROPEAN UNION European Commission Directorate-General for Employment, Social Affairs and Inclusion Manuscript completed in January 2011)

- People at risk of poverty or social exclusion 13.3% (EU average 23.5, both in 2016)¹.
- People at risk of poverty after social transfers 9.7% (EU average 17.3%, both in 2016)².
- Unemployment rate October 2017 2.7% (EU average 7.4%)³.
- 834 000 individuals having at least one execution on property (7.9% of Czech population)⁴.

¹ http://ec.europa.eu/eurostat/tgm/table.do?tab=table&init=1&language=en&pcode=t2020_50&plugin=1

² http://ec.europa.eu/eurostat/tgm/refreshTableAction.do?tab=table&plugin=1&pcode=t2020_52&language=en

³ [http://ec.europa.eu/eurostat/statistics-explained/index.php/File:Unemployment_rates_seasonally_adjusted_October_2017_\(%25\)_F2.png](http://ec.europa.eu/eurostat/statistics-explained/index.php/File:Unemployment_rates_seasonally_adjusted_October_2017_(%25)_F2.png)

⁴ Exekutorská komora ČR: Velká pětka statistik za rok 2016

What is happening to poverty? Who are the groups most affected?

- Material deprivation 8.9% (15.7% EU average, 2016)⁵.
- People aged less than 60 living in households with very low work intensity 6.8% (10.7% EU average, 2015)⁶.
- In-work poverty 3.8% (EU average 9.6%, 2016)⁷.
- Housing deprivation 3% (EU average 4.8%, 2016)⁸.

What are the key challenges and priorities? What do people in poverty think?

Over-indebted people – it is estimated that there can be around 0.5 million people in a debt trap. These people are often excluded from legal labour market and threaten by homelessness. We advocate for measures to prevent both active and passive indebtedness, respecting of basic rights of the debtor in the debt collection procedures and accessible debt relief procedures.

Decent minimum income and push for increasing wages and salaries in general – Even if EU-SILC statistics (displayed above) indicate very positive figures for the Czech Republic, we advocate for improvements in minimum income schemes (see the Context report for EMIN2 Czech Republic) and for increase of wages and salaries. The minimum wage will be increased in January 2017 from 11 000 CZK to 12 200 CZK, which will increase also so called guaranteed wages in different kinds of professions. The worrying problem is the increase of costs of housing, caused by lack of real estate properties available on the market, which decreases the disposable income of households⁹.

Active and decent life of seniors – namely elderly women, seniors living in rental housing and seniors living alone are threaten by poverty. EAPN Czech Republic recently published about the needs of seniors, the publication us called “*Active and autonomous in the old age*”, we also prepare Methodologies for municipalities regarding support of adequate housing, decent income, informational and functional literacy and accessibility of social and healthcare services.

⁵ http://appsso.eurostat.ec.europa.eu/nui/show.do?dataset=ilc_md07&lang=en

⁶ http://ec.europa.eu/eurostat/statistics-explained/index.php/Material_deprivation_and_low_work_intensity_statistics

⁷ <http://appsso.eurostat.ec.europa.eu/nui/submitViewTableAction.do>

⁸ http://appsso.eurostat.ec.europa.eu/nui/show.do?dataset=ilc_mdho06a&lang=en

⁹ Costs of housing statistics: http://ec.europa.eu/eurostat/statistics-explained/index.php/Housing_price_statistics_-_house_price_index

What is the role of EU and national governments?

Even if the Social Housing Act was cited as a priority in the European semester, it didn't pass the legislative process and due to unclear situation after the parliamentary elections, it is hard to predict its future.

Former government boosted the economic prosperity and gradually increased the minimum wage, but failed to put into practice following policies, that were planned: Social Housing Act, Social Entrepreneurship Act, Amendment of Insolvency Act in terms of making debt relief accessible for all over-indebted people or Advanced Alimony Act.

What is EAPN doing?

EAPN Czech Republic currently runs two projects: EMIN2 project, which advocates for improvement of minimum income schemes, and project "Priorities of support of the active life of seniors in the municipalities", described above. Recently, we organized 4 regional seminars for municipalities representatives within the Seniors project and one focus group with active seniors in Pilsen. We also organized "National meeting against poverty and social exclusion" which was focused on in-work poverty (namely of indebted people), minimum income and poverty of seniors.

Key Recommendations

Focus the issue of over-indebtedness – conceive measures to prevent indebtedness, protection of rights of the debtors and accessibility of insolvency procedure (Amendment of Insolvency Act mentioned above) (see our document "Let's prevent debt traps!")

Recommend to the Czech Republic conceiving the above-mentioned measures (Social housing Act, Social Entrepreneurship Act, Amendment of Insolvency Act in terms of making debt relief accessible for all over-indebted people or Advanced Alimony Act.