**Fiche to Respond to the Country Reports 2020**

**Find your Country Report** [**here.**](https://ec.europa.eu/info/publications/2020-european-semester-country-reports_en)

***National Network/or European Organization: EAPN Czech republic***

***Person completing the assessment: Iva Kuchyňková, EAPN Czech republic***

***Date: 30-3-2020***

**Assessment of Country Reports 2020**

1a) What are the positive developments in the Country Report on poverty reduction, social rights, and participation of civil society and people experiencing poverty?

* The employment rate is among the highest in the EU and the unemployment rate is the lowest
* The high wage growth leads to a poverty reduction (on the other hand, there is as risk of lower competitiveness)
* The risk of poverty is relatively low, but significant number of people is only slighty above the poverty line; It is important to note that the big problem is the high rate of seizure and unavailability of housing (seizures reduce income to an incapable amount); In general, statistics on large samples do not take into account the specific situation of people living in poverty and social exclusion
* Measures have been taken to address the increasing consequences of debt (insolvency amendment since mid-2019), but these measures are still not sufficient; The situation needs to be more vigorously addressed.

1b) What are the negative development or missing elements/issues?

* Housing prices continue to rise, reducing its affordability; limited bid vs. strong demand – (prices are pushed up, esp. in the largest cities); property price growth remains above wage growth; spatial planning is also problematic
* Household debt is on the rise, although it does not present an immediate risk for the banking sector now – on the other hand, there is no mention of possible risk for individual households in the Report (macro vs. microeconomic perspective); also if individuals become impoverished, the workforce will be weakened and the whole society could be affected
* The low-skilled, the elderly and the disabled persons are not - despite some improvements - still fully integrated into the labor market (active policies are not well targeted and tailored to their needs)
* Elderly people (65+) are at significant risk of poverty or social exclusion; many of them are unable to work long enough to reach retirement; shifting the retirement age often causes them to fall into poverty
* There are also large differences between people with disabilities and a normal healthy population (higher risk of poverty, more frequent dropout etc.)
* Public spending per student at all levels of the education system is still extremely low
* There are still considerable differences in the quality of life between regions
* The number of socially excluded localities is increasing, and the measures to reduce them have had a limited impact
* There is a large number of homeless people and many people are at risk of homelessness (up to half of the children who leave the children's homes at age 18)
* The participation of women in the labor market is hampered by the lack of availability of childcare services at affordable prices
* The gender pay gap is still one of the largest in the EU
* Labor taxation still high although estate and environmental taxes one of the lowest

1c) How well are the SDGs/Pillar of Social Rights incorporated and well-balanced with economic and environmental priorities

* The pillar of social rights has not yet been ratified in the Czech Republic, which has detrimental consequences for the social sector
* The Czech Republic has achieved relatively good results in most of the areas mentioned in the Social Rights Pillar and Sustainable Development Goals, but there are some areas where problems remain
* The most critical is the situation in the institutional care of children under three years of age – a lack of free capacity prevents parents from economic activity, which is especially crucial in the case of a single parent
* There is also a space for improving the gender gap, enhancing the efficiency of social transfers that are not yet fully effective (except pensions); the participation of vulnerable groups and mothers in the labor market; improving digital skills as an important area for the future changes in the structure of the economy

1d) Are the 2019 Country-specific Recommendations (CSRs) being implemented? Is this positive/negative?

* The sustainability of public finances is still under-treated (regarding pensions and health care); on the other hand, so-called requirement to ensure sustainability (long-term fiscal stability), is more or less synonymous with austerity measures in the form of cuts, which we consider strongly undesirable
* There has been limited progress in promoting employment in areas such as improving access to affordable childcare and employment of disadvantaged groups, but overall implementation is still inadequate

1e) Does Annex D provide a useful support of EU funding to social rights/poverty reduction?

* These investment guidelines seem to be well thought out and formulated with sufficient insight into the given regional specifics

2. What are your alternative Country -Specific Recommendations? (Check your Recommendations from the EAPN assessment of the 2019 Country Reports and alternative Recommendations last year [here](https://www.eapn.eu/wp-content/uploads/2019/05/EAPN-2019-EAPN-Country-Report-Assessment-and-CSR-Proposals-3580.pdf) and propose 3 Recommendations for 2020 with short justification)

1) Housing - in the future it is necessary to adopt a comprehensive legislative framework addressing this issue (see the Act on Social and Affordable Housing), affordable housing has proved to be crucial for the successful solution of subsequent socio-economic difficulties

2) Workers' poverty - in the future it is necessary to strive for a continual increase in the minimum wage, as at present conditions and costs many people are just above the income poverty line

3) Over-indebtedness - the need to verify how the latest measures have proved their worth (insolvency amendment in mid-2019); In addition, there is a need to ensure greater access to debt relief so that people do not stay in the grey economy area for a long time

3. What Key Messages would you send about this year’s Country Report? Has it improved? New elements? Overall concerns?

1) In our opinion, the report on the Czech Republic describes the situation and problems of the socially excluded in a relatively concise way and with good insight into the above-mentioned problems

2) The requirement for efficiency and "ensuring sustainability" is basically right but often implies a necessity for cuts - we consider this to be quite problematic; overall, we prefer securing these funds through fair taxation (see tax evasion, dividend flow to abroad and tax havens)

3) In our opinion, the report rightly highlights the area of education, which needs to be further supported, as well as the area of providing social services as a solid basis for building a healthy economy