

# The Strategy of Social Inclusion in the Czech Republic \*

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## **Abstract**

*After the new EU member states had accepted the Joint Memorandum on Social Inclusion in 2003 they elaborated National Action Plans on Social Inclusion for the period 2004-2006 and recently for the period 2006-2008.*

*At the theoretical level, the paper assesses the possibilities of the agenda of social inclusion implemented into national social policies through the Open Method of Coordination to respond to the challenges of social inclusion. At the empirical level, the paper explores how Czech social policy is coping with the issue of social exclusion in its main aspects and policy fields. In doing so, we are mainly focusing on the new agenda of social inclusion, showing the contribution of the NAPSI 2004-06 and 2006-08. We also explore how the key actors at the national, regional and local level perceive the problem of social exclusion and what strategies they formulate and implement in practice to combat it. Besides secondary analysis of data and programme documents, the findings are mainly based on series of expert interviews with key actors and on data from an international survey on mainstreaming social inclusion.*

*We argue that the agenda of social inclusion – if approached in a truly complex and consistent way – may bring significant positive effects in terms of institutional learning, policy community building and policy innovation. On the other hand, we will show that a one-sided approach relying too much on financial compensations was adopted in the Czech Republic in the field of poverty alleviation during the transformation period. A low legitimacy of the social inclusion agenda and implementation deficits and contradictions between the national and local (regional) levels of policy making represent a barrier to change in spite of an ongoing process of institutional learning from the bottom up. Evidence exists that projects implemented under the European Social Fund at the local level have contributed to policy learning better than the top-down agenda of NAPSI.*

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## **Introduction**

When new social risks and threats of poverty, labour market marginalization, long-term unemployment and social exclusion became apparent in the Czech Republic after 1989, like in other market economies, policy measures to protect vulnerable groups in society against transformation risks were adopted during the subsequent period of market transition. In 2003, the Czech Republic, similarly as other new EU members, accepted the Joint Memorandum on Social Inclusion and elaborated the National Action Plan on Social Inclusion (NAPSI) for the period 2004-2006 and recently for the period 2006-2008.<sup>1</sup> What is completely new in the agenda of social inclusion now being implemented is an explicit requirement to adopt a complex strategy and to mobilize actors and resources to address most aspects of social exclusion. At the same time, new resources are available to combat the risks of poverty and social exclusion through European structural funds and these are channelled to a broader spectrum of actors at the regional and local level. Policy communities may thus emerge within the process of bottom-up policy making and strengthen the strategy of social inclusion.

Due to the European agenda of social inclusion also the governance framework of this field of policy is changing in several respects. As for the top-down, supranational level, the Open Method of Coordination imposed by the Commission obliges the government to plan and implement appropriate measures and to carry out monitoring and reporting. As for the bottom-up, local and regional level, new actors are being mobilized thanks to the resources of European structural funds, enriching the policy making scene. These processes require of public authorities that they adopt better indirect methods of governance in order to be able to coordinate different levels of policy making. Of course, specific national implementation conditions (cultural, structural/institutional factors and various actors with their interests) inevitably influence these processes of policy making – i.e. shaping and implementing.

The question on which we focus in this paper is to what extent the agenda of social inclusion has changed the process of policy making in the Czech Republic in this specific field of social policy - protection against risks of poverty and social exclusion. The paper is organized as follows. In the first section we discuss the potential of the social inclusion agenda and Open Method of Coordination to influence the national strategy in this field and to contribute to social inclusion. In the second section we assess the formerly established approach of Czech social policy to the problem of poverty and social exclusion. Consequently, in the third section, we analyze implementation of the social inclusion agenda

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<sup>1</sup> Presented as chapter 2 of The National Report on Strategy for Social Protection and Social Exclusion (NRSSPSI 2006-08).

in the Czech Republic, both at the level of programme and at the level of implementation. When doing so, we confront the national level of policy making with the regional and local level. At the same time, we follow the developments of social inclusion agenda between 2004 – 2007 (by assessing the NAPSI 2004-2006 and NAPSI 2006-2008). In the fourth, concluding section, we summarize the findings and discuss the future prospects of social inclusion agenda in the Czech Republic.

Besides secondary analysis of the National Action Plans on Social Inclusion 2004-6 and 2006-8 and various sets of national and international data, we draw from information obtained through 75 focused semi-structured interviews conducted in 2005 in the Czech Republic at the national (18), regional (31) and local (26) levels, with actors who had been involved in the preparation of the NAPSI 2004-6 at the national level, and those who deal with the agenda directly contained in the NAPSI at the regional and local levels. Additional (8) semi-structured in-depth interviews were carried out with various actors in mid-2006. We also use information obtained through an international survey *The Evaluation of Mainstreaming Social Inclusion* carried out by the Combat Poverty Agency and its national partners in 9 European countries in the second half of 2006 (126 respondents participated in the Czech Republic<sup>2</sup>).

### **Social Inclusion Agenda and Its Potential Contribution**

The “old” EU members’ experience with implementing the social inclusion agenda using the Open Method of Coordination dates already from 2000. Yet assessments of its potential and effective contribution are not particularly clear-cut. On the one hand, the agenda is seen as beneficial in many respects: firstly, it brings the problem of social inclusion in the centre of public discourse and attention of public policy, raising general awareness of the issue (already Abrahamson 1997, recently O’Connor 2005). At the same time, it provides language codes and understanding (Jepsen and Serrano Pascual 2005), therefore generating a considerable potential of *cognitive effect* and *institutional learning* (e.g. de la Porte and Pochet 2004). Radaelli (2003: 7) speaks in general terms of the legitimating function of the new discourse of the Open Method of Coordination: *‘As legitimizing discourse, open coordination enables policy-makers to deal with new tasks in policy areas that are either politically sensitive or in any case not*

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<sup>2</sup> These were the following: – ministerial personnel and government officials (40), regional authorities (41), municipal and local authorities (23), representatives of non-governmental organizations directly involved in the field of social inclusion (8) and other non-governmental organizations (14).

*amenable to the classic Community method*'. In some policy areas it could also gradually lead towards convergence at the level of ideas (*ideational convergence*, see Radaelli 2003).

What is being most emphasized is that, similarly as in the case of other agendas pursued using the Open Method of Coordination, a new system of governance is being applied, grounded on cooperation, political bargaining, establishing policy guidelines, setting benchmarks and qualitative indicators, concrete national targets, and monitoring system via peer-group review and transfer of good practice. The Open Method of Coordination is considered particularly beneficial in that it creates new space for participation and bottom-up learning (Radaelli 2003), bottom-up policy making, institutional learning and experimenting (Begg and Berghman 2002), and social innovations. This approach then appears to correspond much better with the national, regional and local differences in the nature of problems of social exclusion and the related need for multi-level policy making. It also fits the fact that, while social policy rests on national systems, at least a part of member states clearly exhibit resistance to hard methods of governance in a mandatory form (as is legislation or obligatory policy effort). The role of benchmarking using outcome indicators is therefore greatly emphasized (de la Porte Pochet and Room 2001, O'Connor 2005). The lack of sanctioning mechanisms is not a problem in a governance architecture based on incentives for learning (Radaelli 2003:8). Besides, in connection with the European structural funds, which empower mainly regional and local actors, including private and non-governmental (non-profit) organizations and agencies, this method of coordinating agendas produces new policy communities concerned with tackling the problems of social exclusion.

On the other hand, the drawbacks and intrinsic contradictions of the Open Method of Coordination are being vigorously discussed. Since the method is used in pursuing both the employment strategy and the strategy of social inclusion, conclusions are drawn about its poor effect. Traditionally, criticism is directed mainly at the absence of enforcement mechanisms and the lack of formal EU-level competence (Goetschy 1999). Also general structural asymmetry is being highlighted at the same time (Ferrera et al 2000, Scharpf 2002), that is asymmetry between economic or 'market-making' and social protection or 'market-correcting' interests at the European level. While the former, economic, sphere of decision-making is strongly Europeanized and is based on binding regulations (Copenhagen EMU criteria in particular), the latter, social, sphere is governed by soft regulations. This produces a '*competency gap in which problem-solving capacity is severely constrained (through the globalization and the transnational integration of markets) while European policy is restricted by lack of intergovernmental agreement*' (Scharpf: 2002: 157-158) and cannot have a great influence over

national decision making. It is even being argued that the governance of social inclusion agenda by means of the Open Method of Coordination is a lot more benevolent than was the case with the Luxemburg i.e. employment process (Ferrera, Matsaganis and Sacchi 2002).

Despite a clear shift towards methods of new public governance, the national framework of policy formulation and implementation remains decisive, with the role of the European agenda being comparatively negligible. Therefore a whole range of authors concerned with issues of the Open Method of Coordination or social inclusion argue that, after all, it is the level of *political commitment* of national actors that is crucial for implementation of social inclusion measures. Some authors even raise the point that the national governments '*learn to restrict the autonomy of supranational actors as a result of past experiences*' (Schaefer 2004: 2). The employment strategy or the NAPSI then may in some cases represent a mere '*rhetoric exercise*' containing no more than what would have been done anyway (cf. Scharpf 2000). The plans and monitoring reports can then be guided by the deliberative strategy of '*window dressing*' and the strategy of social inclusion can represent a mere *discursive transformation* (for the term see Barbier 2004) taking place at the level of an exercise for a minority of officials (cf. Scharpf 2002) – however, such a discursive transformation does not mean factual acceptance of the given discourse or formulation of desirable implications for practical policy.

The above reasons – especially in view of the key importance of political commitment, which is generally considered crucial in the situation of a lack of sanctions – gave ground to the Commission's recommendations concerning involvement of multiple actors in the formulation of the NAPSI (including members of excluded groups), recommendations concerning elaboration of national indicators for the NAPSI and quantified targets. The fore mentioned reasons are also to be used in formulating recommendations for developing inclusion schemes at the regional and local level (cf. Marlier et al 2007) since the strategy of social inclusion is influenced by the pressure for application of policy learning by social forces in member states. This is dependent on their involvement in the process of formulating and evaluating the National Actions Plans (O'Connor 2005: 358). Similarly, de la Porte, Pochet and Room (2001) speak about the need for bottom-up benchmarking that would put the necessary pressure on political actors. It is exactly in the case of social inclusion agenda – which works with objectives and indicators, but not with guidelines and recommendations (unlike the Broad economic policy guidelines or the European employment strategy) – that participation of social actors and non-governmental organizations is crucial for benchmarking and bottom-up pressure for implementation of the agenda. Other authors seek solution rather

in a greater degree of bindingness of the OMC in general: a combination of closer cooperation achieved through framework directives relating to discrete policy issues involving subsets of member states with relatively similar policy trajectories and the adoption of binding minimum thresholds relative to national conditions across the European Union (Scharpf 1999, 2002 in O'Connor 2005).

The empirical question therefore is what the actual content is of the national strategy of social inclusion, to what extent it is being influenced from the European level and how useful it is in tackling issues of social inclusion. A number of studies show, for example, that policies targeting the elimination of poverty remain governed exclusively by national provisions and therefore greatly differ among member states (e.g. Begg and Berghmann 2002, O'Connor 2005). Also Radaelli (2003) asserts that the Open Method of Coordination has so far produced limited bottom-up participation and that ideational convergence of policies is still embryonic.

As regards post-communist countries, it has been remarked that the assumption about the asymmetry between economic and social agendas is particularly relevant in view of the Union's requirement concerning the meeting of convergence economic criteria before joining the European single currency (Potůček 2004), and in the situation of a significant delegitimation of the values of solidarity and social cohesion, as well as that of a deviation from Europeanization of social policy (Ferge and Juhász 2004)<sup>3</sup>. Besides, it must be taken into account that policy agenda introduced, in fact, externally, as a consequence of the joining of the EU, has clearly overtaken academic research in the field of social exclusion. As yet, research has not sufficiently reflected (using new concepts of social exclusion and social inclusion) the experience with new social risks, gained only recently during the relatively short period of market transformation, and ways to tackle these risks. Clear 'dualism' must therefore be apparent in the new member states between the external EU agenda (formulated at the level of declarations and programme documents presented to the European Commission) and internal agendas (forming at the level of actual activities governed by the programme documents) (c.f. Lendvai 2004: 323). On the other hand, the launching of the agenda for social inclusion in the new member states can be perceived as a 'policy window' or a 'structure of opportunity' and the 'institutionalisation of the learning process' (Lendvai *ibid*: 321) or as a challenge for the new actors. As such, it might eventually facilitate the modification of existing approaches to social problems and new social risks. The criteria

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<sup>3</sup> Apart from other factors, this can be attributed to the influence of international institutions, influential in the financial sector, as well as to the weakness of actors from the civil society.

conditioning the allocation of resources from the European funds in favour of the strategy of social inclusion directly enforce the process of institutional learning, because they oblige the beneficiaries to follow certain programme goals, to apply certain procedures in order to meet these goals, and to monitor the whole process through the use of a set of indicators.

In view of all the above, we might advance a hypothesis that the impact of the European social inclusion agenda will be negligible, particularly during the initial stage of implementation. On the other hand, we might anticipate a policy change over time, facilitated by the process of institutional learning. This process is being enabled particularly by a general change in governance, consequent on the effects of the Open Method of Coordination (new policy discourse and language codes, benchmarking and peer review of the policies) and on the effects of the European structural funds that enlarge resources and facilitate the establishment of new policy communities, especially at the local level.

## **Social exclusion and social policy in the Czech Republic**

### ***Social exclusion***

When it comes to comparing basic indicators of social exclusion, the Czech Republic is nowhere near the worst countries in the EU. We can even go as far as to say that it is a country with one of the lowest levels of income poverty. On the other hand, if we examine indicators of unemployment, the Czech Republic is one of the less successful countries. In 2006, registered unemployment dropped from 8.9 % to 7.7 % and surveyed unemployment dropped from 8 % to 6.7 % during 2006 and the decline continues (MPSV 2007). However, according to Labour force survey, in 2005, the proportion of long-term unemployment<sup>4</sup> reached 53 % of total unemployment in the Czech Republic, while the average in OECD Europe was 44 % (OECD 2006). The proportion of long-term unemployed people among registered job-seekers was 42 % (2005 and 2006). At the same time, there have been considerable differences in exposure to unemployment risk among various population groups that constitute the hard core of long-term unemployed people: for example, the specific registered unemployment rate of people with very basic education was 31 % in 2006. The situation of people with disabilities (40 %)<sup>5</sup> and of ethnic minorities (Roma) is even worse.<sup>6</sup>

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<sup>4</sup> Unemployment lasting for longer than one year.

<sup>5</sup> Source: MPSV 2007.

<sup>6</sup> Data are not available since this is forbidden according to the Czech legislation to collect data on ethnic origin.

**Table 1: Indicators of social exclusion (comparison between selected EU countries)**

	DK	GER	UK	PORT	SK	PL	HU	CR
risk of poverty	+	+	-	--	--	-	++	++
poverty gap	++	+	-	-	--	-	++	++
deprivation in seven selected dimensions	+	-	+	--	-	--	--	-
long-term unemployment, women	++	-	++	+	--	--	+	-
long-term unemployment, men	++	--	+	+	--	--	+	-
unemployment, 15-24 years	++	+	+	+	--	--	+	-
unemployment, 15-24 years, women	++	++	+	+	--	--	+	+
unemployment, 15-24 years, men	++	+	+	+	--	--	+	-
persons in inactive households	+	-	--	++	-	--	--	+
children in inactive households	+	-	--	+	--	:	--	+
persons leaving education early, women (19-24 years, only elementary education)	+	-	--	--	++	++	-	++
persons leaving education early, men (19-24 years, only elementary education)	+	+	-	--	++	++	+	++
life expectancy at birth, women	-	+	+	+	--	-	--	-
life expectancy at birth, men	-	+	++	-	--	--	--	-

Source: data compiled from Atkinson, Cantillon, Marlier and Nolan (2005), Annex – derived from the European Commission (2004, 2005). Data from 2003 (CZ data on poverty from 2002).

Notes: ++ the best quartile, + between the median and the best quartile, - between the median and the worst quartile, -- the worst quartile (of 25 EU), : data not available

According to the 2002 microcensus survey, 8 % of the population in the Czech Republic were poor. By 2005, the figure increased to 10 % according to the SILC survey. Still, the Czech Republic ranks among the countries with the lowest level of poverty, compared with the European average of 16 %. On the other hand, the income-based poverty indicator must not be overestimated. Especially in the context of the enlarged EU, there arises the need for additional indicators of deprivation (Guio and Marlier 2004, Marlier et al 2007). For example, if we look at Czech figures for the item ‘*deprivation in seven selected dimensions*’<sup>7</sup> we can infer the problem of multidimensional deprivation. When we use additional indicators of deprivation according to Eurostat, we find that e.g. 17 % of population in the Czech Republic<sup>8</sup>, similarly as in Portugal, are deprived in the sense that they ‘*have great difficulties in making ends meet*’, while the European average is about 7 %. If we consider the item ‘*Are*

<sup>7</sup> Measured as a lack of consumer goods, namely TV, video recorder, telephone, dishwasher, microwave, car or van, and PC). Data from Eurobarometer 2002 for the new member states; ECHP (1996) for other countries.

<sup>8</sup> Czech Statistical Office - Survey on Social Conditions of Households, data from 2001 (n = 27000); ECHP (1996) - data for other countries.

*in arrears with (re)payments (last 12 months)*‘ then 13 % are deprived, as against the European average of 8 %.

Material deprivation and social exclusion have become palpable problems in the Czech Republic. If considered all together, socially excluded people represent a non-negligible segment of the population in the Czech Republic –they include, first of all, long-term unemployed people (of whom there were 185 thousand at the end of 2006) and a great part of the Roma population, estimated at about 200 thousand (with Roma people being highly represented among the long-term unemployed and vice versa). They then also include drug addicts, homeless people, single parents (especially mothers) with children, mentally and physically disabled people, abused children, elderly people living alone etc., although these categories – except long-term unemployed people and the Roma – are not very numerous. In the Czech Republic, long-term unemployment is more often than in the old EU countries accompanied by poverty, and poverty still seems to have the strongest correlation with the phenomenon of social exclusion. While 10.4 % of people in the Czech Republic live below the poverty line<sup>9</sup>, among the unemployed it is 51.4 %. The unemployed thus constitute nearly 40 % of those living below the poverty line, while working poor people account for only about 27 % and non-working retired people for 21 % (ČSÚ 2007, data from 2004). Similarly, income poverty is particularly high among children, with the specific rate in the 0-17 age group being 18 % (which is more or less in line with the European average), and among single-parent households with children (the specific at-risk-poverty rate is 30 %).<sup>10</sup> Excluded people are becoming increasingly geographically concentrated. In the Czech Republic, inadequate housing (or a poor chance of accessing and sustaining quality housing in a suitable location) is a major feature of social exclusion, as are also marginalization in the labour market or exclusion from the labour market resulting not only from a poor level of education and qualification of socially excluded people, but also from the unfavourable nature of the local labour market within which these people are compelled to operate. It is precisely in such environment with a high concentration of socially excluded people where first symptoms of intergenerational reproduction of social exclusion appear.

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<sup>9</sup> Defined according to Eurostat as 60 % of median equivalent income (that is household income divided by the number of members, where the first adult is assigned a weight of 1, other adult members a weight of 0.5 and children a weight of 0.3).

<sup>10</sup> Data by Eurostat, see Annex to EC (2007).

### ***Social policy approach***

Although the explicit aim of market transformation was to establish the principles of merit – among other things by eliminating universalistic attributes of social policy – ‘social acceptability’ was, from the very moment of launching the reforms, the main concern of political elites. From the very onset of market transformation, political representations paid attention to protecting the population against its negative impact (Tomeš 1991) and managed to do so in the long-term, with a strong emphasis on prevention of poverty (Sirovátka 2000). Social policy targeted insufficient income compensation for the population at risk of poverty resulting from transformational changes. Not only was the so-called ‘social safety net’ created (on the basis of social assistance and unemployment benefits), but, in addition, social insurance schemes and family-related benefits were transformed into a ‘multipillar social safety net’. As a consequence of this key change, the schemes in all three pillars of social security were, and still are, highly redistributive in favour of low-income groups, giving good guarantees of minimum income for a number of social risks. On the other hand, they are marked by low replacement ratios for groups with slightly below-average, average and, especially, above-average earnings. As regards social insurance benefits, such as pension and sickness benefits, this is secured by highly progressive ‘reduction zones’<sup>11</sup> and by imposing ceilings on the maximum earnings considered. In addition, the so-called basic component of retirement pension was introduced in 1996, leading to improved pensions for low-paid people. Family-related benefits were targeted towards low-income groups as a result of deriving the benefit level from the level of earnings based on income testing. The system of state social support, targeted primarily at families with children, represents a sophisticated structure of interconnected benefits, whose role in income compensation is significant particularly for families with the lowest levels of earnings (i.e. earnings close to the subsistence minimum), owing to the combined effect of child benefit, social supplementary benefit and housing benefit.<sup>12</sup>

This design of the system of social security benefits in the Czech Republic ensures a relatively low at-risk-of-poverty rate among households where at least one member works or

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<sup>11</sup> For example, while the pension formula takes into account 50 % of earnings below approximately half the average wage, it only considers 30 % of earnings between half the average wage and average wage and 10 % of income above the average wage.

<sup>12</sup> The social supplementary benefit, which can be regarded as an additional child benefit targeted at low-income families, is calculated as follows:  $SSB = SM - [(SM \times \text{child} \times \text{family income}) / (1.6 \times SM \text{ family})]$ , where SM = the subsistence minimum. The calculation of the housing benefit is similar, but its level is about half that of the supplementary benefit.

receives a pension (although their earnings or pension may only be small).<sup>13</sup> As a matter of fact, social benefits contribute a great deal towards earnings enhancement (for those in work) and earnings replacement (for those not in work due to retirement), in ways that work quite efficiently for the majority of the population.

At the same time, the Czech Republic – like the other post-communist countries of central Europe – is not among the countries that provide unemployed or inactive persons in ‘productive’ age groups with generous replacement ratios. If we compare the average net replacement ratio of social benefits to wages in four different types of households (a single-person household, a single parent with two children, a childless couple, and a couple with two children, with the latter two being double-earner households) in a situation of long-term unemployment (5 years), and for two levels of earnings (67 % and 100 % of the average wage), the average replacement ratio comes to 53 % in the Czech Republic. On the one hand, this puts the CR ahead of Portugal, Poland and Italy (27 %), Greece (24 %), Spain (44 %) and Hungary (41 %). On the other hand, it is less than the replacement ratio in the other eleven EU-15 countries and in Slovakia, although it does not lag very far behind, as the average in the European Fifteen plus the CR, SK, PL and HU is 55 %<sup>14</sup> (OECD 2004, own calculations). Net income of social assistance recipients as a percentage of the at-risk-poverty rate also seems comparable with the European average; it is 67 % for single persons (the percentage is higher in 12 countries out of the 16 countries compared), 89 % for lone parents with two children (the percentage is higher in 9 countries) and 86 % for couples with two children (the percentage is higher only in 5 countries out of 16) (see EC 2007, Annex: 163).

On the basis of the 1996 Microcensus data, the effectiveness of the Czech system of benefits in eliminating poverty was assessed as the highest in Europe (Sainsbury and Morissens 2002) and more recent data clearly confirms this conclusion. The effectiveness of social transfers in eliminating poverty in the Czech Republic is 74 %, which is the second best achievement in the EU after Sweden, despite the low level of overall social expenditure and, in particular, the low level of expenditure on new risks (Guio 2005). This is a remarkable achievement considering that overall social expenditure came only to 19 % of GDP in 2004, while the European average was about 26 % and in Sweden it was close to 32 % (EC 2007, Annex: 158). On the other hand, access of marginalized groups to the labour market is not consistently promoted through active employment policy measures. The scope of these

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<sup>13</sup> The specific at-risk-poverty rate among people who work is only 3 % and among retired it is about 6 % (CSU 2007).

<sup>14</sup> In the remaining countries, the replacement ratio is, however, higher than 55 %. In Germany, for example, it is 76 %, in Belgium 74 %, in Denmark and Finland 64 %, and in Austria 63 %.

measures is exceptionally narrow in the Czech Republic – only about 0.2 % of GDP is allocated to active employment policy, and the labour participation rate of the unemployed in active labour market policy measures is slightly over 1.5 % of the labour force a year (which corresponds to less than 20 % of the unemployment stock) (OECD 2005, 2006). Countries with a comparable unemployment rate allocate considerably higher resources to these measures, as follows for example from comparison with Germany or Finland. They therefore achieve greater impact in terms of the number of participants in active employment policy measures. The targeting of measures aimed at those at risk of long-term unemployment and social exclusion has not so far been very satisfactory. As regards vocational training, the lowest participation rate in re-qualification programs is among people with elementary education and people with disabilities (the index of targeting, defined as the given category's proportion of the unemployment stock as against their proportion of the number of participants in re-qualification programmes, is 0.46 and 0.49, respectively) (Sirovátka et al. 2006). Returning to the labour market is not easy for mothers with small children either. To begin with, childcare facilities for children under 3 years whose mothers are employed are limited today. As a consequence of major cuts in state financial support, the number of available places in nurseries dropped from 53,000 in 1989 to less than 2,000 in 2000 and it has remained low since - 1,671 in 2005 (Zdravotnická 1990, 2001, 2006). While in 2002, as many as a quarter of the cohort of children between 2 and 3 years of age were attending the kindergarten (Matějková and Palonczyová 2004)<sup>15</sup>, developments in the last two years suggest that this option has gradually been disappearing. This can be attributed to austerity measures that force councils and municipalities, who bear the cost of running the facilities, to 'optimize' the network of kindergartens to the necessary minimum.

The deficiencies of the labour market policy measures and childcare provision correspond to the dominant orientation of Czech policy towards income transfers during the transition period. While redistribution mechanisms were, in general, successfully transformed, reform of the social service system was remarkably lagging behind. At the beginning of the 21<sup>st</sup> century, the effectiveness of social services was still being undermined by lack of quality standards and quality checks, a low level of professionalism, inadequate monitoring and evaluation, and disproportionate geographical distribution (Misconiová et al. 2003). Although new providers were acknowledged in the process of decentralization of the social services

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<sup>15</sup> This is mainly a consequence of a substantially better financial accessibility of kindergartens in comparison with nurseries. While kindergartens charge about 2 % of the average wage, in nurseries it is usually over 20 % of the average wage (calculations by the authors).

system, their initiative, as well as the overall development of the system, was being hindered by inadequate financing. As a result, home services (e.g. for elderly people) were stagnating or even abolished in smaller towns (Misconiová et al. 2003, Průša, 2002). At the same time, the tendency to prioritize institutional care continued and the capacity of social-care (residential) institutions increased by one third in the period between 1993 and 2003<sup>16</sup>. However, clients of these institutions as a group were identified as facing the highest risk of social exclusion by the 2004-2006 NAPSÍ.

In summary, Czech social policy, as illustrated by indicators of social exclusion, appears at least partially successful, given that it has managed to establish a system of compensating those on low incomes who are most at risk of poverty. On the other hand, there remains room for improvement as regards active promotion of inclusion in the labour market. In the case of certain population groups disadvantaged in the labour market, the system fails with respect to preventing poverty and material deprivation. The situation of some marginalized groups, that are partly concentrated in space, obviously requires a more complex approach.

### **Agenda for social inclusion in the Czech Republic**

The agenda for social inclusion as a complex strategy within social policy was introduced into the Czech Republic from the outside by the European Commission, as one of the agendas that were obligatory for the new member states. In this way, a relatively fresh perspective on existing social problems has been brought into public and political discourse, together with a new accent and a new approach to addressing these problems. Building on the process of accession, the government of the CR, similarly to governments of other new member states, adopted their first two documents concerning social inclusion: the Joint Memorandum on Social Inclusion in 2003 and the National Action Plan on Social Inclusion for 2004-2006 in the following year (NAPSÍ 2004-6). The agenda for social inclusion has the potential to strengthen and reorientate Czech social policy towards a greater emphasis on complex active measures to address social exclusion. In addition to inclusion in the labour market, this strategy aims to address specific needs of groups at risk of social exclusion. It therefore embraces a broader complex of measures, including social services and crisis intervention, while accentuating their coordination as well as mutual interconnection at the

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<sup>16</sup> From approximately 58,000 to 77,000. Source: Czech Statistical Office and Červenková, Filipová (2003).

national, regional and local level. These tools have not so far been widely utilized in Czech social policy.

### ***The role of National Action Plans on Social Inclusion for 2004-2006 and for 2006-2008***

The agenda for social inclusion was not supported by solid internal political demand and could not rely on academic discourse either – as this was not very advanced at the time. The weak political support for the agenda made itself felt in the content of the first NAPS I in the CR, which focused primarily on the analysis of social problems using the concept of social exclusion (on identification and description of population groups at risk of social exclusion in particular). Among groups identified as facing a high risk of social exclusion were clients of residential social care, particularly elderly people, people with disabilities, children and the youth. The emphasis on residential care as a factor of social exclusion was quite specific for the CR (in comparison with the NAPS I of other countries). The NAPS I 2004-6 also gave an overview of existing measures aimed at combating poverty and social exclusion in the CR.<sup>17</sup> Leaving other aspects aside, a marked lack of valid information about certain groups at a high risk of social exclusion was thus revealed (e.g. the Roma, homeless people, and people with disabilities). Despite this the Czech NAPS I successfully identified the main problems of these groups and defined these groups as the target of the strategy of social inclusion<sup>18</sup>. The agenda for social inclusion thus started the process of learning on the part of policy makers and at the same time brought the problems of social exclusion and social inclusion to the attention of academic research (for some of the first studies see Mareš 2002, Mareš 2004, Mareš and Sirovátka 2005).

On the other hand, it showed that readiness to translate the general principles of the social inclusion strategy into measures and strategies in various areas of national policy making, or to adequately respond to the identified problems, is low. The formulation of the first NAPS I 2004-2006 thus resembled rather a ‘technological process’ (for the term see Lendvai 2004) of applying administrative procedures and means of expression, and coordinating measures in this area. Moreover, the analysis of social exclusion in the Czech NAPS I 2004-6 did not lead to the formulation of adequate goals. The goals contained in the document are almost exclusively articulated in general terms. The achievement of the goals is

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<sup>17</sup> The analysis of social exclusion accounted for as much as a third of the contents of the Czech NAPS I 2004-6, which is more than in the plans of other member countries.

<sup>18</sup> However, there was less success with some other at-risk groups, such as for example victims of home violence, over-indebted households or jobless households.

therefore difficult to monitor. Besides, even in articulating these general goals the Czech NAPSI 2004-6 was not very ambitious. For example, the plan did not set elimination of poverty and social exclusion as the main goal – instead, it stated, with a degree of caution, that the goal was to “*secure appropriate attention to issues of poverty and social exclusion and contribute to tackling these issues*” (NAPSI 2004:5) and “*to set the framework (i.e. identify key areas, problems and disadvantaged groups) for the preparation of new programme documents.*” Direct goals (even if formulated in general terms) appeared rarely in the NAPSI of the CR and those that did had often been adapted from other programme documents<sup>19</sup>. Most goals concerned policy effort in isolated areas or in relation to selected at-risk groups (so called input targets). Some of the set goals were formulated in response to the low level of policy development in the given area (e.g. the goal to adopt a definition of homelessness and quantify the number of homeless people, or the goal to identify obstacles to integration of foreigners). Unlike in the case of most other member states’ plans, the general goals were not translated into suitable indicators in the Czech Action Plan that would allow for the monitoring of goals. Specific - operational goals directly related to the reduction of poverty and social exclusion were missing altogether. While this was not particularly rare when compared with other member countries’ plans,<sup>20</sup> the NAPSI of the CR, unlike plans in most other countries, did not even contain specific indirect or input targets or outcome targets (EC 2005a: 37, Marlier 2007: 211). It only contained a single quantified goal that could qualify as an input target (or indirect target according to EC 2004), yet this goal had been adapted from the National Action Plan on Employment<sup>21</sup>. Generally speaking, poor willingness to set clear, quantified and time-specific goals seems typical of the Czech approach – these categories of goals were not commonly articulated in other plans or programmes referred to in the NAPSI 2004-6 either<sup>22</sup>. By the same token, the NAPSI was

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<sup>19</sup> These are for example the goals to eliminate all forms of discrimination and to remove obstacles to education and qualification of the Roma (by 2020) or the goal to reduce unemployment among the Roma, which were adapted from the Conception of Roma Integration.

<sup>20</sup> Despite recommendations by the European Commission and revised joint goals from 2002, only about a half of the member states set about to formulate a direct target (European Commission, 2004, 2005a) and only seven members committed themselves to meet the direct target to reduce relative poverty. These were countries from within the group of both the EU-15 countries and the new member states with the highest poverty rates - Greece (20 %), Spain (19 %), Ireland (21 %), Portugal (21 %), Estonia (18 %), Latvia (16 %) and Poland (16 %). Countries reporting low poverty rates either set themselves direct targets in other areas of social exclusion, such as for example education, (un)employment or health (Hungary, Austria, the Netherlands) or did not set any direct targets at all (CR, Denmark, Germany, Luxembourg).

<sup>21</sup> It was the goal to raise the proportion of long-term unemployed people in active employment policy programmes to 20 %.

<sup>22</sup> Except the National Action Plan on Employment where the set quantitative goals correspond with the European standard.

specific neither on financial resources, nor on responsibilities for accomplishing the goals or for meeting key measures.

**Table 2: Appearance of the targets in the NAPSI 2004-2006**

	<b>Direct outcome targets</b>	<b>Indirect outcome targets</b>	<b>Input targets</b>
United Kingdom	*	*	*
Slovenia	*	*	*
Portugal	*	*	*
Poland	*	*	*
Netherlands	*	*	*
Lithuania	*	*	*
Ireland	*	*	*
Hungary	*	*	*
France	*	*	*
Estonia	*	*	*
Austria	*	*	*
Malta	*	*	
Greece	*	*	
Spain	*		
Finland		*	*
Latvia		*	*
Luxembourg		*	*
Slovak Republic		*	*
<b>Czech Republic</b>		*	
Denmark		*	
Germany		*	
Italy		*	
Sweden		*	
Belgium			
Cyprus			

Source: EC (2004), EC (2005a)

All in all, the first Czech NAPSI 2004-06 served in fact primarily the role of joining the European agenda for social inclusion. Despite that the plan was in fact an overview document formulated in general terms, it stimulated the general process of learning in the given problem field. However, as we will show below, its added value for practical social policy was low. This was reflected also in its limited legitimacy and the poor overall impact on implementation of social measures at the regional and local level. The main reason for the vagueness of goals and measures was a low degree of *political commitment*, manifested also in the very status granted to the social inclusion agenda within other governmental agendas. The plan was drawn by the Department of Social Services of the Ministry of Labour and Social Affairs, with assistance of an appointed interdepartmental committee and involvement of other partners including non-governmental organizations. Before it was submitted to the government, the plan had been open to comment and revision by other governmental

departments, including the Ministry of Finances.<sup>23</sup> The NAPSİ therefore could not possibly have marked a major shift in existing policies, which clearly was not a political intention anyway.

Had the learning process facilitated by the launching of the social inclusion agenda later met with an adequate level of *political commitment* it would have been possible to expect a shift in the general role and status of the NAPSİ 2006-2008. This, however, was not the case and, instead, we witnessed further reduction in the content of the plan. The European Commission has repeatedly highlighted the insufficient quantification of goals in a number of National Action Plans on Social Inclusion and has recommended that the member states set about to formulate specific, quantified and ambitious goals (EC 2004, 2005b). This appeal is contained in the European Commission's communication "Working together, working better", which redefined the framework for the open coordination of social protection and inclusion policies in the European Union (European Commission, 2005b), as well as in the guidelines for preparing national reports on strategies for social protection and social inclusion 2006-8 (NAPSİ 2006-08). This resulted in an increased emphasis placed on quantified goals in the new NAPSİ 2006-8 (EC, 2007). Nevertheless, some countries did not respond to these repeated appeals, and in the new plans they "*either have put forward no targets at all or presented so few targets that it seems unlikely that these will give meaningful direction to the plan.*" (EC, 2007: 64). The Czech Republic belongs among these countries.

Acting in line with the European Commission's direction, the CR set itself so-called priority targets, which are, however, very general and broad. These are further elaborated into a package of activities necessary for achieving these targets, which themselves can be perceived as a set of partial targets. Even these are, however, very general (for example the target to promote lifelong learning of elderly people and their possibility to live in their home environment for as long as possible, or the target to promote field work and assistance programmes targeted especially at excluded Roma communities). An exception is the partial goal to reduce poverty of single-parent families with at least one dependent child, which is oriented towards policy outcome and defined for a single, specific category at risk of social exclusion. There are only two quantified targets in the Czech NAPSİ 2006-8, and these, moreover, have an input character and are not directly related to the effects of the social inclusion strategy. These are (a) drawing and implementing 14 development plans for regional social services and (b) involving a minimum of 200 local municipalities in the planning of

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<sup>23</sup> Source: interviews with members of the Committee for the preparation of the NAPSİ and the Ministry of Labour and Social Affairs.

social services at the local level by 2008. Apart from what has been said, the Czech Republic only responded to the Commission's pressure for quantification and measurability of targets by defining a set of indicators for each of the three priority targets. These indicators appear in a simple quantitative form and measure particularly the number of clients served, the number of activities/programmes and the amount of financial resources expended. They therefore classify as input indicators pertaining to partial targets. Yet in the case of some partial targets it might easily be possible to monitor not only policy effort, but also policy outcome. Considering the missing initial values of some indicators and their vague definition in relation to target population (for example service beneficiaries), their further interpretation is not completely clear either. It would appear that the authors of the Czech plan implicitly regard joint indicators of social exclusion/inclusion as serving as indicators of policy outcome. However, the link between the measures (or priority targets) and the individual joint indicators is not mentioned in the document and therefore is not immediately obvious, also in view of the fact that policies are only one of several factors determining the indicators of social inclusion.

The NAPSI 2006-8 therefore remains a document with little emphasis on setting specific, easy-to-measure targets. In comparison with the previous plan, also emphasis on analyzing the situation and on identifying pressing problems of poverty and social exclusion seems to have abated – these were, for the most part, placed in the Appendix to NAPSI 2006-8. The Appendix outlines primarily specific problems in the area of housing, drug addiction, and usury. Among other problems mentioned are long-term unemployment, disadvantages in access to education and poverty of some social categories. As a matter of fact, they are problems that have already been outlined in the previous NAPSI of the CR 2004-6 <sup>24</sup>.

What is new is the emphasis on implementation of the strategy of social inclusion, or more specifically, on the as yet insufficient mainstreaming and especially on lacking mechanism for involving people with direct experience of poverty in the drafting of policies. This can probably be accounted for by the fact that the support of decision-making processes at the regional and local level and promotion of partnerships within the social inclusion policy constitute one of the three priority targets set in the NAPSI 2006-8. This innovation of the plan can be interpreted as a reflection of the implementation deficit concerning the social inclusion strategy at lower levels of public administration and as a sign of institutional learning. Compared with the NAPSI 2004-6, the new plan also clearly assigns more

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<sup>24</sup> Owing to imperfect monitoring, both plans are even based on the same statistical data in some areas (especially with regards to indicators of income poverty) and therefore fail to reflect possible trends.

importance to social services which are now being presented as a key instrument of social inclusion in all priority areas. Support is directed primarily at preventive social services that enable persons at risk to stay in their home environment for as long as possible (counselling, fieldwork, outpatient services etc.). Although the plan does challenge a broader spectrum of public policies to take account of the principle of social inclusion (particularly by increasing awareness and knowledge), it has largely abandoned the multidimensional approach adopted in the previous NAPSI 2004-06, as it focuses predominantly on the social sector. Even this is to some extent a negative effect of institutional learning: the authors of the NRSPSI apparently take into consideration the preconditions for implementing desirable measures in this area<sup>25</sup>, while they regard those areas that fall within the competence of other departments – or are largely dependent on other departments – as hardly receptive to a substantial change of policy due to lacking political commitment. By the same token, poor willingness to accommodate the European Commission’s pressure for specification and quantification of targets is a result of a lack of political commitment.

According to many key actors whom we interviewed regarding the role of the NAPSI 2004-6, the plan was in fact a compilation of existing programmes and measures of public and social policy, without the ambition to identify new strategies or solutions. It is precisely through its general character and the absence of commitments (that would create new financial strains) that the plan was broadly politically acceptable for key actors (political actors and relevant institutions) in the Czech Republic. Besides, as some actors have mentioned, in the absence of political consensus over the priorities of the social inclusion agenda it is not very appropriate and strategic to adopt new and more demanding targets and measures, which might not necessarily be met later on. According to some key actors at the national level, it is the existence of control mechanisms on the part of the EU and the prospect of possible ‘moral damage’ arising from a worsening ‘image’ of the CR that stand behind the limited aspirations of Czech public policy concerning social inclusion. This attitude continues to prevail among the authors of the national strategy of social inclusion, as is clear from the wording of the new NAPSI 2006-8. We learned from the interviews with key actors, especially at the regional and local level, that the declarative nature of the action plan/report on social protection and social inclusion undermines the legitimacy of the national strategy of social inclusion, as the actors do not believe that there exist necessary capacities and

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<sup>25</sup> In this respect, they greatly rely on the use of the European structural funds (see interviews with members of the Interdepartmental Committee for the NAPSI).

resources to tackle pressing problems or that there is willingness to make such resources available.

***Approaches towards the agenda for social inclusion in common practice: the learning process and barriers to learning***

Actors at the national level who partook in the preparation of the NAPSI can be regarded to be ‘informed experts’, for they are considerably influenced by the ‘European agenda’, as shown in the interviews. On the other hand, the concepts of social exclusion and social inclusion are relatively unfamiliar at the regional and local level. But even at the national level we have observed significant differences between the staff of the Ministry of Labour and Social Affairs and staff at other departments, with the latter approaching the agenda of social inclusion from their narrow professional perspective, with minimum consideration for the complex nature of the agenda.

The experts who took part in the preparation of the NAPSI – especially experts from the MLSA – only to some extent define social exclusion and social inclusion using the perspective and terminology applied by the European Commission and presented in professional literature. Although they place an emphasis predominantly on participation of people and groups in various social systems; typically in the labour market – employment, mainstream lifestyle and the generally accepted moral order, there is far less emphasis placed on participation in the life of society with respect to access to civil rights, which is a major dimension of the social inclusion agenda as defined by the EC. When it comes to assessing the causes of social exclusion and possible solutions, there is a dominant tendency to ‘individualization’ of the problem of social exclusion and, subsequently, a certain propensity for moralizing discourse in approaching social inclusion (for the term see Lister 2004).<sup>26</sup> The main sources of exclusion, as identified by most experts, are insufficient social competence on the part of those exposed to social exclusion, their value and normative ‘otherness’ and the resultant stigmatization by outer society. The degree of distance from the mainstream (in various respects) is seen by the actors as indicating the degree of social exclusion of the given individual or social group. This approach has also been reflected in the formulation of the NAPSI 2006-8, which, in articulating partial targets, devotes non-negligible attention to improving social competences. Among other things, this then increases emphasis on the promotion of social work and social services as key mechanisms of social inclusion.

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<sup>26</sup> In addition, Lister distinguished between a redistributive and integrative discourses.

In comparison with the national – central level, the process of institutional learning at the local and regional level is much less influenced by the agenda of social inclusion. Although the terms social exclusion and social inclusion are not unknown to most key actors at the local and regional level of state administration, they are not being used very frequently, either at work or in the political discourse. Actors/experts dealing, at the local and regional level, with social problems that are directly linked to the agenda of social exclusion/inclusion, have a rather vague understanding of the concept, they clearly prefer to individualize it and rarely link it to the question of social (civil) rights. At the same time, the professional and organizational background of relevant individual actors implies their strong tendency to fragment the problem of social inclusion, as well as their poor understanding of the complex nature of the problem and the agenda. It can therefore be assumed that the initial conditions for meeting the need to coordinate social inclusion policies are rather unfavourable.

Rather than by the European agenda and the NAFSI, the appropriation of the agenda for social inclusion is at the regional and local level influenced by the process of emergence of European grant schemes. Owing to projects financed from European resources, in which key actors to a greater or lesser extent participate, these actors are encouraged to use the concept of social inclusion and gradually grasp it. Where local and regional actors look at the problems that they deal with as part of their work in view of social inclusion, they usually do so precisely through the motivation to possibly obtain financial resources from the European structural funds (or previously under the so called pre-accession programmes) to tackle these problems. We can then observe a certain ‘dualization of the language’ of public administration, especially at the regional and local level: the concept of social exclusion has been recognized and is being applied with regards to projects financed by the EU, yet on the other hand, it is not being used to describe and address related social problems in public political agenda handled in various institutions and areas of public policy at the local and regional level.

In this connection, there is a marked difference between experts and political representatives in how they become familiar with the agenda of social inclusion and how they approach it. Professionals who work in this sector partially internalize the concept of social inclusion in connection with their professional orientation. On the contrary, representatives of regional and local political authorities have so far more or less neglected the concept – which can be explained by their not very high level of political commitment when it comes to this agenda. This implies an intra-role conflict on the part of professionals at the regional and local level (and to some extent at the national level as well). The decisive point of reference for

how to approach social inclusion and handle social problems is, professional aspects aside, also the ‘political context’. The views of nearly all key actors apparently derive from ‘official’, ‘institutional’ views of prominent representatives of institutions and political bodies in the region.

If the degree of political commitment concerning the agenda of social inclusion varies even in other European countries, then in the Czech Republic it is generally lower than elsewhere, with a particularly remarkable difference-gap concerning the degree of legitimacy at the central level on the one hand, and the regional and local level on the other hand.

**Table 3: ‘Are the policies against poverty and social exclusion a key political priority?’**

Answer: ‘to a (very) great extent’, selected countries with more than 60 respondents-experts, N in parentheses, in %

	<b>At the central level</b>	<b>At the regional level</b>	<b>At the local level</b>
United Kingdom	65.6 (116)	46.5 (114)	39.4 (114)
Ireland	48.4 (91)	27.8 (90)	17.7 (90)
France	18.6 (70)	31.4 (68)	26.5 (68)
Portugal	40.9 (88)	-	43.0 (86)
Bulgaria	62.8 (121)	41.5 (121)	56.6 (122)
Average for 9 countries	46.3 (702)	29.5 (573)	35.1 (700)
Czech Republic	35.4 (121)	11.1 (125)	11.0 (125)

Source: the Mainstreaming Social Inclusion survey (O’Kelly 2006), countries: IRELAND, NORWAY, SCOTLAND, ENGLAND, WALES, FRANCE, NETHERLANDS, CZECH REPUBLIC, SLOVAKIA, PORTUGAL, BULGARIA, own computations

Although we have described above many discrepancies in the approach of key actors to the agenda of social inclusion, in the case of those actors who are professionals in the field – and that at all levels (national, regional, local) – we have observed a less manifest, yet strong process of learning underway. It shows both in the reflection of the needs of e.g. groups at risk of social exclusion, and in the critical attitude to existing procedures and measures. Many implementation deficits have been subjected to criticism: lack of conception, particularly with respect to allocation of resources and financing, inadequate legislative instruments and insufficient financial resources, inadequate territorial distribution of capacities of social

services, and inappropriate procedures for tackling the problems of socially excluded people.<sup>27</sup>

In addition, Czech experts expressed quite a critical view both of the coordination of the social inclusion policy, and of the say of people with a direct experience of social inclusion, as well as the voice of NGOs in the process. These views do reflect the real state of policy making concerning this agenda, but at the same time they give evidence of its subjective reflection, or of the expression of critical attitude of the experts.

**Table 4: Various items characterizing implementation of the social inclusion agenda**

Answer: ‘to a (very) great extent’, selected countries with more than 60 respondents-experts, N in parentheses, in %

	Coordination of policies against poverty and social exclusion			Resources in governmental policies	Influence of excluded persons	Influence of NGOs	Impact of the NAPSI
	Central government	Regional level	Local level				
United Kingdom	19.0 (110)	18.4 (98)	15.6 (96)	21.4 (113)	8.8 (114)	13.3 (106)	13.6 (81)
Ireland	23.1 (91)	6.4 (78)	23.6 (85)	16.3 (86)	17.5 (86)	32.6 (84)	30.6 (85)
France	16.9 (70)	28.6 (70)	23.5 (68)	7.4 (68)	8.8 (68)	18.8 (69)	7.8 (66)
Portugal	33.7 (86)	28.6 (108)	15.4 (104)	11.4 (87)	25.8 (81)	35.9 (78)	20.1 (80)
Bulgaria	68.5 (118)	41.4 (104)	60.0 (108)	38.6 (122)	33.0 (115)	35.9(105)	75.2 (109)
Average for 9 countries	28.8 (663)	20.1 (494)	25.8 (614)	19.8 (681)	16.0 (656)	27.6(634)	28.3 (605)
Czech Republic	12.8 (102)	11.2 (108)	15.4 (104)	18.0 (117)	10.3 (107)	21.3(108)	22.2 (108)

Source: the Mainstreaming Social Inclusion survey (O’Kelly 2006), own computations

At the same time, these Czech professionals were often able to formulate appropriate and desirable approaches and measures concerning the problems. It is a signal that new discourse and new agenda – in combination with professional knowledge of a problem – can initiate the process of refinement of abilities of both individuals and institutions, leading to improvement of the approaches and specific solutions used in the area of social inclusion.

However, the learning process can also have negative aspects or may produce inappropriate practices. For example, owing to the European funds and the growing

<sup>27</sup> For example, the prevalent practice in local councils to concentrate members of marginalized groups in a single district or building e.g. on the grounds of rent arrears, has been criticized (the term “vertical ghetto” has been used).

importance and ever-expanding activities of the non-governmental sector, declarations of the significance of NGOs for social services sometimes become a way for the state administration and local authorities to avoid the responsibility and costs associated with addressing a number of important social needs. The role of the non-governmental sector in the social inclusion agenda is therefore to some extent deformed. Some NGO actors have argued that the calls for project proposals launched by municipalities/local councils and open to NGOs concern those activities and services that the authorities consider insufficiently covered by the network of municipal social services. On the other hand, the role of non-governmental organizations in formulating strategies in this area and local projects is limited. Instead, these organizations are expected to fill in gaps in service provision given up by local authorities and ‘offered’ to NGOs under various projects. As some key actors mentioned, in conditions of strong economic pressures and uncertainties, this may result in a major shift in NGOs’ strategies in the sense that non-governmental organizations may adopt more or less a ‘market’ approach (*‘of commercial organizations’*) and select for their activities only a rather narrow spectrum of ‘lucrative’ clients and services. Many complex needs thus would not be covered and cases of accumulated handicaps of clients would not be handled adequately. Non-governmental organizations could thus lose the strengths from which they derive their legitimacy in the field of social inclusion.

### ***Practical contribution of the social inclusion agenda***

Putting all limitations concerning the impact in real policy aside, it can be observed that during implementation of the NAPSI 2004-6, the introduction of the social inclusion agenda facilitated, at least in part, the assertion of not only key words of the social inclusion strategy, but also its principles, in social legislation (e.g. the Social Services Act and Act on Assistance in Material Need). It was through these laws that the concept of social inclusion began to emerge within the delegated competence of local authorities in the field of realization of social policy. Nevertheless it must be noted that the intention to revise the fore mentioned laws had existed even earlier, before the accession to the EU, and the social inclusion agenda rather served to promote and legitimate these efforts.

What has more markedly contributed towards the establishment of the principles of social inclusion at lower levels of public administration is the availability of financial support from the European structural funds – and the European Social Fund (ESF) in particular – and the conditions of access to these resources. We need to bear in mind that for the years 2004-2006 about 400 billion EUR were allocated to the Czech Republic through the ESF projects

(Operational programme Human Resources Development + Joint Programme Document for the Region of Prague + project EQUAL).<sup>28</sup> These resources approximately equal the total national resources devoted in the same period to active labour market policy measures (about 0.2 % of GDP), which means really a substantial contribution.

Nevertheless, the ESF is not perceived merely as a financial resource, but also as a powerful instrument for embodying social exclusion/inclusion concerns in the agenda at all levels of public administration. This is appreciated particularly by actors from within the non-governmental sector who have long been involved in assisting groups at risk of social exclusion.

*“...these programmes [ESF] are without exception co-financed from the state budget or regional or municipal budgets at the amount of ten to fifty percent of the costs (...). The system, the methodology, whether these people want to or not, they have to participate in it. At the same time, they had to establish certain processes of selection and evaluation of projects ...”<sup>29</sup>*

However, external pressures and pragmatism that govern internalization of the social inclusion agenda are not accompanied with true political commitment to devise socially inclusive measures at the level of municipalities and regions. As shown in the survey The Evaluation of Mainstreaming Social Inclusion (O’Kelly 2007), local and regional policies against poverty and social exclusion are rarely perceived as a priority in the Czech Republic (see Table 2). Besides, it is the groups most discriminated against in society and most affected by social exclusion that receive the least political support (particularly at the local level). The problems that these groups face are often very complex and, moreover, the tackling of the problems does not have the support of the general public who, on the contrary, sometimes call for complete exclusion - for example, for moving the Roma out of their community (Gabal 2006). Generally speaking, inclusion of the most disadvantaged groups thus falls largely within the activities of non-governmental organizations, whose possibilities, however, greatly depend precisely on the political will and attitude of the given municipality.

In addition, social inclusion continues to be associated almost exclusively with policies traditionally regarded as ‘social’ in the Czech Republic, that is especially with social security and social services. This tendency is most marked at the level of local governments, but is clearly evident at the national level as well. As shown in Table 4, the dominant

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<sup>28</sup> Source: <http://www.esfcr.cz/files/clanky>

<sup>29</sup> A respondent from an NGO in the survey Mainstreaming Social Inclusion.

tendency to associate social inclusion primarily with social security is more pronounced in the Czech Republic than in other countries studied. Besides, the CR markedly lags behind the other countries with respect to incorporating the issues of social exclusion in certain segments of public policy that are crucial for social inclusion – for example, the housing, economic and educational policies.

**Table 5: Incorporation of the poverty and social exclusion agenda into government policies (respondents declaring incorporation to a great or a very great extent; %)**

	Government policy		Legislation	
	CZ	Europe (average for 9 countries)	CZ	Europe (average for 9 countries)
<b>Social security</b>	61	49	52	42
<b>Employment</b>	37	43	28	34
<b>Education and training</b>	24	36	21	27
<b>Health services</b>	24	28	17	22
<b>Equality</b>	22	38	21	33
<b>Housing</b>	14	26	8	20
<b>Economic development</b>	13	24	7	14
<b>Immigration</b>	13	16	13	13
<b>Justice/crime prevention</b>	12	17	9	14
<b>Transport</b>	6	13	5	11
<b>Information and communication technology</b>	5	12	7	14

Source: the Mainstreaming Social Inclusion survey (O’Kelly 2006)

## Conclusions

The findings of our research suggest that the agenda for social inclusion has not yet brought about a noticeable shift in the practical orientation of Czech social policy. To begin with, there seem to be inconsistencies in the programme document’s contents: while aspirations concerning general objectives are rather low, a discrepancy is apparent between the general objectives and goals laid down in the National Action Plan of Social Inclusion (NAPSI) 2004-06 as well as the NRSPSI 2006-08 on the one hand, and the lack of detailed specification and breakdown into operational goals of these documents on the other hand. Besides, the documents lack the quantification of goals and specification of the financial and institutional capacities to secure the meeting of these goals.

Secondly, there is also a deficit at the level of the programme's implementation. Lendvai (2004: 325) observes that a major barrier to implementing the European Union agendas in the post-communist countries is the so called 'performance gap', that is a discrepancy between adopted legislation on the one hand, and its implementation on the other hand. According to her, this performance gap is to some extent attributable to insufficient resources, a poor network of connections among the different levels and areas of public governance, an absence or weakness of key actors or a lack of cooperation amongst them (a *policy-making vacuum* or *institutional incoherence*).<sup>30</sup> By the same token, this *implementation deficit* can also be seen in a discrepancy between programme documents and the general goals and procedures that they lay down on the one hand, and the formulation of specific measures and creation of institutional conditions necessary for achieving the programme goals on the other hand. The key actors have highlighted this deficit in the social inclusion agenda in the Czech Republic in evaluating the coordination of the agenda, participation of non-governmental actors, available financial and personnel resources, as well as the legislative and institutional conditions necessary for the realization of the NAPSI's aims. Deficiencies in professionalism and a strong influence of short-term political priorities on the agenda for social inclusion on the part of some key actors have also been recognized.

At the same time, according to our findings, the deficit of political commitment to the social inclusion agenda or the '*legitimacy gap*', that is the poor legitimacy of the adopted programme documents and goals in the eyes of several key actors (and this applies especially to political authorities at all levels), is the most important barrier. The low legitimacy of the agenda explains the fact of programme inconsistency and why it is that the NAPSI's objectives are not broken down into specific measures, including description of their financial coverage and allocation of responsibility for their implementation. In the absence of political legitimacy, the 'national goals' of social inclusion are not often acknowledged as legitimate by regional and local actors. This results, in part, from an insufficient specification of the legislative responsibility of regional and local authorities for the coordination and realization of measures laid down in the agenda for social inclusion. These deficiencies facilitate the influence of *ad hoc* political priorities and political cycle on the local and regional public policy.

The low level of legitimacy of the agenda probably stems from several reasons. Firstly, while the advanced market democracies in Europe have over the last twenty years

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<sup>30</sup> Compare Lendvai (2004: 324).

learned through experience how pressing and at the same time how intricate the problems of poverty and social exclusion that they have been facing are and how challenging it is to devise efficient strategies to eliminate them, this experience is lacking in post-communist countries. Experts and the public in the Czech Republic have only recently started to explore and debate the issue of social exclusion. Secondly, the agenda for social inclusion reflects the values and principles of the 'European Social Model' (such as solidarity, social justice and equality). On the contrary, social transformation in post-communist countries led to diversion from the principle of solidarity in the course of the 1990s, or even de-legitimized this principle in favour of the principle of individual civic freedoms (Ferge 1997). The rehabilitation of the values of solidarity and social justice, and their infiltration in public and political discourse, have only been very slow. The agenda for social inclusion seems to be ahead of the time with regards to this process, but could possibly facilitate it.

Despite the fore mentioned stumbling blocks to realizing the strategy of social inclusion, our findings indicate that there is a strong potential for 'institutional learning', particularly on the part of those actors who have the role of professionals in the field. Agendas for social inclusion cultivate the key actors' ability and capacity to evaluate the problems of social inclusion and the related strategies, and to identify new opportunities. The actors – including non-governmental, non-profit organizations – find appropriate suitable codes of expression (terminology) to name and label the problems, their causes, and possible solutions. They are gaining voice, they identify room for implementing social inclusion agenda and they make allies (programme documents, support for relevant professional groups, non-governmental organizations and other actors at all levels). However, there is not much evidence about the direct (real) impact of this learning process on the agenda of social inclusion.

On the other hand, the criteria conditioning the allocation of resources from the European funds in favour of the strategy of social inclusion directly enforce the process of institutional learning, because they oblige the beneficiaries to follow certain programme goals, to apply certain procedures in order to meet these goals, and to monitor the whole process through the use of a set of indicators. This is – as indicated in in-depth interviews with key local actors – the decisive form of becoming familiar with the agenda of social inclusion at the regional and local level.

Two conclusions can be made with regards to further advancement of the agenda of social inclusion. The impact of bottom-up learning in connection with projects of the European Social Fund has probably been underestimated so far and deserves further intensive

research. As these projects provide key actors with a direct access to resources and as, at the same time, they define the conditions of access, they are more influential than the top-down process (based on the so far rather vaguely formulated NAPSI), although they imply a rather instrumental approach. Secondly, the low legitimacy of the social inclusion agenda at all levels of implementation could improve as a result of bottom-up benchmarking, with participation of the non-governmental sector and people with a direct experience of social exclusion in the formulation of the agenda. Again, the projects of the ESF may possibly be a more suitable instrument here than the political process.

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