

Caritas CARES 2023

Caritas Czech Republic's Report on the State of Poverty in Selected Areas

February 2024

Introduction

The Caritas CARES report is regularly published every two years and describes the problems associated with poverty and social exclusion.

This year, the report focuses on the areas we consider most pressing. These are the six key areas in which Caritas Czech Republic (CCR) is involved and which are directly related to the work of the Caritas services.

The report maps out in detail the situation in the areas of housing, social benefits system, indebtedness, family policy, long-term care and services on the borderline between social and health care, and the accessibility of services. The issues raised will be placed in a broader context, within which we present important findings from publicly available sources, and we will also present the conclusions of our surveys, which map the current situation from the perspective of everyday practice.

The conclusions in this report are drawn from a qualitative investigation that collected responses through six different questionnaires. These have been grouped according to the themes corresponding to the chapters of this report. The data collection took place from 29 May 2023 to 30 July 2023 and the questions were focused on the whole year 2022 and the first quarter (January to April) of year 2023.

We hope that this text will help readers gain a better insight into the situation in the areas mentioned and that it will also help in a partial way in future systemic remediation.

The topic of debts

Current situation in the area of debts

The Czech Republic is still relatively heavily burdened by distraints. Although the number of distraints is slowly decreasing, approximately 660 000 people are still affected. Of these, about 400 000 people are in intractable multiple distraints.

The current number of pending enforcement proceedings is still high, totalling 4 077 921, including multiple enforcement proceedings.

According to calculations, the state is also losing up to 12 billion CZK in levies in total (people in distraints often end up in the so-called grey economy), which is why it is necessary - in addition to reforming the distraints procedure itself, where individual cases would be assigned regionally (so-called territoriality) - to proceed with the reform of debt settlement. Currently, an amendment to the Insolvency Act is being discussed in the Parliament, which should implement the European Directive on Insolvency and the insolvency process should be reduced from 5 years to 3 years.

The fact that by entering the informal economy people also drop out of the pension insurance system and thus face a real risk of falling into poverty at retirement age is not the only challenge. There is also the macroeconomic aspect, where the state is estimated to lose up to 12 billion CZK a year. A large part of the over-indebted population is between the working ages of 30 and 60, which has significant effects on the economic situation and is closely linked to educational failure in the regions.

There are also a number of problems relating to protected accounts. There are generally very few of these (generally in the low hundreds or high teens) and their establishment has thus fallen short of the original ambition. In particular, the complex and lengthy process of setting them up is problematic and people tend to have money paid out in cash on the side. An illustrative case can be seen in case study 2.

Our findings

The most common problem that clients addressed with our staff in the Caritas professional counselling centres was their unsatisfactory financial situation. Because of this, people were no longer able to meet their obligations related to high levels of debt, nor were they able to afford their day-to-day expenses.

In addition to distrains and over-indebtedness, our staff encountered the phenomenon of 'working poverty', where individuals were unable - despite working diligently and leading otherwise orderly, relatively modest lives - to make ends meet.

The groups most at risk of poverty and social exclusion in general were single mothers, people in long-term unemployment, people aged over 65, the homeless and those with mental health conditions. Specifically, the most vulnerable to distrains were single parents, the elderly and people in long-term unemployment. This largely coincided with those at risk of insolvency. As can be seen from the following observation from one of our expert consultancies, even entering insolvency is not a completely straightforward solution:

"There are applicants who cannot enter into debt relief because they do not have sufficient income to make the minimum repayment. As they are receiving material need assistance benefits, they cannot even use the option of a donation agreement, as the amount of the donation would be counted against their income by the Labour Office, thus reducing the amount of the benefit. There are an increasing number of people applying for debt relief across all groups. We are seeing an increasing number of middle class people, which was not the case before."

The problems associated with the threat of poverty are quite diverse - underestimation of one's own indebtedness (and the resulting call for better education and prevention) was often mentioned, and another problem mentioned was various non-banking companies offering loans on unfavourable and/or unfair terms, which only further put clients in a worse situation.

Multiple indebtedness also appears to be critical and extremely difficult to address effectively. If such indebtedness is compounded by a more serious problem, such as the loss of housing, the person suddenly finds themselves in a situation that they are no longer able to cope with on their own. This is when people most often contact our counselling staff.

According to a qualified estimate, on average up to 70 % of clients burdened with distraints (at least once) come for debt counselling, and about 60 % of people have multiple distraints. The percentage of clients who are not yet in any dstraint (or have not entered debt relief), but are in a more indebted state, is much smaller - here we average around 20-30 %.

Most families cannot file for insolvency because they would not have enough income to cover their housing costs and maintenance obligations to their children. In the case of insolvency, the debtor is left with only a non-dischargeable amount, which is very low.

There has been an average 30 % increase in the number of clients of professional counselling centres between January 2022 and 2023.

Case studies

1. **Ludmila** takes care of her seriously ill grandmother. Her grandmother is now in dstraint. The client would like help to write a petition to stop the dstraint, as she herself is insolvent and cannot help her grandmother pay the dstrainer. The client was interviewed about her living situation and caring for a loved one. Together with the client, a motion to stop the dstraint was drafted. It was explained to the client that it was advisable to send it by registered mail with a delivery note to the address of the dstrainer's office. The client was advised that it may happen that the dstrainer would stop by the household to verify the actual indigence and the reasons for stopping the dstraint. It was also explained to the client that if the dstrainer proceeded to seize the property, it was necessary to prove that the property was the client's (documents, invoices, receipts) or a notarial deed could be made. The gravely ill grandmother is unable to obtain a discharge, and because they live in the same household, the client finds herself in the position of not knowing when the executor will be there. Since she has no invoices, they are threatening to take her belongings as well. At the same time, it is obvious that the seriously ill grandmother will not have any more income.
2. **Jana** is a divorced single mother with two minor sons. She has debts of approximately CZK 200 000 from her marriage. The client has several distraints and has agreed on a payment plan with the dstrainer. The ex-husband is in a debt settlement. The client is employed part-time as a cashier and it is not possible to make enforcement deductions from her income. In addition to her wages, she has social security benefits and child support for her sons. Her income barely covers the necessary expenses (housing, food, etc) and payments to the dstrainer. Any extraordinary expense is a major obstacle for her. She had a protected account, but the dstrainer unblocked her

primary account, thus ending the protected account. However, the distraint process is still running, so the client lives in fear that the distrainor will block her primary account again at any time and she will not get her wages.

3. **Petra** is a single mother with four children. Her ex-boyfriend left her with a debt that resulted in distraint. The client is employed, and the execution payments are being deducted. The debt is so large that she cannot repay it in her lifetime, given the mounting interest. The only solution is insolvency, but due to her obligation to support her four children, she should have a high income, which is not realistic given her position as a worker. The solution is to wait a few years until the children are of age and she is free of the maintenance obligation, or to deal with the authorisation of the insolvency through a gift agreement. However, even this is not a guarantee of insolvency after 5 years, as the court may assess a small overall debt redemption (given the client's minimum wage). It is likely that the client will not be able to apply for insolvency until she has raised her minor children, because if she did, she would not be able to provide housing and support for the children.
4. **Karel** has been a client of our counselling centre for several years. He is disabled in the second degree of disability with the right to receive a pension. His partner, is registered with the Labour Office and together they are paid a housing benefit and benefits for material need. He pays his rent and all his debts regularly. In 2021, the partners found more suitable and quiet accommodations and moved from a hostel to a rented flat. There, their housing allowance was initially calculated on the basis of the standard cost, so the amount was sufficient. However, as the real costs were paid, the benefit gradually decreased. The partner's health does not allow her to work, but she has not been awarded disability either. As her incapacity for work ceased, the partners' living allowance also fell from February 2022. In real terms, therefore, their regular income has fallen by around CZK 4 200 since November 2021.
5. **Jaromír** is in a difficult life situation because he is having trouble paying his debts. He has about five distraints and their total estimated amount is about CZK 950 000. The client works and his monthly income is approximately CZK 30 000. He and his girlfriend have two small children and live in a shared household. The client has heard from a friend about the possibility of debt relief and would like to get rid of his debts. His financial situation was discussed with the client. The conditions for entering debt relief were explained to him (sufficient income, minimum 2 creditors, minimum 30 days overdue). The role of the insolvency administrator, the regional court and the counselling centre was also explained to him. The client was offered the chance to file a proposal free of charge through the counselling centre. A preliminary calculation showed that the amount to be seized was approximately CZK 6400, therefore he met the conditions for filing a petition for insolvency. The client is determined to file for debt relief. He was also informed what documents he needed to bring with the bankruptcy petition and was given forms to fill in. Subsequently, the client comes to the next consultation with the necessary documents that have been completed. Together with the client, a proposal for the authorisation of bankruptcy was drawn up

and sent to the regional court. The client was made aware what follows the authorisation of the insolvency. The client understands, questions were answered. The client subsequently telephoned a few weeks later and reported significant psychological relief and a positive experience with the insolvency practitioner.

Recommendations

1. In line with the European Directive regarding insolvency (Directive (EU) 2019/1023), the new insolvency legislative should be amended to allow access to insolvency for all those who wish to resolve their situation and to reduce the insolvency period from five years to three years (see case study 2 or 3).
2. The conditions of people in insolvency proceedings must be improved so that they can live and care for their families and children with the funds they have left. Ensure that social benefits are calculated up to the amount of the non-dischargeable amount, thus ensuring that the family has sufficient resources to provide for basic needs.
3. In the longer term, the enforcement law needs to be reformed to make the process more transparent and generally more accessible (see principle of territoriality, random allocation of cases by the court).
4. It would be of great benefit if statistics on people in distraint and insolvency (at national and European level) started to be systematically collected; this is very important to map the situation and to be able to respond effectively.

We are fundamentally opposed to the proposal to extend the current system of deductions from income to include the institution of a so-called fixed deduction. Its purpose is to allow distraint to make deductions even for low-income debtors, thereby breaking the legal non-forfeitable amount. The fixed deduction would affect only debtors with legal income, regardless of its amount, and would also include disabled and old-age pensioners (in the basic version it is to amount to CZK 1,890).

Housing

Unsatisfactory housing situation

The current situation regarding affordable housing is still relatively unsatisfactory. According to available data, there are currently 154 000 people in housing need in the Czech Republic (61 000 of whom are children); the total number of people at risk of losing their housing, in energy poverty or with excessive housing costs is up to 1.6 million.

Yet the total number of people at risk continues to rise, mainly due to the rising cost of living. Housing need has serious consequences for physical and mental health (see data on deteriorating mental health in the chapter on family issues), family life or the privacy of

families. However, there are also significant societal implications and multiple costs for the state.

According to the latest figures, 20 000 children are growing up in children's homes and foster care, which is double the number in 2005. The costs of staying in a children's home are considerable (CZK 1.5 million per year per child), and many of the 1 500 young people leaving institutional care each year end up unhoused due to lack of support.

At least 5,500 senior households are in housing need today, and approximately 20,000 more senior households are at immediate risk of housing need.

Due to inadequate housing conditions, many children suffer from health problems and stress, resulting in higher absenteeism. Such conditions also make it very difficult to concentrate on schoolwork, which has direct implications for academic failure. In the Ústecký and Karlovy Vary region, for example, 16 % of children do not complete their education, and according to PAQ Research, each dropout means a loss of up to EUR 13 million for the state.

Since 2010, there has been an average increase in the price of apartments of 120 % and an average increase in rents of 45 %. The alarming situation is illustrated by the fact that Prague is the most expensive city of all European - including Western European - metropolises, according to Politico. It takes 25 annual salaries to buy a home here.

Housing expenses

A more significant increase in housing expenditures is observed among households living in owner-occupied housing (the combination of mortgage and energy expenditures, especially in family houses). However, owners still spend significantly less on housing overall than people in rented accommodation (by about CZK 3 000).

Housing expenditures have also increased significantly since autumn 2021 for very vulnerable households in income poverty (an increase of CZK 4,000) and families with children with incomes below the median (an increase of CZK 3,500). For them, the increase in spending represents the biggest hit to the budget.

The average household spent 31 % of its income on housing in September 2023, up 8 percentage points from the fall of 2021. Spending on housing and food has fallen to 48 % of income, the level last reported by households in January of this year. In the last year, the increase in mandatory spending has been more than offset by the growth in household incomes (notably pension indexation, across-the-board support and wage growth), with a milder winter and stagnation in food prices also having an impact. Nevertheless, vulnerable households spend less than half of their income on housing, and even with food they reach 68 % of their income.

Our findings

The most frequent answers in this section come from the staff of Caritas professional counselling centres (19) and social activation services (8), and to a lesser extent from services such as low-threshold facilities and field services. These facilities often encounter problems in their practice related to housing.

The most frequent problems with which clients contacted our staff were housing-related problems (70 %), debt or over-indebtedness (45 %), followed by problems related to non-payment of alimony, loss of employment and foreclosures.

The most vulnerable groups were identified as single parents, those in long-term unemployment, the elderly (over 65), people with psychological and cognitive difficulties and the homeless. This is clearly illustrated in the graph below:

The main problem of the above groups is generally some form of financial need (in the form of insufficient household income, debt or unemployment) and also the lack of decent housing. Other factors cited were loneliness, difficulty in entering the labour market, high bail and reduced cognitive ability.

Illustrative quote from a Caritas debt adviser:

"They usually have no income and if they have health problems or are of retirement age, they do not have the necessary period of insurance to qualify for pension payments. There are no quarters (emergency housing) in the city for which a housing benefit can be drawn. Moreover, the quarters are full. There is a complete lack of a shelter or dormitory for men in the district. There is a lack of affordable social housing and some residential services. People can apply for municipal housing, but the waiting time is disproportionately long. In addition, people who have a previous debt with the city have no chance to get a municipal flat for this reason. But they can neither get an apartment in a nursing home nor a place in a home for the elderly, even if they need it."

According to a qualified guess of Caritas workers, on average about 60 % of clients were in some form of unsatisfactory housing, although it should be said here that the situation varied by location. There were cases where workers reported 70-85 % in one area, but in other areas only around 20 %, for example.

Regarding the impact of inflation and high energy prices, it can be stated that there was clearly a very strong to strong impact (77 %) on our clients. Only 23 % reported that it had a neutral impact on them. A weak impact was then not mentioned anywhere.

In the period between January 2022 and 2023, there was a roughly twofold increase in the number of clients contacting our staff for advice on housing-related issues.

As far as (re)settling in is concerned, our clients were most often confronted with difficulties in the form of discrimination by tenants, and they were also bothered by high rents and security deposits. Clients often find themselves in a situation where they do not have enough

spare money for a security deposit, nor can they save for it from benefits or from their employment income.

Other problems were the lack of money for furnishing the flat, poor sanitary conditions (some clients had to deal with mold or household parasites in the form of bedbugs and cockroaches) and the lack of funds for furniture removal.

If any affordable housing was found in the client's locality, it was quite often substandard or otherwise substandard accommodation (shelter, hostel), not a standard housing unit. Moreover, any change of environment and the necessity to cope with this change is often difficult for the clients' psyche.

Case studies

1. **Ladka** is a single mother and takes care of two small children. She moved away from the children's father because of his problems with alcohol, addiction to gambling and violent behaviour towards her and their children. He pays her child support irregularly. After the death of her mother, the client moved in with her father in a larger family home and found employment as a cleaning worker. However, she was unable to pay her father's rent due to rising energy prices and housing costs and had to move out. Although the woman tried to find housing, she was unsuccessful and ended up in a shelter with her daughter. The 15-year-old son stayed with his grandfather, who had custody of him, and his mother paid him maintenance of CZK 1 000 a month. During the time that she has been living in the asylum, she has managed to obtain a contract of termination from her last employer, register with the Labour Office, apply for material hardship benefits and apply for a repayment plan for her health insurance debt. She has also found a new job; her daughter is attending a day care centre and she receives free lunches at school as part of the school lunch project. The client has an income of CZK 16 000 and expenses of around CZK 15 500. If there was enough affordable housing (and a functioning benefit system), the lady could live with both her children in satisfactory conditions.

2. **Dana** takes care of her adult disabled son. Attendance allowance is her only income. She lost her entitlement to the benefit when her son was hospitalized, resulting in a loss of income and rent arrears which she was unable to pay. The landlord brought an action to evict her from the apartment and then filed for foreclosure. Currently - after being forced to move - she lives in a marginal part of the city where she has very poor access to amenities and access to basic services, which is a problem for her given the needs of her disabled son. She was advised by the Caritas counselling staff to apply for emergency assistance and funding from the project Energie pomáhají (Energy helps). They are also trying to help her find a sublet that would be more suitable for her disabled child. So far, the woman has not been able to find suitable and affordable housing; the housing prices in the area are such that she cannot afford it with the care allowance alone.

3. **Jiřina** is in a difficult situation in her life because she has incurred a debt on her energy bill which she is unable to pay. She is employed, but her income is not high, and she takes care of two small children on her own. The increased energy costs make it difficult for her to pay for everything. The client is looking for information on how to deal with the energy debt. She does not know where to turn and therefore comes to the counselling centre. The client was interviewed about her life and financial situation. Furthermore, the possibility of applying for emergency assistance from the Labour Office to pay the energy debt was discussed with her. Together with the client, an application for emergency aid allowance (EAA) was completed. The client was advised what needed to be attached to the application and was advised that in the event of a denial, it was possible to apply for assistance from a non-profit organization or a foundation. She was informed about the possibility of applying for a housing allowance at the EAA since her housing costs had increased and her income had not. Together with the client, an application for housing allowance was completed. It was explained to the client what needed to be attached to the application. The client's questions were answered. The client is very grateful for the advice given.

If there was housing adequate to the minimum income in the Czech Republic, this client will never - under the current problems - achieve satisfactory housing. The problem is also one of benefits. The Energie pomáhají project (facilitated by EON company) is one option that can help the client in this situation. However, it is not a systemic, long-term solution to her problem.

Recommendations

1. The adoption of a legislative framework to support affordable housing should be promoted.
2. There is a need to focus on the accessibility of decent housing that is accessible not only to the middle class, but also to people affected by or at risk of poverty (there are about one million of them in the Czech Republic).
3. It is necessary to provide decent housing also for people who currently do not have stable housing or live in substandard conditions in residential hostels.
4. 10 % of the allocation, i.e. €270 million, needs to be returned from the Cohesion Fund to the European Social Fund Plus (ESF+).
5. The allocation for social housing should be at least 30 % of the total social infrastructure allocation, including IROP+, EU REACT and the National Recovery Plan allocation. ESF+ should support ending homelessness by:
 - Housing First and Housing Led
 - Housing Options (Access Points)
 - Housing Loss Prevention Schemes

- Programmes aimed at helping to transition people from institutions into independent housing

Minimum Income

The situation with benefits is quite complex. In addition to people with high levels of debt and foreclosures, there is also the phenomenon of 'working poverty', where people have regular employment but their income - although formally above the poverty line - does not allow them to save enough. The prospect of sudden expenses or the threat of longer-term illness is thus a significant stressor and a real problem for them. Closely related to this are the shortcomings of the benefits system (unaddressed, inflexible, delayed payments), which can lead to a situation where a person simply falls through the safety net, loses their housing and faces the real threat of homelessness.

A look at the data shows that most benefits have grown more slowly than average wages or average pensions, as both have seen real increases of around 20% between 2012 and 2023. In contrast, the real value of parental allowance in 2023 was significantly lower than in 2012 due to inflation, despite a one-off increase from CZK 220,000 to CZK 300,000. Some exceptions were foster care benefits, which doubled in real terms in the period under review, and mobility allowance, which increased by half in real terms, mainly due to the increase in 2022.

Entitlement to most benefits is based on the household and individual subsistence level. Despite repeated increases in the subsistence minimum in recent years, their actual values in 2023 are below the real level of 2012. There has thus been a reduction in eligibility for means-tested benefits.

Only 25% of those eligible receive child benefit. Up to 80% of families are entitled to housing benefit, which leaves CZK 100 per member per day after paying for housing and food, but only 20% of those eligible receive it.

The System of Social Benefits

The Czech Republic currently has a very extensive and complex system of social benefits, but many people find it difficult to understand. The system has long been plagued by a number of problems, the most obvious of which are non-addressability, low flexibility, late payments, overloaded and low capacity of labour offices and the stigma attached to receiving benefits.

Non-addressability - certain benefits are across the board, as seen for example in the case of child benefit, to which every second household is already entitled.

Non-drawdown despite eligibility - the number of households eligible for child benefit has risen following the increase in the minimum subsistence level, with up to half of all households now eligible. However, only a minority of them receive the benefits.

Complexity of the application process - although the Ministry of Labour and Social Affairs has simplified the application process in some ways (including electronically), some people still find it difficult to navigate and find it complicated. Therefore, a major reform of the benefit system is currently under preparation, which should simplify both the submission and the assessment of applications.

Limits of the Labour Office - large overload of staff and a strict to formalistic approach. There are known cases where the Office did not want to grant housing benefit for an unlicensed flat or did not want to remove an ex-worker from the circle of jointly assessed persons. Alternatively, an overly strict rule, whereby after the first no-show at an appointment, a person can face a six-month sanction and loss of income. Which can lead to homelessness. It is then difficult to get him back.

Late payments - these problems exacerbate the plight of clients and undermine confidence in the functionality of the whole system; if benefit is paid retrospectively, future benefit payments (income levels) are affected.

Persisting stigma – in the Czech Republic, receiving benefits is still associated with something undignified, with the feeling that one is a 'loser' and has hit rock bottom. This narrative has long been supported by some politicians, for whom people on benefits represented lazy and incompetent individuals who could not help themselves. There has been a gradual change in recent years, with some people claiming benefits for the first time, but the stigma is still strong in society.

Our findings

Debt and enforcement burdens are the two main factors that, according to our findings, lead to clients turning to our Caritas specialist advice workers for benefits. Other reasons appear to be loss of housing (or the risk of such loss) and non-payment of child support, high rent and basic food costs.

Single mothers, the long-term unemployed, the elderly and people with mental health problems were most at risk of poverty due to the inadequate benefits system. These are, as we can also see from the data in other chapters, the stable recurring groups with the highest levels of vulnerability in the context of social vulnerability.

Excerpt from the questionnaire:

"Older people are particularly at risk. Often, they have low pensions and are dependent on social benefits, but they do not want to apply for them, they do not know their way around the system. They do not want to be a burden. At the same time, they are vulnerable, easily manipulated and sometimes victims of crime."

However, the solution is not simple, as we have several other related problems. Whether it is - as in the case of the elderly - an uncooperative or uninterested family, the inability of the

clients themselves to assess the situation, or a lack of diagnosis or medication. On the other hand, greater involvement of municipalities and the creation of a multidisciplinary team that would be able to create a more complex solution to the situation of a given client would help.

Single parents suffer from low education, limited work experience and a limited supply of suitable jobs - for example, there are still very few part-time jobs that would significantly help many women with smaller children.

In 2023, many individuals and families (mostly single parents and older people, but also young people or people with disabilities) were in situations where benefits alone were not enough. Therefore, various other forms of assistance were developed - for example, CCR started to cooperate with E.ON in the framework of the *Energie pomáhají (Energy Helps)* funding program. Similar funds have also been set up by social unions across the country, highlighting the inability of the current welfare system to catch people who find themselves in an unfavourable situation due to a lack of financial resources.

Case studies

1. **Lucie** is a single mother with three children, who receives state social assistance and material need benefits, and receives only little money from the children's father. She does not want to disrupt the father's relationship with the children, so she does not go down the route of enforcing maintenance. She pays commercial rent and has no social housing options because of his debt with the city and is supported by food assistance. However, this assistance is not at a level that would enable her to provide enough for her and her children. Without assistance, the whole situation will be passed on to her children. The family must have the means to provide food, hygiene and medicine. Affordable and sustainable housing must also be provided, otherwise there is a risk of falling into homelessness. Current social benefits cannot stabilize the situation of a single mother so that she can fully meet her maintenance obligations and manage housing costs.
2. **Marcela** is a senior citizen who lives alone and has no contact with her family. Because of her illness, she suffers from delusions. She visits her doctors frequently and seeks confirmation that specific persons are harming her. She has filed criminal complaints with the police alleging bodily harm, which are not based on the truth. She has made applications for admission to nursing homes and is not awarded Attendance Allowance. The target group for a residential care home are people with dementia, so her applications have not been accepted. The elderly woman is in debt relief, she manages a non-forfeitable sum and any unexpected expense is a great burden and stress for her. However, the benefits, to which she is entitled are totally inadequate given her medical condition and it is very difficult to keep her living with dignity so that she has enough to eat, and her toiletries and medication, payments etc. are covered. In addition, the lady is at risk of becoming homeless and on the streets.

3. **Danuše** was in a difficult life situation because she had been ordered by the court to pay child support for her two minor children, who were in the custody of their father. The client lives in a shelter home and finds it difficult to find housing and employment. She works in a shelter house under a contract of employment, where she helps to clean the dormitory at the weekend. She receives only housing and subsistence allowance. She is unable to pay the court-ordered maintenance and is in debt. The client would like help with writing a petition for a reduction in child support. She is very devastated by her situation, on the one hand she would like to contribute financially to her children, on the other hand she is in a very difficult situation. The client was interviewed about her life situation. It was explained to the client that the application was to be submitted to the district court, which had already ruled on the matter and referred to the proceedings already under way to adjust the relations with small children. Together with the client, a petition for reduction of child support was drafted. It was discussed with the client what evidence to attach to the application (social benefits certificate, income from the DPP, copy of the judgment of the previous proceedings). It was explained to the client that the application should be sent by registered mail with a delivery note in triplicate. The client was informed that maintenance applications are exempt from court fees. The client was continuously supported during the consultation in dealing with the situation and communicating with the court, the child welfare authority and her former partner. The client understands the information given and, if necessary

Recommendations

4. Regarding minimum income, the benefit system should be continuously revised to respond flexibly to people's unfavourable situation, while at the same time providing incentives for their future participation in the labour market.
5. There is a need to raise overall awareness of the benefit system - according to data from autumn 2023, only 20 % of eligible families receive child benefit, and still few households also receive housing benefit (overall, 20 % of all households are eligible for the benefit).
6. It is important that the benefit system covers the current expenses of its recipients and enables them and their families to live in dignity. Benefits must be paid in a targeted manner and without delay.
7. At the European level, we see it as crucial to introduce a minimum income directive as soon as possible, which would help to improve the situation, particularly in those countries that have shortcomings in their benefit systems. At the same time, however, decent wages must be ensured so that people are motivated to work - but the key here is decent pay for work, so that the phenomenon of in-work poverty is eliminated.

Family and family policy

Financial and social situation of families

Many factors influence the current situation of families in the Czech Republic, including the financial and social situation. "In 2022, 24.7% of children (under 18) in the EU were at risk of poverty or social exclusion, compared to 20.9% of adults (over 18)" In the Czech Republic, this trend is also confirmed by the findings of PAQ Research, especially from their segment of the Life is Priceless project (Život k nezaplacení), where they point to the unfavourable situation of families (with children) in the Czech Republic. "Households with children from the poorer half are particularly at risk. A quarter of them spent more than they earned in February, a third ended up with nothing. That's the most since measurement began - and compared to other groups, their situation is getting worse." The Czech welfare system is trying to respond to the difficult financial situation, but, for example, "only a quarter of those entitled to child benefits receive them. The application is complicated, the benefit is paid out for a short time, and these are also reasons for the low interest."

Our findings

The most frequent respondents of this questionnaire were workers of social activation services for families with children (43.7%), the Homes for mothers (fathers) with children in distress (34.3%), and low-threshold facilities for children and youth (15.6%). In our Caritas CARES survey, we observe the need to focus on the needs and care of children, including the financial situation of families and the possible risk of poverty, as well as on the education of adolescents aged 15-18 and on the mental health of children and adolescents. We see that the overall situation of families is tied to both affordable housing and stable financial and family backgrounds.

The four most common issues that clients approach respondents with are: housing, which is a concern for 62.5% of clients, financial situation/debt is a concern for 37.5%, and a difficult family situation is being addressed by 31.3% of clients. The threat of poverty was then a concern for 21.8% of clients who contacted the Caritas organizations, and respondents could cite more than one problem.

Possible impacts of education on the future of children and adolescents

Eurostat data show that "the higher the level of parental education, the lower the proportion of children at risk of poverty or social exclusion: 61.9% for children whose parents had a low level of education compared with 10.2% for children whose parents had a high level of education". The educational attainment of parents obviously has an impact on the financial possibilities of families and on the conditions in which children grow up and are educated. Families at risk of poverty have fewer educational opportunities for their children, and therefore fewer opportunities to change their social and financial situation in the long term. To illustrate further, there are approximately 154 000 people in need of housing today, 40% of whom are children. A family's financial situation should not be a barrier to quality education and childcare. In fact, the European Child Guarantee also draws attention to this issue and is followed up by the EU Youth Guarantee, which aims to ensure that every young person under the age of 30 receives a quality offer for a job, further education,

apprenticeship or [traineeship](#) within four months of losing their job or completing their education. All EU countries have committed to implementing the Youth Guarantee upon [recommendation by the Council](#) in October 2020. This follows the Commission's [proposal](#) as part of [the Youth Employment Package](#).

A colleague from the Caritas service provided us with a detailed commentary on the current situation of families at risk of poverty due to the rising prices:

"The year 2023 has been a very difficult year for families and social workers of the Social Activation Services for Families with Children. The main reason for this has been the rising cost of rent, energy, food and other necessities for life and the disproportionate increase in wages and state social assistance and material need benefits.

The experience of our colleagues shows that the Roma are experiencing an even greater social drop than people of other ethnicities. We see this distinctly in the housing trade. These residents, because of debt, family size or long-term unemployment, have no chance of accessing rental housing - whether provided by the city or the region. They are dependent on housing with private landlords, where rents are incredibly high (1+1 to 1+2 at 20,000 CZK is quite common). Within the norms set by the state for housing benefits, it is not possible to cover this amount, so families supplement rent and utilities from the welfare benefits. Families are forced to be supported by the Food Bank, FEAD, social wardrobes, and circumstances force them to ride the public transport without paying.

The staff is trying to motivate these people to begin the process of debt relief. The latest amendment to the law in 2019 removed the 30% debt repayment threshold. However, after 3 years, we are experiencing that if clients fail to meet this threshold and only want to pay the mandatory minimum (CZK 2,200 / single person, CZK 3,300 / married couple), the insolvency is revoked at the insolvency administrator's initiative. These are mostly large families, where the mother takes care of the children, the household and the family's background. The father provides for the family's finances, but mostly "under the table". Because of the debt, it is not worth it for them to work legally, because if they were working legally, the income would not be enough to cover the necessary expenses. The amount of money that is nondeductible per person and dependents is so low that it is impossible to keep the household running and to take care of the children."

Employment of young adults

A related theme that emerged from our survey is the topic of adolescents who are no longer in school but are having difficulty finding employment. This is reflected in the response of the respondents: 81.2% said that there are not enough suitable and legal job opportunities for children aged 15-18 who are no longer in school. Lack of motivation was the most frequently cited reason. If there are no suitable conditions for further education or jobs, young people will not be motivated to address their situation. The solutions suggested by respondents then mentioned various possibilities for completing qualifications in a shorter period of time, free courses, introducing jobs with no work experience requirement or offering internships and apprenticeships in companies and organizations for 15-18 year olds. In this way, they would have the opportunity to gain practical experience in a real working environment and develop their work skills.

Mental health of the youth

We now know that 71% of our respondents observe a greater need for mental health care for children and adolescents. This phenomenon may be a kind of „legacy" from the days of the covid pandemic.

"This crisis has also shown that youth mental health depends on a number of interdependent factors. For example, counselling [or social] services in schools help to identify and address mental health difficulties. Participation in social and leisure activities reinforces a sense of belonging and inclusion in the community". This may be due not only to the covid pandemic, but also to the economic situation of the family and the lack of resources, which affect adolescents' sense of belonging in a group setting. Young people need a lot of support from their parents and their environment. If this support is not available and parents are in a socio-economic crisis, this affects young people's self-esteem and therefore their mental health. The pandemic has highlighted the gaps that already exist in our system of care for the vulnerable and it is therefore these groups that need to be targeted.

Case studies

1. Miss **Alice** left primary school, failed twice, so she dropped out of Year 7 - not only was she classmates with children 2 years younger than her, but she didn't understand learning anyway. When offered schools specifically for her, she said she didn't want to hear about school, she was over it. Her family supported her, so she did not have to continue her education and is now registered with the Labour Office. She is not trying to find a job, rather she is doing odd jobs in the informal economy. This will have a significant impact on her future employment.
2. Mr. **Peter** left the vocational school, found a part-time job as a gardener and eventually became independent and separated from his family, who did not help him. If a young person leaves the school system early, they will not achieve the necessary qualifications to be able to secure a better-paying job. This will have significant implications for their future life if they start a family.
3. Ms **Barbora** has entered her first year at a vocational secondary school (SOU), majoring in culinary arts. As she did not enjoy the practice, she stopped going to school. She discontinued her studies. Now she is registered with the Labour Office. As there is no suitable job for her, she has appointments with a referent once every 3 months. Her parents motivate her to take up a part-time summer job. She should start school again in September [2023]. If the client manages to complete her education, she will have better employment opportunities and therefore financial security in the future.

The topic of domestic violence

Adverse situations in the family or household can often result in poor mental health and, in some cases, domestic violence. We know that the situation has worsened under covid, and any difficult situation of families contributes to this. Our respondents most often address the issue of domestic violence among women under 65 years of age, with 75% of cases being violence by a man against a woman. The escalation of an adverse situation at home to violence against loved ones is linked to the complex situation of the family and the individual, but the specific most common 'triggers' include substance abuse including alcohol (63%), adverse financial circumstances (59%) and family relationships and jealousy (25%). Triggers

often go hand in hand, so it cannot be said that there is a single given reason. We also know that the number of substance abusers already increased during the covid pandemic, as confirmed by the findings of the thesis, '[in the covid pandemic] most respondents also experienced an increase in risky substance use behaviour or a change in substance use. Only in an exceptional case was there a reduction in use.' The most effective solution is to provide early professional help to those experiencing domestic violence. Unfortunately, information from our colleagues shows that help from social services for people experiencing domestic violence is not equally available in all areas.

Case studies

1. Mrs. **Cecilia** with her two teenage daughters came to our facility after being hospitalized in with an injury caused by her partner. She was unable to work for one year, she calmed down mentally in our facility, found a job and after some time moved with her daughters to a sublet. Without the help of social services, the situation might not have turned out so positively.
2. The client **Dana**, caring for a minor daughter, found a new partner who later manifested himself as an aggressor of domestic violence. After the birth of their child together, the violence began, as she confided in our service. Thus, she started working with the intervention centre. As a result, the aggressive partner was given an unconditional prison sentence. When his sentence was over, Dana decided to take back her partner, despite our advice not to do so. Dana's maternity leave ended, her baby boy was not admitted to nursery at the time, and she was struggling with multiple expenses that needed to be taken care of, among other things. Dana started working, and the little boy doesn't come to the children club as often as he used to. Her partner is still harsh and rude to Dana, but she knows where to turn if she needs to. The older daughter has given her mother an ultimatum that if she returns to her partner, she will limit contact with her. Still, she occasionally babysits her younger brother. The boy started kindergarten in September, but we observe that with the arrival of his dad his development has deteriorated after previous progresses, now he is more aloof and sullen in kindergarten. When the aggressor is part of the household, this has further pathological consequences for the children; returning to a relationship with the aggressor often affects the financial stability of the victims.
3. After 16 years, the abuse of Mrs. **Eva** and the eldest son of the 3 children by their father was discovered. The mother was recommended to stay in a shelter home. The abuse was not detected by doctors, school or kindergarten. The father forbade the children to take food from the fridge, there was a lack of regular school attendance, and the children were diagnosed with mild mental retardation. The mother was rather isolated from the children. In the shelter home, the mother was unable to grasp the care and upbringing of the children, dealing with debts, and hygiene of the children. Subsequently, physical assault developed between the siblings, including the one-year-old girl. The family was offered professional help, but it was refused. The child will therefore be brought up in an unhealthy environment with all the negative consequences for his adult life.

Recommendations

The above data and research are followed up by ours, where our respondents suggest that solutions to the problems mentioned could include:

1. Expansion of outreach social services, cooperation of family, Authority for Social and Legal Protection of Children and school with these services.
2. Improvement of the network of social activation services (increase in capacity and availability in all areas in the Czech Republic) and crisis centres in the regions, creation of a network of available experts (multidisciplinary teams, which would also include a psychiatrist for children and adults, speech therapist, special educator, etc.).
3. To deepen and systematically set up a nationwide cooperation between school facilities and social services.
4. Ensure that each school has a child psychologist and a social worker or social educator who would be responsible for the complex situation of each child and family.
5. Disseminate programs such as alternative education in the Czech Republic and the EU.
6. Adopt the forthcoming law on support for families and care for children at risk and ensure compliance with and implementation of the Family Policy Strategy 2023-2030.
7. Ensure adequate and affordable housing according to the number of persons living in a given family or household for families who cannot provide housing for themselves.

Long-term care and services provided at the borderline between social and health care systems

The principle of being able to care for its members is the basis of a family's functionality. As we mentioned above in the family policy section, the link between providing adequate housing and income and providing adequate care for family members (seniors, infants, sick children, etc.) is critical and these needs are interrelated.

The issue of care on the borderline between social and health services has been raised frequently in recent years, but with little positive change in the current system. The borderline is very closely intertwined with the topic of long-term care, which aims, among other things, to "maintain the highest possible quality of life in accordance with individual preferences and the highest possible degree of independence, autonomy, participation, personal fulfilment and dignity" (WHO, 2002). It includes personal social care for the person who can no longer manage on their own, together with nursing care, where, for example, health monitoring or prescription of medication is necessary. The way we care for the vulnerable (be it children or the elderly...) speaks volumes about the maturity of our society. The care that we are able to provide to these people is also a reflection of the good functional

set-up and ethics that we collectively set and follow. Given the ageing of both the Czech and European population, this is a topic that is becoming increasingly important.

Caritas' efforts to date on the topic

In February 2019, we held a roundtable on the social health frontier with experts, which produced several recommendations. However, it should be noted that the situation has not changed for the better since then.

In September 2023, Caritas Czech Republic organized a ChariTALK expert debate on the topic of health interventions at the border with representatives of the Ministries of Health and Labour and Social Affairs. We are grateful for the cooperation so far and would welcome the same commitment in the future. The live podcast on this topic built on the Caritas advocacy work to date and again emphasized the need for health insurance companies to start reimbursing for borderline health interventions, which are currently not being indicated by doctors precisely because they are not supported by health insurance companies.

Our findings

Respondents consisted of staff from a variety of services, including nursing homes, outreach programs, and assisted living facilities. The most frequently mentioned problems in the borderline health survey included: decreased or loss of self-sufficiency, usually in combination with deteriorating health, and increased need for support for families who care for someone. In addition, the family's situation and need for care exceeds the capacity to care at home. Last but not least, social isolation was mentioned by respondents, along with financial situation and assistance in applying for welfare benefits.

The issue of borderline health care is particularly specific in the Czech Republic in that the social and health care systems are separate. In a situation where a person needs complex and holistic care, this can be a disadvantage, which is why it is important to highlight this topic. In reality, our staff encounters this in residential services when they come across the different competences of social workers and nurses. This also affects the services that can be offered to families who need support in caring for a loved one, to varying degrees, whether in outreach or residential services.

Many residential and outpatient services do not provide health services precisely because they have to be provided by a health professional - not a social worker. If a client needs health services in addition to social services, they are referred to another social service that has registered health services (home for the elderly or home for people with disabilities, home with special arrangement, etc.).

The answers of the respondents showed that in social services the following health services are most often needed: recording of medical records, bandaging, blood and urine collections, preparation of medications, administration of insulin, treatment of decubitus, professional rehabilitation, administration of PEG/ PMK nutrition, administration of eye drops, nasal drops, measurement of glycaemia, provision of palliative care for persons in terminal and pre-terminal stages or care for persons with tracheostomies.

If borderline health interventions do not work in the home setting, then people are forced to go to residential facilities, which is not convenient for them or for the state because of the higher cost than home care. At the same time, clients and their families are missing out on time together. It is more than desirable for the government to come to an agreement with

health insurance companies, which would begin to encourage doctors to refer for these interventions in the home environment. The optimal scenario is also for the system of field nurses to be supported so that they work for an adequate wage - similar to the wage they receive if they work in a hospital - and for these health services to be expanded throughout the Czech Republic.

Case studies

1. Mr. **František** could not stay in his home environment due to lack of financial resources and also due to inadequate living space, which did not allow him to use a reclining bed or other necessary aids. He was placed in a home for the elderly, where he is unable to pay for his stay and food out of his retirement pension. The provider of the home for the elderly was making up the shortfall from its budget. The workers tried to apply for extraordinary financing of the arrears from the donor (the region), but were not successful. Many seniors of retirement age are unable to afford to pay for needed social care services, especially when they have no family to support them.

2. Ms. **Helena** started using the day care center when her cognitive function deteriorated, she was forgetful, unable to keep the house in order, and was losing weight. Her daughter lives with her in a small family home. She has adjusted very well to the care center, has made a friend and her health has improved significantly. She was also able to get a higher benefit for care. After a while, the daughter lost her job, so she took her mother home and looked after her herself. It can be assumed that she can no longer use the day care center for financial reasons and that Helen's health will continue to deteriorate. The family often cannot provide comprehensive and professional care or provide contact with peers and other motivating activities to support the elderly.

3. Mrs. **Ivana** with Alzheimer's disease takes many medications. A nurse, who also works as a social worker in the nursing home, but she cannot administer her medications so that the client can continue to be in familiar surroundings where she is oriented. Currently, it is very difficult to provide a nurse to prepare the client's medications in the field. If the client does not have relatives who can prepare the medication, according to the doctor's report, and the doctor refuses to indicate this action through the outreach nursing service, these people end up in an institutional setting.

Recommendations

1. Change the system of financing social services, multi-source financing set up so that social services established under a state funded organization and under a non-governmental non-profit organization (NGO) have the same conditions.
2. Support and control of informal carers, effective use of the care allowance.
3. Adequate pay for all those who work in social services; the long-term underpayment of wages for those working in the social sector causes a reduction in the quality of staff and the subsequent provision of services and is linked to staff shortages in many locations.
4. Setting up close cooperation between health and social services and other needed specialties.

5. It is necessary to raise awareness of the possibilities of assistance both in the field of care for the elderly and people with disabilities and in the field of prevention, e.g. with general practitioners, speech therapists, physiotherapists and at the level of municipalities and mayors, etc.
6. Modify the validity and control of potential abuse of the care allowance so that it is individually assessed what specific support the person claiming it needs. Ensure that the care allowance is processed efficiently and paid promptly once it has been claimed.
7. We propose to change the system of reimbursement for care set out in Decree No.505/2006 Coll. for individual types of social services providing care so that if a client needs care that they are unable to pay for out of their income and care allowances, it is possible to provide this care in their home environment.
8. To address the shortage of nurses by increasing competitiveness with hospitals and thereby ensuring quality staff.

The accessibility of social services

The accessibility of social services is linked to the prevention of social exclusion and must go hand in hand with sufficient capacity and quality of services and care. As already mentioned in the section on long-term care, the demand for this service will continue to grow in the future and it is therefore essential to systematically address the issue of access to social services.

A study from 2009 shows (at that time) sufficient availability of care services. However, today we must also reflect the demographic development of society. "The most frequently reported types of services for which accessibility was assessed as limited were homes with special arrangements and support for independent living. Nursing services, homes for the elderly and homes for people with disabilities were perceived as the most accessible".

At the same time, we base our qualitative research on the pillars of social care set out by the European Union, where "every citizen should have access to quality services such as pre-school education and care, long-term care, housing, education and training or health care. These services have a supportive function, especially for people in vulnerable situations caused by poverty, health or housing or other vulnerabilities. In addition, social services aimed at social inclusion should be provided to persons in vulnerable situations."

Our findings

Respondents were most often workers in counseling centers, social activation services for families with children, outreach programs, day care centers, services for the elderly, or other. 49% of respondents reported that the situation had worsened in some way in the months compared to last year (2022), in less contrast to our internal expectation that most respondents would answer that the situation had worsened compared to the previous year. Respondents cited caring for themselves, the elderly or general self-sufficiency, finances and welfare benefits as the most common problems, with debt coming in third.

Most respondents do not perceive that there are significant numbers of people who cannot afford care, even though they encounter these cases within their services. According to respondents, this is mainly because clients are granted pensions. It happens that in the

provision of social services, workers deal with the social situation of a client who needs a great deal of help and support in terms of care. However, they do not have sufficient financial resources for this, even though they receive a care allowance and one of the forms of pension (old-age, disability). Concern is also repeatedly expressed for people who will not be entitled to a pension in the future or for homeless people who will then have no income at this stage of their lives.

One respondent stated, "I don't see a problem with clients not having the means to pay for care services because we are caring for elderly people who have pensions. However, in the future there will be a problem with clients who do not meet the conditions for pensions (i.e. the older generation were obliged to work and pay for their social security)."

Our survey also shows that 32% of respondents (social services) offer to consider income billing (a discount in the event of insufficient funds) when providing a service.

Long-term care services and their accessibility

In terms of accessible long-term care, only 34% of respondents answered that some clients cannot access care. The figure is not as high as we feared, but it is not a reason for stagnation, as we can expect demand for these services to increase in the future, as confirmed by the European Commission's report on long-term care: 'Demographic trends indicate a significant increase in the need for long-term care services. Additional capacity will be needed over the next 10-15 years to prevent a decline in current standards of accessibility. The need for increased spending can also be expected.' There is a need to create multidisciplinary teams to provide the necessary care to individual clients in the home environment. In particular, health interventions that are not reimbursed by health insurance companies cause major problems in providing the necessary social and health care, especially in the field and in residential and outpatient services. When respondents were asked about the availability of services in the regions, it also emerged that 21% of respondents perceived that changes in funding and remuneration of staff were needed.

Interesting quote from the respondents:

The granting of the care allowance is decided by the reviewing doctor who has not even seen the client, but no one looks for information in the social service where the client goes. Often the wait for the care benefit is very long, and in the end it is not granted. A similar situation is illustrated by the following story: Mr Antonín sought the services of a day centre (DC) when he was still fully self-sufficient and only used programmes where he and his wife could meet peers. After a few years, when his eyesight and walking deteriorated significantly, he began to attend the DC on a daily basis. He applied for care benefits repeatedly, and even when he could not see anything and could only get around in a wheelchair, he was awarded first level benefits. He did not receive an increase and died. Mr Antonin was 94 years old.

New clients & social counselling for foreigners in the Czech Republic

When asked whether there were client groups that had not previously approached them (the respondents), 48.6% answered in the negative. The group that had newly contacted our services were refugees from Ukraine (26.5%), then the respondents mentioned the elderly (2.6%) and clients with psychological problems.

Services for foreigners residing in the Czech Republic often depend on the type of residence permit of the foreign client. This fact may also be limited by the projects from which the service is financed. In practice, our staff encounters clients in precarious work situations.

Unfortunately, it is not an exception that many employers take advantage of the fact that foreigners in the Czech Republic perform work that Czech citizens do not want to do. There are also cases where the hostels provided to foreigners are directly linked to the employer. Because of this, it happens that foreigners are not always aware of all their rights and become more vulnerable and more likely to be victims of labour exploitation. Therefore, there is a need to increase the access of social services and non-governmental non-profit organisations (NGOs) to hostels so that both accommodation and employment standards can be monitored and clients' rights can be enforced.

Uncovered services in regions and dioceses

We have assumed that not all localities within the country are covered by all types of social services, and that some are unavailable. We believe that it is necessary to start planning a system to cover all types of social services so that they are distributed according to need throughout the country.

In the questionnaire, we also asked our colleagues if they knew of any places in their area or diocese where they thought registered social services were not sufficiently covered. We divided the questionnaire into four parts: registered care services, professional registered outreach counselling, professional registered outpatient counselling, and registered assistance services. A point of consideration arose for registered care services, where almost 10% of responses pointed to sufficient coverage of localities but highlighted insufficient service capacity.

Analyst's note: We attempted to plot all four types of services on the map - the areas that respondents indicated were often inaccurate, for example "Mladá Boleslav region" - we refer to this as Mladá Boleslav on the map. This should be kept in mind when working with the map below.



Legend: **Red** - non-covered professional registered advice in the field. **Blue** - non-covered registered care services. **Yellow** - uncovered professional registered counselling in outpatient clinics. **Green** - non-covered registered support services.

We want to demonstrate that it is really necessary to start systematically planning social services so that they are available to all the people who need them at any given time. It was often mentioned that even if there are services in, for example, a regional/county town, those services do not extend beyond its borders. Other examples point to long commuting distances where it is difficult to provide social services.

As the system of counselling, prevention and care is divided into 42 types of social services, it is very difficult to ensure that each type is available in all areas. Simplifying the system so that the provider only chooses the area of counselling, care or prevention would be of considerable help. In addition to this, the form of social service provision (outreach, outpatient, residential), and the possibility to choose the basic activities to be provided to clients according to the target group they are targeting. We believe that this simplification would significantly help in providing the necessary assistance to clients in various adverse life situations.

Case studies

1. Client **Jan**, 35 years old, with chronic mental illness with multiple diagnoses, was looking for housing in social services with a residential form - sheltered housing / supported housing (need for a higher level of support due to reduced self-sufficiency, social anxiety), the capacity in several regions was filled; this service he needed was therefore completely inaccessible for him.
2. Example from the respondents' answer: we are forced to set up a system of discounts so that clients who need our service can finance it, because the amount of their care allowance does not correspond to the cost of the necessary attendance to the service; our service inherently addresses an adverse social situation, which is the mentioned threat of social isolation for all our clients.
3. Ms. **Karolína** is a full time caregiver for an 11 year old boy with a mental disorder and the need for a tracheostomy plus he has a nasogastric tube. We would provide assistance more often, but we are unable to administer peg nutrition as it is a medical procedure. So, we always wait until there is capacity for paramedics in the area as per the request from the doctor (with whom there was a complication as he did not want to prescribe the medical procedure). It is challenging for families like this - there is a lack of capacity to provide care with a combination of health interventions. A common problem is that doctors are unwilling to refer needed health interventions to outreach services, causing significant problems for both clients and care providers.
4. Mrs. **Lucie** must travel with her disabled child to school to a facility that is about 40 km away because the necessary service is not provided in her area. A common problem is that the necessary services are not established in the locality.

Recommendations

1. The client receives a level III care allowance and attends a day service centre ("DSC"), which has a minimal fee, and more often a social therapy workshop ("STD"), which is free of charge. However, there is no progression towards employment in the sheltered or unsheltered labour market. The ideal would be to set payment for outpatient services centrally, according to the level of the care allowance [the level of assistance must be the same in CDS and STD,

- therapeutic workshop (TD) and residential services]. It would be transparent for all.
2. Change the system of financing social services, supporting informal caregivers (those who care for a long time, continuously), increasing the prestige of the work of helping professions - popularization of the field.
 3. Better wages, better funding of the social services system, long-term increase in hours: 24 (21%) respondents mentioned in some way the need for a change in funding and remuneration of employees.
 4. Improved health services at the borderline.
 5. Improved services for foreigners regardless of their type of residence.
 6. Less administrative burden for social workers.
 7. More jobs - increase capacity of existing services or build new services, better staff remuneration.
 8. Introduce a system of central planning of social services so that individual types are available to those who need them in all localities of the Czech Republic.
 9. Simplify the system of "typology" of social services so that it is not divided into 35 types and so that services are transparent and understandable for clients, their relatives and the general public, and at the same time so that they can cover all regions in the Czech Republic and become available when needed.

Conclusion and Recommendations

The focus and recommendations of this report are essentially based on the social teachings of the Catholic Church, in particular the principles of dignity and the common good, because the fundamental moral principle for judging a just society is the way it treats its most vulnerable members, whose needs should come first. The Caritas' primary mission is to fight poverty and promote the rights and dignity of the most vulnerable. "Since every human being is created in the image of God, they have an inalienable dignity that must be protected. Access to basic human rights, such as the right to food, housing and education, is essential for a life of dignity."

Providing for the vulnerable members of our society, people in poverty, children, people who are seriously ill, reflects the direction that society is taking and sets the conditions for future generations of our children and grandchildren. It is therefore important to highlight the shortcomings in our society in order to contribute to improving the current situation for the Caritas' clients, but also for all of us, including our children.

We trust that the current Government of the Czech Republic will take our recommendations into account with the necessary gravity and commitment in future legislation and other crucial processes. We also consider it important to stress the fact that in order for our services and work to develop in a positive direction, it is necessary to pay more attention to them and to increase the amount of funds flowing into the social sphere, which would be helped, among other things, by returning 10% of the allocation to the European Social Funds.

The Topic of Debts

Indebtedness still affects a significant number of people in the Czech Republic. Clients of our counselling centres often fail to meet their obligations precisely because of high indebtedness. Many of them cannot enter debt relief because of insufficient income. The problem is also the lack of a well-functioning protected account, which discourages many people because of its complexity (in the Czech Republic, only an estimated minority of hundreds of people have one). Multiple debts are critical, where a person is unable to save anything in real terms. On average, up to 70% of clients of our professional counselling centres are burdened with at least one foreclosure, and we have observed a 30% increase in the number of clients over the last year.

1. In line with the European Directive regarding insolvency (Directive (EU) 2019/1023), the new insolvency legislative should be amended to allow access to insolvency for all those who wish to resolve their situation and to reduce the insolvency period from five years to three years (see case study 2 or 3).
2. The conditions of persons in insolvency proceedings must be improved so that they can live and care for their families and children with the funds they have left. Ensure that social benefits are calculated up to the amount of the non-dischargeable amount, thus ensuring that the family has sufficient resources to provide for basic needs.
3. In the longer term, the enforcement law needs to be reformed to make the process more transparent and generally more accessible (see principle of territoriality, random allocation of cases by the court).
4. It would be of great benefit if statistics on people in distraint and insolvency (at national and European level) started to be systematically collected; this is very important to map the situation and to be able to respond effectively.

We are fundamentally opposed to the distrainor's proposal to extend the current system of deductions from income to include the institution of a so-called fixed deduction. Its purpose is to allow distraint to make deductions even for low-income debtors, thereby breaking the legal non-forfeitable amount. The fixed deduction would affect only debtors with legal income, regardless of its amount, and would also include disabled and old-age pensioners (in the basic version it is to amount to CZK 1,890).

Housing

There are currently 150 000 people in housing need in the Czech Republic and up to 1.6 million are at some form of risk of losing their housing. These figures are framed by our own experience in the field, where a full 70% of clients who sought help in some type of our Caritas services had a housing-related problem (whether it was affordability or inability to pay rent). Clients' difficulties stemmed both from their frequent debt, but also from their inability to enter the labour market, loneliness, discrimination or cognitive limitations. Up to 60% of clients were in some form of unsatisfactory housing, with the situation varying from locality to locality. Over the last year there has been a doubling of the number of clients of our services experiencing housing difficulties.

1. The adoption of a legislative framework to support affordable housing should be promoted.
2. There is a need to focus on the availability of decent housing that is accessible not only to the middle class, but also to people affected by or at risk of poverty (there are about one million of them in the Czech Republic).
3. It is necessary to provide decent housing also for people who currently do not have stable housing or live in substandard conditions in residential hotels.
4. 10 % of the allocation, i.e. €270 million, needs to be returned from the Cohesion Fund to the European Social Fund Plus (ESF+).
5. The allocation for social housing should be at least 30 % of the total social infrastructure allocation, including IROP+, EU REACT and the National Recovery Plan allocation. ESF+ should support ending homelessness by:
 - a. Housing First and Housing Led
 - b. Housing Options (Access Points)
 - c. Housing Loss Prevention Schemes
 - d. Programmes aimed at releasing people from institutions into independent housing

Minimum Income

In addition to foreclosures, these people are also affected by the phenomenon of working poverty, where they are unable to earn a proper living through employment. Benefits should then serve as a functional safety net, but the current system shows a number of limitations (non-addressability, insufficiency, late payments, complexity of administration, insufficient income, etc.). The whole situation is all the more complicated because it affects different groups differently, with single mothers in particular being the most in need in the long term. Other forms of assistance have emerged in the past year (E.ON Energie pomáhají, etc.), but this is only a short-term and essentially non-systemic solution.

1. As regards the minimum income, the benefit system should be continuously revised to respond flexibly to people's unfavorable situation, while at the same time providing incentives for their future participation in the labour market.
2. There is a need to raise overall awareness of the benefit system - according to data from autumn 2023, only 20 % of eligible families receive child benefit, and still few households also receive housing benefit (overall, 20 % of all households are eligible for the benefit).
3. It is important that the benefit system covers the current expenses of its recipients and enables them and their families to live in dignity. Benefits must be paid in a targeted manner and without delay.
4. At European level, we see it as crucial to introduce a minimum income directive as soon as possible, which would help to improve the situation, particularly in those countries that have shortcomings in their benefit systems. At the same time, however, decent wages must be ensured so that people are motivated to work - but the key here is decent pay for work, so that the phenomenon of in-work poverty is eliminated.

Family policy

The complex situations of families, children and adolescents need to be addressed by comprehensively providing for the needs of the most vulnerable, as the situation of families is tied to both affordable housing and a stable financial and family background. Families need a system of state support that is reliable, transparent and more coherent across departments. If children and adolescents grow up in difficult living conditions, this affects their education and their future life.

1. Expansion of outreach social services, cooperation of family, Authority for Social and Legal Protection of Children and school with these services.
2. Improvement of the network of social activation services (increase in capacity and availability in all areas in the Czech Republic) and crisis centres in the regions, creation of a network of available experts (multidisciplinary teams, which would also include a psychiatrist for children and adults, speech therapist, special educator, etc.).
3. To deepen and systematically set up a nationwide cooperation between school facilities and social services.
4. Ensure that each school has a child psychologist and a social worker or social educator who would be responsible for the complex situation of each child and family.
5. Disseminate programs such as alternative education in the Czech Republic and the EU.

6. Adopt the forthcoming law on support for families and care for children at risk and ensure compliance with and implementation of the Family Policy Strategy 2023-2030.
7. Ensure adequate and affordable housing according to the number of persons living in a given family or household for families who cannot provide housing for themselves.

Long-term care and care at the borderline of social and health services

The lack of integration between social and health services creates difficulties for people who need long-term care. The state has a duty to vulnerable groups, such as the elderly or people with disabilities, to provide the necessary support and a system that is more legible to clients and their loved ones. If borderline health care services do not work in the home environment, then people are forced to go to residential facilities, which is not beneficial for them or the state because of the higher cost of care in the home environment. This will also have major consequences for the ageing Czech and European population.

1. Change the system of financing social services, multi-source financing set up so that social services established under a state funded organization and under a non-governmental non-profit organization (NGO) have the same conditions.
2. Support and control of informal carers, effective use of the care allowance.
3. Adequate pay for all those who work in social services; the long-term underpayment of wages for those working in the social sector causes a reduction in the quality of staff and the subsequent provision of services and is linked to staff shortages in many locations.
4. Setting up close cooperation between health and social services and other needed specialties.
5. It is necessary to raise awareness of the possibilities of assistance both in the field of care for the elderly and people with disabilities and in the field of prevention, e.g. with general practitioners, speech therapists, physiotherapists and at the level of municipalities and mayors, etc.
6. Modify the validity and control of potential abuse of the care allowance so that it is individually assessed what specific support the person claiming it needs. Ensure that the care allowance is processed efficiently and paid promptly once it has been claimed.
7. We propose to change the system of reimbursement for care set out in Decree No.505/2006 Coll. for individual types of social services providing care so that if a client needs care that they are unable to pay for out of their income and care allowances, it is possible to provide this care in their home environment.
8. To address the shortage of nurses by increasing competitiveness with hospitals and thereby ensuring quality staff.

Accessibility of social services

In order not to reduce the quality of care provided in Caritas organizations (but also in social services in general), it is necessary to map the accessibility of social services and their capacity in the Czech Republic. The findings should then be adequately reflected in strategic planning and the missing services in locations should be supplemented or expanded as needed, reflecting the fact that a significant number of clients are already unable to access care. It is also necessary to bear in mind the pillars of social care set out by the European Union and to bear in mind that "every citizen should have access to quality services such as pre-school education and care, long-term care, housing, education and training or health care."

1. The client receives a level III care allowance and attends a day service centre ("DSC"), which has a minimal fee, and more often a social therapy workshop ("STD"), which is free of charge. However, there is no progression towards employment in the sheltered or unsheltered labour market. The ideal would be to set payment for outpatient services centrally, according to the level of the care allowance [the level of assistance must be the same in CDS and STD, therapeutic workshop (TD) and residential services]. It would be transparent for all.
2. Change the system of financing social services, supporting informal caregivers (those who care for a long time, continuously), increasing the prestige of the work of helping professions - popularization of the field.
3. Better wages, better funding of the social services system, long-term increase in hours: 24 (21%) respondents mentioned in some way the need for a change in funding and remuneration of employees.
4. Improved health services at the borderline.
5. Improved services for foreigners regardless of their type of residence.
6. Less administrative burden for social workers.
7. More jobs - increase capacity of existing services or build new services, better staff remuneration.
8. Introduce a system of central planning of social services so that individual types are available to those who need them in all localities of the Czech Republic.
9. Simplify the system of "typology" of social services so that it is not divided into 35 types and so that services are transparent and understandable for clients, their relatives and the general public, and at the same time so that they can cover all regions in the Czech Republic and become available when needed.

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