

Challenges and Opportunities of Social Care Services for seniors in the Czech Republic (based on an example of the town of Havířov (located in structurally affected Moravian-Silesian Region))

Šárka Prudká, Lenka Brown

Abstract

This paper is focused on the issue of people over 65 years of age - seniors - who live in the town of Havířov in the Czech Republic. This town is located in the structurally affected region which nowadays faces both problems of aging population and high unemployment resulting in leaving of young people to more perspective regions. Great emphasis is, therefore, placed on social care services provided to seniors. The authors analyze the social service system with particular attention to the current challenges and opportunities and to the problems of this structurally affected region.

Introduction

This article is focused on the issue of the social service system for seniors within the town of Havířov which is situated in one of the most structurally affected regions of the Czech Republic. The main objective of this article is to describe problems of aging regions, determine possibilities to provide prospective social care services for seniors in these regions and try to find effective financing by either the cooperation between public and private sector or by the systematic financing from the EU funds. The article is based on the theories related to the services provided by the public administration, as they are applied especially in the Czech Republic. The subject of the article is very interesting as these issues are nowadays dealt with by the entire European Union.

This article is based on statistic and content analysis as well as on own empiric experience of the authors.

1. The position of social services within public administration and current issues

Mr. Oldřich Matoušek explains in his publication „Social services“: „The social services are partially overlapping with the term public services. Public services are provided in the interest of the public. In comparison to the commercial services, the public services are financed from public budgets, they are defined in more details by the relevant laws than other services, and therefore they are more dependent on the political decisions of state, regions and municipalities. Social service can be provided also as the commercial service based on commercial contract concluded between the service provider and service user (MATOUŠEK, O., a kol. *Sociální služby*. 1. vyd. Praha: Portál, a.s., 2007. s. 9).

In the current situation, when the state budgets in Europe and in the world are very tight, they offer much less financial resources for many areas, including social policy. Therefore, it is necessary to try to find financial resources within the civil society for providing, development and improving the social services.

The topic of the effective provision of the social services in the period of time after the new economic and financial crises came is just developing. These problems are rather described in individual studies and articles focused on social policy.

This article, therefore, contributes to this social policy area. As an example for the detailed analysis, the town of Havířov was chosen as the problems of both the structural changes of industry and of the migration of the young people influenced this town significantly. Therefore, the need and significance of the provision of social services for old people grew, which is very financially requiring.

2. The main features of the socio-democratic structure in the town of Havířov

The population of the Moravian-Silesian region is 1.2 mil. It is one of the most densely populated regions in the Czech Republic. The reason is that the core towns around the main city of the region are industrial agglomerations: mining, metallurgy, chemical industry and machinery. The change of political system after 1989 brought about industrial restructuring in the region and significant attenuation of industrial production.

This resulted in significant increase of the rate of unemployment 12,14% in Moravian-Silesian Region at 31.12.2009. **In the five-level classification of the EU the Moravian-Silesian region was classified in the weakest category: 5) Declining regions showing essential problems of socio-economic development.**¹

The second biggest town in the Moravian-Silesian region is Corporate Town of Havířov with a population of 83 thousand – it is the 11th biggest town in the Czech Republic. It was established in 1955 in order to provide for housing for labour force, especially miners, metallurgists and their families in this industrial area. This specific way of foundation of the town caused formation of unusual demographic structures in its entire development until present. In the period of founding Havířov the territory was populated by a huge wave of immigrants aged twenty to forty nine. These new inhabitants were similar in age, education, social and economic standard. These people naturally grow old. While in 50's Havířov was the youngest town in previous Czechoslovakia, now it is one of the oldest one.¹

Due to industrial restructuring in 1990s the economic problems deepened taking the form of unemployment (15,50% in 2010); young people often leave for better jobs and go to Prague or abroad.

Forecast of Havířov population age groups until 2020

In 2003 Havířov population forecast to 2020 was elaborated. This can be seen in the following table:

¹ Kolektiv autorů. *Úvod do regionálních věd a veřejné správy*. 2. Vyd. Plzeň: Aleš Čeněk, 2008, s. 84

Table No. 1

Year	Age group						Total	
	0 - 14 years		15 - 64 years		65 and more		Forecast	Actual
	Forecast	Actual	Forecast	Actual	Forecast	Actual		
2001	13 852	actual	60 802	Actual	10 848	actual	85 502	Actual
2002	13 341	actual	60 788	Actual	11 142	actual	85 271	Actual
2003	13 053	12 862	60 533	60 679	11 362	11 373	84 947	84 917
2004	12 764	12 552	60 277	60 570	11 582	11 662	84 624	84 784
2005	12 476	12 082	60 022	60 297	11 802	12 048	84 300	84 427
2006	12 280	11 723	59 596	59 971	12 105	12 525	83 980	84 219
2007	12 084	11 448	59 169	59 699	12 407	12 886	83 660	84 033
2008	11 887	11 159	58 743	59 125	12 710	13 274	83 340	83 558
2009	11 691	10 967	58 316	57 273	13 012	13 656	83 020	82 896
2010	11 495	10 896	57 890	57 254	13 315	13 872	82 700	82 022
2020	10 574		51 755		17 172		79 501	

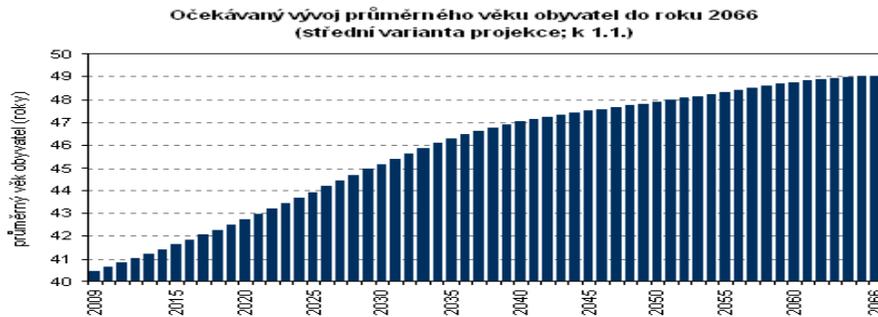
(Source: own, based od Kolektiv autorů. Ekonomická fakulta VŠB-TU Ostrava, Koncepce bydlení statutárního města Havířova.2005, to be found on <http://moodle.vsb.cz/archiv/mod>)

The forecast assumes the following:

- total population will drop by 2020 (compared to 2001) by 7.5%
- the youngest age group will drop in the comparable period by 31% (!) and will form 13.3% of the entire population
- productive population will decrease during the same period by 17.5%. It will still be the most numerous population group amounting to 65%
- **senior population will grow by 58.3% (!), 21.6% of the population of Havířov will be of senior age. Their absolute population will be 17 172.**

I would also like to complete the expected development of average age of the population until 2066 in the Czech Republic. It is obvious that the trend of population aging will continue. This trend is common for the entire European Union.

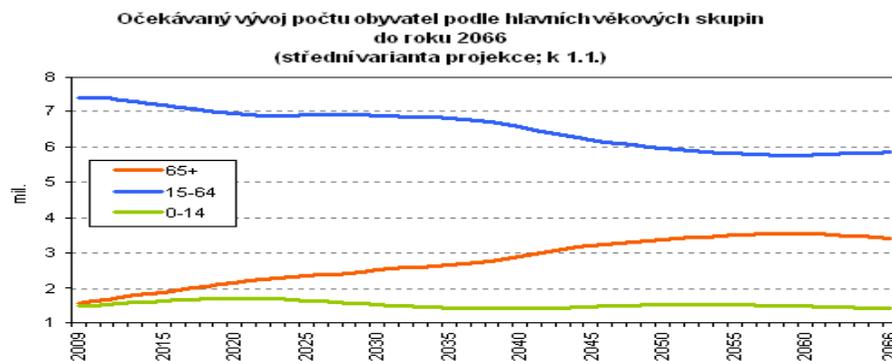
Chart No. 2. Expected development of average age of population until 2066



(Source: www.czso.cz)

The following chart implies that a slight drop of absolute population is expected until 2066, however, associated with significant change of age structure. Apart from the quoted progressive increase in senior population, it is also expected that children population will continue dropping, as well as the population in productive age as opposed to the existing situation.

Chart No. 3. Expected development of population by the main age groups until 2066



(Source: www.czso.cz)

3. Social services in the Czech Republic and the aging problem

The main objective and obligation of the public administration is to solve the unfavorable health, social and economic situation of elderly people, people with disabilities, families with children, unemployed, victims of crime etc. as

this unfavorable situation limits their integration into the economic, cultural and social life.

Such social exclusion prevents these individuals from living their life to its fullest potential. If the social system should be effective, it has to ensure for all the socially excluded and in need an adequate access to the full range of social services regardless their individual physical and financial possibilities. It also has to motivate them to self-sufficiency and willingness to solve their unfavorable situation.

This implies that the social services are established in order to satisfy specific needs of elderly people, people with disabilities or people affected by the collapse of their family.

In the Czech society, the social services play a very specific role. Within the important features of the social services we can name:

- The way of their financing,
- Dependency on political decision,
- Relation with the laws of the state and of the EU,
- Linkages with the networks existing in the local community,
- Intimate character of the services,
- Significant role of the family and other non-formal communities,
- Ethical dimension and dimension of the basic values.

Social services in the Czech Republic are regulated by Act no. 108 of 1988.² The state administration of this act is exercised by the Ministry of Labour and Social

² According to this act there is a legal anchorage especially of the group of people, to whom the social care is provided (satisfaction of special needs of elderly citizens, people with handicap or citizens struck by family dissolution), and types of social care services.

According to this act the social care services mean the following

- a. education and consulting care (social counselling)
- b. institutional social care (Old People's home, Respite care)
- c. care in other social care facilities (Day care center, week care center, personal assistance)
- d. community care service,
- e. catering.

Amendment to the Social Service Act no. 108/2006 has been effective since 1st January 2006. Fundamental change brought about by this amendment consists in the legal obligation to register for all the providers of social services. The benefits of this amendment include especially the following:

- ✓ Obtaining overview of the extent and nature of the social service network,
- ✓ Inclusion in the register is one of the preconditions for drawing on financial means from public budgets,

Affairs, regional authorities, municipal offices with extended competence and labour offices.

Since the 1st January 2007 an amendment of the Act No. 108/2006 Coll. has been in force. The most important change presents the obligation of the registration of the social service providers. The basic overview of the scope and character of the basic network of social services is known from this change. All the registered service providers have the same rights and obligations regardless their legal form.

This new amendment of the Act No. 108/2006 Coll. also introduces a new financial tool, and it is the contribution to social care from the budget of the Czech Republic.

The contribution to social care is provided to people dependent on other physical person in order to provide necessary assistance.

Entitlement to contribution is derived from the system of individual personal assessment. The amount of contribution is differentiated on the basis of age of the person assessed (in persons below the age of 18 the contribution is higher than in adults) and also in terms of the amount of dependence of the person in the unfavourable social situation on the assistance of another person.

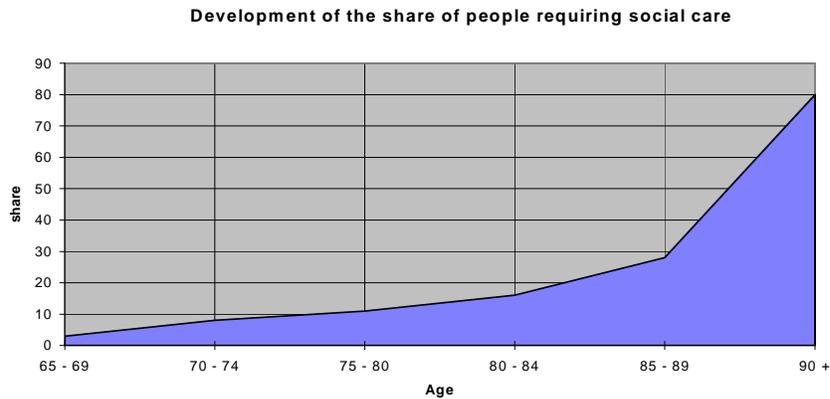
According to this act we distinguish 4 levels of dependence on another person or other persons:

- 1st degree: slight dependence
- 2nd degree: medium dependence
- 3rd degree: heavy dependence
- 4th degree: complete dependence

Increase in population age leads to an increase of the requirements for health and social care. This development, however, is not linear, which is shown by the following graphic:

✓ Registered providers will have the same rights and the same duties regardless of their legal form (private-legal, public-legal). This act thus reacts to long-term unsolved unequal position of the social service providers instituted by private-legal sphere.

Chart No. 4



(Source: document "Analysis of the Need for Social Services using normatives" from Community plan of Havířov)

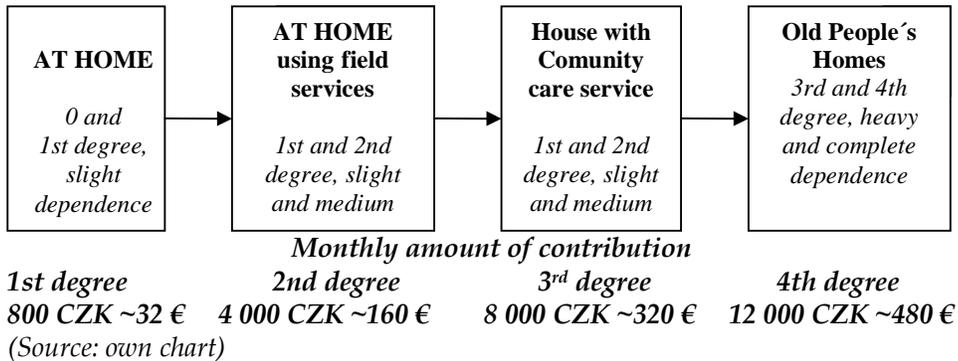
It is given

- quantitatively, i.e. by the increase of the number of seniors,
- qualitatively, i.e. average age is increasing, which is associated with polymorbidity and resulting need for more demanding care. Especially the Alzheimer disease development dimensions are significant. It is assumed that approximately 5% of population above the age of 65 suffer from this disease and almost one third of people above the age of 80.

On the other hand it is necessary to state the needs for health and social care rise with the increasing age, but the number of people, to whom it applies, decreases.

The following chart details how the average needs of the seniors change in time:

Chart No. 5



In practice it looks that the recipient of the contribution is a handicapped person, the amount of contribution is divided pro rata among the social service providers: for example the persons in Day Care Centre return approximately 2/3 of the contribution in favour of this Day care Centre. Those that reside in the Pensioners' Home 24 hours a day return the entire contribution to care to this care provider.

The system of the social services and its performance depends on the financial contributions from the public resources and also on the payments from the private entities. In the current situation, when the priority lies on the stabilization of the public budgets, it is necessary to apply a set of saving measures with the objective to decrease the deficit of the public finances.

Till the 31st of December 2011 the following provisions of the above mentioned Act should be applied: the social service providers, registered in the state database, can receive for the financing of their costs a grant from the state budget. The amount of the grant is based on a middle term plan which deals with the development of individual types of social services in the respective region, with the number and capacities of individual service providers, number and financial volume of paid contributions.³

After the 1st of January 2012 the competences in the field of financing of the social services should be taken from the Ministry of Labor and Social Affairs and transferred to the competence of individual regions. Ministry of Labor and Social Affairs will determine the amount of the grant from the state budget according to the percentage share of the overall annual volume of resources for that financial year (especially for the area of the grants for social care services) while the social prevention or social consultancy will be realized based on the number of the inhabitants of the respective region.

What are the risks of this change?

- Lack of financial resources,
- The necessity to reduce the number of the service providers,
- Negative reactions of the care providers,
- Negative reactions of the care users. ⁴

³ <http://socialniporadce.mpsv.cz/cs/269>

⁴ http://is.muni.cz/th/99741/esf_m/Analyza_nove_koncepcie_systemu_socialnich_sluzeb.pdf

The Czech Republic does not have defined so called Altmarks criteria. In the EU the public social services are considered services of an economic character, and therefore, there are treated as forbidden state aid and therefore they can be limited in different ways. The system of the social services provision and its financing in the Czech Republic must be introduced in accordance with the EU legislation.

As for the social services network in the Czech Republic, exact standards should be introduced in order to prevent disproportions in their financing in different regions. Experience from Austria shows that the different way of financing of the social services leads to a different level of the quality of these services.

Concerning the complexity of this reform, we assume that the current system of financing of the social services will be maintained till 2013. With such an approach, the regions will get more time for preparation for new competencies and for stabilization of social services in individual regions.

4. Regional framework of the social services related to the aging population

The primary objective of the regions and municipalities with aging population is to create and maintain favorable environment for their lives. In order to achieve this objective, it is necessary to describe and evaluate the existing situation using defined set of indicators of the needs of the elderly people living in such a location. Afterwards, individual regions and municipalities prepare their middle term plans of the development of the social services as this obligation comes for the Act No. 108/2006 Coll. The objective of the middle term plan of the development of the social services of the Moravia-Silesia region in the Czech Republic for 2010-2014 is to "create network of accessible and high quality social services based on the needs identified by the municipalities and region".

5. Community plan of development of social services in the town of Havířov

The problem of aging population is very important for the town of Havířov. The social services are therefore very important as this town comes through significant social changes.

Therefore, it is necessary to prepare a high quality community plan which could reflect the differences of the demographic structure in comparison with other towns and cities.

Thanks to the community planning the development of the social services for all the socially challenged inhabitants in the given time frameworks is planned. It included detailed objectives, proposed measures to the solution of the current unfavorable situation of the inhabitants. Both the public authorities, service providers and service users participate on the process of its preparation.

The main objective of the community plan for the development of the social services is.

- Describe the unfavorable situation of different target groups,
- Describe and analyze their needs,
- Describe and analyze the current resources,
- Define strategies and steps leading to the correction of the unfavorable situation,
- Describe procedures which can be applied in order to change the current situation of the target groups,
- Define the obligation of all the relevant parties (public authorities, service providers, service users),
- Describe the control arrangement concerning the realization of the plan and its evaluation.

Therefore, planning is an important part of this process. The main participants of this process (key persons, project or management team, etc.) should formulate the main objective, find resources for the required changes, estimate its time, financial and personal requirements and choose appropriate methods of the implementation. All these topics are covered by projects which require knowledge not only of social work, but also of management, law and economics).⁵

It is also important to mention that in some cities and towns social services work in a different way than in smaller villages. The reason is the fact that in the smaller villages many elderly people live in families where more generations are to be found which help each other and take care of the elderly

⁵ Oldřich Matoušek a kol., *Metody a řízení komunitní práce*, nakladatelství Portál, Praha 2008, str. 263

people at home. Among other factors belong age and educational structure and also the level of unemployment between the inhabitants of smaller villages and towns. The same differences can be found between the industrial and agricultural regions. We can deduce that in the villages with higher unemployment the family members take care of their helpless relative and use the contribution for this type of care as a part of the resources of their income more often than in bigger towns and cities where the work engagement does not give enough time to take care of such a relative.

Corporate Town of Havířov had this community plan elaborated as one of the first towns. It originated in 2005 and is updated every year. It contains all common parts: social-demographic analysis of the town, expertise of the need for social care and services in the town, results of the questionnaire investigation amongst the citizens, users and providers of social services. Everything is included in the SWOT analysis.

According to the actual data from the Community plan, the Analysis of the needs of social care service users from the 14th March 2011⁶ concludes that:

- „The capacity in current Pensioners´Homes in Havířov is insufficient (all together the capacity of 274 people). While, nowadays, there are about 1 200 applications for accommodation in such houses, out of which 900 applications are eligible. Every year about 30 inhabitants of Pensioners´ Homes die. It means that the current demand could be satisfied within 30 years.
- Havířov completely misses the Home with special regime (home for elderly people with mental diseases), the estimated need is for 50 people.
- The capacity of the personal assistance services is also insufficient.
- From the points of view of the barriers, Havířov is not considered a problem town. The biggest problems are associated with high buildings without lifts, which are quite frequent in Havířov. Also requests for barrier less buses are registered here.
- The Havířov pensioners also require higher level of safety as they are an easy object of crime.
- The access to sources of information is assessed by the pensioners as satisfactory.

⁶<http://www.havirov-city.cz/dokumenty/rozvojove-dokumenty/komunitni-plan/analiza-potreb-uzivatelu-socialnich-sluzeb>

6. Social services and their financing, cooperation between public and private sector

The volume of social care services provided in Havířov in 2010 corresponds to 160 mil. Czech crowns (approximately 6,4 mil. EUR). The main source of the financing (35%) came from the town of Havířov, the second biggest source of the financing came from the care users (31%) and the third biggest one is the Ministry of Labour and Social Affairs (18%).⁷

According to our analysis, the need for social services will increase in the future as the number of pensioners grows as well. Therefore, the need to cover these expenditures will increase too. This trend will negatively affect especially regions with low perspective of economic growth as the structurally affected Moravian-Silesian Region, where the town of Havířov is also located.

Above all, the development of services in the European Union countries implies that a shift of interest of the public administration from services of social care of social-medial nature towards the intervention services that solve issues of poverty, unemployment and social excommunication, xenophobia, drugs and massive development of social consulting will accelerate also in the Czech Republic.

It seems that the state together with regions and municipalities will not be able to finance all the necessary social care and that it will be necessary to focus more on the possible sources of their financing for the future.

Social care services will gradually shift to the non-governmental and private sphere.

One of possible forms of financing is **PPP (Public Private Partnership)**. Social services in many European countries are in the hands of private sector, or fall within various insurance systems. We expect that also the public administration in the Czech Republic will address the private sphere more in the matter of establishment of mutual cooperation in the area of joint long-term financing of projects especially in the investment area. The foreign experience implies that financing in the PPP form in the social area is possible and realistic. Simplified principle of financing in the form of PPP is the following. The

⁷ <http://www.havirov-city.cz/dokumenty/rozvojove-dokumenty/komunitni-plan/analyza-poskytovatel-socialnich-sluzeb>.

initiator is the public administration representative at a certain level that presents a vision and selects a partner (concessionary), or a consortium of partners from the private sector. The partnership (concession) contract is concluded for a long-term, usually for a period of thirty years. The investor is the concessionary that thus valorises his free financial resources, which on the other hand enables for non burdening of the budgets of municipalities and regions. Concessionary can only be a caretaker of the building for the period of validity of the concession contract, where the provider provides relevant social services and also the service provider. Everything depends on the stipulated and contractual conditions.

Another possibility of extra financing for social services could be the systematic use of the European Social Fund programmes as for the new programming period 2014+ an investment priority focused on the enhancing the access to affordable and good quality social services is also defined in the new proposals for the new ESF regulation.

Therefore, crucial decisions concerning the financing of the social services in the future in the Czech Republic have to be done. And right now it is the high time for these decisions because just now the Ministry of Labour and Social Affairs of the Czech Republic starts to prepare new ESF programmes for the next programming period.

List of references:

- Act no. 108 of 2006, 2006 Coll, to be found on http://www.mpsv.cz/files/clanky/7372/108_2006_Sb.pdf
 - Community plan of development of social services - Corporate Town of Havířov, 2005, to be found on <http://www.havirov-city.cz/dokumenty/rozvojove-dokumenty/komunitni-plan/analyza-potreb-uzivatelu-socialnich-sluzeb> and <http://www.havirov-city.cz/dokumenty/rozvojove-dokumenty/komunitni-plan/analyza-poskytovatelu-socialnich-sluzeb>. Internet websites of Czech Statistical Office (www.czso.cz), 2010
- a 2011)JOHNES, C.: *New perspectives of the Welfare State in Europe*. London, Routledge 1993

- Kolektiv autorů. Ekonomická fakulta VŠB-TU Ostrava, *Koncepce bydlení statutárního města Havířova*. 2005, to be found on <http://moodle.vsb.cz/archiv/modKolektiv>
- Kolektiv autorů. *Úvod do regionálních věd a veřejné správy*. 2. Vyd. Plzeň: Aleš Čeněk, 2008, s. 84
- Ministerstvo práce a sociálních věcí, 448 Senátní návrh na vydání zákona, kterým se mění zákon č. 108/2006 Sb., o sociálních službách, ve znění pozdějších předpisů, a některé další zákony), to be found on http://is.muni.cz/th/99741/esf_m/Analyza_nove_koncepce_systemu_socialnich_sluzeb.pdf
- MATOUŠEK, O. a kol., *Metody a řízení komunitní práce*, nakladatelství Portál, Praha 2008, str. 263
- MATOUŠEK, O., a kol. *Sociální služby*. 1. vyd. Praha: Portál, a.s., 2007
- PEKOVÁ, J., PILNÝ, J., JETMAR, M. *Veřejná správa a finance veřejného sektoru*, 3. přepracované vydání. Praha: ASPI, 2008.
- ROYSE, D., THYER, B.A., PADGET, D.K., LOGAN, T.K.: *Program Evaluation*. Belmont, Brooks/Cole 2001
- TOMEŠ, I.: Part III. Protection. In: Kerschen, N. et al.: *Long-term Care for Older People*. Luxemburg, Ministry of Social Affairs 2005
- <http://socialniporadce.mpsv.cz/cs/269>
- Commission's Proposal for the new ESF regulation for the 2014+