WELCOME, CZECH REPUBLIC!

The EU accession process in three perspectives

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ABSTRACT

The objective of this essay was to shed light on the problems concerning social policy and employment issues involved in the Czech Republic’s accession process into the European Union. Central questions asked was; What does the social policy of the EU, the same policy the Czech Republic is adjusting to, look like? What kind of problems is the Czech Republic experiencing with the adjustment? Are the EU and Czech Republic addressing the same problems? How are these problems seen and commented on by outside observers? To investigate the objective and answer the questions a method of documentary research was chosen. Official documents from the Czech Republic and the EU was compared with each other and reflected against some researcher’s work. The result of this comparison showed that the Czech Republic and the EU were emphasising the same accession problems and that the accession process has gone as planned. The remaining problems for the Czech Republic to solve mostly concerns administrative and financial issues and to improve the situation of the Roma minority.
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INTRODUCTION
The European Union is heading towards one of its most extended developments; on the 1\textsuperscript{st} of May 2004 the current 15 member states will become 25. Even though the Union has undergone several enlargements earlier in its past, this enlargement is by many labelled as unique. A lot has for example happened since the enlargement of the 1980s, when Portugal and Spain joined the ship, an Economic and Monetary Union has been created and an internal market has been set up. Together with the security and defence policy being coordinated and the establishment of the Schengen Treaty these developments make the adaptation that the future member states are undergoing belong to a whole other dimension (Tempel, 2002, p 215).

The forthcoming enlargement is not just unique due to the changes that have occurred within the EU, it is also noticeable because of its large scale. The future population of the Union is estimated to grow to 500 million people, which will be an increase by 28 \%. The geographic impact will be an enlargement of the area by 35 \% (Vaughan-Whitehead, 2003, p 31). It is though not only the population and area that will grow, the gap in per capita GDP (gross domestic product) between citizens living in the most flourishing parts of the Union and those living in the least flourishing will double. 25 \% of the population of the future EU will be living in regions with a per capita GDP under 75 \% of the EU average (Quintin, 2003, p 12). Today the average income for the bottom 10 \% of the EU population living in the least flourishing parts is 61 \% of the average income. After the accession of the new member states this figure will go down to 31 \% (this figure includes the three candidate countries Turkey, Bulgaria and Romania) (Vaughan-Whitehead, 2003, p 31).

Even though some statistics for the European Union will look worse after the accession, the enlargement process will bring great opportunities. The more countries that are willing to agree on the values and policies of the EU the higher political stability and security the Union gets. This process also widens the internal market and will hopefully attract more foreign investments. These are advantages for the whole new expanded Union but there are several more
advantages waiting for the future member states if they successfully imply EU:s legislative tools. Examples of such advantages are the improvement of working conditions, health and safety, gender equality and social inclusion. A concrete consequence of these improvements could mean higher life expectancy for the new EU citizens. The average life expectancy in for example Hungary is 67,2 years for men and 75,7 years for women, compared with 75,3 for men and 81,4 for women in the current EU member states (Quintin, 2003, pp 9-10).

The enlargement implies economical, social and employment challenges, not only for the future member states but also for the current ones that needs to have sufficient and well coordinated structures if being able to integrate the new members. To be able to take advantage of the great opportunity the enlargement hold, employment and long-term economic growth must be secured. In the process of doing so social and employment policies become key issues and the EU has therefore created binding rules when it comes to; working conditions, equal opportunities and health and safety in the workplace. Several of the new member states will find it a tough challenge to improve their employment rates even though some of them have rates above the EU average of 64,3 % in 2002, like the Czech Republic at 65,6 % and Cyprus at 68,5 % (Quintin, 2003, pp 2 - 9). But there are alarming figures of unemployment to be found elsewhere. Countries like Slovakia and Poland are experiencing unemployment rates at 18 – 20 % and it will take the effort of all member states to fight these numbers (Quintin, 2003, p 11).

This new group of countries that are about to enter the community of the European Union have a historical experience that are very different from the one of the current member states. Several of these countries have been objects for dictatorship or/and have existed under communism for a large amount of time. These experiences have of course influenced their ways of dealing with social policies and this must be taken under consideration when discussing the enlargement process from a social policy perspective (Rys, 2000, p 134). The establishment of social reforms proceeds with the past experiences as a reference but for the Central and Eastern European countries (CEEC) these
references are difficult to use since no one ever dared to properly evaluate the communist welfare state. No self-respected government wants to be connected with the paternalistic nature of the communist social protection system nor analyse the financial structure behind the social guarantee program. Even if some of the parts of the system of the previous regime is worth holding on to it is very rarely admitted or spoken of. Citizens of these countries have with some exceptions accepted the declining of social benefits for the gaining of personal freedom. But not everybody is able to use this new freedom and therefore may fall into long-term unemployment and lose his or her vision of the future. When being in a situation where you do not have any faith in the future it is easy to start wishing “the good old days” back. It is here where hopefully the European Union can give these people new visions and new hopes (ibid).

One of the countries that eagerly await the accession date is the Czech Republic. After having undergone a gradual democratisation process as a result of a peaceful downfall of the communist regime, known as the Velvet Revolution, this country became a constitution on the 1st of January 1993 (http://europa.eu.int). Since this fundamental change took place a development process of the social policy have been proceeding. The Czech Pension system was reformed in 1995 when a two-part pension formula and a raised retirement age were introduced (Müller, 2003, p 16). But according to some this reform is not enough to keep the Czech pension system on its feet in the future and a partial privatisation is needed to improve the current pay-as-you-go scheme. The Czech health care insurance system started its implementation in January 1993 but since freedom of privatisation was established simultaneously damage was done to the system. The effects of this damage can still be seen in the co-ordination of the health sector (Rys, 2000, 133).

As the day of the EU accession pulls closer the Czech Republic becomes an interesting subject of investigation. As shown earlier the Czech employment rate exceeds the EU average but both the pension and the health care systems are in need of improvements. Interesting questions that arise in this context is: will the Czech Republic fulfil the EU demands for accession? What might be
the difficulties with the accession? Are the EU and the Czech Republic acknowledging the same problems?

**What I want to do**

The objective with this essay is to shed light on the problems concerning social policy and employment issues involved in the Czech Republic’s accession process into the European Union.

**What I want to know**

What does the social policy of the EU, the same policy the Czech Republic is adjusting to, look like? What kind of problems is the Czech Republic experiencing with the adjustment? Are the EU and Czech Republic addressing the same problems? How are these problems seen and commented on by outside observers?

**HOW TO GO ABOUT IT**

The creation of this essay has been conducted in Prague, the capital of the Czech Republic. This choice is based on a personal connection with the country as well as the difficulties of finding valid material for the essay in Sweden. The purpose, questions and method was prepared before the arrival in Prague and a contact had been established with the department of Social work of the faculty of Arts of the Charles University in Prague. This contact lead to the Ministry of Labour and Social Affairs which in its turn lead to the Research Institute of Labour and Social Affairs. All of the references, except the Prague Post, have been collected at the research institute or on the Internet and even though a lot of the accessible information was found in Czech or German sufficient material was also found in English. The references retrieved from the research institute possess a high level of quality and are all published or edited by well-known publishing houses or experts, such as the World Bank and Edward Elgar Publishing. Most articles are accompanied by some kind of author information and these tell us that the authors are well-experienced people on the matter of their publications, for example Vladimir Rys who has a PhD in sociology, worked with the International Social Security Association and is now researching and lecturing at the Universities of Prague and Geneva. But this is
no hinder to take a critical point of view reading the material and precautiously take notice of the origin of the authors. One observation is that authors with roots in the Central and Eastern European Countries tend to take a more balanced standpoint with the enlargement while the EU references such as the magazine Social Agenda emphasises the positive effects of the enlargement and solutions to the problems acknowledged. This kind of critical reading is even more important when it comes to the official documents. Even though both the EU and the Czech Republic are well-respected entities and documents published under their names are highly trustworthy it is wise to keep in mind that it is tempting to bring out facts and statements that support the own cause. This can for example be seen in RILSA 2 (2002) where the choice of not following the World Banks recommendation on privatising the pension system is being appreciated and announced as a good choice.

Investigating the Czech Republic’s accession problems and inspecting them from three different perspectives, the Czech, the EU and researchers perspective, will give an idea of how well the accession process is proceeding. This investigation will be carried out through a comparison between Czech and EU official documents and the comparison will be complemented with the ideas of some researchers. Avoiding a subjective analyse of this comparison is difficult and not the purpose of this essay but the analyse will be conducted with a high level of consciousness of the effects of previous knowledge and cultural conditioned lines of thought. It is very difficult to draw any certain conclusions on how the Czech Republic sees and addresses the accession problems based on the information gathered in this essay. There exist several documents that due to time limits have not been studied here and even more documents might have been published during the work of this essay. This is why we have to take the results of this essay for what they are; an attempt to shed light on and spread information of the accession process. Even though the results can not be labelled as certain they still give us a good idea of how the
accession process is proceeding and what the main problems with that process looks like.

**What to think of**

As mentioned above this documentary research will be carried out through a comparison between Czech and EU official documents and analysed through the ideas of researchers and a discussion raised from these ideas. Since no acknowledged methods that correspond with the method chosen for this essay have been found several hints for how to execute this documentary research have been collected.

Using documents as a foundation for researching is an indirect or unobtrusive method since it is handling something that has been produced for some other purpose, this also means that the document is not affected by the person using it (Robson, 2002, p 349). The document being non-reactive can cause wonder about what is not being said in the text. Depending on what context the document was written in different values or beliefs might hide between the lines (May, 1997, p 219). But how can you be sure to understand these unwritten messages? First of all the reader must understand the purpose of the document, why it was composed and the intension of the author, but this may not be done without the reader considering the selectiveness of his/her reading and his/her previous knowledge (May, 1997, pp 231, 236). To interpret a document from your own cultural understanding is neither wrong nor avoidable but it must be done consciously. Doing so opens up for a comparison between the difference of your and the author’s way of putting meaning behind the written word (May, 1997, 220). This discussion leads to the travelling problem. The travelling problem is an aspect that specially requires attention when it comes to research conducted abroad and it contains the problem of conceptions having different meanings in different countries or at different times. The researcher must analyse the conceptions used in his/her work to be sure that his/her interpretation of their meaning is applicable on the subject of the research (Denk, 2002, p 81).

The analytical work in this essay have been carried out though a content comparison between the European Comission’s *Monitoring Report on the Czech Republic’s preparation for membership* and the Czech Republic’s *National Programme of preparation for membership of the European Union*. The fact that these two documents are structured and designed in a very similar way enables the analysis to compare each section of the National Programme with the corresponding section in the Monitoring Report. During this comparison I have looked at which problems are mentioned in the National Programme and if those problems also are mentioned in the Monitoring Report and on the basis of how many problems that are being recognized by both documents I have been able to draw my conclusions.
What comes next

The following report will be divided into four main sections, each one of them have their own purpose but are equally important in the pursuit of finding the answers to the questions asked in this essay.

To make the obstacles that the Czech Republic may encounter on its way of becoming a member of the European Union easier to understand, the first section will give a description of what it is that the country are adjusting to. After this description follows a summit of what the Czech Republic and the EU officially considers as the main problems with the upcoming accession. The choice of reporting the Czech view before the view of the EU is based on the fact that the information from the EU has recently been published and has therefore not yet been followed by a Czech respond. Those opinions will be followed by and reflected against the opinions of researchers who have ideas and thoughts on the subject. The fourth and last section will hold the discussion of what has been said through out the essay and this discussion will connect the analysis of the previous sections.

THE SUBJECT OF THE ADJUSTMENT

The whole accession process with all its different parts descend from the basic conditions for accession known as the “Copenhagen Criteria”, these criteria were declared in 1993 by the European Council at Copenhagen and consists of three sections. Since some characteristics of the EU social policy can be recognised in the Copenhagen Criteria a rendering of these criteria will follow here:

- ‘Stability of institutions guaranteeing democracy, the rule of law, human rights and the respect for and protection of minorities,
- The existence of a functioning market economy as well as the capacity to cope with competitive pressure and market forces within the Union,
- Ability to take on the obligations of membership, including adherence to the aims of political, economic and monetary union.’
The Czech Republic has undergone several changes the last years to be able to become a worthy member of the European Union. These changes cover many different aspects such as financial, environmental, administrative and legislative parts but the concern of this essay is the social aspect and therefore follows a description of the so called European Social Model. Even though this model is often referred to both within the administrative body of the EU and of outside commentators very few attempts have been made to explain the concept of this model (Vaughan-Whitehead, 2003, p 3). According to Rys (2002, p 137) a positive definition could be the start of the process of giving citizens of the new member states new visions and hopes of the future. By identifying the European social model as the platform for a modern welfare state built upon common values these citizens can be given a new set of goals to work for.

The European Social Model
A social model of a country or a union always represent certain values of the present community and shows the rest of the world what kind of people it hopes to educate, the social model of the European Union is no exception.

The common values of this model such as democracy, individual rights, free collective bargaining, equality of opportunity, social welfare and solidarity, can be summarized into three main groups. The first group contains the free market economy where economic competition is the strongest force of development. The European social model shares this value with the Copenhagen Criteria mentioned above. The second group holds the values of social cohesion and solidarity. These are the values that advocate a redistributive role for the public authorities with the main purpose of reducing inequalities. The last group is the one of responsibility and it is here where the value of participation belongs. This refers to the right of involvement of all those concerned and is carried out
through social dialogue at all levels within the community (Vaughan-Whitehead, 2003, pp 4-5).

The European social model is also said to have a quality aspect. This aspect concerns the areas of employment, working conditions, industrial relations and social policy (ibid). Concrete effects of having a social policy with a high level of quality can mean longer life expectancy, fewer occupational diseases and fatal accidents at work, which together could lead to a higher productivity. Estimations show that somewhere around 500 million workdays are lost every year in the EU due to work related injuries and diseases (Quintin, 2003, p 14).

Nine elements
Gaining and preserving a quality social policy is not an easy task and requires an action plan that stretches over many important social aspects, this is why the European social model holds several elements that together create the social policy of the EU. These elements can be seen as a further explanation of the main groups of common values mentioned above. Vaughan-Whitehead (2003, pp 6-10) gives a comprehensive report of these elements and here follows a summit of that report.

Social protection. This element is based on the principles of universality and solidarity, which means that social protection must be given to all citizens without discrimination and should be ensured by all groups in the society. To imply this element into the community the European social model gives the public involvement in health care, pensions and other basic services a broad role.

Social dialogue. The definition of this element aims at an interaction between employers’ and workers’ representatives but also implies a tripartite relation between the state and the social partners. A certain characteristic of this element
is the multi-levelled negotiations at for example EU, national, regional and enterprise level.

Democracy at the workplace. The importance of both trade unions and employers’ belief in the existence of workers’ participation, information and consultation is what makes this element of the European social model matter greatly. This element is said to be well rooted in the EU both through Community legislation and complementary rules of the individual member states.

The civil society. As an element of a democratic life the participation of all citizens plays a main role. The involvement of the civil society in decision-making processes has increased not only by employers’ and workers’ representatives but also by non-governmental organisations.

Employment. This is one of the few elements that contain concrete legislative goals and this is to achieve an active labour market policy. Within 5 years, all member states must be able to offer young unemployed people an occupation before they reach 6 months of unemployment. The same kind of time limit exists for adults but reaches up to 12 months.

Public services. To ensure the social cohesion in the EU it is important to maintain certain services that are of general interest, examples of such services are; gas, electricity and transportation.

The fight against social exclusion. The goal of this element is not to leave any citizens out of the European construction and to achieve this social protection and inclusion programmes are required.

The fight against poverty. Principles of social justice such as being free from needing basic necessities of life have been recognised by the EU and inserted in its charters. An important method when fighting poverty is the one of minimum
wages and living standards. Even though it is not being ensured by the EU legislation almost all member states have introduced regulations of minimum wages.

*The fight against discrimination.* This fight has always been of importance to the EU and does not only concern the inequalities between men and women but also discrimination against handicapped people, ethnic minorities and discrimination due to sexual orientation or religion.

The EU gives specific measures and methods on how to meet the goals of the elements but unfortunately there is no room for a description of those methods in this essay. The above summit of the main elements of the European social model are not aspiring to give a complete explanation of the model but a clue to what the social sector of the Czech Republic are adapting to. While studying this adaptation it is interesting to notice that the EU legislation is of the “freedom framed” kind. This means that the legislator defines general principles based on common shared values and this enables the member states to take farley different routs on their way to implementation of the legislation (Vaughan-Whitehead, 2003, pp 21-22).

As just seen the European Social Model holds a number of different elements that together form the social policy of the EU, these elements will be mentioned thorough out this essay since both the Czech Republic and the European Union uses them in their main documents concerning the enlargement process. First, we will take a look at how the Czech Republic views this process.

**THE ADJUSTMENT SEEN FROM THE CZECH REPUBLIC PERSPECTIVE**

It is the purpose of this chapter to investigate how the Czech Republic sees the adjustment to the EU and what kind of problems the country is experiencing in that process. The investigation will take a look at the Czech Republic’s National Programe of preparation for membership of the EU. This programme
can be seen as a respond to the monitoring report of the EU but the programme has not been updated since the last Monitoring Report was communicated so total accordance between the two documents can not be excepted. The National Programme of preparation for membership of the EU gives us a lot of data about the reforms that are taking and will take place in the Czech Republic and a lot of this information is remunerations of EU directives being transposed into the Czech legal system. These remunerations do not give us information about what the country considers as problems with the accession process and that is why the National Programme needs to be complemented with additional information. The additional information has been collected from three papers prepared for a conference in Prague 2002. These papers were prepared by the Research institute of Labour and Social affairs and contain problems concerning the enlargement within the fields of employment, pensions and health care.

**The National Programme**

As mentioned above the National Programme contains several remunerations of EU directives that are being transposed into the Czech legal system. These directives are compulsory and do not supply us with any information of what priorities and actions the country has chosen to be able to live up to the standards of the European Social Model. The following summit of the National Programme will therefore not hold the EU directives since they have no significance to the purpose of this essay.

To enforce the *equal treatment of men and women* into the society the government will cooperate with non-government organisations and help them to develop their capacity of giving men and women equal opportunities. The government also intend to train civil servants to be able to implement the policies of equal treatment of men and women; this will be conducted on both regional and local levels. This work will be combined with the development of methodological instructions for all kinds of authorities (p 178).

One of the plans for improving the conditions for *safety and health in the workplace* is to establish new forms for both the management of safety and health at work and the state supervision of work safety. The current system of state supervision will be integrated into one labour inspection system, this new system will be given appropriate methodology for its work and the inspectors will be trained in accordance with the new legal regulations. It is also a priority of the Czech government to develop more effective ways of preventing work-related accidents (p 172).

When it comes to the area of *social dialogue* the Czech government has estimated that the number of workplaces involved in collective bargaining will raise and that the interest of information concerning employer confederations will increase. Efforts are being made to strengthen the capacity of the social partners especially concerning the bipartite dialogue. The status of the Czech
social dialogue is under constant valuation to find ways of improving the conditions (p 170).

The Czech Republic has created a number of projects with the purpose of promoting the *public health*, these projects aims at issues like; prevention of AIDS, combating cancer and prevention of drug addiction (p 176). Another way of improving the public health is to promote health at work, the government intend to do so by getting companies interested in events held by “the European network for the promotion of health at work” (p 179).

The Czech Republic is heeding to the criticism pointed towards its *pension scheme* and is therefore planning several reforms to enhance the system. The government has taken actions to reduce the pension for an early retirement and to increase benefits for citizens choosing to work beyond the retirement age without asking for pension. Another reform taking place is the transformation from the state budgeted Czech Social Security Administration to a more modern public-law institution. Some of the aims with this transformation are to increase the transparency of the administration, reduce the political control on the administration and to be able to offer clients a better and more pliable contact (p 173). The Czech government also wants to increase the number of contributors to the supplementary pension system and one given example of doing so is to give tax reliefs for participating in the system (p 174).

The field of *employment* is so extensive and so important to a country’s development that there exist several specific documents concerning the accession process within this area, for example the Joint Assessment of the Employment Policy and The National Employment Plan. There is no room to give an account of all these documents here but a report of the essential objectives of the National Programme of preparation for membership of the EU will follow.

- To make the training of the work force correspond with the demands of the labour market.
- To raise unemployed citizens motivation to return to or enter the labour market by clarifying the positive sides of earning an income from work instead of social benefits.
- To protect the labour market better from illegal workers.
- To restructure the employment with the aim of regaining balance on the labour market in the regions with the highest unemployment.
- To promote job creation with the help of new economic policy means (p 176).

According to the National Programme several project have been launched for preparing the Czech Republic for being able to administrate and use the *European Social Fund* (ESF). It is through the ESF that the EU realises its strategic employment policy and invests in programmes that aim at developing people’s skills and work potential. The objectives of the projects have been to
train staff, develop human resources in the regions of Ostrava and Northwest of the Czech Republic and to support labour market measures that from local and regional experience have shown ability to cope with labour market problems (p 177).

To strengthen the *rights of minorities* the Czech Republic has developed a programme called “National Minorities Press” for supporting the publication of minority press and periodicals. The largest minority group in the country is the Roma community and to assist their integration into the Czech society the government has chosen to support the Museum of Roma Culture in Brno. The work of the Museum is concentrated on developing values and abilities of the young Roma people. But the one area getting most of the attention and support is the education system. Assistant teachers support the Roma children during the first years of school and books on multi-cultural and tolerance themes are being published. Several courses on human rights, tolerance, communication and racism are being held, mostly for school staff but also for non-governmental organisations (pp 18-20).

After going through the elements of the National Programme we now move on to have a look at the conference papers from 2002. The purpose of including these papers in the essay is to give a more diversified picture of the problems within the fields of employment, pensions and health care. The National Programme follows the structure and answers the demands of the Monitoring Report and do not give us much input on other problem areas then the ones mentioned and acknowledged by the EU. The fact that the information in these papers is more up to date then the National Programme is another reason to include them here.

**Difficulties within the aspect of employment**

To be able to provide for a sustainable employment policy the responsibilities in the field of employment must be divided between central and local levels of authorities. On central level the governmental strategy is embodied in the National Employment Plan but since this Plan only has a guiding role and do not supply any clear measures of how to reach its targets the district labour offices are not bind to produce provable results. The fact that cooperation between district offices or offices at different levels is not addressed in the Plan do not facilitate the matter (RILSA 3, 2002, p 7).
In the eyes of the International Labour Organisation the Czech unemployment benefit is not reaching the criteria of the organisation as it only amount to 40-50\% of the previous earning. Even though this fact is recognised as a problem by the Czech Republic it is not its main concern. To the Czech Republic it is a more important and severe issue to motivate unemployed citizens into job seeking when collecting social assistance benefits that are on the same level as the average gross wage. This scenario is possible for low-qualified citizens living in a four-member household (ibid).

As a last but not least problem the paper (RILSA 3, 2002, p 6) mentions the financing of the employment policy. The funding of the active labour market policy is determined every year through negotiations with the Ministry of Finance and since the request for a minimum amount of funding set for the labour market policy is not being heard the discussion of creating an Employment Fund is growing.

**Difficulties within the aspect of pensions**

When the Czech Republic introduced the possibility of early retirement this was thought to be a relief both for the labour market and the pension system but since this possibility was not conditioned with being unemployed the disbursement of retirement benefits mounted significantly. The calculated reductions for taking an early retirement was not enough and the old-age benefits for an early retirement, even though they have been reduced, exceeds the benefits retrieved at a standard retirement age with 10\% (RILSA 2, 2002, p 6).

Concerning the supplementary pension insurance where participation is voluntary several difficulties can be found. The expenses of operating the pension funds are very high and the contributions from the participants are low which has made the income of the pension funds stagnate. The public interest
for the supplementary pension insurance has dropped as a result of the level of the state contributions (ibid).

Another problem with the Czech pension system is that it contains too many periods where citizens do not have to contribute to the system. Examples of such periods are when taking care of a child under 4 years of age or 18 if that child is severely and long-term disabled, receiving sickness insurance benefits or disability pensions or participating in work-preparation activities. The pension system would be, according to the World Bank and the Czech Ministry of Labour and Social Affairs, in financial balance if it was not for these non-contributory periods.

As a conclusion the paper (RILSA 2, 2002, p 12) declares the coming reforms within the pension system and that there are no intentions of following the recommendations of the World Bank on privatising the system. The non-contributory periods will be addressed and the retirement age for women will be raised to the same level as the age for men. The administration of the system will be separated from the state administration. The supplementary pension insurance will be improved for example through attracting younger participants and raising the average contribution rate.

**Difficulties within the aspect of health care**

The basic structure of the Czech health care system is a health insurance for all citizens and a sickness insurance for employees (mandatory) and self-employed persons (voluntary).

One of the problems with the health care admitted in the paper (RILSA 1, 2002, p 10) is the one of inspections. Because of the large amount of insured citizens and the high number of offered health services it is a difficult task to find an effective way of conducting inspections and controlling the health care expenditure. This problem affects the right of the insured citizens and the just use of the financial recourses.
Since the measured quality of the care provided by the health care facilities is not available for the public, competition and use of competitive advantages are diminished. There is also a lack of motivational tool for making providers of health care perform more effectively.

When it comes to the funding of the health care system difficulties has an impact on both the extent of solidarity among the insured and the extent of coverage. The main payers of health services are the health insurance companies but these companies find it hard to make their incomes and outcomes to sum up. Another problem is that the amount of employees reported sick has risen and the cost for this is estimated to amount to 10% of health expenditure (RILSA 1, 2002, p 10).

In the Czech Republic the use of health care facilities is relatively low but the number of these facilities are high. This fact together with the fact that there exist a large number of expensive acute beds creates another problem for the health care expenditure.

This last paper on the difficulties within the Czech social protection net admits to the health care system experiencing great financial trouble but also emphasises the aspect of time. It is only a decade ago since the national economy started its transformation from a totalitarian regime to a democratic society based on a market economy and this is a very short amount of time to reach balanced financial structures (RILSA 1, 2002, p 15).

**THE ADJUSTMENT SEEN FROM THE EU PERSPECTIVE**

Since the Czech Republic handed over the official application for membership several reports on how the adjustment to EU legislation is going have been published. The main reports are annual but also monthly reports have been and are being published, of course with less informative content then the yearly ones. The latest and also the last annual report was communicated in November 2003 and cover a wide range of areas that is under supervision.
The latest monitoring report

The report on the Czech Republic’s preparations for membership, chapter 13, revolves around ten main subjects, the structuring of these subjects is familiar to the structuring of the above explanation of the European social model.

The Monitoring Report on the social policy and employment starts with giving an account of how the acquisition of the EU labour law into the Czech legislation are proceeding. Even though this process have been stepped up the report emphasises certain aspects within the legislation needing improvement such as protection of young people, part-time and fixed-term work and working hours, apart from this the essential requirements are being met (COM, 2003, p 33).

The adjustment of the legislation concerning the field of equal treatment of women and men has been successfully accomplished with the exception of equal treatment in occupational social security schemes where an adjustment still awaits. There is also need for an equalisation between the male and female retiring ages and to obtain equal access to employment, the legislation preventing women from working underground or carrying out physically heavy work needs to be abolished. The report also requires an introduction of a compulsory period of maternity leave for pregnant workers and a legislative protection of these workers from getting dismissed (ibid).

Most of the transposition of the legislation in the area of health and safety at work has been carried out and a National Labour Inspectorate has been established. Improvements are asked for when it comes to the co-operation and co-ordination of the occupational safety inspections and health at work inspections. Changes are also required with risk premiums where the compensation for perilous working conditions should be removed (ibid).
When it comes to the aspect of social dialogue the report claims that an effective tripartite dialogue is established but the bipartite dialogue between employers’ and employees’ representatives need to be reinforced. The possibility of autonomous collective bargaining needs to be widened and the administrative capacity of governmental and social partners needs strengthening (COM, 2003, p 34).

Just as in many other fields the acquisition of the legislation concerning public health has gone well and the main demands are being met. According to the report the challenges within this field is for the Czech Republic to improve the health status of the population and the finances of the health expenditure (ibid).

The next field in line is the employment policy and here the report calls for efforts to reach the agreements and fulfil the priorities of the Joint Assessment of the Employment Policy (JAP). The Joint Assessment is a document that holds a set of employment and labour market objectives that needs improvement so the European employment strategy can be implemented into Czech legislation in time for the accession, the government of the Czech Republic and the European Commission has agreed on the document. Some of the objectives from this document are:

- Making sure wages develop in line with the growth of the productivity
- Motivate people to work by coordinating the tax and social benefit system
- Focus the vocational education on the need of the labour market
- To look over and improve the pension system from an employment view (JAP, 2000, p 54).

The public employment service needs to be reinforced and a life-long learning facility implemented to stimulate job creation. Actions are also called for to increase the participation of old people in the working force, especially since the population is getting older and the pension system containing consequent problems (COM, 2003, p 34).
The financial support for the implementation of the EU employment strategy comes from the European Social Fund and to be able to manage and implement this Fund all new member states need to create an administrative body. The Czech Republic has fulfilled this request but need to strengthen its efforts regarding training of new staff (ibid).

To be able to identify challenges with and possible measures for social inclusion the European Commission and the Czech Republic are developing the Joint Memorandum on Social Inclusion and a National Action Plan will most certainly follow this memorandum. Within the field of promotion for social inclusion statistical work on poverty and other indicators is important and the Czech Republic therefore needs to continue and improve their analytical work (ibid).

To improve the social protection net of the Czech Republic the monitoring report requires strengthening efforts to reform both the health care and pension systems. The country also needs to prepare itself for the growing number of elderly people especially for the social impact it will cause (ibid).

As the last and tenth field in the report comes anti-discrimination. Here the predominant cause of concern is the situation of the Roma minority where discrimination at several levels can be found. Reports on discriminatory hiring and a very high unemployment rate are the most urgent problems to be solved but discrimination is also to be found in for example the education system. The importance of this issue being addressed is strongly emphasised by the EU (ibid).

As just seen the Czech Republic is meeting the majority of the requirements within all fields of social policy and employment but there are three areas where the EU demands improvement for the preparations for membership to be
completed in time. These three areas concern the administrative structures for inspections of health and safety at work, the administrative capacity for managing, implementing and monitoring the European Social Fund and efforts for improving the situation of the Roma minority (COM, 2003, p 35).

The National Programme meets the Monitoring Report
To see if the Czech Republic and the European Union are emphasising the same kind of problems this section intend to compare the part of their views that have been reported in this essay. The overall impression is that the EU is mostly concerned with administrative challenges while the Czech Republic’s worries revolve around financial difficulties. No certain conclusions can be drawn on how the Czech Republic sees or addresses the accession problems from the documents studies in this essay, basically due to the fact that there exist several other documents on this matter that have not been studied here.

Equal treatment of men and women. The non-legislative priorities for the Czech Republic within this area seem to be creating an awareness of these issues within both the non-governmental organisations and state authorities and to find ways of implementing the values of equality on all levels of the state administration. Establishing values in a society is a long-term project. Values may be easily written into the law but to make them matter in reality demands an understanding and acceptance from the citizens. One way of attaining such understanding and acceptance is to teach the authorities how to handle these issues so that citizens can be equally treated when they come into contact with the authorities. It therefore seems logical that the Czech Republic is doing just that. The EU is more concerned with issues like equalisation of retirement ages, equal access to work carried out underground and maternity leave. The Czech Republic is aware of and will address the first of those issues according to RILSA 2, 2002, p 12, but an answer to the other ones is still to come.
Health and safety at work. Here the focus of both the Czech Republic and the EU is on the health and safety inspections. The National Programme stated that a new system for labour inspections would be created, that new system has been established but needs according to the EU some improvements. Since most of the legislative transpositions have been carried out within this and many other areas it is understandable that the EU turns its attention to the implementation and realization of those legislations. And in the work of implementing safety and health regulations into workplaces it is necessary to establish an effective system of inspections.

Social dialogue. This is another area where the Czech Republic and the EU are emphasising just about the same issues. The Czech Republic claims to be concentrating on bipartite social dialogue but according to the EU the efforts have not been enough and further improvements are required. The Czech government also claims that the activity concerning collective bargaining will raise but the EU is asking for more and wants the possibilities of collective bargaining to open up even further. The fact that the tripartite dialogue is well established and that the bipartite dialogue still has some way to go might show that it is easier for the government to implement EU demands when the government itself is a part of the process. The social partners are left to establish a dialogue without the involvement of the government and without the pressure of the EU:s demands since that pressure lies on the government. It is the responsibility of the government to create good conditions for the bipartite dialogue and to convince the social partners of the positive effects thereof.

Public health. The Czech government seem to be aware of its responsibility to promote public health and make efforts to improve the population’s health status but the EU is still calling for strengthening efforts within this area. Reading the document referred to as RILSA 3 you are given several reasons to why the Czech health care sector is experiencing financial problems but no solutions to those problems. The document (RILSA 3) only asks us to be
patient and give the economy time to reach balance. The EU has identified the
needed improvements of the health expenditure as an important challenge for
the country but do not supply us with any examples on how to meet those
challenges, maybe because it is not a task of the EU to give specific
instructions.

*Employment*. The Joint Assessment of the Employment Policy is a central
document in the process of developing the Czech employment strategy in line
with EU directives. The National Programme and the Monitoring Report both
refer to the JAP, which automatically means that the two documents are
discussing similar topics. Both documents give priority to motivational work
with unemployed citizens and the creation of vocational education that
correspond with the demands of the labour market. Besides the JAP objectives
the Czech Republic and the EU also focuses on job creation. The last EU
demand within the employment field is for the Czech Republic to get more old
people into the working force. This demand is called for due to the population
rapidly growing older and to the problems of the pension system. The Czech
Republic do not mention this problem but is very aware of, as we could see
under the headline “difficulties within the aspect of pensions”, the many
difficulties embodied in the pension system.

*The European Social Fund*. The Czech Republic claims to have taken several
steps to prepare it self for the administration of the ESF and the EU do not
argue with them on that point but does ask for improvements of the staff
training.

*Social protection / the pension system*. In the document referred to as RILSA 2
the Czech Republic admits to several problems within the pension system and
also states that those problems will be taken care of. The Monitoring Report do
not give any specific examples of what needs to be done within the Czech
pension system but does emphasis the importance of the reformation of the
system. This may be due to the fact that the EU legislation is freedom framed.
and do not give any specific measures on how to implement the legislation. This immediately leads to two questions; what are the EU demands based on? If the EU can not force the Czech Republic to chose a specific way of building up the pension system how can the EU complain on the Czech pension system?

*The Roma minority.* The Czech Republic is very well aware of the situation of the Roma in the country and has according to the National Programme taken several steps for improving the situation for Roma children in school. The National Programme also talks about measures aimed at integrating the Roma into the Czech society but no specific examples of such measures are given. The EU concludes its monitoring report by emphasising three areas where the need for improvements is most urgent; two of those areas concern administrative issues while the third area is the one of the Roma minority. The EU demands actions for combating the discrimination towards the Roma when it comes to hiring and unemployment, the discrimination within the education system is also recognised but not as strongly stressed. Discrimination has a lot to do with how we see and value other people and to address this problem in school, where young people shape part of their values, is a good long-term investment. But the EU is demanding actions and results for the current generation of Roma and the Czech Republic has to increase its investments for that to happened.

The comparison of the National Programme and the Monitoring Report shows that the main concerns of the Czech Republic and the EU are the same in 7 out of 8 areas. It is only in the area of equal treatment of men and women that the focus of the two documents is on totally different issues. The high accordance between the documents can probably be seen as a good thing for the accession process since it means that the Czech Republic is concentrating on the issues that are considered as most important by the EU. But does that necessarily mean that the Czech Republic also considers those issues as the most important
or does it only mean that they are being addressed because they have to be addressed?

Even though the accession process is going well, it seems like the EU is expecting more and more from the Czech Republic the further the country develops and it looks like there is an endless number of issues that needs to be addressed. The Monitoring Report holds 26 different examples of areas that need improvement but only 3 of those are mentioned as acute in the conclusion. Does this mean that the other 23 issues are only advice and not demands or does it mean that they do not necessarily have to be addressed before the accession date? Reading the National Programme and the Monitoring Report seems to raise more questions than answers but having questions must be better then to be ignorant on the subject? And now, to find even more interesting questions, we will take a look at what some outside observers (meaning not a part of the Czech nor the EU view) have to say about the accession problems.

THE ADJUSTMENT SEEN FROM THE RESEARCHER PERSPECTIVE

I have not been able to find researchers who give their views on the content of the National Programme or the Monitoring Report. The work of the researchers mostly revolves around the three main areas of employment, pensions and health care and that is why this chapter also will revolve around those subjects.

**Employment versus poverty**

Since the Czech Republic started its transformation process towards becoming a member of the European Union significant changes have occurred within the Czech labour market. One important factor for the well being of the labour market is the size of the population, not enough people mean not enough workers. The Czech population of 10 200 000 (www.czso.cz) has hardly changed during the 1990:s and about two-thirds are considered being in the working-age (15 to 64 years) (Vidovic, 2002, p 28). In 1999 72 % of the
working-age population were in the labour force compared to 69 % as the EU average. Those numbers may look good now but a problem is approaching that will cause trouble for many countries if not taken care of, the aging problem. The population is aging all over Europe and the share of people over the age of 65 is growing. Within the accession countries only the population of Bulgaria is aging faster than the population of the Czech Republic (ibid).

Compared with the rest of the Central and Eastern European countries the Czech unemployment rate has been low throughout the 1990:s. In the year of 2000 this rate could be found at 8,8 % of the labour force compared to 15 % in Poland and 17,9 % in the Slovak Republic. But unemployment is still a problem and its features are the same in all accession countries,

- Long-term unemployment (more than 12 months) is increasing steadily, in 1996 28 % of the Czech unemployed people were long-term unemployed compared to an increased number of 48 % in 2000.
- The unemployment is striking harder on women than men, since 1996 the unemployment rate for men have been approximately 3 percentage points lower than the female rate.
- A third unemployment feature is youth unemployment. While some countries experiences alarmingly high youth unemployment rates, like Poland and Bulgaria at 35 % of the labour force, the Czech Republic has a rate on a more medium level of 17 %. But this feature is not specific for the CEECs, EU members such as Italy and Greece are also experiencing rates over 30 %.
- Low educated and low skilled groups are disproportionately affected by unemployment.
- Ethnic minorities and other socially disadvantaged groups are experiencing unemployment levels many times higher than the average rate.
Unemployment varies across regions. In 2002 there were 23 100 unemployed people in Prague and 83 300 in the region of Moravia in southeast of the Czech Republic (www.czso.cz).

Vidovic (2002, p 44) concludes the article with stating that a large number of people from CEEC have exited the labour market during the last decade. A large amount of these people were women and the high levels of long-term unemployment suggest that many of them will leave the labour force. The unemployment issues do not only mean lower activity rates but also an increase in poverty. The CEEC:s must according to Vidovic (ibid) focus on their budgetary situation and prioritise economic and social policies.

Revenga (2002, p 337) continues the discussion on unemployment and poverty by emphasising the significant impacts of unemployment. Being long-term unemployed means getting further and further away from the labour market and even from social and economic life but the most worrisome impact is the high correlation between unemployment and risk of poverty. To visualise this Revenga (2002, p 339) uses poverty rates collected by the World Bank in 2000 and 2001, these rates are based on a relative poverty line where being poor means having 50 % or less of the mean expenditures or income, the reason for having both mean expenditure and income in the definition is the existence of different poverty lines in different countries. The figures show that the risk of poverty in the Czech Republic in an average household where the main income earner is employed is as low as 3 %, this means that 3 % of the average families are considered poor. When the main income earner is unemployed the number changes dramatically to 46 %, which means that 46 % of these households are considered poor (ibid).

The increase of long-term unemployment and the correlation between unemployment and poverty states according to Revenga (2002, p 339) a very worrisome fact; we are seeing a trend towards the emergence of more persistent
poverty. To meet this trend the accession countries must ask themselves if their social safety nets are able to deal with permanent poverty and long-term unemployment. Most safety nets have been designed to help households cope with temporary problems and therefore withdraw its benefits as soon as a person finds a job even if that job pays a very low wage (Revenga, 2002, p 341). Revenga (2002, p 342) therefore emphasises that safety net systems must be designed to support families and individuals more to get out of welfare dependency and into work. The important issue is to get unemployed people back into the labour market and help them increase their possibilities of earning an income. To do so Revenga (ibid) suggests investments in education, training and anti-discrimination policies. But these methods must be accompanied with efforts to increase the labour demand for low skilled people because stable growth is crucial for job creation and therefore also for fighting persistent poverty (Revenga, 2002, p 342).

The Czech pension path

The progression of the pension systems of former communist regimes, such as the Czech Republic, Hungary and Poland have developed from a state financed system by a 40-50 % tax on payrolls to a system of employers’ and employees’ contributions (Rys, 2000, p 132). This process has been recommended by the World Bank to proceed towards a privatisation and to make the second pension scheme mandatory. While both Hungary and Poland have followed this advice the Czech Republic has chosen a different path. The Czech way is to keep the second scheme voluntary due to a unsatisfactory level of banking and insurance industry and the Czech Republic also refers to the problems with implementing the complementary scheme experienced in both Hungary and Poland. As Rys (2000, p 132) emphasises it is to early to say if the Czech or the Hungarian and Polish way is the more appropriate way to deal with the pension problem. But what we can say is that just as well as the results will depend upon economical and labour market development it will also depend on the reactions of the people to the pension reforms (ibid).
Heavy financial issues for the health care system

Many problems within the health care system of the former communist regimes are similar to problems experienced in the current EU member states, such as cost containment, payment for medical staff and financial administration of health care facilities. But, problems specific to the central European countries can also be found; an example of such is the co-ordination of the health care sector. In the Czech Republic the co-ordination difficulties shows a deficit of three main aspects, a clear health reform concept, a transparent decision making process and suitable distribution of responsibilities between the Ministry of Health and the General Health Insurance Fund (Rys, 2000 p 133). According to Rys (ibid) these problems may block the legislative progress for some time. Another problem pointed out by Rys (ibid) more clearly connected with the accession process is that the health care standard of the current member states are directly being adopted by the new member states even though they may not have sufficient finances to support them. It is for this reason a Central European patient may get free medicine while a Western European patient get it on a cost sharing basis. Rys´ (ibid) solution for the financial difficulties within the Czech health care system is to create an autonomous authority that is able to negotiate between conflicting social actors.

It is not only researchers like Vladimir Rys who is giving attention to the financial troubles of the health care system. It could recently be read in the Prague Post (Bouc, 2004) that the Czech health insurance companies are facing a serious problem with the EU accession. As a member of the European Union the Czech insurers will have to pay for medical procedures undergone by their policyholders in another EU country and since these procedures can cost 10 times more than the Czech procedures the insurance companies are worried they will not be able to face those costs. Another burden for these companies is according to Bouc (2004) the obligation of providing visiting EU citizens with health treatment. Even though the cost for these services will be compensated for from the patient’s home country, receiving those compensations can according to EU experience take several years (Bouc, 2004). It is expected that citizens of some EU countries will come to the Czech Republic because of the low costs of many procedures but it is also expected that Czechs will travel to seek western health care. This trend of “health tourism” must according to the Czech top insurer, VZP, somehow be regulated (Bouc, 2004).
What to think of all this?

A large amount of articles have been written on the subject of accession problems within the social sector and the opinions on this matter never seem to stop coming. There is unfortunately only room for a small part of those opinions here but they have hopefully given some contrast to the information of the National Programme and the Monitoring Report. The articles are emphasising the same problems as the official documents but supply us with some more background information, statistics and solutions.

The problems of the Czech pension system and the health care system have been acknowledged by the EU, the researchers and the Czech Republic itself throughout this essay. Even though there lay an important aspect in a problem being acknowledged, since it is not until then it can be considered as a problem, the acknowledgement must be followed by solutions. Both the Czech Republic and the EU complains over the financial functioning of the health care system but it is only the researcher view (here represented by Rys) that actually gives us an example on how the problem could be solved. I am sure there exist several researchers that have plenty of solutions to give and I hope the Czech Republic is listening to them.

The report of the difficulties of the Czech pension system could go on for ever since so much material have been published on this matter but it is not the purpose of this essay to thoroughly investigate that issue. The conclusion we can draw from the informational report here is that all three views (Czech, EU and Researcher) consider the pension system as a holder of problems that needs to be addressed. Compared with the difficulties of the health care system this seem to be an area where the Czech Republic is very much aware of both the problems and the solutions. The Czech Republic have chosen not to use the solutions recommended by the World Bank but has several ideas and reforms for improving the system.
As mentioned in the introduction of this essay the Czech employment rate exceeds the EU average and even though the unemployment rate is not as low as in many current EU member states it is much lower than the rates of for example Poland and the Slovak Republic. These facts may be signs of the Czech labour market doing well and developing in the right direction but then there are other facts that diversify the picture. Vidovic (2002) lets us know that 48 % of the unemployed Czech citizens are long-termed unemployed and Revenga (2002) shows us that 46 % of households with an unemployed main income earner are living in poverty. So what does it really mean that the Czech employment rate exceeds the EU average rate? It does mean that a higher percentage of the Czech population than the EU population are employed but someone famous ones said that we should value a county by looking at how well that country provides for its most unfortunate citizens. So, with Revenga’s presentation in mind I have to say that the employment policy of the Czech Republic still has some way to go before it will make an impression on me. The employment rate might look good and impressive but everything can be seen through more that one perspective and the number of households with an unemployed main income earner living in poverty is much to high.

SOME THOUGHTS

I realize that the work of this essay has many loopholes and that it can be scientifically criticized in many ways. Just take the fact that I have not followed a specific research method during my interpretation of the official documents. The very idea behind this essay was to compare documents, I did not only want to know about the Czech and EU view of the accession problems, I wanted to compare those to views. But none of the method literature I read said anything about comparing documents. They had plenty to teach me about content analysis and how to understand a written source so I took some ideas from those methods and decided to go ahead with my comparison without a clear method. I suppose I could have redrafted my objective and questions to suite the available methods but that might have cost me my interest and enthusiasm for this essay and that to me is a loss to big to bear. So, we have to take the conclusions of this essay for what they are; they are not certain but I still believe that they give us a pretty good idea of how the accession process have proceeded and how the problems of that process are seen and discussed.
What is the result?

- The remaining accession problems for the Czech Republic are mostly administrative and financial issues, apart from the situation of the Roma minority that according to the EU needs immediate attention.
- The Czech Republic, the EU and the researchers are focusing on the same kind of problems with a concentration on the areas of employment, pensions and health care.
- The accession process have proceeded smoothly and there should not be any problems for the Czech Republic to join the EU in May as long as the country shows strengthening efforts in the 3 areas pointed out by the EU.

The main attention in this essay is given to the Czech and EU view of the accession process but as you might remember it all started with a definition of the European Social Model. Both Vaughan-Whitehead (2003) and Rys (2000) emphasises the importance of this model being clearly defined and I agree with them. For such a large union as the EU to function and keep the support of its citizens I believe it is important to be clear about what is being reformed and why. To understand the social reforms that now are taking place in the CEEC it is critical to get information of what those reforms are based on: the European Social Model. The membership of the EU will mean a lot for all the social aspects in the Czech people’s life but how can you believe in a future that is not being presented for you? Do not get me wrong, I know that a majority of the Czech population believe in the upcoming membership and can most likely get a good idea of how things will change by looking at how things are in the current member states. But I am sure it would not hurt the EU if it presented a clear definition of its social model and who knows maybe the union would gain even more support if it did.
As a last thought I would like to go back to the introduction and the discussion of the special historical experience that many of the new member states will be taking with them into the European Union. Rys (2000, p 134) writes about how hard it is for these countries to publicly acknowledge the positive sides of the communist welfare state and use their past experience when building a new social welfare system. I can only hope that mankind have learned how to learn from the past since that is the only way to prevent history from repeating itself and not to learn of the bad and good ideas of the communist regime is according to me a big mistake. Recognising and learning from the positive sides of the communist welfare state could give the citizens of the CEEC’s a feeling of being able to contribute to the Union and the future. By doing so could also provide these citizens with a feeling of participation, which is one of the core values in the European Social Model. Without this participation the Union may risk end up being perceived as yet another dictatorial regime. This is why it is important for the EU to realise that it is not only the new member states that needs to adjust to the Union but also the Union that needs to adjust to the new member states.

As the author of this essay I want to thank you for your attention and I hope that you just as I have been enlightened on the subject.
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