Millennium Development Goals

Reducing Poverty and Social Exclusion

Czech Republic
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FOREWORD

Dear Reader,

In September 2000, the leaders of 189 member countries of the United Nations adopted the Millennium Declaration. They reaffirmed their resolution to pursue the construction of a secure and peaceful world for everyone, a world in which the elimination of poverty and the pursuit of sustainable development clearly become a top political priority.

Member states have until 2015 to achieve the eight key developmental goals as outlined by the Declaration. The Goals were created to address the most pressing needs of developing countries: access to drinking water and sewage disposal, provision of primary education to all children, eradication of extreme poverty, etc. Some of the goals, therefore are not a strong rallying cry for this country. On others, we may actually set a global example to emulate (e.g. low infant and perinatal mortality, maternal mortality, and gender equality in access to education). Yet now, on the initiative of the UN Development Programme, you can read a report that adapts those eight goals to the conditions of the Czech Republic. With all the circumstances weighed, it does show that all these goals may be of relevance for this country, too, provided they are adjusted to its current level of development.

This report, compiled with the help of many experts and officials of various central authorities and organizations, by the Center for Social and Economic Strategies at the Faculty of Social Sciences of Charles University in Prague, presents an analysis of the past and current development situation of the Czech Republic. It proposes modified goals in a way that makes it possible to accept the political challenge, react to it, and join the effort to secure elementary conditions for the dignified and decent life of billions of people all over the planet.

I hope this report will be a good basis and inspiration for the development of sensible public policies in various walks of life of the Czech society, and a good foundation of the Czech Republic’s active share in building a global partnership for development.

Prague, February 2004

Ing. Zdeněk Škromach
Czech Minister of Labour and Social Affairs
FOREWORD

At the Millennium Summit in September 2000, the member states of the United Nations reaffirmed their commitment to work toward a world in which sustaining development and eliminating poverty would have the highest priorities. The Millennium Development Goals are based on the agreements and resolutions of UN-organized and sponsored world conferences during the previous decade. The MDGs have been agreed upon by UN member governments as the commonly accepted framework for measuring development progress.

The goals focus the world community’s attention on achieving significant, measurable improvements in people’s lives. They establish benchmarks for measuring results, not just for developing countries, but also for rich countries — to help them fund development programmes — and for the multilateral institutions that help countries implement them. The first seven goals are mutually reinforcing and are directed at reducing poverty in all its forms. The last goal — global partnerships for development — is about the means to achieve the first seven.

This baseline report is part of a first attempt to assess the progress of four countries — the Czech Republic, Hungary, Slovakia, and Slovenia — in achieving the Millennium Development Goals at the national level. It does so by focusing on the linkages between global targets and national priorities — in this case, in the Czech Republic. The report seeks to raise public awareness about the Millennium initiative, renew political commitment to poverty reduction, and to focus attention on specific development issues.

As new member states in the European Union (EU), these countries enjoy unique opportunities to adapt the targets to their national contexts. Through this process of adaptation, this report provides a nuanced picture of poverty in these countries on the eve of EU accession, and stresses the need for social inclusion policies that are consistent with the EU’s Social Charter. The report also emphasises the countries’ obligations as members of the developed world to provide development assistance to poorer countries. Wherever possible, the MDG targets in this report have drawn on the reporting framework for EU member states pertaining to issues of access and inequality (particularly the EU’s Social Inclusion Agenda), as well as other national policies and frameworks. The depth and length of the report reflect the development level of the countries and the need for thorough analysis of their complex development issues.

This report was prepared by a team of independent authors with substantial support from experts representing statistical and research institutes. The production of the report is supported by the United Nations Development Programme (UNDP) and coordinated by Prof. PhDr. Potůček. It is the result of several rounds of national consultation and inputs. Similar reports are being produced in all member states.

As the country’s accession to the European Union shows, the Czech Republic has made significant progress in putting in place policies and institutions for poverty eradication and sustainable development. UNDP hopes that this report will help policy makers in the Czech Republic to finish the task.

Ben Slay
Director of the UNDP Regional Centre, Bratislava
FOREWORD

This report constitutes our proposal for achievement of the Millennium Development Goals (MDGs) in the Czech Republic. This formulation aims to adapt the general outline of goals, as proposed and passed by the UN, to the specific situation in a country that is striving, after decades under a totalitarian regime, to become integrated into the main stream of international development. The Czech Republic also has to modernize its institutions and transform its values to be able to meet the requirements of the upcoming accession to the European Union.

We have opted for an approach corresponding to this historic situation. Where possible, we have restructured and modified the individual targets to lead the country to accomplish effectively the most pressing tasks in the oncoming decade.

The working versions of this report have been discussed at several meetings of specialists, officials, politicians and representatives of commissioning institutions. We also consulted the contents of reports that were being simultaneously prepared in the neighbouring countries. The report would not have been compiled in such a short time if it had not been for the extraordinary efforts of dozens of cooperating individuals and several institutions.

We believe that the specific formulations of the individual goals will be welcomed by all those able and willing to contribute to the Czech Republic’s efforts to assume a leading position in the worldwide endeavour to implement the MDGs by the year 2015.

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<tr>
<td>AIDS</td>
<td>Acquired Immune Deficiency Syndrome</td>
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<td>APEL</td>
<td>Accreditation of Prior and Experiential Learning</td>
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<td>CEE</td>
<td>Central and Eastern Europe</td>
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<td>CIS</td>
<td>Commonwealth of Independent States</td>
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<td>EC</td>
<td>European Commission</td>
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<td>EU</td>
<td>European Union</td>
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<td>GDP</td>
<td>Gross Domestic Product</td>
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<td>HDI</td>
<td>Human Development Index</td>
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<td>IALS</td>
<td>International Adult Literacy Survey</td>
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<td>ICT</td>
<td>Information and Communication Technology</td>
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<td>ISCED</td>
<td>International Standard Classification of Education</td>
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<td>JIM</td>
<td>Joint Inclusion Memorandum</td>
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<td>MDGs</td>
<td>Millennium Development Goals</td>
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<td>NAP</td>
<td>National Action Plan</td>
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<td>NGO</td>
<td>Non-Governmental Organisation</td>
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<td>NHDR</td>
<td>National Human Development Report</td>
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<td>NSI</td>
<td>National Statistical Institute</td>
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<td>NUTS</td>
<td>Nomenclature of Territorial Units for Statistics</td>
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<td>OECD</td>
<td>Organisation for Economic Co-operation and Development</td>
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<td>ODA</td>
<td>Official Development Assistance</td>
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<tr>
<td>PISA</td>
<td>Program for International Student Assessment</td>
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<td>PPP$</td>
<td>Purchasing Power Parity (expressed in US dollars)</td>
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<td>PRSP</td>
<td>Poverty Reduction Strategy Paper</td>
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<tr>
<td>RBEC</td>
<td>Regional Bureau for Europe and the CIS of the United Nations Development Programme</td>
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<td>SMEs</td>
<td>Small and Medium Enterprises</td>
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<td>TIMSS</td>
<td>Third International Mathematics and Science Survey</td>
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<td>UN</td>
<td>United Nations</td>
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<td>UNDP</td>
<td>United Nations Development Programme</td>
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<td>WB</td>
<td>The World Bank</td>
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EXECUTIVE SUMMARY

In the Millennium Declaration of September 2000, member states of the United Nations reaffirmed their commitment to a secure and peaceful world for all, a world in which the elimination of poverty and the pursuit of sustainable development would be top political priorities. To this effect, they adopted eight key developmental goals, 18 targets, and 48 indicators to direct countries towards measurable and manageable improvements in the living conditions of their inhabitants. These goals are to be implemented by 2015.

This report suggests a way of interpreting and applying the UN Millennium Development Goals in the context of the Czech Republic. At first glance, the Czech Republic appears to have fulfilled the majority of the goals, and to belong among the top performers in many areas. However, a deeper analysis of development trends by the expert team at the Centre for Social and Economic Strategies in Prague has concluded that there are two reasons why the goals are still a challenge for the Czech Republic. First, in a rapidly changing world, simply meeting the goals is not sufficient to guard against future stagnation or even decline. Second, by adapting the 48 proposed global indicators to the Czech context, we may gather important information on this phase of cultural and social development.

Goal 1 calls for a reduction of poverty and social exclusion. Poverty in the Czech Republic is markedly less widespread than in most other transition countries with some indicators suggesting that it is actually lower than the current European Union (EU) average. There exist, nonetheless, social groups whose relative situation continues to worsen and where the threat of poverty looms. As it looks toward the year 2015, the report proposes that the country focus above all on reducing the percentage of low-income single mothers (to 20 %), on fighting social exclusion mainly by lowering long-term unemployment rate (to 3 %) and cutting the number of social benefit recipients (to 400,000). These objectives will be presented in the 'National Action Plan of Social Inclusion', to be released in 2004.

Goal 2 aims at attaining universal primary education. The report shows that although the Czech education system has met this target, secondary and higher education cannot keep pace with the emerging need for a knowledge-based society. With continuing reforms, the authors suggest, three quarters of young people will be able to complete general or specialized secondary education and half of the population will be able to enrol in some form of tertiary education by 2015. The average duration of education in 2015 should reach current EU levels, (16.7 years as compared to 16 years in 2002).

Goal 3 aims at promoting gender equality and extending women's participation in the economy and society. Although equal access to education is now guaranteed, gender-based inequalities remain in other fields. The report points out the following:

- wages should be determined solely on the basis of performance, not gender (the ratio of women's to men's wages is to increase from the current 73 percent to 80 percent in 2015);
- women's input in decision-making processes needs to be strengthened (the share of women members of parliament is to grow from the present 15 percent to 25 percent by 2015);
- conditions should be created for harmonizing family and working life through legislative changes and increased public services; and
- women should be better protected against domestic violence.

Goal 4 aims at reducing child mortality. Here, the Czech Republic leads in comparison with other nations; the values for infant (4.0) and perinatal (4.5) mortality are well ahead of the WHO goals for the European Region in the early 21st century. It is critical to maintain this standard while also focusing on reducing the share of children with congenital malformations (from 338 per 10,000 live births in 2001 to 200 per 10,000 in 2015).
Goal 5 is devoted to improving maternal health. In particular, the Czech Republic should aim to strengthen women’s reproductive health and simultaneously address the issues concerning a rapid decline in birth rates since 1989. By 2015, robust family, population and health policies should result in: a total fertility rate of at least 1.5 (up from 1.17 in 2002); a slight decrease in maternal mortality (from today’s 3.2 deaths per 100,000 live births to 3 deaths per 100,000); as well as a slight increase in deliveries attended by qualified medical personnel (from the current 98.5 percent to 99 percent in 2015).

Combating HIV/AIDS, malaria and other diseases is the focus of Goal 6. In the Czech Republic, the specific aim is to keep the incidence of HIV/AIDS infection and tuberculosis at their relatively low, current levels. For the Czech Republic, the report has extended this goal to include other important disease groups. Specifically, reductions are sought in mortality due to:

- circulatory diseases (from 561 to 350 for men and from 379 to 210 for women per 100,000 inhabitants by 2015);
- malignant tumours (from 323 to 280—300 for men and from 175 to 160—170 for women per 100,000 inhabitants by 2015); and
- external causes (from 91 to 58 for men and from 33 to 23 for women per 100,000 inhabitants by 2015).

Goal 7 seeks to ensure environmental sustainability. The Czech Republic’s primary goal, as an industrialized country, is the integration of sustainable development principles into policies and programmes to reverse the trend of decreasing natural resources. The share of forests and protected areas is to be stabilized while the energy use per $1 GDP, carbon dioxide emissions and material intensity are to decline. In addition a specific need to further increase the share of population supplied by water from public sources (89.8 percent in 2002) and those having access to public sewage systems, (77.4 percent in 2002) is identified.

Goal 8 deals with global partnership for development. Given its new political and economic status, the Czech Republic began to provide aid to developing countries in 1995. In 2002, this assistance amounted to approximately 50 million USD (0.065 percent of GNI). At that time, the Czech Government adopted a new concept of developmental cooperation to take it through 2007. This concept envisages the establishment of a specialized Czech Development Agency, long-term funding of programmes, further growth in total aid volumes and increasing overall aid efficiency and transparency. Harmonization of Czech development aid with EU and OECD Member States is also part of the agenda. Ensuring an active role for the Czech Republic among the donors of development aid requires more attention on the part of all actors through 2010.

This report should act as a guide for the Czech Republic in the global effort to implement the goals of the UN Millennium Declaration. It will inspire other actors to join the permanent debate on the country’s desired developmental goals and on the state of its progress on the threshold of the third millennium.
INTRODUCTION

The state of the world is worrisome. This situation, however, is not caused by local monetary crises, armed conflicts or regional ecological catastrophes. Despite the unprecedented economic development during recent decades, we are still unable to guarantee billions of people the basic requirements of a decent life: access to potable water, freedom from hunger and shelter over their heads. If children do not have access to education, their life opportunities will be irrecoverably limited far into the middle of the 21st century. Moreover, disparities in life conditions and economic opportunity of people tend to deepen even further, both in individual countries and in various regions of the world.

These were the main reasons motivating the heads of 147 member states of the United Nations to adopt the Millennium Declaration in September 2000. A total of 189 member states reaffirmed their intent to build a secure and peaceful world for everyone, a world in which elimination of poverty and sustainable development are given the highest political priority. At the same time, they adopted eight key developmental goals, 18 subordinate targets and 48 indicators to help countries work towards concrete and measurable improvements in the life conditions of their inhabitants. This set of instruments was being formulated as early as the 1990s and the overwhelming majority of the goals are to be implemented by 2015. The validity and relevance of the Millennium Development Goals (MDGs) was again confirmed by the World Summit on Sustainable Development in September 2002.

At the beginning of summer 2003, representatives of the United Nations Development Programme invited the Center for Social and Economic Strategies (CESES) at Charles University’s Faculty of Social Sciences to participate in the adaptation of these goals for the Czech Republic (CR). The results of this cooperation, undertaken both by employees of the abovementioned centre and members of other research centres and state administration organizations, are presented in this study. The study is part of a group of four MDG reports for Central European countries — Czech Republic, Hungary, Slovak Republic and Slovenia. All four national reports are also included in a summary report covering the whole region.

The most demanding task for us was to elaborate a fitting interpretation and application of the goals contained in the UN Millennium Declaration for the situation in the Czech Republic. At first glance, it appeared that these were mostly goals in which the Czech Republic did not rank among the pupils who are falling behind. On the contrary, in some cases it was even at the top of the class. However, a more detailed analysis of developmental trends brought us to a more balanced viewpoint and the conclusion that all the goals were relevant for the Czech Republic as well. Our assumption was grounded in two main reasons. First, in a quickly-transforming world, even the favourable present situation cannot prevent potential deterioration in the future. Therefore, we must constantly monitor development to prevent possible future threats. Second, by adapting the 48 general indicators to national circumstances, we can have an appropriate and useful tool even in a country at this level of social and economic development.

It is up to readers now to assess how we have coped with the given assignment. We will be happy to receive comments and suggestions. We promise to try to make use of them in our future work on this subject, which we, along with UN representatives, consider to be among those whose solution can significantly contribute to the advancement of the human lot and the quality of governance both on a national and global scale.
Developmental trends in the Czech Republic during the 1990s

The end of the 20th century and the beginning of the 21st century represent a remarkable phase of development for the Czech Republic. In the introductory part of our study we would like to briefly describe the most significant aspects of this development as they were — and still are — reflected in the living conditions of the population. The political collapse of the socialist regime in 1989 induced changes that have been continuing ever since. This collapse, however, was also caused by a stagnating and inefficient economy and increasing discontentment of the population with the authoritarian political system.

The subsequent development in the Czech Republic was not very different from that in the neighbouring post-communist countries. Although democratic political institutions were promptly established, they were limited by the considerable inexperience with democracy of both citizens and political representatives. The fate of Czechoslovakia was sealed after the elections of June 1992 and at the end of that year it was divided into two new states, the Czech Republic and Slovakia. The subsequent massive transfer of state property into private hands did not exclude large-scale material and moral losses caused by an insufficient institutional framework governing the privatization process. The structure of the economy began adjusting to the demands of the world economy, undergoing a massive reorientation from east to west. Unemployment, previously unknown, noticeably affected the lives of hundreds of thousands of people. Another significant process was initiated by the decision of political representatives — and eventually confirmed by a national referendum — to accede to the European Union (EU). The influence of pre-accession preparations and EU requirements is now visible in all the spheres of life. The legal environment is being transformed with regulators adjusting the activities of individuals and institutions. Furthermore, since 2000, the 1993 Copenhagen accession criteria emphasizing the advancement of political democracy and a market economy have been complemented by the requirements of the Lisbon strategy to build a knowledge-based and competitive economy while increasing employability and reducing skill gaps. Finally, since June 2001, the strategy of sustainable development has also been adopted.

There are certain specific aspects of the Czech Republic’s development that distinguish it from its neighbours. The threat of unemployment and poverty closely associated with the post-communist transformation, was not only anticipated in the Czech Republic well in advance, but also promptly countered by institutional mechanisms aimed at combatting these phenomena. In the early 1990s, a dense network of labour offices came into existence, as a vehicle of the state employment policy. The concepts of subsistence minimum and social need were introduced, preventing endangered population groups from falling into poverty. Despite numerous failures and incongruities in capacity, the relatively well-functioning networks of public schools and health institutions ensuring universally accessible health care were preserved and further improved. Civil society actors energetically entered the spheres of social care and health care as well as education. With respect to the pressing ecological situation caused by the previous regime, the newborn Czech state decided to make huge investments in the restoration of the environment. As a consequence of all these efforts, the Czech Republic has made a good start in the right direction. With sufficient political will and administrative competence, by 2010 the country could be safely on the path towards an economically prosperous and, at the same time, socially and globally responsible society.