
THE TREND IN THE NUMBER OF CARE ALLOWANCE BENEFICIARIES IN THE CZECH REPUBLIC IN 2007–2021

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Abstract

A new law on social services was adopted 15 years ago that significantly changed the system used to finance these services. A care allowance was designed that is paid to persons who, due to a long-term adverse health condition, need the help of another person in taking care of themselves and ensuring their own self-sufficiency. The aim of this contribution is to characterise the trend in the number of recipients of this social benefit in the years 2007–2021, and to compare this trend with projection data on care allowance recipients and outline the possibilities of further development in this area.

Keywords: social services, care allowance, COVID–19

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INTRODUCTION

In connection with the adoption of the Act on Social Services, a new social benefit was introduced in 2007 – the care allowance. The vast majority of recipients of this social benefit are people of post-productive age. The epidemiological situation caused by COVID-19 led to a decrease in the number of deceased persons/deaths and a decline in the average life expectancy of men and women. It therefore seems expedient to assess whether the data from a past projection on the trend in the number of people receiving this social benefit remain valid and current.

1. CARE ALLOWANCE IN THE YEARS 2007–2021

Under the current legislation, a care allowance based on four degrees of dependency is paid to persons

who, due to a long-term health condition, need another person's assistance to take care of themselves and be self-sufficient. The degree of dependency is assessed based on their ability to manage the following basic life needs:

- mobility;
- orientation;
- communication;
- meals;
- dressing and putting on shoes;
- personal hygiene;
- fulfilment of physiological needs;
- healthcare;
- personal activities;
- care for the household (this is not assessed for those under the age of 18).

The ability to manage basic life needs is assessed based on the functional impact of a long-term health

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condition on the ability to manage basic life needs. In order to recognise dependency in a particular basic life need, there must be a causal connection between the impairment of functional abilities caused by a particular health condition and the loss of the ability to manage the basic life need at an acceptable level. Functional abilities are assessed according to the abilities that a person with a condition still retains and in reference to what use is made of commonly and the utilisation of commonly available aids, means, objects of everyday use, equipment in the household and public spaces, or the use of medical devices.

A person under the age of 18 is considered dependent on the assistance of another person if:

- He or she is unable to manage three basic life needs due to a long-term health condition – first degree (slight) dependency;
- He or she is unable to manage four or five basic life needs due to a long-term health condition – second degree (moderately severe) dependency);
- He or she is unable to manage six or seven basic life needs due to a long-term health condition – third degree (severe) dependency;
- He or she is unable to manage eight or nine basic life needs due to a long-term health condition – fourth degree (complete) dependency

and requires a daily special care provided by another person.

A person over the age of 18 is considered dependent on the assistance of another person if:

- He or she is unable to manage three or four basic life needs due to his or her long-term unfavorable health condition – first degree (slight dependency);

- He or she is unable to manage five or six basic life needs due to his or her long-term unfavorable health condition – second degree (moderately severe dependency);
- He or she is unable to manage seven or eight basic life needs due to his or her long-term unfavorable health condition – third degree (severe dependency);
- He or she is unable to manage nine or ten basic life needs due to a long-term health condition – fourth degree (complete) dependency and requires daily assistance, supervision, or care provided by another person.

The current care allowance is as follows (see Table 1):

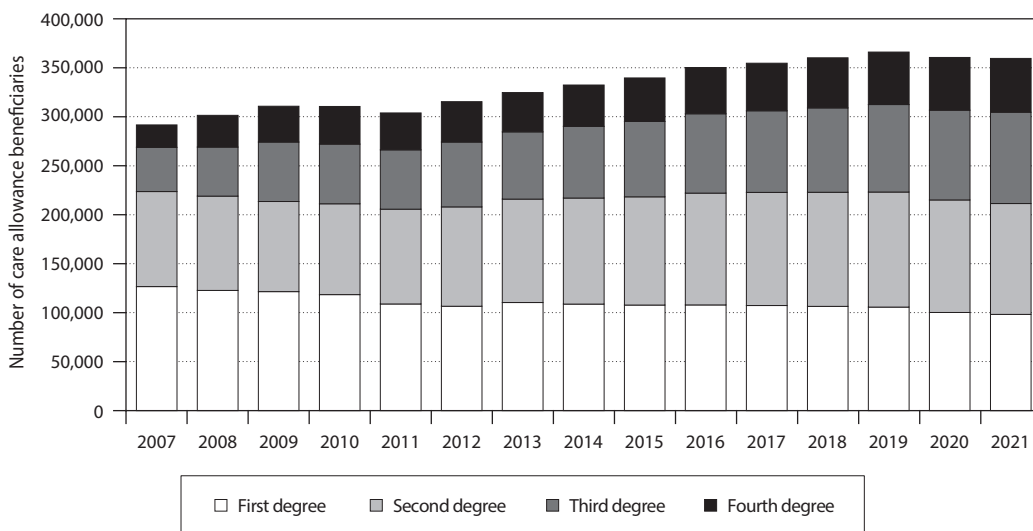
When the Social Services Act was drafted, it was assumed that approximately 175 000 people would be eligible to receive the care allowance and the cost of care allowances would amount to approximately 8 billion CZK (*Ministry of Labour and Social Affairs*, 2005). However, the actual number of care allowance beneficiaries and the cost of the care allowance payments during the period it has existed have been significantly higher than originally expected. The data from the care allowance information system show that in December 2007 approximately 292 000 people were receiving the care allowance, while in December 2010 the figure was approximately 311 000 people and in December 2019 it was more than 366 000 people.

The COVID-19 pandemic, which started in March 2020, had an impact on the trend in the number of care allowance beneficiaries. The data from the Ministry of Labour and Social Affairs' information system clearly show that compared to December 2019, when 366 000 persons were receiving the care allowance, by December 2021 the number of care allowance beneficiaries had dropped by approximately 6 500,

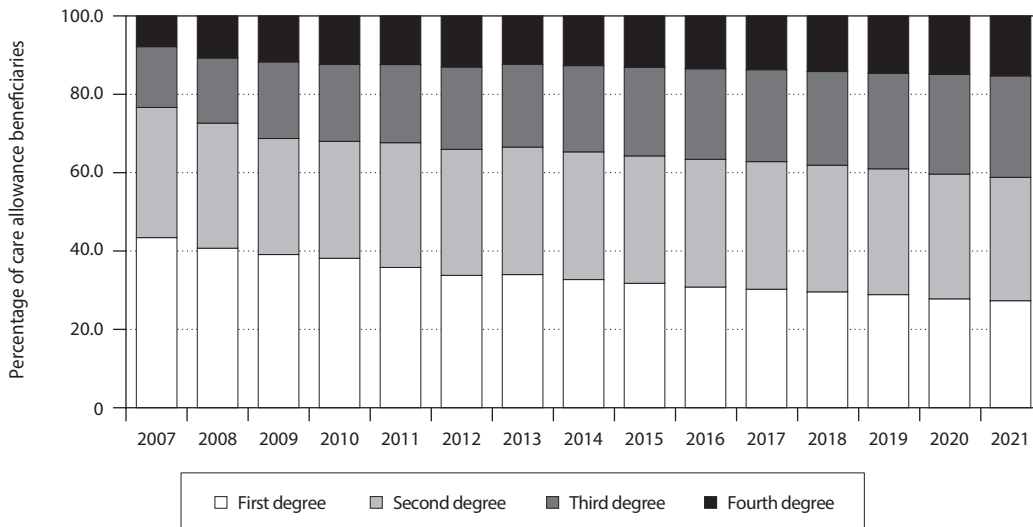
Table 1 Care allowance (in CZK/month)

Degree of dependency	Persons under the age of 18	Persons over the age of 18
First	3,300 CZK	880 CZK
Second	6,600 CZK	4,400 CZK
Third	13,900 CZK	12,800 CZK
Fourth	19,200 CZK	19,200 CZK

Source: Section 11 of Act No. 108/2006 of Coll., on social services, as amended.

Figure 1 The trend in the number of care allowance beneficiaries during 2007–2021

Source: Internal data of the Ministry of Labour and Social Affairs.

Figure 2 The trend in the percentage of care allowance beneficiaries during 2007–2021

Source: Internal data of the Ministry of Labour and Social Affairs.

while the number of care allowance beneficiaries classed as having a third or fourth degree of dependency had continued to rise (increasing by approximately 4 000 in the case of third-degree

dependency and by approximately 1 500 in the case of fourth-degree dependency).

These changes were also reflected in the structure of care allowance beneficiaries (see Figure 2).

These data show the following changes in December 2021 compared to December 2007:

- The percentage of care allowance beneficiaries classed with first-degree dependency dropped by 16.1 percentage points (from 43.4% to 27.3%);
- The percentage of care allowance beneficiaries classed with third-degree dependency went up by 10.4 percentage points (from 15.5% to 25.9%) and the percentage with fourth-degree dependency rose by 7.4 percentage points (from 7.9% to 15.3%).

The key factor responsible for these changes in the relative structure of care allowance beneficiaries was the decrease in the amount of the care allowance paid to people classed with first-degree dependency from CZK 2000 to CZK 800, a change that became effective on 1 January 2011 when Act No. 347/2009 Coll., amending some laws, was adopted as part of austerity measures/cutbacks introduced under the Ministry of Labor and Social Affairs. These measures resulted in an absolute decrease in the number of care

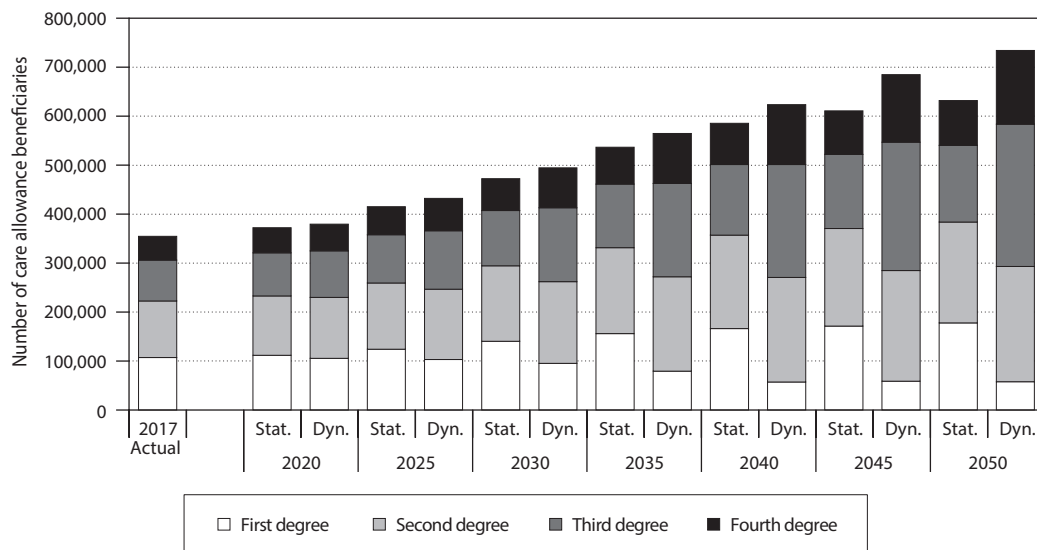
allowance beneficiaries classed with first-degree dependency, since many potentially eligible beneficiaries no longer apply for this relatively small allowance (e.g. because their old-age pension is sufficient) (Průša, 2018). On the other hand, the increase in the amount of the care allowance paid to people classed with a third- or fourth-degree dependency in 2019 led to an increase in the number of care allowance beneficiaries in these dependency categories.

2. THE PROJECTION OF THE TREND IN THE NUMBER OF CARE ALLOWANCE BENEFICIARIES UP TO THE YEAR 2050

In 2018, a projection was made to estimate the trend in the number of care allowance beneficiaries up to the year 2030 (Průša, 2018) and then extended all the way to the year 2050 (Horecký – Průša, 2019). Two variants were used to estimate these projections:

- the static variant – in which the percentage of care allowance beneficiaries in the total population by gender, age, and degree

Figure 3 The projected trend in the number of care allowance beneficiaries to the year 2050



Note: stat. = static variant - the percentage of care allowance beneficiaries in the total population by gender, age and degree of dependency in 2016 is preserved unchanged, dyn. = dynamic variant - this projection takes into account changes in the percentage of care allowance beneficiaries in the total population by gender, age, and degree of dependency between 2011 and 2016.

Source: Horecký – Průša, 2019.

Table 2 A comparison of the data on the number of care allowance beneficiaries with projected data

Degree of dependency	2020		
	Static variant	Dynamic variant	Reality
First	111,728	105,498	100,231
Second	121,161	124,517	114,782
Third	88,010	95,144	91,708
Fourth	51,415	54,353	53,818
Total	372,315	379,512	360,539

Source: Internal data of the Ministry of Labour and Social Affairs; Horecký – Průša, 2019.

of dependency from 2016 remains unchanged until 2050,

- the dynamic variant – which takes into account changes in the percentage of care allowance beneficiaries in the total population by gender, age, and degree of dependency between 2011 and 2016, and the average annual change in this percentage is projected at the same level after the entire monitored period up to 2050.

The data obtained from these projections show that the number of care allowance beneficiaries will continue to rise in the future due to an increase in the number of persons of post-productive age; in 2050, the number of beneficiaries will be between 632 000 and 734 000 persons (see Figure 3).

If we compare the data on the number of recipients of the care allowance with the projected data for 2020, we find that the total number of beneficiaries of this social benefit was approximately 12 000 persons fewer than there were approximately 12 000 fewer recipients of the allowance than in the static version of the projection. This difference was mainly caused by the lower number of beneficiaries of this benefit in the categories of first- and second-degree dependence. In contrast, the number of care allowance beneficiaries in the categories of third- and fourth-degree dependency was roughly in the middle of the interval between the static and dynamic versions of the projection, and the number of beneficiaries in the category of fourth-degree dependency even approached the upper limit of the dynamic projection variant. This is probably because of the increase

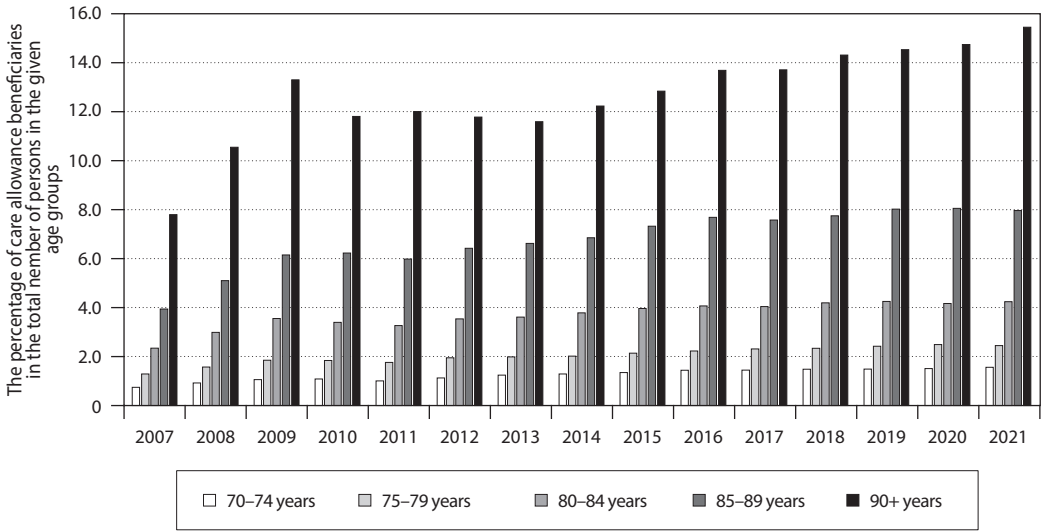
in the allowance for care in the categories of third- and fourth-degree dependency for those persons who did not use services in residential facilities, which occurred in 2019.

It is therefore obvious that, based on the new population projection, it will be necessary next year to update the projected trend in the number of care allowance recipients.

3. THE TREND IN THE PERCENTAGE OF CARE ALLOWANCE BENEFICIARIES IN THE TOTAL NUMBER OF PERSONS BY GENDER AND AGE

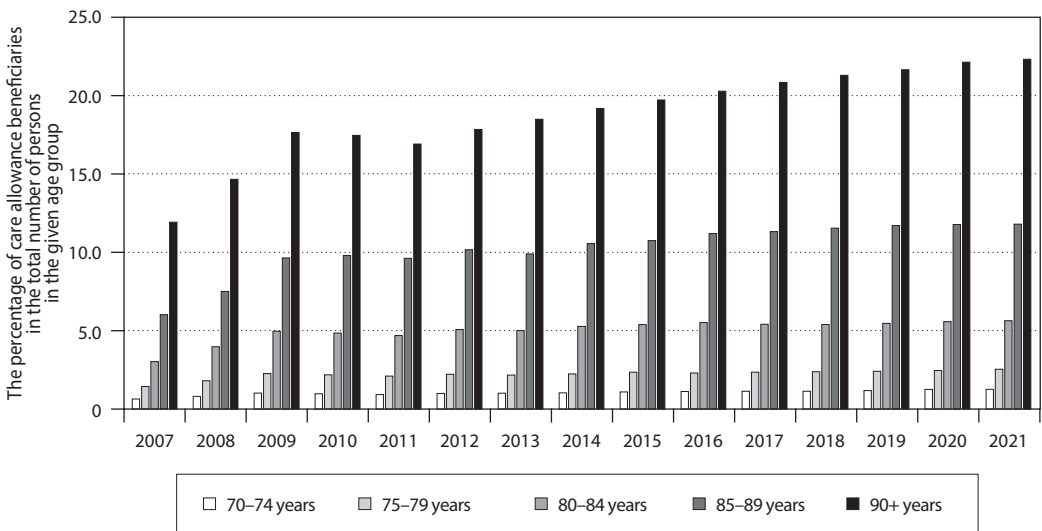
A very interesting trend in dependency is observed in individual age groups, especially in people over the age of 70. The degree of dependency, especially among persons over 70, is higher in women than in men, and this difference increases with rising age and the higher the degree of dependency. This difference can be explained by the fact that as long as senior citizens live with their partner, they can help each other to manage a difficult health situation and often do not apply for a care allowance, even though they would likely be eligible for it. They usually apply for a care allowance once their partner dies, when they live alone, are when they are then unable to manage living on their own and are dependent on the help of their loved ones or professional social services providers. Figures 4 and 5 show the trend in the percentage of care allowance beneficiaries in the total number of persons in the given age group during 2007–2021 in the case of men and women classed with a third-degree dependency.

Figure 4 The trend in the percentage of care allowance beneficiaries out of the total number of persons in the given age group during 2007–2021 (men – third-degree dependency)



Source: Internal data of the Ministry of Labour and Social Affairs; author's calculations.

Figure 5 The trend in the percentage of care allowance beneficiaries out of the total number of persons in the given age group during 2007–2021 (women – third-degree dependency)



Source: Internal data of the Ministry of Labour and Social Affairs; author's calculations.

CONCLUSION

Analyses of social services financing systems show that the current situation in the Czech Republic, where

the care allowance is used to finance two social situations, needs to be reformed. It is necessary to separate the financing of the providers of social

services through a care allowance from the financing of the caregivers through a long-term assistance allowance or other social allowance. It is obvious that the current model of providing a monetary care allowance without setting additional conditions for allowance eligibility makes social services financing inefficient.

A new solution could include a care allowance that is provided directly to the social services provider that provides social services to the client based on a contract. Also, dependency should be more differentiated, as the four degrees of dependency that the Czech system currently recognises are the fewest degrees of dependency among countries

in Europe. It would also be good to expand the spectrum of activities and needs when assessing the degree of dependency, to assign weights to these needs and activities, and to expand the number of degrees of dependency. For instance, the detailed list of dependency assessment in Germany, which came into effect on 1 January 2017, shows that this assessment is significantly more detailed, and therefore probably more accurate, than that in the Czech Republic (Hon – Průša – Bareš, 2020). Differentiating a greater number of degrees of dependency can thus be more accurate [would be a more accurate reflection of reality than the current system is.] than the current differentiation (Průša et al., 2021).

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Appendix

Trend in the number of care allowance beneficiaries over time						
Year	Variant	Degree of dependency				total
		I	II	III	IV	
2007	Reality	126,614	96,965	45,208	22,888	291,675
2010		118,388	92,778	60,907	38,441	310,514
2015		107,793	110,444	76,950	44,397	339,584
2017		107,285	115,466	83,295	48,636	354,682
2020	Static	111,728	121,161	88,010	51,415	372,315
	Dynamic	105,498	124,517	95,144	54,353	379,512
	Reality	100,231	114,782	91,708	53,818	360,539
2025	Static	124,291	135,199	98,474	57,336	415,300
	Dynamic	103,088	143,537	119,406	66,068	432,099
2030	Static	140,459	154,209	112,596	65,203	472,467
	Dynamic	95,320	166,805	150,867	81,640	494,632
2035	Static	156,129	175,320	129,809	75,375	536,633
	Dynamic	79,422	192,705	190,575	101,994	564,697
2040	Static	166,194	191,089	144,019	84,216	585,519
	Dynamic	57,170	213,708	230,333	122,452	623,664
2045	Static	171,453	199,154	151,540	88,922	611,069
	Dynamic	58,776	225,983	262,214	137,993	684,965
2050	Static	177,920	205,957	156,511	91,487	631,875
	Dynamic	57,655	235,634	290,473	150,536	734,298

Source: Internal data of the Ministry of Labour and Social Affairs; Horecký – Průša, 2019.