

# **SOCIAL EXCLUSION IN THE CZECH REGIONS: MANIFESTATIONS AND APPROACHES TO SOLUTIONS**

**Nikola Klimešová  
Tetiana Korovchenko  
Ivana Kraftová**

**Abstract:** *The aim of this paper is to assess what is the state of the issue of social exclusion and in particular the elements causing threats to this socially undesirable phenomenon in the individual regions of the Czech Republic and what approaches to its elimination are chosen by the regional governments. The validity of the established hypotheses has been verified using the span standardization, correlation analysis, document content analysis and budget expenditure analysis. The analysis performed shows that not in all regions the social exclusion situations have improved between 2010 and 2016; with a very strong correlation of indicator levels relevant for assessing the state of the fight against social exclusion and the number of socially excluded localities. Most of the regions - not just five more vulnerable to social exclusion – have been combating this negative phenomenon directly in their strategic documents, only three regions treat this phenomenon not only as an economic, social, but also a security issue. However, it was not confirmed that regions with a higher degree of social exclusion from their regional budgets would allocate above-average funding to this area. Structural analysis of expenditures on prevention and solutions to social exclusion shows the difference in accent on individual segments.*

**Keywords:** *Social exclusion, socially excluded localities, regions of the Czech Republic, strategic development documents, expenditures of regional budgets.*

**JEL Classification:** *R58, H55, H72.*

## **Introduction**

One of the serious problems of disrupting the quality of life is social exclusion, the most serious of which is the so-called socially excluded localities. The Europe 2020 strategy, endorsed in 2010, has set the EU's "Inclusive Growth" goal as one of the EU's objectives, setting an indicator for "breaking out 20 million EU citizens at risk of social exclusion" (European Commission, 2010).

In order to meet the objectives of the Europe 2020 strategy, the individual member states draw up their national reform programs. They have a different approach to fulfilling the indicator. Some countries address this target in terms of reducing the number of people at risk of poverty or social exclusion, some focusing on reducing the number of low-income households or addressing the number of long-term unemployed. It is about improving the quality of life of the population and increasing the region's resilience in its complex perception (Svoboda, Ibl & Břízková, 2017).

The Czech Republic has focused on its National Reform Program in the strategic document entitled Investing for European Competitiveness and has set the task of keeping the number of people at risk of poverty or social exclusion at the 2008 level (15.3% of the total population) and striving to reduce them by 30,000 (Government of the Czech Republic, 2011). The seriousness of this issue has led to the development of other directly targeted documents, in particular the Strategy for Combating Social Exclusion 2011-2015, the Strategy for Combating Social Exclusion 2016-2020 and the Social Inclusion Strategy 2014-2020.

According to the National Reform Program of the Czech Republic 2017 (Government of the Czech Republic, 2017) this target has been achieved in the Czech Republic, the poverty or social exclusion rate has fallen to 14% by 2015. By 2015, the number of people at risk of poverty or social exclusion was reduced by 122 thousand compared to 2008.

In meeting the objectives of cohesion, however, attention must be paid to the situation not only within the Czech Republic as a whole, but it is important to manage this problem at the level of individual regions within the self-governing regions, as significant disparities could trigger social unrest. The quality of life without manifestations of social exclusion should be and is therefore the focus of public administration bodies (Provazníková, Křupka & Kokešová, 2017). However, questions arise as to: At what level are individual regions within the interregional comparison in the years under review? Does the situation improve in all regions? Does the poor status of indicators relevant to combating social exclusion with a high number of socially excluded sites correspond? Do the regions pay attention to this issue in their strategic development documents? Finally, is the responsibility of spending regional budgets on the severity of problems in individual regions?

## 1 Statement of a problem

For the strategic approach to solving social exclusion in the Czech Republic, the definition of the Ministry of the Interior of the Czech Republic is relevant, which defines it dynamically as „a process by which individuals and whole groups of people are deprived of access to resources necessary for engaging in the social, economic and political activities of society as a whole.“ (Ministry of Interior, 2014, p. 4) This concept overcomes Sýkora's static definition of social exclusion, which is nonetheless analogous to the fact: „Social exclusion is a situation in which individuals, groups of people or social groups have a significantly reduced or restricted access to normal resources, opportunities and positions necessary for engaging in normal life in society.“ (Sýkora, 2010, p. 17) Čada (2015) defines social exclusion as an extreme form of poverty, poverty mainly concerns economic conditions, the issue of social exclusion reflects wider conditions of life of individuals, households and communities. In his concept of social exclusion, he always has a poverty dimension, but he can be a poor who is not socially excluded. Besides, Sedláčková (2007) also draws attention to the close link between poverty and social exclusion, but according to her, not only poor people are affected by social exclusion, so both phenomena cannot be confused.

Socially excluded group is very diverse. The extensive list of groups processed by Rodgers, Gore a Figueiredo (1995) can be simplified for clarity in five groups: children and youth, women, persons over 65, people with physical or mental disabilities, people of ethnic origin other than the majority society. Aging as an increasing problem of European countries is also highlighted by Fričová a Matěja (2016). In identifying people at risk of social exclusion, the Eurostat conditions, which require at least one of three conditions to qualify as such (Potočková, 2015): i) is at risk of income poverty, ii) lives in a household with very low-work intensity, iii) suffers from severe material deprivation.

Dynamics and multidimensionality as the characteristics of social exclusion, i.e. multiple causes and manifestations in many areas of human life, emphasizes Sirovátka a Mareš (2003).

The individual dimensions of social exclusion are identified differently, but there is consensus among them on the level of generality. A group of American experts defines seven dimensions of social exclusion (Percy-Smith, 2000), including:

- economic dimensions (long-term unemployment, low income),
- social dimensions (family breakdown, marriage breakdown, unwanted pregnancies, homelessness, crime);

- political dimensions (not taking part in elections, inability to participate, denial of political rights),
- community dimensions (devastated environment and dwelling, unavailability of services),
- individual dimensions (physical or mental handicap or illness, lack of education and qualifications, loss of self-esteem and self-confidence);
- spatial dimensions (concentrations excluded in areas with cumulative risk factors such as crime and lack of adequate quality of life - poor environment, poor transport accessibility and infrastructure, poor quality amenities including education and health);
- group dimensions (concentration of exclusion characteristics in certain specific social groups),

Mareš (2006) perceives different perspectives on social exclusion, including the way society responds to it, defining the following: i) redistributive discourse, resulting in poverty and possible remedies of massive redistribution; ii) integrative discourse resulting in unemployment and redress should be ensured by an appropriate employment policy; iii) moral discourse, the cause of which is socially pathological behaviour and the path to the inclusion of resocialization and the removal of physical, social and mental barriers between the excluded and the rest of society; iv) discourse of otherness, given by cultural, linguistic and religious differences, which must be accepted.

This otherness is, besides poverty, as income exclusion another major manifestation of social exclusion, by exclusion in space. This gives social space a spatial dimension (Byrne, 2005). A socially excluded site is the result of spatial exclusion of certain groups of people that combines a certain attribute, such as ethnicity, religion, poverty or social weakness. The analysis of socially excluded localities in the Czech Republic (Čada, 2015) also includes their quantitative definition: a socially excluded area is considered to be a place where more than 20 people live with signs of social exclusion. In addition, Klimešová (2018) draws attention to the serious security dimension of socially excluded localities, according to which "... the specific conditions of their environment and the very limited possibility of escape from such environment brings with them a number of security risks." (Klimešová, 2018, p. 23) She further notes that crimes committed here are often latent and remain hidden even from the eyes of the police.

The aim of this paper is to assess the state of the issue of social exclusion and, in particular, elements causing threats to this socially undesirable phenomenon in individual regions of the Czech Republic and what approaches to its elimination are chosen by regional governments. To this end, the following hypotheses will be tested:  $\alpha$ ) the state of the regions of the Czech Republic is improving in terms of combating social exclusion over time;  $\beta$ ) there is a high degree of positive correlation between the poor situation in selected relevant indicators of combating social exclusion and the occurrence of socially excluded localities;  $\gamma$ ) regions with a higher risk of social exclusion pay attention to this issue in their strategic development documents where they devote larger funds from their budgets to its prevention and solution.

## 2 Methods

Interregional comparison of the state of the 14 regions in terms of social exclusion includes six areas, which are characterized by the nine indicators in the structure shown in Tab. 1.

**Tab. 1 Overview of indicators relevant to social exclusion assessment**

area	indicator	unit	type
employment	percentage of unemployed persons	%	minimization
	rate of long-term unemployment	%	minimization
education	rate of population with insufficient education	%	minimization
security	crime index	%	minimization
health	average life years	year	maximization
sickness insurance	Percentage of sickness insured persons	%	maximization
households	the monthly difference of net income and expenditure on household housing	czk	maximization
	percentage of households with housing problems	%	minimization
	percentage of households with incomes below the living minimum	%	minimization

Source: own processing based on (Klimešová, 2018)

Data source is mainly the public database of the Czech Statistical Office and individual regional statistical yearbooks. To verify the hypothesis  $\alpha$ ) the state of the regions of the Czech Republic is improving in terms of the fight against social exclusion over time, the standardization method of span standardization will be used because the variables have different contents and may contain outliers. The standardized values are calculated according to formula (1):

$$y_{ij} = \frac{x_{ij} - \min_j}{\max_j - \min_j} \quad (1)$$

where  $y$  = standardized value  $i$  = region  
 $x$  = indicator's value  $j$  = indicator

Standardized values range from interval  $<0; 1>$ . The closer the value is to 1, the more the indicator contributes to improving the social exclusion situation for the maximization type indicators. However, minimalization indicators will also be used in the analysis for which the lowest value is desired. In this case, the standardized values need to be converted according to formula (2):

$$y_{ij} = 1 - y_{ij(\min)} \quad (2)$$

where  $y_{ij(\min)}$  = standardized value of the minimization type indicator.

The statuses of individual regions in 2010 (prior to the approval of the National Reform Program) and 2016 (latest available data) are compared by means of the sum of the standardized values of the indicators listed in Tab. 1. The maximum sum of standardized values is 9 (best possible result), minimum 0 (the worst possible result).

The hypothesis  $\alpha$ ) will be deemed to be confirmed if the resulting aggregate values for the year 2016 are better than 2010, and for all regions of the Czech Republic.

In order to verify the validity of the hypothesis  $\beta$ ), there is a high degree of positive correlation between the poor situation in selected relevant indicators of combating social exclusion and the occurrence of socially excluded localities, correlation analysis using the Spearman coefficient of sequence correlation (3).

$$r_{i_x i_y} = 1 - \frac{6 \sum (i_x - i_y)^2}{n(n^2 - 1)} \quad (3)$$

where  $i_x$ , resp.  $i_y$  = the value of the order of the sum of standardized value,, resp. by number of socially excluded localities;  $n$ = number of regions

The correlation analysis uses the sums of standardized indicator values for 2016 and the last known number of socially excluded sites in 2014 (Čada, 2015). This two-year difference between data can be considered acceptable in this case.

Hypothesis  $\beta$ ) will be deemed to be confirmed if the resulting value Spearman correlation coefficient greater than 0.7, and with reference to a relationship determination in the interval | 0.7 - 1 | as very strong to perfect (De Vaus, 2002).

For assessing the validity of the hypothesis  $\gamma$ ) regions with a higher risk of social exclusion pay attention to this issue in their strategic development documents where they devote larger funds from their budgets to its prevention and resolution. They are

a) subject to the content of the strategic development documents of the individual regions in order to find out whether direct or indirect attention is paid to them,

b) the budget items of the budget relevant to the prevention or resolution of social exclusion are selected, namely:

- social care services; social prevention services; social care and help for children and youth; welfare and marriage and family support; social counselling; social rehabilitation and other welfare and assistance; other social affairs and employment policies;
- prevention of drugs, alcohol, nicotine and other addictions; other special health care;
- communal services and territorial development not elsewhere classified;
- security and public order.

The actual expenditures for 2016 are analysed. The data source is the state treasury monitor (Ministry of Finance, 2018). For the sake of comparability, the budget expenditure is converted per one inhabitant of the region and compares both the absolute level of selected expenditure budget items and their share of the total budget expenditure per capita. Subsequently, the internal structure of the selected expenditure budget items is also assessed, which for the sake of simplicity is classified into four segments: social area, prevention of dependencies, communal services and security and public order as outlined above.

Hypothesis  $\gamma$ ) will be deemed to be confirmed, if the regions whose sum of standardized values of the indicators in 2016 is less than average, pay in their strategic documents direct attention to social exclusion, while the share of their selected expenditure budget per capita will exceed the average for all of the Czech Republic.

To indicate the regions of the Czech Republic, the abbreviations in Tab. 2:

**Tab. 2 List of abbreviations used to designate regions of the Czech Republic**

abbreviation	region	abbreviation	region
PHA	The Capital City of Prague	HKK	Hradec Kralove Region
STC	Central Bohemian Region	PAK	Pardubice Region
JHC	South Bohemian Region	VYS	Vysocina Region

PLK	Pilsen Region	JHM	South-Moravian Region
KVK	Karlovy Vary Region	OLK	Olomouc Region
ULK	Usti Region	ZLK	Zlin Region
LBK	Liberec Region	MSK	Moravian-Silesian Region

Source: own processing using the official regional abbreviations

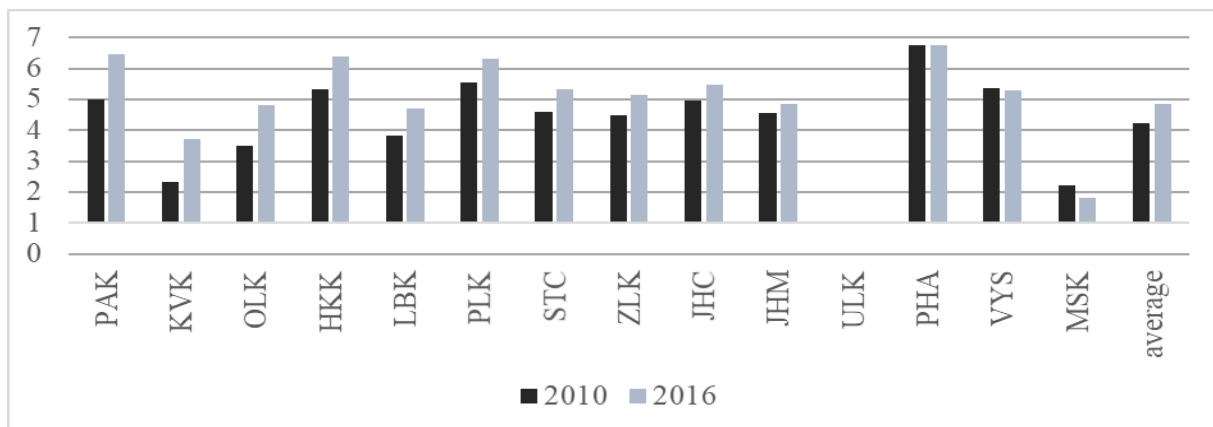
### 3 Problem solving

#### 3.1 Interregional comparison of the state of the fight against social exclusion

Interregional comparison of the state of the fight against social exclusion aims, in particular, to verify the hypothesis  $\alpha$ ). This verification in the form of the sum of the standardized values of the relevant indicators (see Tab. 1) also includes the relative position of each region relative to each other. Fig. 1 presents the sums of the standardized values of the assessed indicators and their national average for the years 2010 and 2016. The regions are ranked according to the value of the change of the standardized values between 2010 and 2016 in descending order.

The best results in 2010 were achieved by the Capital City of Prague, the Pilsen Region, the Vysocina Region and the Hradec Kralove Region. The regions with the worst results were the Usti Region, the Moravian-Silesian and the Karlovy Vary Regions. In 2016, the best results are the same as in 2010 for the Capital City of Prague, after the Pardubice Region (most positive change in the reporting period), the Hradec Kralove and the Pilsen Regions. The Moravian-Silesian and the Usti Regions are also among the worst performing regions, as in the previous period.

Fig. 1: The sum of standardized values in 2010 and 2016



Source: own processing based on (Klimešová, 2018)

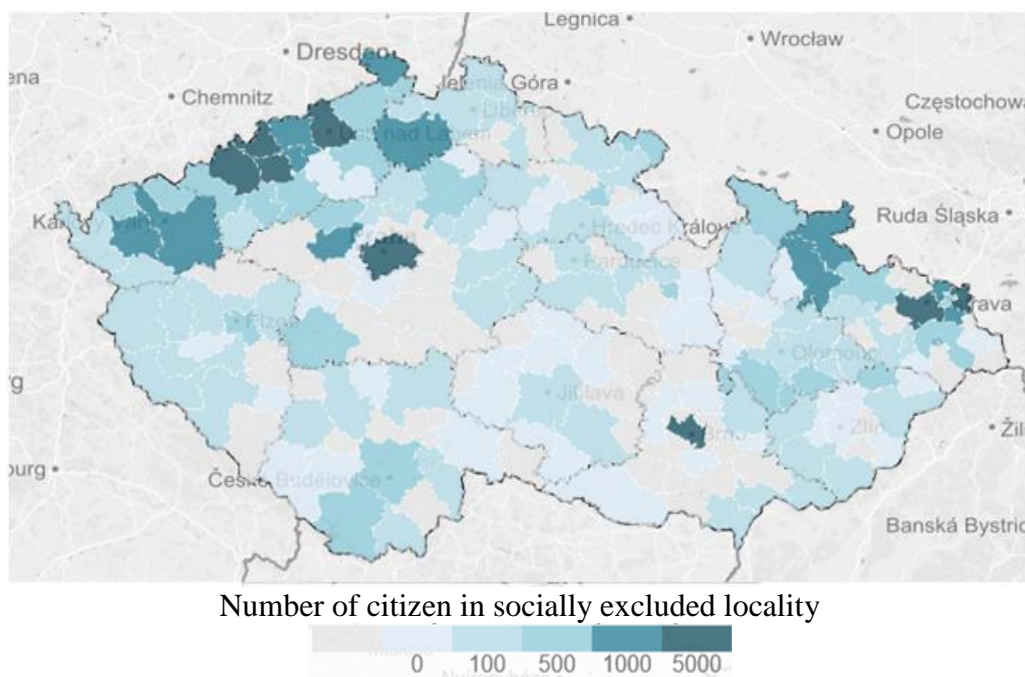
The average of standardized values for the Czech Republic was 4.3 in 2010 and rose to 4.9 by 2016. Regions that did not reach the national average in 2010 did not reach it even in 2016. The Usti Region, the Moravian-Silesian Region and the Karlovy Vary Region, where the situation was the worst in 2010, significantly improved the Karlovy Vary Region, the situation in the Usti Region stayed almost unchanged and the Moravian-Silesian Region was even worse.

#### 3.2 The correlation rate between the state of the fight against social exclusion and the number of socially excluded localities

In 2015, socially excluded localities were identified in virtually all regions of the Czech Republic, in total in 297 municipalities (Čada, 2015). At least these localities are located in the Capital City of Prague, which, however, has the highest average number of residents per

socially excluded locality (971). Over 100 residents of one socially excluded area are on average in the Usti Region (an average of 471 people in 89 localities) in the Moravian-Silesian Region (an average of 317 people in 72 localities) and in the Karlovy Vary Region (an average of 120 people in 61 localities). The regional intensity of this type of social exclusion is shown in Fig. 2.

**Fig. 2: Regional distribution of socially excluded localities in the Czech Republic in 2015**



Source: taken from (Čada, 2015)

Spearman correlation coefficient between the sum of the standardized indicator values relevant for assessing the state of the fight against social exclusion and the number of socially excluded localities in the region reaches the value of 0.79, indicating according to the scale De Vaus (2002), a very strong correlation between the two variables.

### 3.3 Regional's approaches to the prevention and solution of social exclusion

The analysis is carried out for all 14 regions, however, for verifying hypothesis  $\gamma$ ) which assumes that regions with higher levels of threat to social exclusion in their strategic development documents pay direct attention to this issue and devote more funds to their prevention and solutions from their budgets, it is necessary to pay attention to the regions: the Usti Region (1.03), the Moravian-Silesian Region (1.81), the Karlovy Vary Region (3.7), Liberec Region (4.69) and Olomouc Region (4.83), whose sums of the standardized values of the relevant indicators - shown in brackets - do not reach the average of 2016 for all regions, i.e. 4.86. (It is worth mentioning that the average value corresponds to the situation in the South Moravian Region.)

#### 3.3.1 The fight against social exclusion in strategic regional development documents

According to the Act No. 248/2000 Coll., on support to regional development, as amended (CR, 2000) each region handles its territorial development strategy. The territorial development strategy determines the focus and objectives of the region's development with regard to balanced development and sets the conditions for the fulfilment and achieving of the given objectives. Tab. 3 contains the result of the content analysis of the documents, i.e. the method of direct/indirect incorporation of the issue, as well as the brief content of its solution.

**Tab. 3: Method of integration social exclusion issues into regional development strategies**

<b>Region</b>	<b>The current strategy of the region's development concerning social exclusion</b>
PHA	directly support for families, dignified aging, accessibility of housing, integration of people with disabilities, social inclusion and integration of foreigners, reduction of the number of people at risk of poverty and social exclusion, quality and relevance of education, reduction of the number of young people unemployed and out of education, resistance to social, socio-demographic and other crises, reducing crime rates
STC	indirectly objectives eliminating the causes - increase of employment, reduction of long-term unemployment, employment of disadvantaged persons in the labour market, support of housing, increase of security through reduction of crime, support of education, quality of social and health care
JCK	indirectly social objectives, housing, crime prevention
PLK	indirectly appeal to the attention of assistance to persons socially excluded or persons at risk of social exclusion and poverty, particularly by promoting their inclusion by increasing the availability of social services, supporting the construction of social housing
KVK	directly the creation of sufficient and well-functioning network of social services for people who are socially excluded or at risk of social exclusion throughout the region, as well as measures to promote education, employment and health care
ULK	directly the fight against social exclusion, especially against the concentration of socially excluded persons or persons at risk of social exclusion, which creates an environment with higher rates of negative social phenomena, increasing the employability of the labour market and its actors, increasing employment and employability, job creation, promotion of education, access to quality social and health services, improving the facilities of disadvantaged parts of the region
LBK	directly the aim is to ensure that people at risk of social exclusion and those living with risky lifestyles have the conditions for integration into society; especially employability and employment, the availability of quality health care and social services, the availability of quality housing, security
HKK	indirectly objectives eliminating the causes - increase of employment, educational structures, support of social integration of the population with emphasis on prevention, development of social services and social economy
PAK	indirectly objectives eliminating the causes - quality education system in relation to employability, quality and availability of health facilities and social services
VYS	directly focusing on the prevention of addictions and social marginalization - appropriate structure of primary, secondary and tertiary prevention of addictions, improving the cohesion of local communities, strengthening the integration of groups at risk of social exclusion, increase citizens' sense of security, reducing crime rate and serious crime
JHM	indirectly ensuring quality, accessible and personal social services and health care, reducing the risk of social exclusion and exclusion from the labour market of vulnerable target groups, improving the health of the population, increase in education with the deepening of its ties to the labour market, combating crime
OLK	directly



	the objective of mitigating social exclusion, combating the concentration of socially excluded persons or persons at risk of social exclusion, which creates an environment with higher rates of negative social phenomena, improving the quality of education, health, promotion of employment, improvement of social services
ZLK	directly increasing the employability of specific population groups, supporting the integration of socially disadvantaged groups, people with disabilities and Roma minorities into society, optimizing social and health services, activities to ensure the protection of children's rights and needs
MSK	directly emphasis on quality healthcare, targeted social services and the successful fight against poverty, the reduction of long-term unemployment, unemployment rate, increase the qualifications of the workforce and increase the educational structure, the quality of health services, social services network, support for families, children and foster care, reducing the impact poverty

*Source: own processing using (Institute of Planning and Development of Prague, 2016; Central Bohemian Region, 2014; South Bohemian Region, 2014; Pilsen Region, 2014; Karlovy Vary Region, 2014; Usti Region, 2013; Liberec Region, 2014; Hradec Kralove Region, 2016; Pardubice Region, 2014; Vysocina Region, 2015; South Moravian Region, 2014; Olomouc Region, 2015; Zlin Region, 2012; Moravian-Silesian Region, 2012)*

The analysis of the strategic documents of the development of the territorial area of the regions showed a different approach of the regions to the issue of social exclusion. In eight of 14 regions, this approach can be characterized as direct, and in addition to the monitored five (ULK, MSK, KVK, LBK and OLK), the Capital City of Prague, the Vysocina Region and the Zlin Region, which exceed their average sum of the standardized values of relevant indicators. In most cases, this issue is addressed in terms of economic, respectively social, only in 3 regions of the Czech Republic this issue is perceived as a security problem in the Usti, Olomouc and Moravian-Silesian Regions.

### ***3.3.2 Financial provision to combat social exclusion by budgetary expenditures of the regions***

The subject of the research was on the one hand the amount of expenditures of the region budget, which have the character of expenditures for the prevention and solution of social exclusion, per inhabitant of the region, as well as the percentage of total budget expenditure per capita, the reality for the year 2016. The average values can be used to assess the situation in individual regions, i.e. the average expenditures of regional budgets per capita total = 19.39 thousands of CZK; average expenditures on prevention and solution of social exclusion per capita = 1.61 thousands of CZK and average rate of last expenditure on total budget expenditures of regions = 8.24%. The situation in individual regions is mapped by Tab. 4.

**Tab. 4: Budget expenditures of regions per capita total and on prevention and addressing social exclusion in 2016**

Indicator / region	PHA	STC	JHC	PLK	KVK	ULK	LBK
Budget expenditure per capita (in thousands of CZK)	48.39	15.40	18.22	17.65	18.83	17.31	16.64
Expenditures on prevention and addressing social exclusion per capita (in thousands of CZK)	4.24	1.00	1.41	1.20	1.61	1.63	1.18
Rate of expenditures on prevention and social exclusion (in %)	8.77	6.50	7.72	6.79	8.56	9.41	7.10
Indicator / region	HKK	PAK	VYS	JHM	OLK	ZLK	MSK
Budget expenditure per capita (in thousands of CZK)	18.51	16.87	19.29	15.82	17.83	15.80	14.95
Expenditures on prevention and addressing social exclusion per capita (in thousands of CZK)	1.73	1.41	1.57	1.14	1.79	1.42	1.25
Rate of expenditures on prevention and social exclusion (%)	9.35	8.34	8.14	7.19	10.07	8.98	8.38

Source: own processing using the data (Ministry of Finance, 2018; CZSO, 2018)

The high average value of the total budget expenditures per capita is caused by the Capital City of Prague, the average value is most close to the Vysocina Region, with a difference of CZK 100 per capita. From the observed five regions (outlined) the average expenditure on prevention and solution of social exclusion per capita is not reached by the Liberec and the Moravian-Silesian Regions, in the Liberec Region this also applies to the amount of expenditures for prevention and solution of social exclusion in the total budget expenditures, although this value is exceeded in the Moravian-Silesian Region, but not significantly.

To compare the approaches of regions in the fight against social exclusion also analyses the structure of expenditure on prevention and solution of social exclusion in their four – in the methodology outlined - segments. The finding is captured by Tab. 5.

**Tab. 5: Structure of expenditures for prevention and solution of social exclusion of regions in 2016 (in %)**

Segment / region	PHA	STC	JHC	PLK	KVK	ULK	LBK
Security and public order	<b>37.43</b>	0.22	0.00	1.42	0.00	0.30	0.00
Public services	12.80	2.44	10.88	4.77	1.96	6.84	1.42
Prevention of addictions	<b>1.01</b>	0.00	0.85	0.41	0.00	0.01	0.00
Social area	48.76	97.33	88.27	93.40	98.04	92.86	98.58
Segment / region	HKK	PAK	VYS	JHM	OLK	ZLK	MSK
Security and public order	0.21	0.06	0.45	0.37	0.00	0.12	0.80
Public services	<b>14.13</b>	2.72	1.46	0.23	0.31	0.14	5.08
Prevention of addictions	0.07	0.08	0.27	0.86	0.23	0.17	0.33
Social area	85.59	97.14	97.83	98.55	99.45	<b>99.57</b>	93.79

Note: Bolded – the maximum values, underlined - the minimum value.

Source: own data processing (Ministry of Finance ČR, 2018; CZSO, 2018)

The performed structural analysis shows different approaches of the regions in the fight against social exclusion. Four of the counties (JHC, KVK, LBK, OLK) do not perceive too much a security aspect of this issue, they have zero expenditure on security and public order, while the Capital City of Prague (with its specific status of the region and the city at the same time) expenditure exceeds more than one third of its funds. The segment of "public services" shows high variability, the Capital City of Prague is not the first, but perhaps surprisingly the Hradec Kralove Region. The "prevention of addictions" segment is subsidized in all regions by marginal expenditure: only the Capital City of Prague exceeds the one-percent threshold, on the contrary, in three regions this area is not financially secured at all. In all 14 regions, the "social area" segment is dominated within the structure of expenditure presented to the fight against social exclusion; at least in the Capital City of Prague, where a significant part of the funds is allocated to the segment of "security and public order"; the largest share is held by the "social area" segment in the Zlin Region, immediately followed by the Karlovy Vary Region.

#### **4 Discussion**

Interregional comparisons of indicators relevant to combating social exclusion between 2010 and 2016 show improvements in 12 regions, most notably in the Pardubice Region, Karlovy Vary and Olomouc Regions. In the Capital City of Prague and Usti Region, the situation has not changed significantly. The situation in the Vysocina Region has slightly deteriorated; in the Moravian-Silesian Region the worsening of the situation is not insignificant, it is over 0.4. In view of the above, the hypothesis  $\alpha$ ) that the state of the Czech Republic is improving in terms of the fight against social exclusion over time has been proven, because two of the 14 regions in 2016 amounted to a lower sum of the standardized values of the evaluated indicators than in 2010.

Very strong positive correlation between the poor situation in selected relevant indicators of the fight against social exclusion and the occurrence of socially excluded localities, leads to the conclusion that the hypothesis  $\beta$ ) can be considered as validated. This could be an important incentive for regions with a higher intensity of socially excluded localities, given their frequency of occurrence and the number of people living in them. It can be expected that improving these relevant indicators will lead to the gradual elimination of socially excluded localities, which are one of the most serious problems of reducing the quality of life.

In view of the findings, hypothesis  $\gamma$ ) (assuming that the regions with a higher risk of social exclusion in their strategic development documents pay direct attention to this issue and devote more funds from their budgets to its solutions) cannot be considered to be confirmed. Relevant five counties (ULK, MSK, KVK, LBK and OLK) have set their strategic development plans accordingly, but one of these regions (LBK) does not reach the average value of 8.24 thousand CZK per capita, selected budget items in the total budget of the region. Moreover, it would probably be a good idea to doubt the sufficiency of regional saturation share of these selected expenditures in the total budget for the Moravian-Silesian Region.

However, the issue here is not the allocation of state budget funds, which can greatly help in solving the affected regions, not only in terms of social transfers, but also in the allocation of state budget funds and EU Structural and Investment Funds in the restructuring of the economic base of the region.

#### **Conclusion**

The results presented by the analysis point to the continued existence of regional disparities in terms of social exclusion. Although the situation in the Czech Republic as a whole is favourable, there are regions where the positive impacts of the implemented actions are insufficient. It is important to pay attention to the individual elements (indicators) whose

undesirable level can prevent social inclusion. In particular, however, it is necessary to focus on those, which are more closely linked to the existence of socially excluded localities. That is what the regional governments are aware of, as evidenced by their strategic development documents. However, some reserves are evident in the area of financial allocation of regional budget funds for tackling social exclusion and, in particular, for its prevention.

More detailed analysis of the relationship between sub-regional indicators relevant to combating social exclusion and the level of expenditures of the regional budget for the prevention and resolution of social exclusion would have to be established. In addition to a more detailed breakdown of the four segments of these expenditures, further research should include issues of targeted allocation from non-regional budgets, i.e. in particular the state budget and EU Structural and Investment Funds.

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## **Contact addresses**

### **Bc. Nikola Klimešová**

University of Pardubice, Faculty of Economics and Administration, Institute of Regional and Security Sciences

Studentská 95, 532 10 Pardubice, Czech Republic

Email: Nikola Klimešová <st41314@student.upce.cz>

Phone number: 466 036 711

### **Mgr. Tetiana Korovchenko**

University of Pardubice, Faculty of Economics and Administration, Institute of Regional and Security Sciences

Studentská 95, 532 10 Pardubice, Czech Republic

Email: Tetiana Korovchenko <tatyana17020@mail.ru>

Phone number: 466 036 711

### **Assoc. Prof. Ivana Kraftová**

University of Pardubice, Faculty of Economics and Administration, Institute of Regional and Security Sciences

Studentská 95, 532 10 Pardubice, Czech Republic

Email: Ivana.Kraftova@upce.cz

Phone number: 466 036 711