Summary

The dissertation presented concerns the development trends in social security provision in the territory of the present-day independent states of the Czech and Slovak Republics, which, with only a short interruption in difficult Nazi occupation in World War II, made up the common state administration unit of Czechoslovakia, from 1918 to 1993. The dissertation continues tracing the evolution trends in the welfare system in each republic upon the dissolution of the federal state, and, finally, it focuses on the comparison of pension reforms implemented in both countries.

Firstly, the developments in the legal regulations concerning social security schemes in the period preceding the First Czechoslovak Republic are studied. Both states were integral parts of the Austro–Hungarian Empire, where a social reform was implemented in 1888 in its Austrian part, known also as Taaffe's Reform. It introduced mandatory public social insurance in three separate acts. The reform was inspired by Otto von Bismarck, Chancellor of the German Reich. In 1918, after World War I, the Austro-Hungarian legislation was fully adopted by the newly formed Czechoslovakia and the burden of responsibility for all problems regarding the previous social security system assumed. Social security contributions in the period of the First Republic were professionally differentiated in the way of specific statutory provisions applied to various employment categories, which resulted in the fragmentation and disunity of the system. Among the most remarkable points in terms of social security, the system installed separate sickness, invalidity and old-age insurance under the National Employees Insurance Act. Besides the employees insurance, there were separate legal regulations for the health insurance of public servants, miners, pension schemes for higher civil servants and industrial injuries insurance. A law regulating the disability and old-age insurance of the self-employed was passed but never became truly effective. The self-employed were eventually entitled to social security or disablement benefits only after the National Insurance Act of 1948 united the social security system in the country, which was partly inspired by Beveridge's Model of the 1942 National Insurance Scheme in Britain. The National Insurance Act was built on the universality principle, as it applied to approximately 95 % of the population, and uniformity, as all benefit schemes had been unified on the equality principle providing the same level of social and legal protection to all citizens.

Secondly, the dissertation offers insights into the situation after the coup d'état in 1948, when social insurance development trends were gradually oriented towards the Soviet welfare model. The insurance principle was abandoned, the pension and health care system was nationalised and taken over by trade unionists. Every employee was entitled to receive benefits at their own workplace. The funding of the social security benefits was somewhat ambiguous, as the employees' contributions became part of income taxes and employers' contributions part of companies' transfer payments, so all social security payments simply vanished into the government budget.

Thirdly, upon the collapse of the communist regime in 1989, a social reform became inevitable in order to mitigate the impact of economic reform and the dissertation deals with a new scenario for social reform. As part of the reform after 1989, the concept of protective social network was introduced to prevent citizens from living on very low incomes and falling below a certain level of poverty. Moreover, the social reform scenario emphasised the return to the insurance principle, financial separation of the social security system and its independence from the national budget, and the end of discrimination, chiefly of the self-employed. In 1993 Czechoslovakia was split up and the new succession states, the Czech and

Slovak Republics, had to continue in the social transformation process on their own. Despite their common principles, the evolution of the welfare systems went in different directions in both countries. Quite early after the separation, in 1995, the Czech Republic introduced a new pension scheme transforming the national retirement pension plan by imposing such measures as the gradual increase in the state retirement age at which individuals could start to receive state retirement pensions, harmonization of the system, and an alteration to pension calculation methods. On the other hand, in Slovakia, the National Insurance Act of 1988 remained effective until the Social Insurance Reform in 2004. The Social Insurance Company was established in 1994, and became responsible for the administration of health and social security benefit. With the aforementioned new social reform, accident, unemployment and surety insurances were incorporated into the national insurance scheme.

Finally, the dissertation analyses and compares the pension reforms in both countries, which proved to be totally different despite their common traditions and historical developments. The pension reform in Slovakia was implemented according to the World Bank Model, preferring a three-pillar system. Besides the first basic pillar, the second compulsory capitalisation pillar was introduced, designed to ensure the financial stability of the continuously funded basic scheme in the future. The Czech Republic has also introduced the second capitalisation pillar, however, in a softened and voluntary form. Nevertheless, the reform has never found sufficient support with either professionals or the public, and nowadays the introduction of the second pillar is being reconsidered and its termination planned. The third pillar consists of private pension schemes provided by the private sector. It is optional and financed entirely by the citizens themselves.

It can be concluded that there is no ideal pension reform. Therefore, the decisions on such reform are mostly political. However, as regards to reform, it is important that a consensus across the whole political spectrum is achieved in the decision-making process.