

Faculty of Administration and Economic Studies in Uherské Hradiště  
Jagiellonian College in Toruń

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# Motives for becoming an entrepreneur: Case study of the Zlín region (Czech Republic)

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## Abstract

In this paper, we examine motives for becoming an entrepreneur in Zlín region (the Czech Republic). Questionnaire survey between entrepreneurs who operate in the region was realized in this regard. Our main objective is to reveal, what are the most decisive drivers in potential entrepreneur decision-making. Entrepreneurial entities traditionally perceived as small were taken into account. We also investigate demographic characteristics of respondents, which enables better understanding the differences in motives between particular demographic groups of entrepreneurs. Additionally, questions targeting on entrepreneurial climate perception of Zlín region were included.

*Keywords: Entrepreneurship; Motive; Zlín region; Questionnaire survey*

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## 1. Introduction and theoretical basis

In the first section of our paper, we would like to introduce the structure and rational framework of our study, and secondly build up some theoretical fundamentals of motives for becoming an entrepreneur.

The study is based on results of realized questionnaire survey that focuses mainly on motives for becoming an entrepreneur. Various types of entrepreneurs operating their business in Zlín region were addressed. The only limitation was size of entrepreneurial entity – only subjects with no more than 25 employees were included. In further text, we firstly mention some relevant theoretical aspects of the issue. Secondly, methodological approach to questionnaire survey is introduced. Third part provides empirical results of the survey. Final part concludes some interesting findings, concerning the revealed facts.

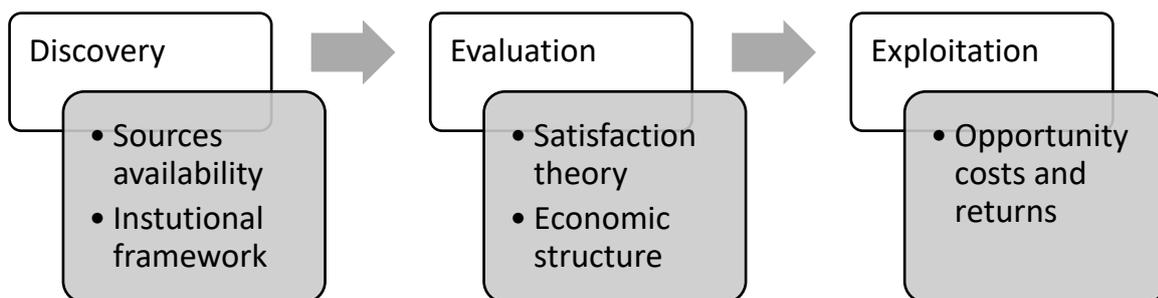
### 1.1 Theoretical aspects of motives for becoming an entrepreneur

Motives for becoming an entrepreneur are the subject of scholarly literature interest that intends to reveal the most decisive motives, to classify these motives, to reveal how the motives are linked with characteristics of potential and actual entrepreneurs etc. Thinking about entrepreneurial motives is primarily embedded in their classification between necessity-driven and opportunity-driven motives. Williams (2009) links the first group with dissatisfaction and lack of possibilities at labour market; the second group with exploitation of business opportunities. Nevertheless, Williams (2009) criticises such simplified approach and points at fact, that usually both types of motives are present in decision-making process.

Brown and Ulijn (2004) summarize the issue of push- and pull factors of entrepreneurship in following way. Pull-factors or motives respectively, are assumed to bring better position or welfare to entrepreneur. Individuals expect material and non-material benefits. Push-factors represent the different between desired and current position of an individual. Traditionally, they are connected with dissatisfaction with employment, unemployment or personal crisis, overall society and life satisfaction of a country or region play a role.

According to Baker et al. (2005), entrepreneurial activity, characterized by identification, evaluation and exploitation of entrepreneurial opportunities, differs across nations. Nijkamp (2000) adds the regional differentiation and argues that regions play a role of nodes of production, consumption, trade and entrepreneurial decision-making. Motives for becoming an entrepreneur are consequently influenced by social context – institutional and cultural. Baker et al. (2005) developed a three-level model of this situation (Figure 1). The second level of the model is connected with personal characteristics and decision-making of potential entrepreneur. The third level of the model is connected mainly with social and cultural environment.

**Figure 1: Model of entrepreneurial decision-making**



Source: Baker et al. (2005)

Nijkamp (2000) embeds the motives for becoming an entrepreneur into three dimensions. The first is personal motivation that includes the need of achievement, control of the outputs and risk-taking. The second is social milieu that includes displacement problems (loss of employment, dissatisfaction, discrimination, migration etc., usually these factors are perceived as push-factors of entrepreneurship), willingness to change, credibility and source availability. The third dimension is external business culture and includes financial requirements of entrepreneurship, social status of entrepreneur or economic changes (technologies, restructuralization, government etc.).

Williams (2009), Travers (2002) concludes that money are one of the most decisive motives for becoming an entrepreneur, either entrepreneurship represents main or additional income. Other authors, e. g. Gerxhani, 2004, stress the importance of autonomy, flexibility and freedom in decision-making process of potential entrepreneur. Williams (2009) adds also independence and desire to operate own business. Finally, the exploitation of market opportunity and gap at the market play a role (Williams, 2009).

## 2. Methodology

The paper is built on the questionnaire survey realized between entrepreneurs operating their business in Zlín region. Our main objective is to reveal the most important motives of entrepreneurs for starting their business. We anticipate following hypotheses – (1) independence, opportunity of own time-management and better work-family balance are the most decisive motives for becoming an entrepreneur; (2) opportunity of own time-management and better work-family balance are more important for female entrepreneurs, compared to male entrepreneurs; (3) money and lack of employment opportunities are the least decisive motives for becoming an entrepreneur.

Questionnaire was distributed via e-mail using contact database compiled by the authors from public business registry. Altogether, 826 entrepreneurial entities were addressed. We do not distinguished administrative forms or economy sectors of the entrepreneurial entity. The only restriction was size of the entrepreneurial entities – we include entities with less than 25 employees. Regarding this, the survey focuses on small entrepreneurial entities (understood as entrepreneurs in further text). The survey was realized in the first half of the year 2018 (from January to June 2019 to be specific).

To evaluation was included 343 questionnaires that provides complete answers on given questions. Thus, the survey reaches more than 40 percent return rate, which indicates positive approach and interest of entrepreneurs in Zlín region to this type surveys.

Structure of the questionnaire is as follows:

- Firstly, we included block of questions focusing on demographic characteristics of respondents. We asked gender, age group, marital status and presence of children in the family of entrepreneur, to be specific. These information enable further specification of opinions and entrepreneurial motives of respondents.
- Secondly, we asked the employment history of the respondents. Entrepreneurs with longer than five-year employee experience, shorter than five-year employee experience or no employee experience were distinguished.
- Third part of the questionnaire focused on the motives for becoming of entrepreneurs. The scale of several motives was given, as well as the possibility to present own comments.
- Final part of the questionnaire asked to perception of entrepreneurial environment in the Zlín region and the employer status of respondents.

Evaluation of the questionnaire survey was computed using SPSS Statistics programme. Using this programme, it is possible to reveal the inner relationships between answers and characteristics of particular respondents. In this paper, we employ descriptive statistics of results. Main empirical findings are visualized in figures and tables.

## 3. Results of questionnaire survey

This section presents the main results of realized questionnaire survey. Let us start with some basic introduction of respondents characteristics (table 1). The structure of respondents

indicates, that our survey sample consists majorly of male participants, entrepreneurs in age groups between 26 and 50 years, majorly married or committed participants and most of participants with children. Interesting is the fact, that almost all of the male respondents indicate having children (172 male entrepreneurs with children, compared to 26 childless male entrepreneurs), but the same conclusion cannot be formulated in case of female respondents (95 female entrepreneurs with children, compared to 50 childless female entrepreneurs).

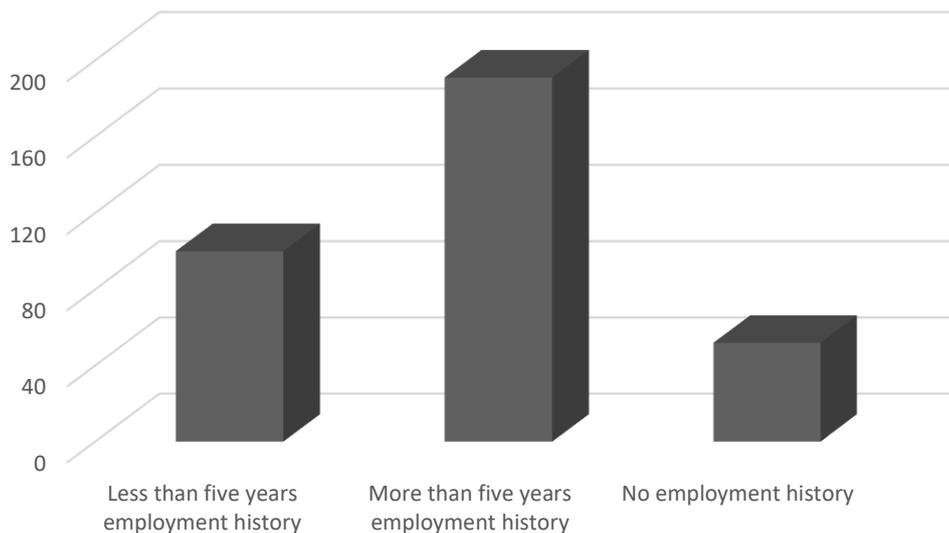
**Table 1: Respondents characteristics**

<b>Gender</b>			
	Male		Female
	215		128
<b>Age</b>			
18 – 25 years	26 – 35 years	36 – 50 years	50 – 64 years
21	156	108	58
<b>Marital status</b>			
Single	Committed		Married
92	48		203
<b>Children</b>			
	Yes		No
	267		76

Source: Own elaboration

The next question of our survey asks the employment history of respondents. Figure 2 explores this issue and it is obvious, that more than a half of respondents was in employee position more than five years. This fact can be related to the history of the Czech Republic, respectively Czechoslovakia, when entrepreneurship wasn't in fact part of economy. This hypothesis was confirmed by the respondents themselves in questionnaire comments. Employment history of entrepreneurs can be one of the clues to the identification of main motives for starting own business. It is true either for situation, when potential entrepreneur is dissatisfied in current job (from various reasons related to wage, self-realisation, work-family balance, relationships and others), or for situation, when potential entrepreneur is inspired by his current employer and utilizes positive entrepreneurship examples.

**Figure 2: Employment history of respondents**



Source: Own elaboration

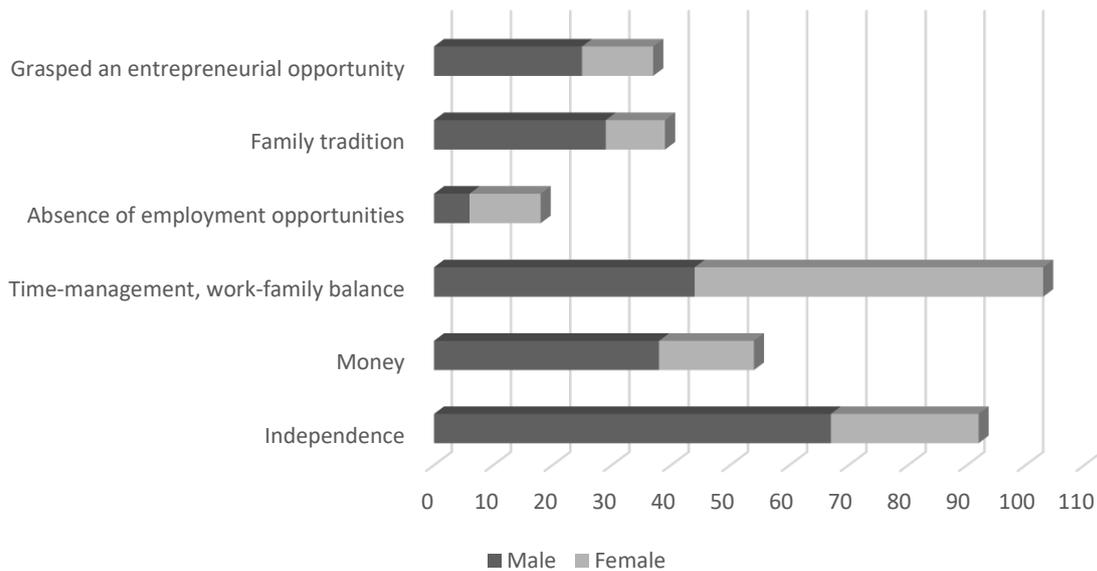
Abovementioned ideas introduce the next question of our survey that targets on the main aim of this paper. To be specific, respondents were asked to indicate their main motive for becoming an entrepreneur (figure 3). Most frequent motive for becoming an entrepreneur seems to be the opportunity to design own working schedule and better work-family time balance. More than fifty percent of respondents are women in this case. Thus, the lack of family-friendly types of employment (e. g. part-time job, home office etc.) was often mentioned. Especially for women, the advantages related to own time management is very important decision-making determinant.

The second most important motive for becoming an entrepreneur is the independence connected with entrepreneurship and self-employment. This motive seems to be more predominant for men. This fact can be connected with characteristics traditionally connected with this gender – competitiveness, aggressiveness, predatory approach, higher risk-acceptance, lower willingness to conform to rules and norms etc. These reasons were also mentioned by the respondents.

Money are perceived to be the third most decisive motive for entrepreneurship. Again, male respondents indicate this motive more often. The traditionally perceived position of men as breadwinners plays its role.

Less often, family tradition, exploitation of entrepreneurial opportunities and absence of employment opportunities were marked as main motives for becoming an entrepreneur. First two of mentioned motives were preferred mostly by male and younger respondents. Interestingly, the absence of employment opportunity was indicated mostly by female respondents and also by respondents in higher age groups. Thus, the employment stereotypes seem to be present in this regard.

**Figure 3: Motives for becoming an entrepreneur**

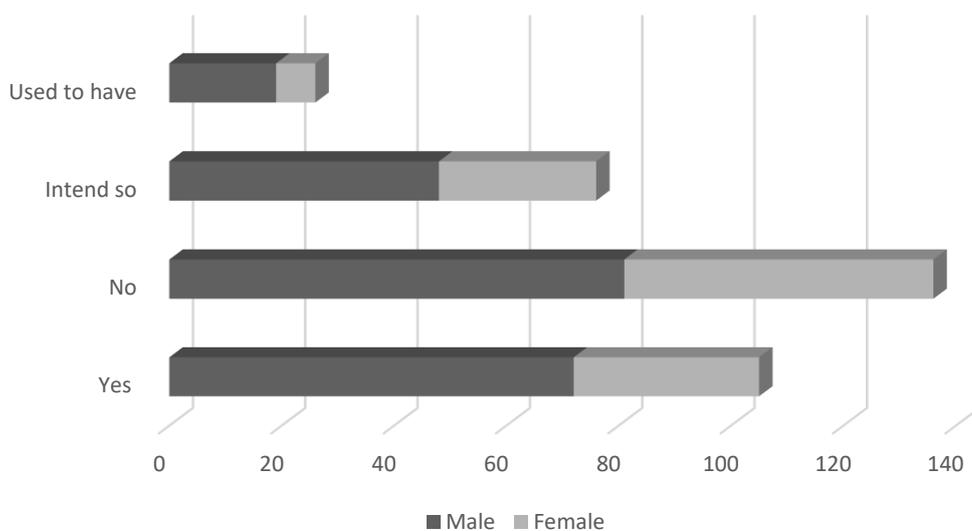


Source: Own elaboration

Final two questions of our survey intent to reveal, how the entrepreneurial environment in Zlín region is perceived and consequently, in which part of business life-cycle the respondents operate, measured by the employer status.

Majority of respondents perceived Zlín region to be entrepreneurially-friendly. Respondents connect this fact especially with good quality of entrepreneurial infrastructure, start-ups support, and positive perception of entrepreneurship by public. Less optimistic are respondents in case of administrative framework and availability of financial support.

**Figure 4: Employer status of respondents**



Source: Own elaboration

Figure 4 illustrates the results of employer status of survey respondents. Most of respondents' don't have any employees and operate their business on their own. When having employees, the majority is represented by male entrepreneurs. Again, the traditional male characteristics related to risk-acceptance and challenges exploitations play its role. In addition, businesses operated by women and individuals in higher age groups usually tend to be smaller. No negligible is the share of respondents who intend to hire employees in horizon of one year. Several respondents replied that they had to reduce labour costs due to economic conditions of their business.

#### 4. Discussion and remarks to the survey

Final section of this paper provides several conclusive remarks, resulting from realized questionnaire survey. Hypothesised statements seem to be correct in case of the first and second case. Firstly, the independence, opportunity of own time-management and better work-family balance as the most decisive motives for becoming an entrepreneur were confirmed. Secondly, opportunity of own time-management and better work-family balance are more important for female entrepreneurs, compared to male entrepreneurs. The third hypothesis was confirmed only in case of the lack of employment opportunities that is indicated as the least decisive motive for becoming an entrepreneur. On the contrary, money were indicated as the third most decisive motive for becoming an entrepreneur.

According to demographic decomposition of respondents, it is possible to sum up following interesting ideas:

- Female entrepreneurs indicate work-family balance as the main motive for starting their own business, compared to male entrepreneurs. This is true either for childless women but especially for women caring about children. Respondents often mention the lack of family-friendly employment possibilities, e. g. part-time jobs, corporate kindergartens, home-office possibility etc. Regarding this, employers in Zlín region have to adapt to the work-family balance requirements of employees in the future.
- Marital status of respondents' doesn't seem to play a role in case of entrepreneurial motives at all.
- Respondents with longer employee history are more likely to mention independence and work-family balance as their main entrepreneurial motive. We suppose that long-term dissatisfaction with job conditions is the main reason for such finding. Moreover, people with longer employment history can more easily adopt entrepreneurial patterns of their employers, which represents certain competitive advantage. In addition, these people are supposed to have savings needed for starting a business and consequently fulfil their independence craving.
- Female entrepreneurs tend to have lower number of employees or no employees at all. The reason can be anchored in fact that women traditionally operate small businesses in sectors with no need of many employees. Additionally, employer status is connected with higher risks that are not acceptable for female entrepreneurs.
- Respondents in higher age groups were more likely to indicate having own employees in their business (in case of male entrepreneurs). Furthermore, this group of entrepreneurs more often start their business because of lack of employment possibilities and craving for independence. This point at the possible presence of some kind of discrimination at Zlín region labour market.

- For young entrepreneurs, the most important motives for starting their own business seem to be either independence or work-family balance. Such finding accords with so-called millennials characteristics of young generation.

Our paper focused on main motives for becoming an entrepreneur in Zlín region. We choose simply-designed questionnaire survey for this purpose. For further research, it would be useful to compare the results with similar studies form other regions in the Czech Republic and abroad, and employ wider scale of methodological approaches and available data.

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# The Financialisation in the Activity of Listed Companies in Poland and Croatia

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## Abstract

This paper analyzes the phenomenon of financialization from the company's perspective and looks at its consequences presented in financial statements

The aim of the paper is to analyze the effects of financialization on the activity of listed companies in Croatia and Poland.

Theoretical deliberations based on a review of literature and current legislation inspired the authors to analyze financial statements of listed companies in Croatia and Poland. The aim of the empirical study is to identify the effect of financialization on business activity of Croatian and Polish companies.

*Keywords: financialisation; financial assets; stock and shares; long-term financial assets; short-term financial assets*

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## 1. Introduction

Now doing business is much more complicated than previously. More and more often the financial condition of a company depends on the situation on financial markets, rather than on its operating results. Financial markets are gaining more and more importance and become detached from the foundations of real economy. As regards business activity, the financial area is growing at the expense of the manufacturing area. The above phenomenon, referred to as “financialization”.

The hypothesis adopted in this paper is the role of financial activity in overall activity of non-financial entities is growing.

The aim of the paper is to analyze the effects of financialization on the activity of listed companies in Croatia and Poland.

The authors set out to investigate how financialization affects financial activity items presented in balance sheets of the companies in question.

## 2. Theoretical background

The phenomenon of financialization is a relatively new concept in Poland (Ratajczak 2012, p. 281) and Croatia but we can notice that it has become fairly common in international

literature. However, it is difficult to find a clear, generally accepted by researchers definition of financialization. The missing definition is the ultimate proof that the phenomenon is still being analyzed, named and defined by researchers (Kamela-Sowińska 2014, p. 110).

Financialization is a process of increasing the effect of the financial area on economic policies and its influence on economic results. Thus, financialization needs to be analyzed in its both broader and narrower meaning, i.e. from the macro and microeconomic perspective.

From macroeconomic perspective, financialization is referred to as growing role of financial markets, entities and institutions in the functioning of both national and global economy (Epstein 2005, p.3). According to G. Krippner (2005, p. 354) financialization is a form of accumulation whereby profits are generated through financial channels rather than through manufacturing and trade.

In Polish literature, the financialization is defined as increasing role of financial markets, institutions or motivations in national and international economy (Trembińska 2009, p. 354) or disproportionate growth of the financial area (Żyżyński 2010, p. 27).

From microeconomic perspective, the financialization means greater share and importance of financial activity in the overall business of non-financial entities. In the opinion of M. Ratajczak, financialization - in a narrower meaning - is associated with the growing importance of financial activities undertaken by non-financial entities (Ratajczak 2012, p. 282). It is reflected by a growing (or sometimes even dominating) position of financial assets in total assets and financial revenues and costs in the total value of the corresponding profit and loss categories.

As a discipline reflecting the economic reality of entities, accountancy operates in a microeconomic scale. With regard to the phenomenon of financialization, accountancy – by means of particular principles and methods – measures, values and records the “benefits” related to financialization, i.e. financial assets and the related profit and loss categories in the form of financial revenues and costs.

Financial statements provided by the accounting system present information on an entity’s assets, finances, equity and financial results. They constitute a basis for evaluating performance and determine economic decisions taken by financial statements users. Therefore, such statements should present the financial condition of an entity in a fair and clear manner. Simultaneously, they should constitute a collection of useful data satisfying their users’ need for information.

Irrespectively of the aims and addressees of financial statements and legislative systems adopted in a given country and its political and economic relations, data contained in financial statements should always be prepared in keeping with the concept of a true and fair view. The said concept requires that the economic reality of an entity is presented faithfully and without any material misstatements. Adherence to the true and fair view concept ensures an adequate quality of information generated by accounting. The pursuance of this concept governs other accounting principles, such as the materiality principle which applies to information aspects of accounting and concerns the manner of presenting information contained in financial statements. The use of the materiality principle manifests itself in that financial data is grouped and classified so as to highlight all important (material) information, necessary both for decision-making and for evaluating the condition of the entity’s assets and finances. Information is considered material if its omission or distortion can affect economic decisions taken by financial statements users (Remlein 2008, p. 67).

The goal of general-use financial statements is to provide information on the financial condition, achievements and cash flows of an entity. Particularly in the recent years, due to rapid changes in the business environment, the pursuance of this goal has required many structural changes aimed at increasing the usefulness of financial information. A study held by

the FASB working group among financial statements users showed considerable correlation between the place of presenting a given piece of information in financial statements and its usefulness in the decision-making process (Walińska, Bek-Gaik 2011, p. 327).

In balance sheets prepared in accordance with Polish accounting regulations, financial assets are presented either among fixed assets (as financial fixed assets) or among current assets (as current financial assets), depending on the date of their expected disposal or maturity calculated as from the balance sheet date. Financial assets (both short and long term), broken down into those in affiliated entities and those in other entities, are divided in the balance sheet into four categories:

- Stock and shares,
- Other securities,
- Loans awarded,
- Other financial assets.

The first and the third category seem fairly clear as regards their thematic scope. However, “Other securities” include debt securities purchased for resale, representing notional-amount receivables maturing at a predefined date (e.g. bonds, bank and treasury bills, covered bonds), or securities contingent on accidental causes (e.g. insurance policies). In its turn, “Other financial assets” include in particular time deposits.

In Croatia, the financial statement prepares in accordance with Croatian accounting regulations. The structure of all financial statement is prescribed by Ordinance on the structure and content of the financial statements (2016). In the balance sheet, financial assets are present like non-current and current financial assets. Within each of that two groups, financial assets are divided within three basis groups, one is financial assets in a Group, second is financial assets in associated undertakings and third group is financial assets in unaffiliated companies. Each of that three group is divided on Stock and shares, Other securities and Loans. Other financial assets are fourth common group. The financial assets in Croatia are similar like in Poland.

### 3. Data and methodology

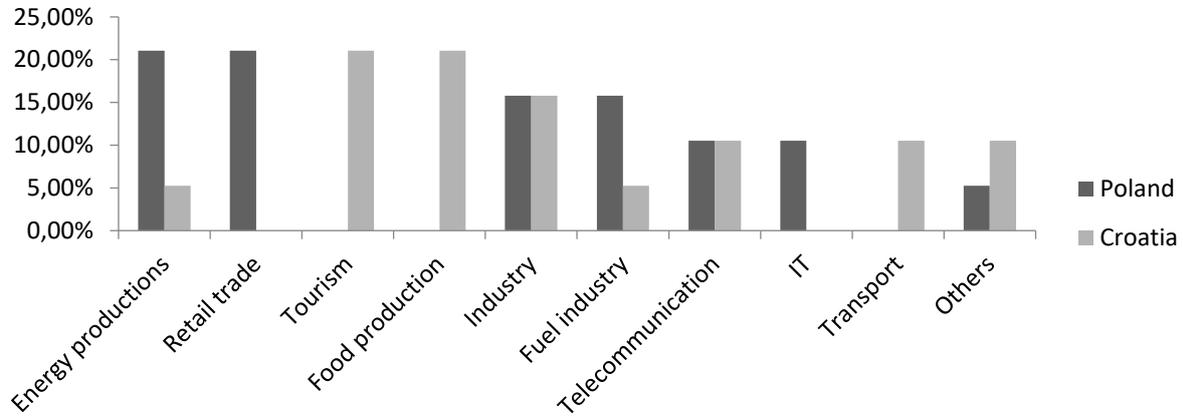
The research group consists of selected, largest companies listed on the Warsaw and Zagreb Stock Exchange. It was chosen deliberately, based on the type and importance of the company. These companies play a huge role in the national economy, manage assets of considerable value and do not operate in the financial sector.

The data of the following companies were used for empirical research:

- 19 companies from WIG 30 of the Warsaw Stock Exchange (WIG 30 index contains shares in 30 major and most liquid companies in the WSE Main List),
- 19 companies from Zagreb Stock Exchange

The basic characteristics of companies researched are shown in Figure 1 according to their operating activities.

**Figure. 1: Operating activities of Companies in Poland and Croatia**



Source: by the authors on the basis of websites of the analyzed companies.

The aim of the empirical study is to identify the effect of financialization on business activity of Polish and Croatian companies and find whether there are differences between Croatia and Poland.

The empirical study involved the method of analyzing financial data contained in balance sheets of the companies. The timeframe of the study includes 2005 (before the global financial crisis), 2010 (during the crisis) and 2017 (the most recent financial statements).

#### 4. Results and Discussion

The first research question is do current balance sheets of Polish and Croatian companies show greater value of financial assets than earlier balance sheets?

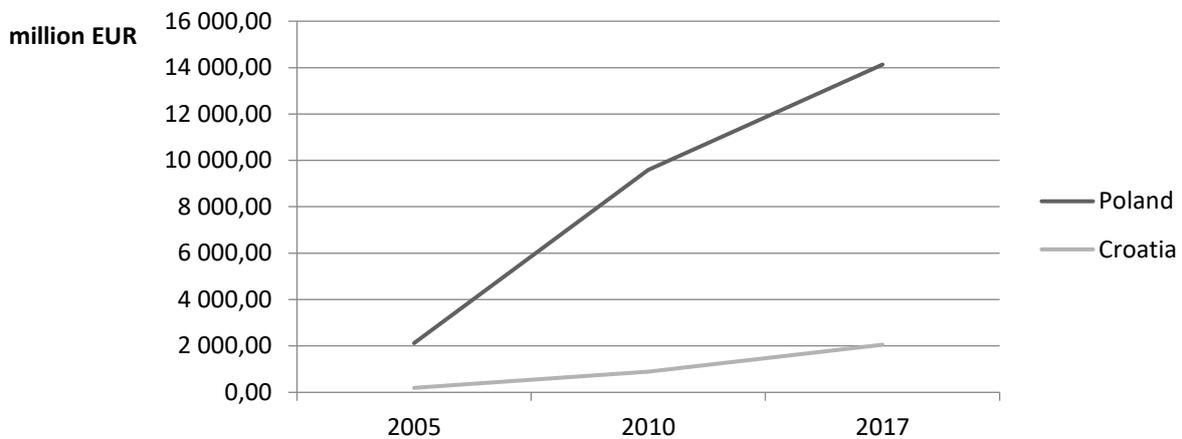
The analysis of company balance sheets showed that both Polish and Croatian companies increased the value of financial assets in the audited period. In 2005, the financial assets of the surveyed companies in Poland and Croatia amounted to approximately EUR 2,000 million. In 2010, during the crisis, the value of financial assets of the surveyed Polish companies amounted to almost EUR 10,000 million. In 2017, definitely higher value of financial assets is shown in the balance sheet of Croatian companies (over 20,000 million euros). The value and dynamics of financial assets of the surveyed companies are presented in Table 1 and Figure 2.

**Table 1: Value and dynamics of financial assets in the surveyed Polish and Croatian companies**

Country	Value in EUR million			Dynamics (2005=100%)	
	2005	2010	2017	2010	2017
Poland	2 119,96	9 591,10	14 131,34	452%	667%
Croatia	193,48	892,53	2052,53	461%	1061%

Source: by the authors on the basis of financial statements of the analyzed companies.

Figure 2: Value and dynamics of Polish and Croatian financial assets in 2005, 2010, 2017



Source: by the authors on the basis of financial statements of the analyzed companies.

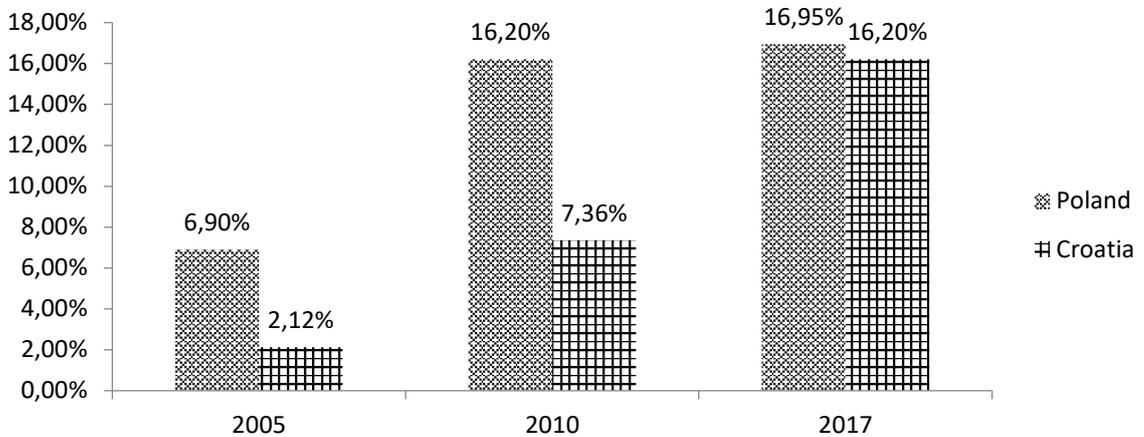
The following conclusions can be drawn from the analysis of the surveyed balance sheets:

- data on financial assets in earlier balance sheets is far less abundant than today, which may imply greater interest in financial assets and existence of more diversified portfolios of such assets,
- the value of financial assets grew in each of the analyzed companies,
- increase in the value of financial assets in Poland in 2010 as compared to 2005 amounted to 452% and in 2017 to 461%,
- in Croatia, the increase in the value of financial assets in 2010 compared to 2005 was 667% and in 2017 as high as 1061%,
- the rate of increase in the value of financial assets in the analyzed Croatian companies is greater than in the case of Polish companies.

The second research question is do current balance sheets of Polish and Croatian companies show greater shares of financial assets than earlier balance sheets?

For a more in-depth analysis, the authors investigated changes in the share of financial assets in the total value of assets, as well as the structure of financial assets, using their realization period as the classification criterion. Figure 3 presents the share of financial assets in total assets.

**Figure 3: Share of financial assets in total assets in Polish and Croatian companies**



Source: by the authors on the basis of financial statements of the analyzed companies.

In both Polish and Croatian companies, the share of financial assets in total assets increased in the period under consideration and in 2017 remains at a similar level of 16%. In Poland in 2005, the share of financial assets in total assets was 6.9%, while in Croatia only 2.12%. We can notice clear increase in the share of financial assets in total assets in Poland in 2010 (increase by 10%), while in Croatia in 2010 there was an increase of 5.2% and a further increase of 8.88% in 2017 as compared to 2010.

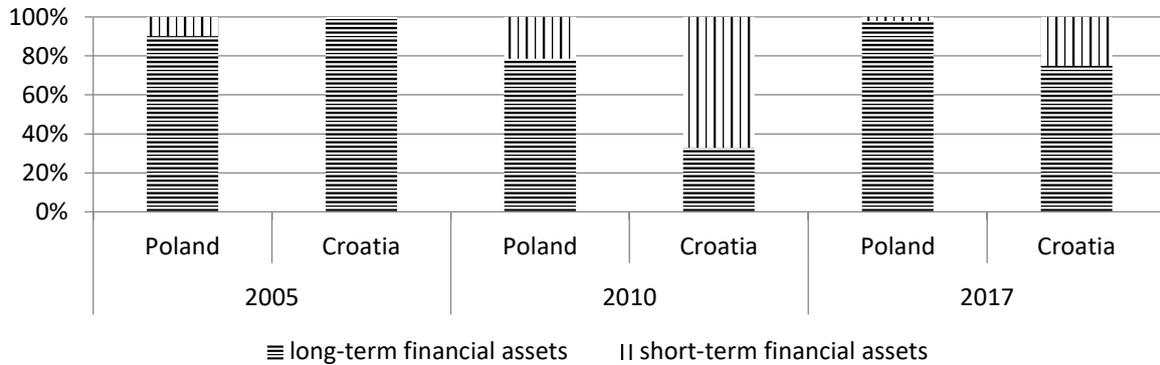
The table below presents the share of long-term and short-term financial assets in total financial assets

**Table 2: Share of long- and short-term financial assets in total financial assets in the surveyed Polish and Croatian companies (%)**

Name of the ratio	Poland			Croatia		
	2005	2010	2017	2005	2010	2017
Share of long-term financial assets in total financial assets	90,13	78,65	97,93	100,00	32,81	74,97
Share of short-term financial assets in total financial assets	9,87	21,35	2,07	0,00	67,19	25,03

Source: by the authors on the basis of financial statements of the analyzed companies.

**Figure 4: Share of long- and short-term financial assets in total financial assets in the surveyed Polish and Croatian companies**



Source: by the authors on the basis of financial statements of the analyzed companies.

In the analyzed years (exception 2010 Croatia), the share of long-term financial assets dominates which may indicate that the companies perceive financial assets as a source of economic benefits in longer rather than shorter perspectives. In 2010, during the financial crisis a clear increase in short-term financial assets is visible both in Poland and in Croatia. But in 2017, we can again see that most financial assets are long-term financial assets (in Poland 97,93%, in Croatia 74,97%).

In Poland, the largest value of long-term financial assets is held by PGE Polska Grupa Energetyczna.

The long-term financial assets of this company amount to 56.94% of long-term financial assets of all surveyed Polish companies. In Croatia, the company that holds the most long-term financial assets is the Adris Group. Its long-term financial assets amount to 67.84% of long-term financial assets of all surveyed Croatian companies.

The third research question is what are the dominating financial assets?

The results of the previous analysis indicate that financial assets are dominated by long-term financial assets. So what positions of long-term financial assets have the highest value?

Both in Poland and in Croatia, long-term financial assets are divided into four groups:

- Stock and shares,
- Other securities,
- Loans awarded,
- Other financial assets.

Table 3 presents the share of individual groups in long-term total financial assets.

**Table 3: Structure of long-term financial assets (%)**

Groups of long-term financial assets	Poland			Croatia*	
	2005	2010	2017	2010	2017
Stock and shares	34,71	92,01	75,04	50,03	11,12
Other securities	0,00	0,00	0,00	0,00	0,00
Loans awarded	0,32	0,24	20,94	12,14	16,87

Other financial assets	64,97	7,75	4,02	37,83	<b>72,01</b>
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\* no data on the dividing of long-term financial assets

Source: by the authors on the basis of financial statements of the analyzed companies.

The share of individual groups of long-term financial assets has changed over the years. However, it should be noted that neither companies in Poland nor in Croatia have "Others securities". Currently (in 2017), the group "Stock and shares" (75.04%) has the largest share in Polish companies, while in Croatia "Other financial assets" (72.01%). Figure 4 presents the structure of long-term financial assets in 2017.

**Figure 5: The structure of long-term financial assets in 2017 in the surveyed Polish and Croatian companies**



Source: by the authors on the basis of financial statements of the analyzed companies.

## 5. Conclusions

The following conclusions can be drawn from the analysis of the balances of the surveyed Polish and Croatian companies:

- data on financial assets in earlier balance sheets is far less abundant than today, which may imply greater interest in financial assets and existence of more diversified portfolios of such assets,
- the value of financial assets grew both in Polish and Croatian companies;
- financial assets' share in total assets is growing,
- long-term financial assets dominate in nearly all companies, which may indicate that the companies perceive financial assets as a source of economic benefits in longer rather than shorter perspectives,
- the most popular long-term financial assets are: in Poland "Stock and shares" and in Croatia "Other financial assets".

The above analysis allow one to claim that we can notice some consequences of financialization in business activity of Polish and Croatian enterprises. The growing importance of financial activity in overall business activity of companies are particular symptoms of financialization. The empirical study discussed in this paper confirmed the thesis on the

growing role of the financial area in business activity of Polish and Croatia companies. The growing value and diversified structure of financial assets are tangible effects of the financialization process.

The authors are aware that limiting the scope of the paper to financial assets only is a profound simplification. However, due to space constraints it was impossible to extend the study area. Therefore, the deliberations presented here can serve as a basis for further research.

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## Financial Literacy of Secondary School Students in the Zlín Region

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### Abstract

The article analyses the level of financial literacy of secondary school pupils in the Zlín Region with a focus on multi-year grammar schools. Research is done through a questionnaire survey.

*Keywords: financial literacy, secondary school, students, Zlin region*

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### 1. Introduction

Financial literacy is often discussed in today's society, not only in the Czech Republic but also all around the world. Satisfying life needs and avoiding any financial problems is the main goal of almost all families. In many cases, however, the ability of good financial management is lacking. Many families have financial problems, they are running tight budgets and increasing incidence is becoming more common. Today's pressure on modern life style results in still growing number of executions and renowned personal bankruptcies. Czech households are increasingly indebted year after year, and the balance between revenue and spending is, in the long run, a bigger problem for most families. (Kiyosaki & Lechter 2005). Training in financial literacy should be a top priority for society as a whole. Parents should lead their children to financial responsibility from a very early age and develop their financial literacy. A pattern of parental behaviour and their behaviour related to maintaining a balanced budget in the family greatly affect the future life of the child. Applying financial literacy is an integral part of everyday life where focusing on banking products and services, setting up family or personal budgets and uncovering disadvantageous or expensive contracts is an important part of life for many of us. The most endangered group is young population, low-income and low-educated families, last but not least seniors, who often succumb to the pressure of not only domestic vendors of dubious services but also offer to banks and non-bank institutions.

## 2. Literature review

Financial literacy has become a major global problem today. Increasing knowledge in financial literacy has become the goal of educational programs around the world.

At present, almost every 650 people are asked for personal bankruptcy. Each month, more than 1,500 new insolvency proposals are submitted. The dynamics of growth in the number of indebted Czech households that are not able to repay their liabilities is particularly alarming. The ever-increasing number of enforced executions raises the urgent need to strengthen at least the basic ability of citizens to become more aware of the world of finances. The young population, which is less conservative and more susceptible to risky behaviour, is at risk. (Hesová & Zelendová 2011)

Financial literacy can also be seen as: "a set of competencies that are applied in everyday life and which are necessary for active and responsible participation in the financial market. Financial education in a wider framework supports the prevention of over-indebtedness and directs citizens to secure for old age." (Hesová & Zelendová 2011)

At present, there is a tendency towards rapid consumption, increasing the willingness of people to indebtedness, and a conservative attitude towards savings. The young population is increasingly open to new things and is thus very prone to risky management, and often ignorance of financial issues is going to make mistakes. Without the necessary basic economic and financial knowledge, citizens are not able to make reasonable and qualified choices when dealing with personal finances and family property. To solve financial problems, at least basic knowledge of the functioning of the market economy is essential. Even the parents of today's teenagers do not have enough experience with financial products in the market economy and therefore cannot pass on basic financial and economic literacy to their children. It is not possible to rely on home education in this area. (Skořepa & Skořepová 2008)

Financial intelligence also relates to intelligence that enhances individuals' ability to manipulate money and make the right decisions to meet their needs. Financial literacy is also closely related to financial skills, capabilities, powers and financial responsibility. (Orton 2017)

## 3. Methodology design

The research is focused on the level of financial literacy of secondary school pupils with a focus on the grammar school in the Zlínský Region.

The chosen research method has become a quantitative approach based on the questionnaire survey within the largest available set of respondents. This method is followed by a number of other domestic and foreign research.

Quantitative research works with numerical data, detects the extent, amount or frequency of phenomena and can be mathematically processed. A quantitative approach enables us to make research data in the form of numbers unambiguously and precisely. (Gavora 2008)

Data collection was carried out using questionnaire. The questionnaire was composed of contact and functionally psychological questions. Asked questions relate to both external phenomena and internal phenomena. The questions are composed of contact structured (closed) items, which subsequently offer polytomic and dichotomous types of responses. (Chrásková 2016).

The collected data from the questionnaire survey was examined using descriptive and mathematical statistics. In particular, chi-square tests of categorical character independence in contingency tables were performed.

A partial research goal was to find out what the level of financial responsibility of pupils in grammar schools in the Zlín region is, and if there is a difference between the four-year and eight-year study fields. It was also verified whether there were differences between men and women, among pupils living in the village or city or pupils from complete or incomplete families.

Part of the questionnaire was focused on assessing the financial responsibility of respondents. There were five questions in total. Each of the answers to these questions was assigned a value of 0 or 1 so that the sum of the response assessments represented the level of financial responsibility. Questions and evaluations of responses are listed in the table 1.

**Table 1: Questions focusing on assessing financial responsibility and evaluating responses**

Question	Answers	Values
Are you interested in financial literacy?	Definitely yes	1
	Rather yes	1
	Rather no	0
	Certainly not	0
Do you ever find yourself in financial distress?	Yes	1
	No	0
Do you think you can manage your financial sources?	Definitely yes	1
	Rather yes	1
	Rather no	0
How do you get finance?	Certainly not	0
	I get pocket money from my parents	0
	I'm making a part-time job	1
Do you own a bank product?	Combination of both	1
	No, I have no account	0
	Yes, student account and savings	1
	Yes, student account	1
	I do not know	0

Source: Own analysis

The following hypotheses were tested to test the independence of categorical characters in the contingency tables at 5% significance:

- There is no difference in financial responsibility for pupils in four-year and eight-year study fields.
- There is no difference in financial responsibility between women and men.
- There is no difference in financial responsibility between students living in the city and the village.
- There is no difference in financial responsibility between students growing up in complete and incomplete families.

The final evaluation of the financial responsibility was evaluated in the categories 0 to 2 points, 3 or 4 points and 5 points.

#### 4. Results

The total number of questionnaires answered was 294. The characteristics of the respondents' set of contact questions are summarized in the table 2. The right column shows the percent representation of the category in the file.

**Table 2: Characteristics of respondents by contact questions**

<b>Gender respondents</b>	
Man	37,2 %
Woman	62,8 %
<b>Type of study (by duration)</b>	
Four-year of study	83,4 %
Eight years of study	16,6 %
<b>Year of study (four the last years in the eight-year field)</b>	
1st year of study	19,3 %
2nd grade	21,3 %
3rd grade	29,2 %
4th grade	30,2 %
<b>Place of residence</b>	
City	55,5 %
Village	44,5 %
<b>The type of family in which the respondent lives</b>	
Full	79,1 %

Incomplete 20,9 %

Source: Own analysis

Contingency tables have been set up for assessing dependence on financial responsibility in the categories 0 to 2 points, 3 or 4 points and 5 points. Independent factors included study, gender, place of residence and completeness of the respondent's family. The number of degrees of freedom for each contingency table was the same and equals 2. The test results are summarized in the table 3.

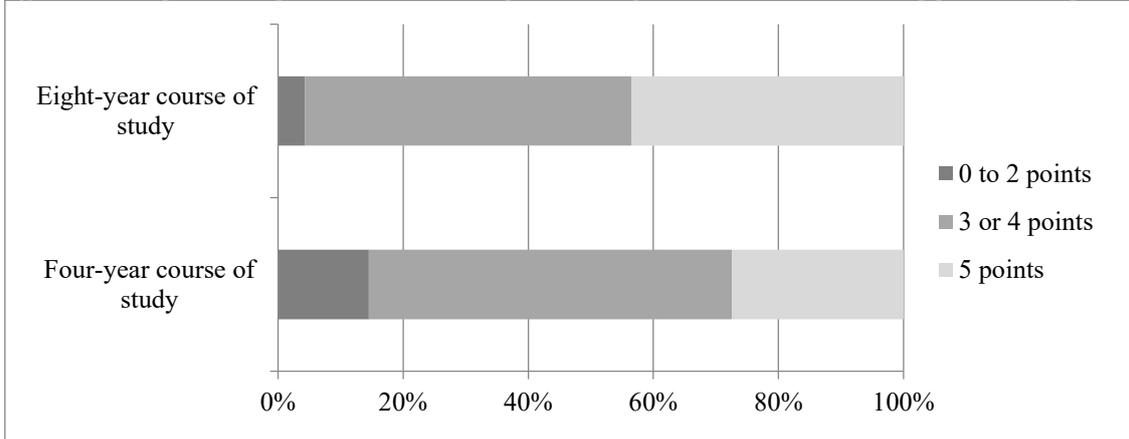
**Table 3: The results of the Independence Assessment of Financial Accountability on Individual Factors**

<b>Type of study (by duration)</b>	
value of criterion $\chi^2$	6,6828
p-value	0,0354 < 0,05
contingency coefficient	0,2108
Hypothesis of independence	rejected
<b>Gender of respondents</b>	
value of criterion $\chi^2$	9,1064
p-value	0,0105 < 0,05
contingency coefficient	0,2451
Hypothesis of independence	rejected
<b>Place of residence</b>	
value of criterion $\chi^2$	5,5374
p-value	0,0627 > 0,05
contingency coefficient	0,1923
Hypothesis of independence	received
<b>Fullness of the family in which the respondent lives</b>	
value of criterion $\chi^2$	0,1461
p-value	0,9296 > 0,05
contingency coefficient	0,0315
Hypothesis of independence	received

Source: Own analysis

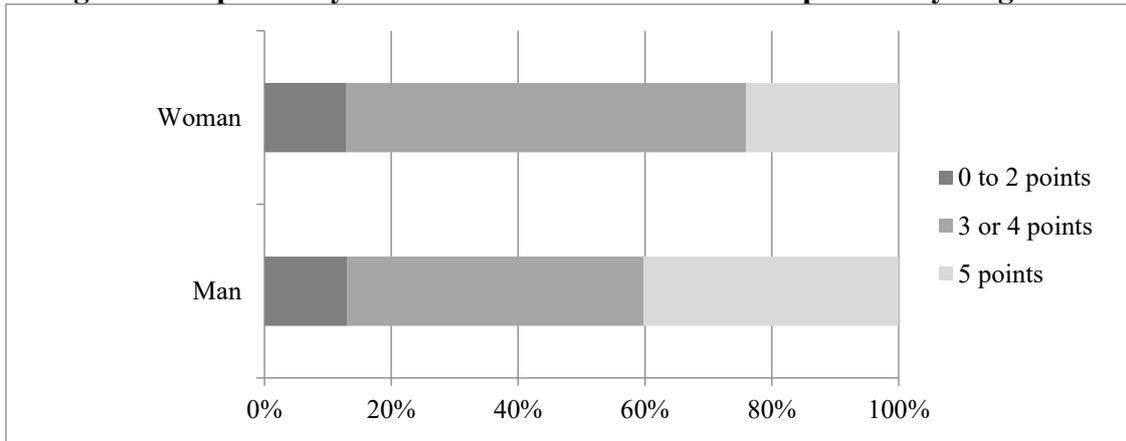
The dependencies of the assessment of financial responsibility on individual factors are graphically illustrated in Graphs 1 through 3. Graph 3 is common for the factors as the place of residence and the completeness of the respondent family, as the tests led to the assumption of the hypothesis of independence of factors.

**Figure 1: Dependency of financial responsibility assessment on the type of study field**



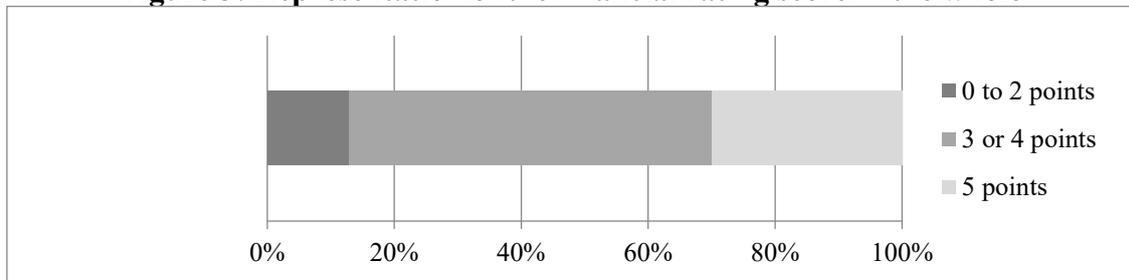
Source: Own analysis

**Figure 2: Dependency of the assessment of financial responsibility on gender**



Source: Own analysis

**Figure 3: Representation of the financial rating score in the whole**



Source: Own analysis

#### 4. Conclusion

The survey was attended by 294 respondents from the five grammar schools in the Zlín Region. A total number of sixteen grammar schools was addressed. In hypothesis testing, we found that there is a difference in financial responsibility between women and men, as well as the difference in financial responsibility between four-year and eight-year grammar schools. Financial responsibility does not affect whether a student comes from a full or incomplete family. It is also not decisive whether students live in a town or village. Students of the eight-year study have a significantly lower relative rating of the category with the lowest rating of financial responsibility compared to the four-year students. Men show higher rankings among women than those with the highest rating at the expense of the three or four-point category, with the lowest rating category is the difference very small.

For pupils of secondary schools in the Zlín region studying at grammar schools, the results of the level of financial responsibility are quite good in the sense that the relative representation of the student group with the lowest rating is below 15%.

In conclusion, an individual who loses competence and knowledge in financial literacy is a threat to today's society in the form of the abuse of his ignorance and the risk of his fall into a debt trap or the closure of unnecessary and overpriced financial products. The area of financial literacy and accountability development is a very important prevention of the often devastating errors in personal and family management and should be a lifelong topic for all citizens.

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## Health care in social services – trend of the 21<sup>st</sup> century

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### Abstract

Human life consists of several temporary – often critical – periods, which represent certain significant life events: birth – adolescence – working age – old age – death. Life circle of each human being is influenced by different diseases, which might affect quality of life. Health can get worse anytime during our lifetime, either by accident or under influence of different circumstances, old age being the most common one.

*Keywords: Ageing, Health Care, Social Services*

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### 1. Introduction

The paper is designed as a commentary of the author on the issue of health care in social services and its trends in 21<sup>st</sup> century. A long-term experience in this field justifies the opinions and ideas of the author who is a board of administration chairman in HVĚZDA z. ú. HVĚZDA z. ú. is a private social care organization that provides social and health care services.

The central motto of the contribution is the quote of Menander, a Greek poet (342-291 BC) - “Do not mock old age – you also, as all the others, are heading towards it.”

### 2. Health care in social services – trend of the 21<sup>st</sup> century

We have to realise that ageing is a natural physiological process during which our organism is affected by lots of changes. Different people cope with the process in a different way and they often lose their abilities to lead a fulfilling life during this life period. Among the main risks of ageing belong: senile dementia (different stages), illnesses, incontinency, immobility, etc.

*The annual report of OECD from 2011 (stating global development until 2050) focuses, besides other things, on the population age structure. It says that the percentage of seniors in the population will rise by 268% to 18.69% until 2050. The data confirm the objective factor of humankind ageing. As stated, it is, unfortunately, an objective factor. According to the Czech Statistical Office, the proportion of persons at the age of 65+ to persons in working age (15-64) shall almost double in the Czech Republic until 2060 and shall thus reach approximately 56%.*

The demographic characteristics (as the above stated percentage of people older than 65 in the total number of inhabitants) brings Europe among the continents where an unfavourable demographic development is increasing. It affects countries like Italy, Germany, Greece, Portugal and Bulgaria (according to the monthly *Statistika a my* magazine, published by the Czech Statistical Office). Unfortunately, also the Czech Republic is getting close to the

mentioned countries with its percentage of 17.4% from 2014. At the same time, the number of young people is decreasing, during the last 15 years the number of people younger than 29 dropped by  $\frac{3}{4}$  million, which represents  $\frac{1}{3}$  of the population (data from the Czech Statistical Office).

*As a matter of interest, I present that the highest percentage represent seniors from Hradec Králové Region (according to R. Havel from the Czech Statistical Office, department of demographic statistics). In 1950, there were only 735,000 people older than 65 in our country.*

There are of course problems connected to this – rising health care and social services expenses and so on.

According to EUROSTAT (European Statistical Office), the number of people in the Czech Republic shall double until 2050. Until 2030, the percentage of people older than 65 should rise to 23% and in 2050 to 31%. The population in our country should age slower than estimated by the Czech Statistical Office (presumption for 2020 – 23 % people older than 65), however, according to both statistical presumptions, there will be almost  $\frac{1}{3}$  of people older 65. This actually means that the Czech Republic will belong among countries with the fastest ageing population.

However, population ageing is not a tragedy. It also shows a quality health care and high life standard. Nevertheless, the society has to be ready for this phenomenon. And the question is “how”?

Ageing does not affect only the population in general. It mainly influences the population of seniors. A group of very old people (older than 80) is rising. These people have very specific needs and from this point of view, the situation is becoming unacceptable in our country. The number of seniors is rising and the discussion about having enough beds with nursing care for elderly, chronically ill and non-self-sufficient persons becomes more and more topical. Politicians talk about this a lot, they give various proclamations, however, it is necessary to solve this serious problem that does not seem to be happening. There still is a tendency not to give much money on care about seniors, which actually means saving on those who cannot defend themselves.

According to Helena Chodounská from the department of statistics, research, development and information society, the capacity of houses for seniors and houses with special regime represents  $\frac{2}{3}$  of the total number of beds in all long stay social services in our country. However, what does the term “providing social services” represent in reality? It is a care about human body, accommodation, transport, personal hygiene. Sometimes feeding too. Sometimes because nutritive complements or feeding with PEG must be provided by a nurse with a special education (competences) and not by a worker in direct care.

Approximately  $\frac{1}{4}$  of clients are confined to bed, more than 80 % of clients in houses with special regime are older than 66. Number of houses with special regime rose from 176 to 276 between 2010 and 2015, and number of clients rose from 8,500 to 14,800. People at the age of 65 or more represent 1 % of these clients; people older than 76 represent 3.5 %; people older than 86 represent 13 % and people older than 96 represent 26 %. There are more and more people with a limited mobility or complete immobility in the houses. In 2010, there were 68 % people with a limited mobility and 78 % in 2015 (source: *Statistika a My*, issued on 4/2017).

These numbers clearly show that requirements and demands on special care will rise. They also show that the care cannot be provided only by workers in direct care – also the nature of the provided services has to be changed.

*As a matter of interest, I state that there were 18 hospices with the capacity of 475 beds in our country in 2016. This means that there were about 80 – 100 beds for 1 million inhabitants (according to the Czech Society of Palliative Medicine ČLS JEP). So much the statistics.*

It is obvious that old age is accompanied by illnesses, although it cannot be said generally. Seniors (but not only them) have a lower functionality of body functions which means higher expenses as well as demands on special care. It is necessary to transform the beds in hospitals into beds of subsequent care (which might be taken as a degradation of medical staff), to change the system of education (it should be focused on geriatrics and gerontology) and due to the demographic development, the social services have to be transformed into health care in social services – this is the trend of the 21<sup>st</sup> century. This means that the institutions have to be equipped with the needed medical instrumentation, the human resources have to gain expertise (there has to be more nurses) and last but not least, there have to be a change of requirements on documentation (directives, operation mode etc.) since the institutions will be very close to health service. Nowadays, people do not need only social services (accommodation, food, help with everyday activities and care about their own selves). Health nursing care has also become very important for them, due to their various health handicaps. Clients' diagnoses:

There is no so-called “clear diagnoses” in the houses with special regime. For instance, there are other internal problems (varicose ulcers, hypertension, diabetes mellitus, oncological diseases etc.), diseases of affluence (the age border is shifting, there are the so-called young seniors), vascular diseases and so on added to dementia. These clients have higher demands on health care, nursing care as well as medical aids. It is false to think that clients of the long stay institutions need nothing but social services. Users of these services are not “only” old, they are also, and mainly, ill.

According to the statistical research from 2014, Zlín Region had 3,190 long stay places in houses of seniors, houses of peaceful old age and pensions. According to the representatives of Zlín Region, who are in charge of social field, there are enough places. Really? How is it then possible that there are still many people on the waiting list waiting for a free place? Where is the mistake?

However, is a clerk competent enough to say (from a professional point of view) where, who and if should the services be provided and to what extend? I believe that the answer is no. This is not a decision which can be made by a clerk without special competences, who often makes the decision from a desk in their office. Only a worker with special knowledge or a community nurse can judge the needs of healthwise excluded citizens, their right to be taken into a house with special regime or conditions of the right methods. Moreover, the decision should be based on a diagnosis. I thus also drive at the checking activities of superior bodies. The system of professional education of potential workers in particular fields is not correct – the workers lack expertise and competences for performance of the given field.

*A clerk without special education and without particular competences cannot judge these matters objectively. Their decision is based only on percentage and numbers and that is not correct – a client/patient is not an item, they are human beings with their particular health problems.*

In my opinion, there is another problem – the fact of dividing one field into two – into a medical one and a social one. And that was a mistake.

Finally I would like to say a few words about the position of the non-profit sector (civic associations, public benefit organizations etc.) operating in the field of social services. It is discriminated in some regions of the Czech Republic. From my point of view, the discrimination comes mainly from the side of clerks of particular unions. The organizations are, unfortunately, evaluated according to an individual attitude and are dependent on these clerks, even though formally (various declarations of state administration representatives) the importance of these organizations is highlighted on various occasions.

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