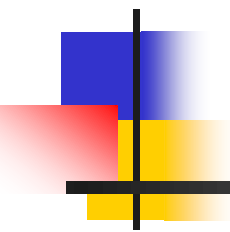


**ACTIVE EMPLOYMENT POLICY
IN THE CZECH REPUBLIC,
WITH PARTICULAR ATTENTION TO
ESTABLISHING OF THE SO-CALLED
EMPLOYMENT PACT IN THE STRUCTURALLY
AFFECTED
MORAVIAN-SILESIA REGION**



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Content

- ❑ **Unemployment as a global problem**
- ❑ **Employment policy within EU**
- ❑ **Employment policy in the Czech Republic**
- ❑ **Employment Pact in the Moravian-Silesian Region**

Unemployment as a global problem

- After about **20 "fat" postwar** years of boom and economic growth, economies of countries have reached the next development cycle - recession, which caused an increase in unemployment. If the unemployment was around 2-3% **in the 1960s**, the problem became pressing **in the 1970s**.
- The global economic crisis** has strongly accelerated the problems of unemployment
- The increasing of unemployment is evident *in following table*:

| Country | Y2000 | Y2008 | Y2010 |
|----------------|-------|-------|-------|
| EU-27 | 8,7 | 7,0 | 9,6 |
| EURO AREA | 8,4 | 7,5 | 10,0 |
| Czech Republic | 8,7 | 4,4 | 7,3 |
| Germany | 7,5 | 7,3 | 6,8 |
| Greece | 11,2 | 7,7 | 12,6 |
| Spain | 11,1 | 11,3 | 20,1 |
| Italy | 10,1 | 6,7 | 8,4 |
| Cyprus | 4,9 | 3,6 | 6,5 |
| Poland | 16,1 | 7,1 | 9,6 |
| Portugal | 4,0 | 7,7 | 11,0 |
| Slovakia | 18,8 | 9,5 | 14,4 |



Unemployment as a global problem

Two negative phenomena:

- frictional unemployment
- long-term unemployment
are rising

Unemployment does not affect all groups equally.

The highest risk groups are:

- women
- adolescents
- school graduates
- handicapped groups
- pre-retirement age
- workers with less education
- professions and territories in decline.



Employment policy

The State enters into this market through its macroeconomic regulatory measures. These are classified as follows:

- 1) Indirect - monetary, fiscal and income policy
- 2) Direct - Employment policy.

The employment policy is defined by Krebs, V. *Social Policy publication, the 4th revised and updated edition Prague: ASPI, 2007, page 296* as

„...a set of measures contributing to the creation of conditions supporting dynamic equilibrium in the labor market and the efficient use of resources.“

There are two types of employment policies:

- passive (simply put, unemployment benefits)
- active (retraining, investment incentives, community work, socially useful jobs, bridging allowance, contribution for staff transport, contribution in the transition to a new working mode)

Employment policy within EU

- The European Community was based in the beginning on free movement of goods, capital, labor and services. Thus, **social policy was not a central theme.**
- **As late as the 1970s**, EU started to analyze causes of this phenomenon.
- **In the nineties**, EU began to conceptually support employment and perceive it as one of the most important instruments of social and economic stability of the European area.
- **The most relevant milestones of the EU employment policy are as follows:**
 - The Luxembourg Process (1997)
 - The Lisbon Strategy (2000)
 - Review of the Lisbon Strategy (2005)
 - A new beginning of the Lisbon Strategy (COM 2005/14)
- **Strategy EU 2020 :**
 1. **Achieve the overall employment rate of 75%;**
 2. **Increase investments in research and development to 2.7% of GDP;**
 3. **Increase the proportion of university educated people aged 30-34 years to 32%;**
 4. **Reduce the ratio of students early leaving an educational system to 5.5%.**

Employment policy within EU



- **The "Engine" of European growth to be knowledge and innovation; the policy will be focused on creating more and better jobs**
- **Nevertheless, 23.1 mil. unemployment in the EU-27 in February 2011**



Employment policy in the Czech Republic

- The Czech Republic has been included in the process of integration within the EU **in 1999**, when the Czech Government approved the **National Plan for Employment for 1999 within the European Employment Strategy**, followed in 2001, 2002 and 2003. There's a shift from passive forms of employment policy to the active employment policy
- **Tasks of the Czech plans were divided into the following packages:**
 - **Support of employability**
 - **Support of entrepreneurship**
 - **Support of businesses and employees to adapt to changes**
 - **Support of equal opportunities for all**
- **In 2004, the Czech Republic became an EU member.** Since then, all documents relating to an active employment policy have been based on EU documents, hence based on the same principle that **the most effective means for combating social exclusion is to provide employment.**



Special features of the labor market in structurally affected regions

- The Czech Republic is divided into eight cohesion regions, each of which develops different economic dynamics.
- According to the European five-degree classification of cohesion regions, two Czech cohesion regions have been classified in the weakest (5th) category, called DECLINING:
Moravia-Silesia and North-West. The common cause is a decline of coal mining and related heavy industries (metallurgy, chemical industry).
- Economic impacts are visible in:
 - a long-term low value of GDP per capita, and they do not show any prospect of improvement,
 - the indicator of unemployment, which is consistently high in these regions.



MORAVSKOSLEZSKÝ
KRAJ



MORAVIAN-SILESIA EMPLOYMENT PACT

MSPact

PAKT ZAMĚSTNANOSTI

MORAVSKOSLEZSKÝ



MSPact – WHY ?

PAKT ZAMĚSTNANOSTI

MORAVSKOSLEZSKY



| Indicator | Value for the Moravian-Silesian Region as of of June 30, 2010 | Value for the Czech Republic as of June 30, 2010 |
|--|--|---|
| Number-to-employ population | 646,409 | |
| Number-to-unemploy population | cca 83,000 | |
| Employment rate | 51.1 % | 54.1 % |
| Unemployment rate | 11.4 % | 8.5 % |
| Ratio of unemployed in the Region to the unemployed in the CR | 15.0 % | |

MSPact – WHY ?

- A task to create an entity that would ensure a higher form of coordination and cooperation both within the Region, as well as the central level with the
 - Ministry for Regional Development
 - Ministry of Labour and Social Affairs
 - Ministry of Education
 - Ministry of Industry and Trade
- New solutions to the labour market and employment
- Participating in international networks to take advantage of foreign experience – 7th Annual Conference of the OECD / LEED Forum on Partnerships, which took place in Vienna in March this year
- Finding a system solution with an integrated approach. As an example – a lot of projects, but without coordination and strategy.

MSPact

WHO and WHEN?



- All of the above information is taken from the **MSPact Agreement** concluded on **24 February 2011**, and the presentation and oral information of **Mr. Peter Czekaj**, Secretary of the MSPact. Mr. Czekaj is also a leading representative of the first two **MSPact o-founders**:
 - (1.) Association for the Development of MS Region**
 - (2.) Regional Chamber of Commerce of MS Region**
 - (3.) Moravian-Silesian Region**, *represented by the Marshal of the Region*,
 - (4.) Regional Council of the Moravian-Silesian Cohesion** (*evaluating the projects funded from grants under the EU Regional Operational Programme*).
- MSPact is a "**contract-based partnerships to link policies and strategies in the labour market and employment with development of economies and competitiveness of the MS Region**".

MSPact

Main objectives



by 2016, to achieve an average employment rate compared to other regions of the Czech Republic

by 2020, to achieve an above-average employment rate and rank among the top 5 regions in the Czech Republic

MSPact

5 strategic priorities



■ 1. Create more and better jobs

The image of a region friendly to business and creating employment and business opportunities can promote an appropriate combination of national and regional incentives and services for investors and employers.

■ 2. Technical and craft excellence

The Moravian-Silesian Region has undergone several centuries of the history of an industrialized region, on which it wants to build in the future. **Technical excellence** - based on rich experience, **craft excellence** - primary goal here is to increase the prestige of crafts, which are less and less attractive to young people. One reason for the decline of the craft prestige is reduced practical teaching in schools.

■ 3. Quality services

- the offer of modern **office building**

- **human resources** will be crucial to take on this opportunity. Their quality is particularly given by relevant skills, language, computer and other soft competencies.

- **tourism**.

- top **health and social services**

■ 4. Entrepreneurship and creativity

The educational system rather encourages an employee's culture and it either can not or will not develop a culture of entrepreneurship and business. At the same time, there are examples of countries or regions that specifically seek for entrepreneurial talent and create conditions to make the most of them.

■ 5. Employment for all (who want)

The fifth strategic priority focuses on improving conditions for **the entry of unemployed to the labour market** within three main sectors – **trades and technical professions, services and business and a specific group - disabled persons**.

Coordination of action by employers, educators, government, unions and public sector.

Choosing the theme "Employment" as one of the main strategic priorities of the region is an important first step.

Significant financial resources to implement active employment policy co-financed by the European funds are available in the Moravian-Silesian Region.

MSPact

5 working groups

- Five expert working groups
- 80 experts participated.
- The working groups have identified the key issues to create

1. Representatives of major companies in the Region - Vitkovice, TZ, OKD, ArcelorMittal, BorsodChem, Tieto Czech, CEZ

2. Members of the Regional Chamber of Commerce, Regional Authority, university and high school teachers, private educators, labour offices, employment agencies, etc.

an Integrated Employment Development Program

consisting of **10 integrated projects**

MSPact

The Integrated Employment Development Program

- **Regional Observatory of Labour market and Competitiveness**
- **Regional network of career consulting centers**
- **Talent Pool**
- **Gateway to a technical career**
- **COMPASS - competence and internship**
- **Services with a smile**
- **Gate Open**
- **Enterprising Region**
- **Labour Pool**
- **10 for Life**

MSPact Funding



The first basic area : Integrated Program of Employment Development of the MSPact

- **The main source of funding is operational programmes co-financed from European, national and regional sources.**
- The first **Integrated Employment Development Program** will be funded in the period 2011 - 2013/15 by the coordinated use of resources from the operational programme “Human Resources and Employment”, “Education for Competitiveness”, “Entrepreneurship and Innovation”, integrated operational programme and regional operational programme of Moravia-Silesia based on **the Contract on Implementation of the Integrated Employment Development Program** concluded with the Ministry for Regional Development, Ministry of Labour and Social Affairs, Ministry of Education and Ministry of Industry and Trade and the Regional Coherence Counsel of the Moravian-Silesian Region.

The second basic area : Structures and services of the MSPact

- **Including the costs of coordination, management, organization and administration activities of the MSPact.**
- The cost of these structures and services will be covered from **multiple resources, such as the MS Region and the EU structural funds**



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**THANK YOU FOR YOUR ATTENTION
29TH MAY 2011, ATHENS**

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