COUNTRY FICHE: THE CZECH REPUBLIC

PES NAME: Czech Public Employment Service (*Urad prace*)

Basic organisational model

Type of organisation/relation to government

State organisation and administrative office subordinated to the Ministry of Labour and Social Affairs.

Structure and organisational levels

- 1 Directorate general;
- 14 Regional offices;
- 242 local offices.

Management structures and the role of social partners

- Management: The management structure of the PES is developed into 2 levels. At a central level, the Labour office is managed by the Director General, whereas both regional and local offices are headed by directors.
- Supervision: The Ministry of Labour and Social Affairs supervises PES activities. The Director General, with the consent of the Ministry, can appoint or dismiss the Deputy of Director General and the Director of the Office of the Director General.
- Social partners: Social partners are involved in the monitoring of the labour office activities; moreover they take part to the dialogue with government representatives.

Financing model

PES financing by source, Euro (million)

	Expenditure (EUR million)						Change 2010-2011 (%)		
	2010			2011 (forecast)					
Source of funding (%)	Total Budget	Operating costs	ALMP	Total Budget	Operating costs	ALMP	Total Budget	Operating costs	ALMP
Total	273,44 (100%)	31,77	241,67	198,09 (100%)	28,91	169,18	-27,2%	-9%	-30%
Social security contributions									
Government and other public funding	109,86 (40,2%)			102,15 (51,6%)					
ESF	163,34 (59,7%)			95,58 (48,2%)					
Other EU Funding									
EURES	0,24 (0,1%)			0,36 (0,2%)					
PES own revenues									
Other									

Note: Budget does not involve unemployment benefits, whereas it includes national contribution of 15% for ESF and 5% for EURES. The period of spending of EURES 2010 is June 2010 – May 2011; forecast for 2011 is from June 2011 – May 2012.

Human resources

PES human resources. Date of observation: 1st October 2011

	Number of staff	% directly servicing clients
Total	7.308	%
Directorate General	80	N/A
Regional offices and local offices	7.228	32,29%

Note: 2.334 staff are committed to directly servicing clients at both regional and local levels.

Integration of employment services and benefit payments

Unemployment and related benefits:

- PES is fully responsible for client registration, processing and payment of the following: unemployment benefits, retraining allowances and State Social Support allowances. From 1st of January 2012, the labour office will be responsible for the organisation of public services for jobseekers, in cooperation with municipalities.

Other social benefits

- Municipalities are in charge of both the registration and payment of 2 kinds of benefits: allowances deriving from the System of Assistance in Material Need, and benefits for people with disabilities or in need for assistance.

Clients/Customers

Jobseekers. Date of observation: 31st October 2011

	Number	%
Jobseeker client groups		
Available job seekers[1]	451.968	96%
Unavailable	18.650	4%
Of which:		
- Women	243.601	52%
- Men	227.017	48%
- Graduates	35.667	8%
- Receiving unemployment benefits	101.787	22%
- Disabled	61.680	13%
- Undergoing retraining	5.097	1%

Further breakdowns are applied in order to categorise jobseekers clients: gender, age, duration of unemployment and disability. No categorisation on the basis of ethnicity is made.

Employers

PES uses a segmentation of employer clients according to company size, cooperation rate, sector and staff situation. As of December 2010, the PES has the following employer groups:

- 1-49 employees;
- More than 50 employees;
- No employees;
- A residual category of “not specified”.

[1] Available job seekers are those who can immediately start to work when they are offered a suitable job, i.e. registered unemployed who have no objective barrier to enter employment. Available job seekers do not comprise: the ones in detention, in prison, candidates unable to work, those enrolled in retraining courses or performing short-term jobs, and candidates who receive maternity benefits or who are granted unemployment benefits during maternity leave.

Date of observation: 31st December 2010

Employer client groups	Numbers	%
Total	48.681	100%
1-49 employees	12.922	26,5%
More than 50 employees	4.063	8,3%
No employees	1.076	2,2%
Not specified	30.620	62,9%

Other clients

- N/A.

Types and methods of service provision

Services for jobseekers

- Advice and counselling for all unemployed jobseekers, online or face-to-face, based on an individual action plan.
- Provision of vocational rehabilitation to a selected number of jobseekers dealing with disabilities, by training institutions.
- Training and retraining activities for some selected jobseeker clients, dealt by specific training institutions.
- Job clubs and group session activities.

Services for employers

- Recruiting, pre-selections and matching for all employers available at PES offices and also online (vacancies database, candidates CV database).
- General information on PES service provision as well as on labour market for all employer clients.
- Legal and financial counselling (legislation, subsidy conditions, supported employment) for all clients.
- Staff education counselling for those employers in need to update their employees' competences.

Job vacancies and market share

Collecting information on job vacancies

The notification of vacancies to the labour offices is mandatory. From 1st January 2012 this obligation will no longer exist. Job vacancies are monitored according to 3 categories: level of education, CZ-ISCO (International Standard Classification of Occupations) and sector of activity.

Vacancies and referrals

October 2011: 38.732 vacancies registered; 4.989 vacancies filled. 10.493 vacancies cancelled from the database.

Matching of supply and demand

PES analyzes the number of job vacancies monthly, according to the suitability for graduates or disabled persons. According to 2010 data, the job vacancy database is reported to cover 80% of blue-collar occupations, 66% of those called "professionals" and 56% for managers.

Market share

PES' market share is 13% (January – October 2011)

Method: This was calculated as the ratio between all vacancies filled with the support of PES and the total number of notified vacancies.

Active labour market policies

LMP Services

Name of service	Brief description	Delivery
Employment brokerage	Employment brokerage refers to activities focused on seeking suitable employment for jobseekers, as well as to activities aiming at finding suitable employees for employers who claim vacancies.	Counselling and provision of relevant information.
Vocational rehabilitation of persons with working limitations	Persons with changed working abilities are provided with vocational rehabilitation. It is a complex process aiming to enable such person to continue with his/her current employment or other suitable employment. Participants to this measure face changed working abilities.	Job counselling, job training, job placement and creation of suitable conditions at the workplace.
Other services and PES overheads	Administration of passive and active measures, social benefits, work permits and registration of foreigners, as well as of ESF projects. EURES counsellors offer intermediation to find a work abroad.	

LMP Measures

Name of measure	Category	Brief description	Delivery
Retraining	2	A labour office can offer retraining if this is essential for the jobseeker's future employment. The content and scope of the retraining depend on the qualifications, health, abilities and experience of the person to be retrained in the form of new theoretical knowledge and practical skills. Employers may receive full or partial compensation for retraining related costs.	The labour office pays the retraining costs on the jobseeker's behalf and can give her/him a contribution towards necessary retraining related costs. According to an agreement with the labour office, retraining may also be performed at the employer's premises with a view to her/his employee's further employment.
Contribution upon a switch to a new business programme	4	Contribution when employer switches to a new business programme and therefore cannot guarantee work for employees in the scope of the stipulated weekly working hours. The monthly contribution per employee may amount to a maximum of a half of the minimum wage.	The contribution can be provided for a maximum of 6 months by way of partial compensation of the wage payable to employees under labour law regulations.
Publicly beneficial work	6	Work opportunities such as public spaces cleaning and maintenance of public buildings and roads or similar activities, for a municipality or for state or other civic institutions.	Jobs are created on the basis of an agreement with the labour office, which may provide the employer with a contribution in return.
Investment incentives	7	Employer materially supports the creation of new jobs and the retraining or training of new employees. Material support for the creation of new jobs can be provided to an employer who will create new jobs in the area in which the average level of unemployment, over the two previous half-years, is at least the average level of unemployment in the Czech Republic.	
Social beneficial jobs	7	An employer establishes or reserves socially beneficial jobs on the basis of an agreement with the labour office and fills them with jobseekers who cannot find work by other means. A socially beneficial job is also a job that the jobseekers have agreed on with the labour office for the purpose of performing a self-employed activity.	
Contribution towards recruitment costs	7	Contribution when the employer recruits a jobseeker to whom the labour office has devoted special care. The monthly contribution per employee may not exceed a half of the minimum wage.	The contribution can be provided for up to three months.

Cooperation/partnership

PES usually outsources mediation services to private employment agencies, whereas training and retraining measures are sub-contracted to educational institutions.

Evaluation
In-house evaluation of services and monitoring of labour market are incorporated in the design of ALMP programmes. A final report on the situation on the labour market is released, including an assessment on the implementation of ALMPs and an evaluation on individual instruments in the ALMP placement activities and measures.

Management logic and performance measurement

Planning process
Objectives and targets are determined according to the Europe 2020 standards.

Types of objectives and targets

According to the Europe 2020 targets, PES aims to:

- Increase the overall employment rate of people aged 20-64 years to 75%;
- Increase the employment rate of women (20-64) to 65%;
- Increase the employment rate of older people (55-64) to 55%;
- Reduce youth unemployment (15-24) by one third compared to 2010;
- Reduce the low-skilled unemployment rate by a quarter compared to 2010.

Monitoring
PES regularly uses ongoing monitoring of targets, through its departments. The results of this activity are used to set up the new short-term objectives.

Lean management
The information system will go through a simplification and automation. The administrative burden will be reduced thanks to a process of centralization and the downsizing of PES. This will imply a bigger use of outsourcing to provide specific services.