

Support programmes focused on entrepreneurship and self-employment of young people in the Czech Republic

Workshop on Youth Employment Initiatives
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MINISTRY OF
INDUSTRY AND TRADE

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Agenda

- ➔ Present situation on labour market in the Czech Republic
- ➔ Playground and basic players
- ➔ Government measures
- ➔ Private activities
- ➔ Lesson learnt

Present situation in the labour market in the Czech R.

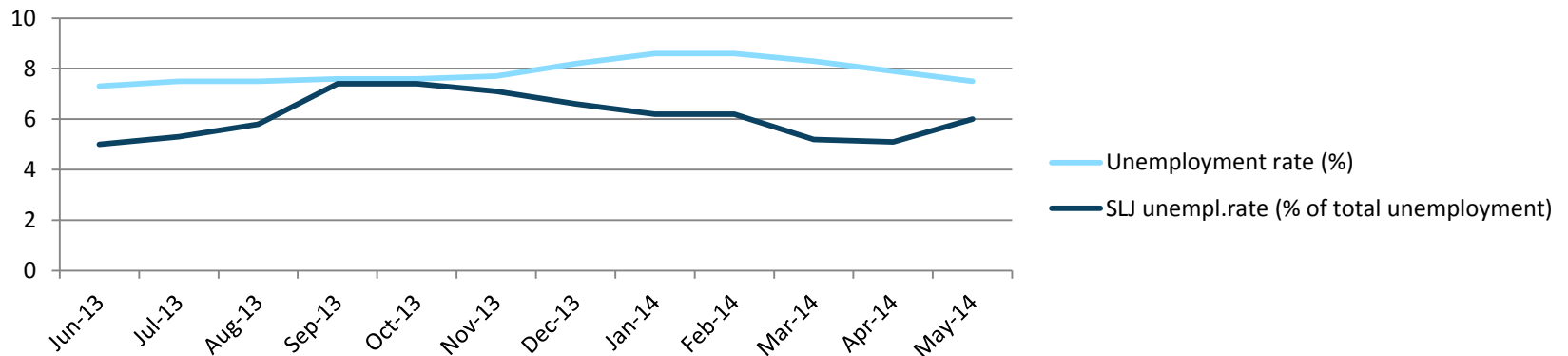
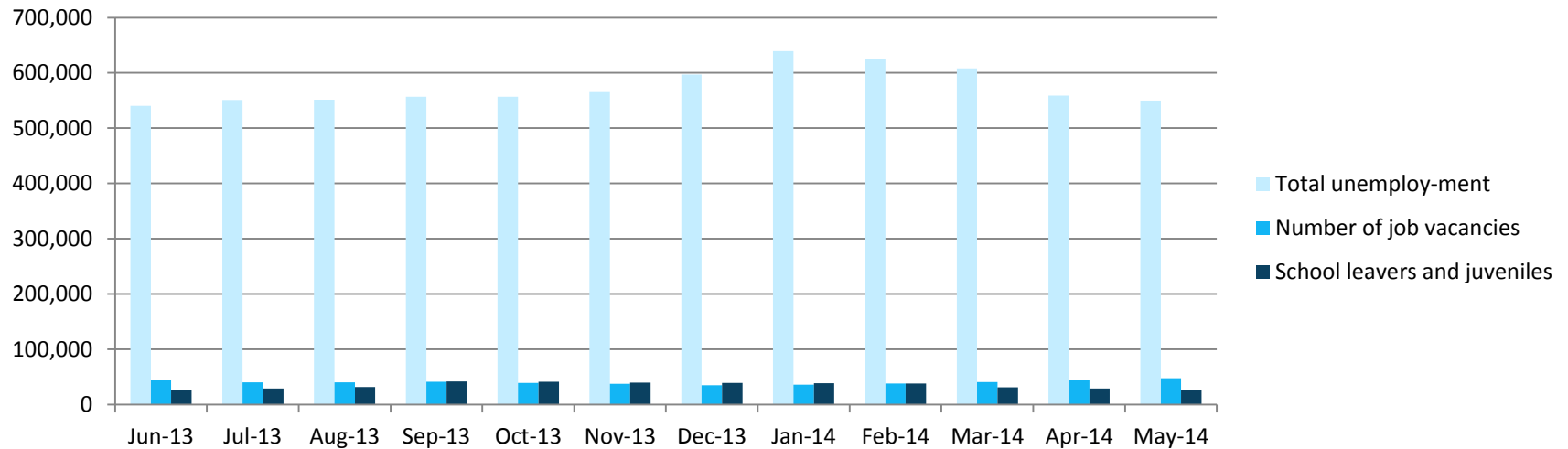
- ➔ From the beginning of 2014 unemployment has been continually falling down
 - ▶ ...similarly, youth unemployment declines too
 - ▶ ... and number of job vacancies is going up 😊
- ➔ However...
 - ▶ High demand for skilled workers and qualified technicians in machinery industry (lack of technical professions)
 - ▶ Priority to trained specialists with longer professional experience
- ➔ Hopeless situation for young people
 - ▶ vicious circle – no job because of no experience, but gaining experience is inaccessible



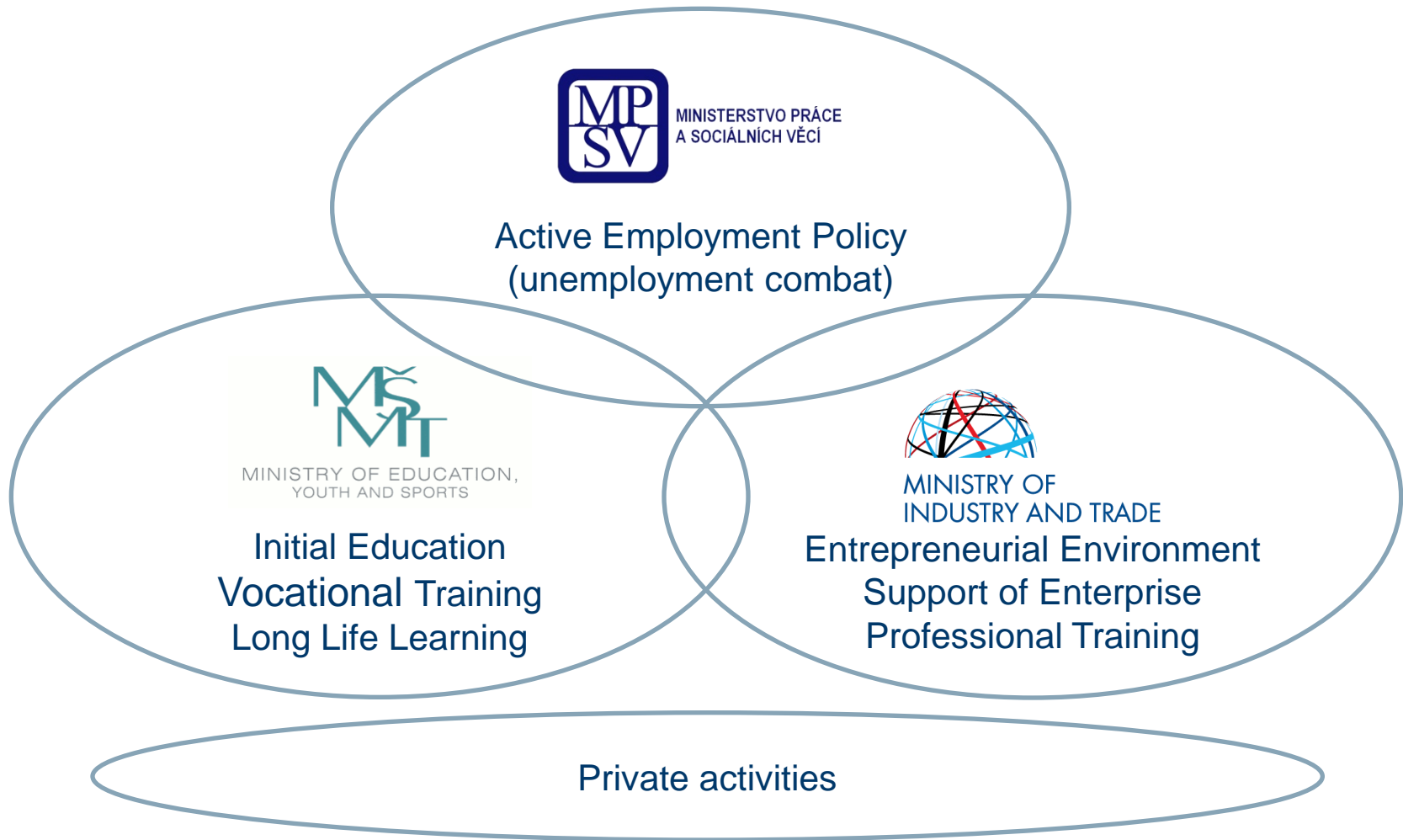
Unemployment statistics

Period	Total unemployment	Unemployment rate (%)	Number of job vacancies	School leavers and juveniles	Youth unempl.rate (% of total unemployment)
05/2014	549 973	7,5	48 023	26 570	6,0
04/2014	559 045	7,9	44 246	29 331	5,1
03/2014	608 315	8,3	40 808	31 434	5,2
02/2014	625 390	8,6	38 301	38 501	6,2
01/2014	639 274	8,6	36 394	38 969	6,2
12/2013	596 833	8,2	35 178	39 546	6,6
11/2013	565 313	7,7	37 501	39 979	7,1
10/2013	556 681	7,6	39 137	41 453	7,4
09/2013	557 058	7,6	41 422	41 725	7,4
08/2013	551 731	7,5	40 579	31 911	5,8
07/2013	551 096	7,5	40 175	29 142	5,3
06/2013	540 473	7,3	44 032	26 896	5,0

Unemployment development



Playground and basic players



Measures of Ministry of Industry and Trade

➔ Objectives:

- to set good condition for doing business
- to stimulate entrepreneurship (especially SMEs)
- to encourage employers for creation of new jobs

➔ Government Policies:

- SMEs Support Strategy and other strategic documents

➔ Main policy measures:

- Support programmes stimulating entrepreneurship
- Reduction of administrative burdens
- Easy start of business (sole traders registration max. in 5 days, Point of single contact etc.)



Programmes focused on support new business

→ REVIT - Support programme

- ▶ preferential loans + guarantees
- ▶ for entrepreneurs in regions affected with high unemployment
- ▶ More benefits for start ups!

→ INOSTART – Support programme

- ▶ loans + guarantees + advisory
- ▶ for young and innovative oriented SMEs

→ More opportunities for start ups

- ▶ in new Operational programme Enterprise and Innovation for Competitiveness 2014 – 2020 (under preparation) - ESIF



Programmes focused on training in enterprises

➔ Running OP EI – programme „Training centres“

- ▶ It is focused on constructing, renovating, acquiring or furnishing training centres or training rooms.
- ▶ Programme for enterprises who intend
 - ✓ to support the development of infrastructure used to educate and develop human resources for businesses,
 - ✓ to improve the quality of educational facilities, organization, personnel management and other activities in comprehensive development of human resources.



Initiatives in support of technical education

- ➔ Big shortage of workers with technical skills
- ➔ Reason? Unfit structure of initial and vocational education
- ➔ Proposed measures (in 2012):
 - Tax deduction for creation of training places ✓
 - Use funds from Operational programmes for material and technical equipment of schools
(postponed to 2014+ period)
 - Simplify funding of universities (and secondary schools) according to quality and performance indicators
(long term measure)



Tax deduction measure

- ➔ Amendment of Income Tax Act
- ➔ Entered into force since 1.1.2014
- ➔ Deduction from tax base in 2 forms:
 - ▶ in support of acquisition of tangible and intangible assets for professional education (up to 110 % of initial price of assets)
 - ▶ in support of costs expended for pupil or student (CZK 200,- per hour of vocational education or professional experience or educational activities)



Measures of Ministry of Labour and Social Affairs

- ➔ Active employment policy tools (in general):
 - ▶ Bridging allowance
 - ▶ Contribution for new employee training (processing contribution)
 - ▶ Community service works (Publically beneficial work)
 - ▶ Socially purposeful jobs (including self employed)
 - ▶ Retraining programmes
- ➔ Special tools for school leavers and young job seekers:
 - ▶ „Employ yourself – start up your own business!“
 - ▶ Programme „Professional experience for young job seekers till age of 30“
 - ▶ EC Initiative „Youth Guarantee“ – implementation plan is ready



„Professional experience for young job seekers till age of 30“

- ➔ Programme implemented from 1.7.2013 till 31. 8. 2015.
- ➔ Target group:
 - ▶ job seekers till age of 30, in all levels of education
- ➔ Objectives:
 - ▶ to enable young people to gain such required experience
 - ▶ to improve their chance in job seeking
- ➔ Implementation basis:
 - ▶ good co-operation of Labour offices and employers in regions
 - ▶ offering a job for hardly placed candidates (school leavers)
 - ▶ employer obtains allowances to employee's salary
- ➔ Results (to 31.5.2014):
 - ▶ 5 385 employers declared interest
 - ▶ 7 486 job vacancies offered
 - ▶ 6 195 young people put in an application
 - ▶ 3 170 young job seekers signed an employment contract



Private activities

➔ Several projects implemented by entrepreneur associations and NGO - examples:

- ▶ Internships for young people (for students)
- ▶ Internships in companies (for non students)
- ▶ Erasmus for young entrepreneurs (exchange programme)
- ▶ Young Business – Your Own Way (grants for star ups, coaching, mentoring, advisory for enterprise)



➔ Co-working centres, hubs and accelerators

- ▶ cooperation of universities, research institutes, regional governments and private investors
- ▶ Good example: Opifer Accelerator in Brno



Lesson learnt

- ➔ Enterprise and self-employment can be good helpers for solving youth unemployment
- ➔ If young people are not very active in starting up their own business – we must encourage them!
- ➔ Many factors can influence doing business appetite, mostly favourable enterprise environment, administrative burdens, easy start up business etc. (Permanent cultivation is needed)
- ➔ Support programmes are cost consuming but no activity would bring much worse results
- ➔ Co-operation of government bodies (different ministries) with employers, regional governments and private organizations – it is the only way how to combat youth unemployment

Thank you for your attention.

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