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1. Introduction

There are many dimensions to poverty, disadvantage and social exclusion in today's society. In 2020, 11.5% of the population of the Czech Republic was at risk of poverty or social exclusion, which is the lowest share of all EU countries and also the lowest share in the history of the Czech Republic (Kovanda, 2021). However, the most vulnerable group of the population is made up of people who are at the same time at risk of income poverty, material deprivation and at the same time living in households with low work intensity. These are mainly long-term unemployed persons, persons living in single-parent families with children and multiple families with three or more children and persons belonging to the Roma minority (MPSV, 2021a).

Poverty and social exclusion are very closely linked to unemployment, especially long-term unemployment. The share of unemployed persons in the Czech Republic is 3.4%. Of the total number of all unemployed persons, 35.6% are long-term unemployed, ie persons longer than 12 months in the records of labor offices (MPSV, 2021b). In the Czech Republic, long-term and repeated unemployment is mainly associated with low qualifications, health disadvantages and discrimination by employers - especially towards ethnic groups such as the Roma, women with small children and the elderly (MPSV, 2021a).

Employment services in the Czech Republic are not yet fully effective, which is especially evident when working with clients who need more help than clients who can make more efforts to find a job. The provision of personalized services tailored to the needs of clients has not yet been introduced as a universal measure. There are persistent problems in the Czech Republic that have not been solved for a long time using traditional national policy instruments, whether it is the area of the labor market, social inclusion or equal opportunities. Long-standing and difficult-to-solve problems are potentially suitable for solving through social innovations, but the rate of use of social innovations and newly created tools is still low in the Czech Republic (MPSV, 2021a).

There is therefore a need to encourage greater use of social innovation and the transfer of good practice in the design of services and policies, so that the various instruments are more coordinated, individualized and effective. We also see an important opportunity for the integration of vulnerable people into the labor market in the development of social entrepreneurship. There is also an opportunity for streamlining in the area of cooperation between public employment services and other actors in the labor market, especially local governments, representatives of employers and employees, school founders and other organizations dedicated to the integration of people into the labor market.

In cooperation with the SIV project, we see the potential in developing tools to help the long-term unemployed and vulnerable groups to find a job. It is important to highlight the structural causes of unemployment, poverty and exclusion and to promote social solidarity. It is thus important to point out the ways of financing activities to support the reduction of unemployment and to find the support of private and public investors in the voucher system of the SIV project.

Thus, building a broad co-ordination of stakeholders seems to be very important. Within the Czech Republic, we are building awareness of the current situation on the labor market and establishing cooperation with labor offices, secondary schools and universities, non-profit organizations and other organizations that support the employment of people at risk in the labor market. An integral part of our work is also cooperation with employers.



Cooperation with all these entities, as well as addressing potential private investors to participate in the activities of the SIV project is an important and demanding work, which entails demands on time, creativity, effective communication and transparency of processes, so that each donor has an overview of how his financial resources are being managed.

To support the transparency of the implementation of the voucher system in the Czech Republic, we have therefore created the **INNOFUND endowment fund**. The main activity of the endowment fund is the acceptance of donations from private and public donors and the payment of contributions to beneficiaries in the form of vouchers. Other activities provided are educational activities and counselling, including the organization of events aimed at supporting social innovation.

A pilot call for the “Mini Voucher Program” will be financed through the endowment fund. The Mini Voucher Program will focus on supporting the integration of disadvantaged people, for instance by offering support for starting a business, including the application of the BEC method, which acts as a non-traditional business incubator for new entrepreneurs where disadvantaged people have the opportunity to test their business ideas with the support of experts, while also benefiting from appropriate working conditions and a secure income. Moreover, the program is also supporting the creation of sustainable jobs by cooperating with employers for 3 up to 6 months. At the same time, it focuses on preparing job seekers for the labour market, either by increasing their qualifications or by offering professional advice. Additional innovative actions are also being implemented within the framework of the Mini Voucher Program.

In the Czech Republic, the voucher system was created as part of the integration of the principles of the SIV project. This general voucher system is distributed via the Pracuj-podnikej.cz website. This system is focused on the support of unemployed people, those interested in changing jobs and start-ups, but also on cooperation with employers and implementers of projects supporting job creation or business development.

This innovative voucher distribution system has a significant social impact on the integration of the unemployed into the open labour market. The voucher system connects companies looking for employees and disadvantaged people looking for employment in a very simple way. Free and simple job vouchers allow employers and job seekers to get to know each other and test their ability to work together for 6 up to 12 months with the aim of permanent employment.

Project SIV is a new additional opportunity to test and hire exceptional and motivated employees and self-employees/new entrepreneurs. For applicants with limitations (disadvantaged usually on the labor market), SIV offers an authentic platform to introduce themselves to companies with their strengths and weaknesses and to prove themselves in a probation phase.

The innovative vouchers will be financed by a INNOFUND endowment fund, which is set up as a social impact fund funded by private entities, crowdfunding and donations.

All applicants will be coached with the goal of preparing them for integration in the labor market without the pressure of state job brokers or job agencies, based on free of charge support in a testing phase with the help of a voucher. During this period, applicants will receive payment on a wage basis.

The SIV project thus makes a significant contribution to mitigating the serious effects of structural unemployment and provides disadvantaged people with the necessary skills to find a new job.



2. ESF PLUS - means of support for SIV projects

In June 2021, the European Union approved a package of new regulations that form the legislative basis for support from 8 funds / instruments under shared management for cohesion policy in the 2021-2027 programming period. One of these funds is the European Social Fund Plus, which is the EU's main instrument for making investments in citizens and implementing the European Pillar of Social Rights (ESF, 2021).

The Operational Program entitled Employment Plus is a key prerequisite for the use of funds from the European Social Fund plus in the field of employment and social inclusion in the programming period 2021-2027, while continuing the Operational Program Employment implemented in the programming period 2014-2020. Based on Government Resolution No. 94/2019, the Ministry of Labor and Social Affairs is the entity responsible for the preparation of the operational program for human resources in the programming period 2021-2027, in which it presents the program strategy and main issues related to development and policy measures. Furthermore, the individual priorities and specific objectives to which the program contributes are presented (ESF, 2021).

The Employment Plus 2021-2027 Operational Program consists of the following priorities (MPSV, 2021a):

Priority 1 The future of work

Priority 2 Social inclusion

Priority 3 Social innovation

Priority 4 Material assistance for the poorest people

Priority 5 Technical Assistance

In the following text we will present the priorities, their specific goals and interventions, which in their focus correspond to the settings of our voucher system and which we want to integrate into the social innovation program.

Priority 1 The future of work

Specific objective 1.1: (a) to improve access to employment and activation measures for all jobseekers, especially young people, in particular by implementing the Youth Guarantee scheme, the long-term unemployed and disadvantaged groups in the labor market and the inactive persons, as well as gainful activities and the social economy.

Priority intervention of a specific objective:

- Promoting employment for all jobseekers who have difficulty finding or keeping a job.
- Services tailored to their needs, including support for the creation of suitable employment opportunities, will be provided in particular to the elderly, people with disabilities, unqualified or low education, caring for children or their loved ones.

Related types of activities:

- Education support
 - support for further education strengthening the position of persons on the labor market, ie in particular increasing, expanding or deepening existing qualifications,



- measures to support the return to study or leading to the development of basic competences and other similar measures aimed at supporting the improvement of skills and training.
- Consulting and information activities
 - individual counseling for disadvantaged groups on the labor market corresponding to their needs with the aim of long-term integration into the labor market,
 - information activities to support the involvement of employers in the work integration of target groups,
- Motivational activities
 - activation activities leading to the strengthening of participation in further vocational education,
 - support for specifically disadvantaged employees on the labor market as a prevention of unemployment of the most vulnerable groups, including support for the employer's motivation to maintain the employment of the vulnerable employee.
- Support for activities leading to sustainable and suitable employment
 - support for flexible forms of employment as a way of creating conditions, especially for people at a disadvantage on the labor market, who do not lead to precarious work,
 - support for the employment of disadvantaged people in the labor market corresponding to the nature of their disadvantage and combining various instruments of active employment policy, support for the creation of new jobs, including support for beginning self-employed persons,
 - job placement - implementation of activities related to job search for a person applying for a job, as well as finding employees for employers, counseling and information activities in the field of job opportunities, shared job placement through employment agencies,
 - implementation of new or innovative active employment policy instruments in line with current labor market needs.

Through the implementation of the above activities, an individual and comprehensive approach to disadvantaged groups in the labor market will be ensured. Within the specific goal, more permanent application of target groups will be supported in the form of targeted education and retraining according to the needs of employers or initiations to start their own business, etc. Supported activities will contribute to higher employment of disadvantaged people in the open labor market through employment, examination work, internships, in combination with counseling or retraining before starting employment.

We see potential in these activities and want to integrate them into the social innovation program.

Specific objective 1.2: c) promote gender-balanced labor market participation, equal working conditions and a better work-life balance, inter alia through access to affordable childcare and care for dependent persons.

Priority intervention of a specific objective:

- Support for activities leading to equal opportunities for women and men in all areas, especially in the labor market.

Related types of activities:

- Labor market area
 - educational and other support and counseling programs, in particular to reduce horizontal and vertical labor market segregation and discrimination, to stabilize and develop women's entrepreneurship and to prevent so-called precarious labor,



- cooperation with employers and educational institutions in order to reduce gender segmentation of the labor market.
- Employers' sphere
 - support for the introduction of flexible forms of work and their use in practice as a tool to promote work-life balance,
 - support for the introduction of maternity and parental leave management (eg employment of carers for flexible forms of work, etc.).

In the area of the labor market, the supported activities will contribute to reducing gender inequality in the labor market. Activities aimed at employers will improve the conditions for work-life balance, expand the range of flexible forms of work and reduce the negative effects of flexible forms of work on gender equality.

We see potential in these activities and want to integrate them into the social innovation program.

Specific objective 1.3: d) promote adaptation of workers, enterprises and entrepreneurs to change, active and healthy aging and a healthy and well-adapted working environment with regard to health risks.

Priority intervention of a specific objective:

- Training of employees in companies not only for the current needs of the employer, but also for future employment in the changing labor market.
- Preparation of employers and employees for changes caused by technological progress, the effects of increased environmental protection and the aging of society (Work 4.0.).

Related types of activities:

- Area of education
 - creation and implementation of corporate training programs, including the training of corporate lecturers,
 - creation and implementation of training programs for employees who are at risk of redundancies, including employees of employers at risk of economic transformation or due to global influences.
- Human resources management
 - supporting the adaptation of employers and the workforce to technological change and demographic aging.
- Sharing experience and transferring experience
 - support for the association of small and medium-sized enterprises with a view to training and the exchange of experience,
 - support for cooperation between enterprises and educational institutions in order to harmonize the qualification level and the qualification structure of the workforce with the requirements of the labor market.
- Consulting
 - counseling and information activities in companies in the field of lifelong career counseling, educational and retraining program.

Through the above activities, the mismatch between the qualification level of the labor force and the requirements of the labor market will be reduced, and at the same time the adaptability of the labor force and employers to changes in the labor market will be increased. Activities and activities of this specific goal will contribute to increasing the participation of adults in further education in the Czech Republic, with emphasis on target groups. By supporting the expansion and introduction of alternative (new) forms of work



organization, the activities will contribute to a better use of the domestic workforce, including facilitating entry into the labor market for those who currently stand outside or are limited in it.

We see potential in these activities and want to integrate them into the social innovation program.

Specific objective 1.4: b) modernize labor market institutions and services to assess and anticipate skills needs and provide timely, tailor-made assistance and support in matching labor market supply and demand, as well as during job transitions and mobility.

Priority intervention of a specific objective:

- Development of the Labor Office of the Czech Republic in order to improve the availability and quality of services, including a friendly approach focused on the client and the involvement of modern information and communication technologies.

Related types of activities:

- modernization, support of development and capacities and introduction of client-oriented, individualized and suitably accessible public employment services and key institutions for further education with regard to the needs of the labor market,
- creation, development and implementation of educational programs for employees of labor market institutions and their cooperating organizations aimed at increasing the quality of services provided and staffing,
- creation and development of new tools and active employment policy measures,
- support and development of cooperation and partnership in the implementation of employment policy at the national and regional level with all relevant actors in the labor market and support of cooperation between the Labor Office of the Czech Republic, educational institutions and employers.

Interventions under this specific objective will contribute to the modernization, streamlining and individualisation of employment services so that they work effectively with both jobseekers and the general public, as well as employers. The development of cooperation and partnership in the implementation of employment policy with all relevant actors in the labor market will be supported. The activities will contribute to the creation of a comprehensive counseling system, which is based on timely diagnosis of the client and individual work according to the client's needs.

The activities above mainly concern the activities of labor offices, with which, however, we work closely as organizations. The goals are also in line with the activities we want to implement into the social innovation program.

Priority 2 Social inclusion

Specific objective 2.1: h) strengthen active inclusion to promote equal opportunities, non-discrimination and active participation and improve employability, especially for disadvantaged groups.

Priority intervention of a specific objective:

- Provision of social services and other services and programs, including social entrepreneurship for people in difficult life situations associated with loss or poor housing or other crisis social situations, support for social work.



- The support will primarily focus on families with children in an unfavorable social situation, vulnerable children, adolescents and young adults, people with disabilities, carers, people living in socially excluded areas, people living in precarious or unsuitable housing or on the street.

Related types of activities:

- support for social inclusion of persons and groups of socially excluded or at risk of social exclusion, support for community services,
- development of activities, including education and counseling, to support informal care and shared care,
- education and counseling, activation, assistance and motivation programs for acquiring basic social and professional skills, digital literacy, etc.,
- support in the field of social entrepreneurship: creation and development of business activities in the field of social entrepreneurship, support for the start-up, development and sustainability of social enterprises,
- support for the activities of local actors in rural areas in solving local problems and needs of people, especially in the form of community (social) work and community activities, implementation of innovative ideas and approaches, activation and mutual cooperation.

Selected activities will contribute to increasing the employability of people at risk of social exclusion or socially excluded in society and the labor market. Interventions will be aimed at supporting selected social services and other services and programs in the field of social inclusion, including social entrepreneurship aimed at the active inclusion of vulnerable groups of people with an emphasis on their provision in the natural environment.

We see potential in these activities and want to integrate them into the social innovation program.

Specific objective 2.3: j) promote the socio-economic integration of marginalized communities, such as the Roma community.

Priority intervention of a specific objective:

- Support for community work with the aim of increasing Roma civic competences or parental competences in Roma families.
- It will also include support for capacity building of Roma and pro-Roma non-governmental organizations, creation and implementation of measures to support the integration of marginalized communities.

Related types of activities:

- support for community work and community organization in order to increase the civic competencies of the Roma,
- support for capacity building of Roma and pro-Roma non-governmental non-profit organizations,
- creation and implementation of conceptual, strategic and methodological measures in the field of integration of marginalized communities, including monitoring of the fulfillment of these measures.

Activities related to non-profit organizations aim to strengthen the perception of the role of civil society among the Roma, whether through community work or activities supporting participation in elections and monitoring of anti-Gypsyism in public space.



We see potential in these activities and want to integrate them into the social innovation program.

Priority 3 Social innovation

Specific objective 3.1: h) strengthen active inclusion to promote equal opportunities, non-discrimination and active participation and improve employability, especially for disadvantaged groups.

Related types of activities:

- Improving the quality of public services through the new approaches it incorporates:
 - service analysis, development of pro-client and system approaches,
 - supporting the development of learning organizations,
 - processing and use of scientifically validated data for decision making (evidence informed policy making)
 - training of public sector employees in the field of public services, policies and innovative approaches to their setting and delivery.
- Dissemination of innovative solutions and approaches, developed for example under the Employment and Social Innovation component or other EU programs, which includes:
 - intelligent transfer of good practice,
 - support for learning from the experience of others, including the use of knowledge of foreign and domestic records.

The supported activities aim at improving and developing solutions to public problems and developing a system for creating and supporting innovation. The implementation of activities will contribute to the fact that public and private entities operating in the field of social inclusion and employment and equal opportunities will take into account the needs of their clients and design their services according to them, provide personalized services and be oriented to clients and their needs instead of unnecessary administration. The activities should not only strengthen active inclusion but also support the use of social innovation and social experimentation.

We see potential in these activities and want to integrate them into the social innovation program.

Conclusion

The Operational Program entitled Employment Plus 2021 - 2027 is a key prerequisite for the use of funds from the European Social Fund plus in the field of employment and social inclusion. The Ministry of Labor and Social Affairs of the Czech Republic is responsible for its preparation.

The Employment Plus 2021-2027 Operational Program consists of the following priorities: Priority 1 Future of Work, Priority 2 Social Inclusion, Priority 3 Social Innovation, Priority 4 Material Assistance to the Poorest and Priority 5 Technical Assistance.

For the purposes of the SIV project, we see specific objectives and activities within Priorities 1, 2 and 3 as the most suitable. Through the implementation of activities aimed at fulfilling specific objectives, an individual and comprehensive approach to disadvantaged groups in the labor market will be ensured. More permanent application of target groups will be supported in the form of targeted education and retraining according to the needs of



employers or initiations to start their own business, etc. Supported activities will contribute to higher employment of disadvantaged people in the open labor market using flexible forms of employment, social entrepreneurship with counseling or retraining before starting a job or starting your own business. Activities aimed at employers will improve the conditions for work-life balance, expand the range of flexible forms of work and reduce the negative effects of flexible forms of work on gender equality. Activities should not only strengthen active inclusion and promote equal opportunities, but also promote the use of social innovation and social experimentation.

3. ERDF - means of support for SIV projects

The European Regional Development Fund (ERDF) aims to strengthen economic, social and territorial cohesion in the European Union by correcting imbalances between its regions. In 2021-2027 it will enable investments in a smarter, greener, more connected and more social Europe that is closer to its citizens.

National and regional authorities in the Member States share the financial responsibility with the Commission. Member States' administrations choose which projects to finance and take responsibility for day-to-day management. The regions are responsible for implementing ERDF funding.

For each funding period, they draw up a so-called Operational Program, which describes the funding strategy and the planned funding measures of the respective region.

In the Czech Republic, the managing authorities of individual operational programs are the Ministry, namely the Ministry of Industry and Trade, the Ministry of Education, Youth and Sports, the Ministry of the Environment, the Ministry of Transport and the Ministry of Regional Development.

The EU financial resources allocated to the European Regional Development Fund for the period 2021-2027 are EUR 10.4 billion. These funds will support, in particular, small and medium-sized enterprises, the Research, Development and Innovation Information System, digitization, renewable energy and energy, green investment (drought, air), the circular economy, public transport, educational infrastructure, social services and housing, healthcare, Integrated Rescue System and Cultural Heritage of the Czech Republic (SMO, 2020).

The global goal of cohesion policy for the period 2021 - 2027 is the sustainable development of the Czech Republic and its regions through the adaptation of society to key European and global changes, based on innovation, research, development and digitization as the main prerequisites for development and leading to minimizing structural, social and environmental inequalities. A total of EUR 21 billion is planned for cohesion policy (SMO, 2020).

The main objectives and priorities of cohesion policy 2021-2027 are (SMO, 2020):

Policy Objective 1 A smarter Europe

- innovation support,
- development of digitization and the internet,
- economic transformation,
- support for small and medium-sized enterprises.

Policy Objective 2 A greener, carbon-free Europe



- circular economy,
- clean urban mobility,
- energy savings and renewables,
- climate change measures.

Policy Objective 3 A more connected Europe

- effective mobility,
- expansion of strategic transport networks.

Policy Objective 4 A more social Europe

- higher competencies,
- more professional skills,
- development of education,
- promoting social inclusion,
- equal access to healthcare.

Policy Objective 5 Making Europe closer to its citizens

- support for locally led development strategies,
- sustainable urban development in the EU.

In the following overview of Operational Programs and proposed areas of support in the programming period 2021-2027, the areas in which we see application for the social innovation program are selected (SMO, 2020):

OP Technology and Applications for Competitiveness

The managing authority of the OP is the Ministry of Industry and Trade. We see the focus of the support that can be integrated into the social innovation program in the areas:

- support for research and innovation,
- increasing the competitiveness of small and medium-sized enterprises,
- increasing the added value of products and services of companies in the production chain.

Integrated Regional Operational Program

The managing authority of the OP is the Ministry for Regional Development. We see the focus of the support that can be integrated into the social innovation program in the area:

- community-led local development.

OP Environment

The managing authority of the OP is the Ministry of the Environment. We see the focus of the support that can be integrated into the social innovation program in the area:

- creating a background for education for sustainable development.



Conclusion

The European Regional Development Fund is applied and used in the Czech Republic primarily to support investments. With regard to the activities of the SIV project, the most suitable is the Integrated Regional Operational Program and community-led local development, which will be administered through the local action groups in the Czech Republic, which supports local development and allows them to respond quickly to the needs of communities which have well mapped.

At Operational Program Technology and Applications for Competitiveness, support will focus on supporting business and increasing the competitiveness of companies. The activities of the SIV project are a suitable alternative to support small entrepreneurs with the added value of their social reintegration into society and the creation of self-employment.

The SIV project also offers an alternative to HUBs, innovation centers and business incubators, which acts as an additional network aimed at supporting small businesses and less qualified or technology-oriented business activities.

4. Conclusion

The activities of the SIV project contribute to the support of the employment of vulnerable groups in the labor market, bring innovative tools and opportunities to share good practice. The return of the unemployed back to work brings many benefits not only to job seekers but also to employers.

The proposed system of vouchers (general) is set up for mutual interaction between potential employers, jobseekers, but also people who want to start a business. We believe that a similar system does not work in the Czech Republic, and is thus a suitable alternative to ALMP and EU financial instruments.

The support of the unemployed's businesses is rather unskilled due to their risk and on the fringes of the interest of business HUBs, incubators and supporting financial instruments applied in the Czech Republic due to their non-technologically oriented focus.

However, taking the gap between unemployment and starting a business is an important intermediate in supporting employment and self-employment of vulnerable groups in the labor market.

At the same time, a sustainable financial support mechanism for people at a disadvantage on the labor market is important and beneficial in complementing the tools of the ALMP and the system of institutional support provided through labor offices.



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