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EUROPEAN SOCIAL CHARTER

Addendum to the
17th National Report on the implementation of
the European Social Charter
submitted by

THE GOVERNMENT OF THE CZECH REPUBLIC

Report registered by the Secretariat on
31 May 2020

CYCLE 2020

EUROPEAN SOCIAL CHARTER

ADDITIONAL PART TO THE SEVENTEENTH (SIMPLIFIED) REPORT
ON THE APPLICATION OF THE EUROPEAN SOCIAL CHARTER
SUBMITTED BY THE GOVERNMENT OF THE CZECH REPUBLIC

31 MAY 2020

The Czech Republic has been invited to submit a report on the application of the accepted provisions of the 1961 European Social Charter belonging to the thematic group “Employment, training and equal opportunities”, until 31 December 2019 which includes Articles 1§1, 1§2, 1§3, 15§2, 18§4 and Article 1 of the 1988 Additional Protocol.

The European Committee of Social Rights has invited the State Parties to limit the report to replies to specific and targeted questions for each of the above-mentioned provision. The report should contain replies to any conclusion of non-conformity of the previous cycle. According to the applicable rules, the last Conclusions XXI-1 (2016) concerning the thematic group 1 (Reference Period - 01/01/2011 - 31/12/2014) only refer to the information submitted by the Government of the Czech Republic on the follow-up given to the relevant decisions of the European Committee of Social Rights (“ECSR”) in the framework of the collective complaints procedure.

The last report concerning the thematic group 1 (Reference Period 01/01/2011 - 31/12/2014) containing detailed information to all questions raised by ECSR, submitted in November 2015, was not evaluated by the ECSR. The 17th Report on the Application of the European Social Charter was submitted in December 2019.

Based on the request from March 5, 2020, the Czech Republic submits information and replies to specific and targeted question concerning previously deferred Conclusions XX-1(2012), Articles 1§1 and 15§2 of the 1961 Charter devoted to the same thematic Group 1 “Employment, training and equal opportunities”.

Article 1

Paragraph 1

Specific and targeted question concerning previously deferred conclusions XX-1(2012)

Please provide details of labour market policy measures specifically designed to support specific groups or communities, such as: young people who have not yet entered the labour market, persons in geographical areas and communities with distinct levels of underemployment (quality) or unemployment (quantity) or experiencing severe or chronic unemployment as well as migrants and refugees;

Please include statistical information on the overall impact of employment policy during the reference period (2015 – 2018): economic growth indicators, unemployment rates broken down by gender, age and duration, public expenditure on passive and active labour market measures as a share of GDP, number of participants in active measures (training), activation rate (participants/unemployed ratio).

As regard measures specifically designed to support specific groups or communities with distinct levels of underemployment or unemployment, the Czech Republic regulates this area by specific tools and measures of Active Employment Policy (AEP). AEP (defined in Article 104 et conseq. of the Act No 435/2004 Coll., Employment Act) is realised through network of Labour Office branches while using knowledge of the regional labour market and individual characteristics of job-seekers.

The main purpose is AEP is to influence positively labour market behaviours and to safeguard (to the maximum possible extent) achievement of the highest level of

employment. AEP thus primarily serves to elimination of barriers and obstacles to access of the most disadvantaged persons to employment.

Measures and tools motivate employers to employ job-seekers enabling job-seeker to find suitable job for appropriate qualification for suitable employment or motivation to commence self-employment activity. Specifically, those measures include wage contributions, contributions paid for employers to establish new jobs or coverage or reimbursement of re-training expenses and thus motivate employers to hire job-seekers who would not be demanded on the labour market otherwise. Labour Office takes into account specific situation at the labour market in the particular regions and possibility of placement job-seekers at the labour market when considering the provision of a contribution. There is not a legal entitlement to contributions.

Tools and measures adopted to support employment of job-seekers with a brief characteristic

Tool	Brief characteristic	Maximum amount of the financial support
<p>Community service (Article 112 of the Employment Act)</p>	<p>Wage contribution paid to employers who hire job-seekers registered at the Labour Office for employment limited in time, maximum 24 consecutive months.</p> <p>Activities cover maintenance services of buildings, gardens and communal areas, public infrastructure etc.</p>	<p>The contribution may be provided up to the amount of actual expenditure on wages or salaries of employees placed in such jobs, including social security premiums, contributions to the State employment policy and public health insurance premiums which the employer has paid from that employee's assessment basis.</p>
<p>Socially useful job (Article 113 of the Employment Act)</p>	<p>Wage contribution, contribution for a new job creation or a contribution paid directly to job-seekers as motivation to establish self-employment.</p>	<p>The contribution for the creation of one socially useful job may be provided up to the amount of expenditure on wages or salaries of employee(s) placed on the job, including social security premiums, contributions to the State employment policy and public health insurance premiums which the employer has paid from that employee's assessment basis. The contribution may be provided for a maximum period of 24 months.</p>

<p align="center">Retraining (Article 108 et conseq. of the Employment Act)</p>	<p>Contribution to job-seekers to acquire a new qualification or to upgrade it as well as broadening, strengthening and deepening of the job-seekers skills.</p>	<p>The Labour Office pays the costs of retraining for the retraining participants and can provide a contribution to cover the demonstrable necessary retraining-related costs.</p>
<p align="center">Contribution to regional mobility promotion (Article 106 of the Employment Act)</p>	<p>A special benefit designed to ease a movement (commuting) to work or to move closer to the place of work.</p>	<p>Contribution to regional mobility promotion in the amount up to CZK 4375 per month.</p>
<p align="center">Active employment policy contribution for people with disabilities (Article 67 et conseq. of the Employment Act)</p>	<p>Work rehabilitation contribution to establish new jobs for persons with disabilities as well as related operating costs.</p>	<p>The contribution for creation of a job for a person with disability may not exceed 8 times, and for a person with a serious disability 12 times the average national wage in the first to third quarters of the previous calendar year. If an employer creates 10 or more jobs for persons with disabilities on the basis of a single agreement with the Labour Office, the contribution for the creation of one job for a person with a disability may be up to 10 times, and for a person with a serious disability up to 14 times the average wage under the first sentence. The Labour Office may provide a contribution to cover operating costs incurred in connection with the employment of a person with a disability. The annual amount of the contribution may reach up to CZK 48,000 per one person with a disability.</p>
<p align="center">Carry-over (bridging) contribution</p>	<p>Contribution is provided in relation with commencement of</p>	<p>The bridging contribution is granted for a maximum of</p>

<p>(Article 114)</p>	<p>self-employment (socially beneficial job) to cover operating costs</p>	<p>five months. The monthly contribution is no more than 0.25 times the average national wage for the first to third quarters of the calendar year preceding the calendar year in which the bridging contribution agreement was concluded. The contribution may be claimed within 30 calendar days from the date of conclusion of the agreement.</p>
<p>On-the-job training benefit/contribution for initial training (Article 116 of the Employment Act)</p>	<p>Payment to cover costs of an employer of newly hired employee/job-seeker's on-the-job (initial) training.</p>	<p>The contribution is granted on the basis of an agreement between the Labour Office and the employer. It may be provided for a maximum period of three months. The monthly amount for one natural person who is undergoing initial training may be up to half the minimum wage.</p>
<p>Contribution for the transition to a new entrepreneurial programme (Article 117 of the Employment Act)</p>	<p>Wage reimbursement for employers in situations when an employer cannot ensure work for employees during a transfer to a new business program.</p>	<p>The contribution may be granted to cover partly the wage compensation payable to employees in accordance with labour-law regulations. The contribution may be provided for a maximum period of six months. The monthly amount per employee may be no more than half the minimum wage.</p>
<p>Contribution during partial unemployment (Article 115 of the Employment Act)</p>	<p>Payments provided to employers who cannot assign work to employees in full extent due to temporary limitation of product sales or reducing demand of goods or services (partial unemployment).</p>	<p>The amount of the contribution shall be 20% of the average earnings of the employee, but no more than 0.125 times the average national wage from the first to third quarters of the calendar year preceding the calendar year in which the agreement for the provision</p>

		of the contribution was concluded. The contribution can be provided only for the duration of the obstacle at work due to partial unemployment or natural disaster, for a maximum of six months with the possibility of one repetition. The contribution must be approved by the Government of the Czech Republic.
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Labour Office of the Czech Republic addresses the Active policy measures and tools to following job-seekers disadvantaged at the labour market:

- Person with disabilities,
- Graduates with no work experience,
- People under 30 years of age,
- Persons over 50 years of age,
- Persons having the care of children,
- Persons at risk of social exclusion,
- The long-term unemployed.

Unemployment rate broken down by gender, age and duration

Indicator	2015	2016	2017	2018
Unemployment rate in %	6,6	5,6	4,3	3,2
- men	6,3	5,3	4,1	3,0
- women	6,8	5,8	4,5	3,4
Age				
15 - 19	3,1	2,7	2,0	1,7
20 - 24	7,7	6,1	4,1	3,4
25 - 29	6,8	5,5	3,8	3,3
30 - 34	6,2	5,0	3,6	2,9
35 - 39	6,1	5,0	3,5	2,8
40 - 44	5,9	4,8	3,3	2,7
45 - 49	6,5	5,2	3,6	2,8
50 - 54	7,3	6,1	4,5	3,5
55 - 59	9,1	7,9	6,0	4,7
60 - 64	3,3	3,5	3,2	2,9

Unemployment rate of long-term unemployed (more than 12 months)	2,5	1,9	1,2	0,7
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Unemployment rate is a number of job-seekers from 15 to 64 years of age towards population of the same age.

Source: Ministry of Labour and Social Affairs

Indicator of growth

Indicator	2015	2016	2017	2018
GDP annual growth	5,3	2,5	4,4	3,0
Year-on-year employment growth (%)	1,4	1,9	1,6	1,4

Source: Czech Statistical Office/ The Labour Force Sample Survey

Public expenditure on active and passive labour market measures

In thousands CZK	2015	2016	2017	2018
Active employment policy	9 732 826	6 866 805	4 760 642	4 398 223
Passive employment policy	8 303 370	8 254 527	7 853 520	7 542 836

Source: Ministry of Labour and Social Affairs

Number of disadvantaged persons supported by Active Employment Policy measures during the period 2015 - 2018

Year	Number of persons supported by AEP measures in total	under 30 years of age	over 50 years of age	Registered as a job-seeker more than 12 months	Persons having the care of children	Persons with disabilities	Persons after maternity/parental leave	Persons granted asylum
2015	127 919	39 095	30 403	41 466	17 615	11 155	4 565	-
2016	74 095	20 500	19 412	26 566	12 371	7 930	3 091	6
2017	59 925	14 820	17 542	21 255	12 860	8 174	2 332	10
2018	45 612	10 123	15 053	12 801	9 579	7 242	1 540	2

Source: Ministry of Labour and Social Affairs

Levels of underemployment and unemployment

	2015	2016	2017	2018
Underemployed (in thousand persons)	54,6	48,1	41,7	35,4
Share of underemployment in total employment (%)	1,1	0,9	0,8	0,7
Unemployed persons (in thousand persons)	268,0	211,4	155,5	121,6
Unemployment rate (%)	5,0	4,0	2,9	2,2

Source: Czech Statistical Office

	2015	2016	2017	2018
Job-seekers in total	478 875	209 060	317 612	241 921
Reachable jobs-seekers rate (%)*)	6,6	5,6	4,3	3,2

Source: Ministry of Labour and Social Affairs/ Labour Office of the Czech Republic

*) Job-seekers rate is a share of job-seekers at the age 15-64 from a total number of population of the same age (relative indicator of registered job-seekers). Reachable job-seeker is a job-seeker who can immediately be employed in a suitable employment and there is no objective obstacle for his/her recruitment.

Migrants and refugees

The Czech Republic is a country with extremely low unemployment in general, including foreigners. The legal economic migration is one of the main reasons.

Migrants (third-country nationals) can be employed in the Czech Republic under following conditions which are based on their legal status:

- Applicant for international protection (asylum seekers and seekers for temporary or subsidiary protection) – cannot be employed earlier than after six months from the date of the submission of the application for the international protection. After expiry of that period, the person in question can ask for work permit at the Regional Branch of the Labour Office.
- Foreigner with international protection status – has a free access to the labour market.
- Foreigner who did not apply for the international protection (or the protection was not granted) but he/she received a residence permit of more than 90 days or long stay visas as an administrative concession (exceptional leave to remain) - needs a valid work permit to enter the labour market (issued by Regional Office of the Labour Office).

As soon as migrants meet the legal conditions given by Employment Act and apply for employment intermediation, they fully enjoy services provided by Labour Office (retraining, courses of the Czech language for foreigners, individual support in the socio-cultural, administrative and other fields which can form a barrier for successful employment).

The total number of job seekers on 31 December 2019 was 215 532, of which 3016 job seekers were third-country nationals (i.e. 1.4% of all job seekers registered at the Labour Office). It should be noted that not all foreigners use voluntary personalised job search provided by the Labour Office. The number mentioned above does not reflect the real number of unemployed foreigners.

Article 15

The right of physically or mentally disabled persons to vocational training, rehabilitation and social resettlement

Paragraph 2

Specific and targeted question concerning previously deferred conclusions XX-1(2012)

Please provide information on progress made in ensuring persons with disabilities have access to employment on the open labour market, including recent non-discrimination measures and measures to promote employment. Please include figures on the number of persons with disabilities in employment and the number of unemployed.

Please provide up-dated information concerning obligations on the employer to take steps in accordance with the requirement of reasonable accommodation to ensure effective access to employment of persons with disabilities.

The situation of employment of persons with disabilities improved in the Czech Republic in recent years due to positive economic climate and also in the context of measures adopted in this field. It has been estimated that 123,5 thousand persons with disabilities are employed in the Czech Republic.¹ The number of job-seekers -persons with disabilities dropped by nearly 25 000 persons from 2015, i.e. makes almost 44%.

Persons with disabilities registered at the Labour Office as job-seekers in 2015 - 2019

October 2019	32 464
October 2018	37 403
October 2017	45 994
October 2016	53 673
October 2015	57 030

The number of persons with disabilities at the sheltered labour market increased during the same period of time by four thousand persons. The progress shows that most of persons with disabilities move from unemployment to the open labour market.

¹ Source: Czech Statistical Office/ The Labour Force Sample Survey.

	2015	2016	2017	2018	2019
Persons with disabilities supported on the sheltered labour market	51 877	54 659	55 984	53 273	55 661

Since 2017, a number of measures (both legislative and non-legislative) have been adopted to support employment of persons with disabilities (for example the programme “The Development of systems to support employment of persons with disabilities” financed by the ESF from June 6, 2017. The programme is implemented by the Labour Office and its goal is to increase employment of persons with disabilities, especially on the open labour market, and to increase the capacity, complexity and quality of services provided by public institutions. The Labour Office hired 99 new employees specifically to pursue activities exclusively related to employment of persons with disabilities on the open labour market.

The Employment Act (Act No 434/2004 Coll.) stipulates in Section 81:

Section 81

(1) Employers with more than 25 employees in an employment relationship are obliged to employ the mandatory proportion of persons with disabilities out of the total number of the employer’s employees. The mandatory proportion is 4%. For employers who are an employment agency pursuant to Section 14(3)(b), the employees who are temporarily placed to work at a user’s premises shall not be included in the total number of employees in the employment relationship.

(2) Employers fulfil the obligation under subsection (1) by:

(a) employing employees in an employment relationship;

(b) buying products or services from employers with whom the Labour Office has concluded an employer recognition agreement (Section 78) or by awarding contracts to such employers or by buying products or services from persons with disabilities who are self-employed and do not employ any employees, or by awarding contracts to such persons; or

(c) by a payment to the State budget;

or by a combination of the methods under (a) to (c).

Since 2017, the share of directly employed persons with disabilities was increased at the expense of other forms of contribution. Thus the limit determined for buying products or services from employers on the sheltered labour market (as per Para 2b above) is gradually decreased and employment of persons with disabilities is rising.

Steps and measures taken in accordance with the requirement of reasonable accommodation to ensure effective access to employment of persons with disabilities

Section 78a of the Employment Act determines contributions to support the employment of persons with disabilities in sheltered labour market. Contributions cover the costs of adaptation of the establishment, such as:

1. The costs of purchase and verification of computer software for the employment of persons with disabilities;
2. The adaptation and purchase of ancillary technological equipment used by employees who are persons with disabilities;
3. The purchase of communication and orientation aids;

4. The adaptation of hygienic, thermal, light or noise conditions to persons with disabilities; or
5. The construction or extension of operations necessary for the employment of persons with disabilities, including the costs of computer equipment.

The Labour Office provides the same expenses to employers who employ more than 50% of person with disabilities from the total number of employees.