

Czech Republic: Improving Employment Chances of the Roma

Joint Research Project of the
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AIM OF THE STUDY

RECOMANDATION

POLICY MEASURES

Aim of the Government (Reasons for the Study)

- Increase **Employment Chances** of unemployed Roma
- Develop **Social Inclusion Policies** based on expert economic analysis
- Find answers to:
 - **Barriers** for socially excluded Roma to participate at labour market
 - How to **increase employment chances** for excluded Roma at the open labor market

Aim of the Study

To Find/Analyze/Study:

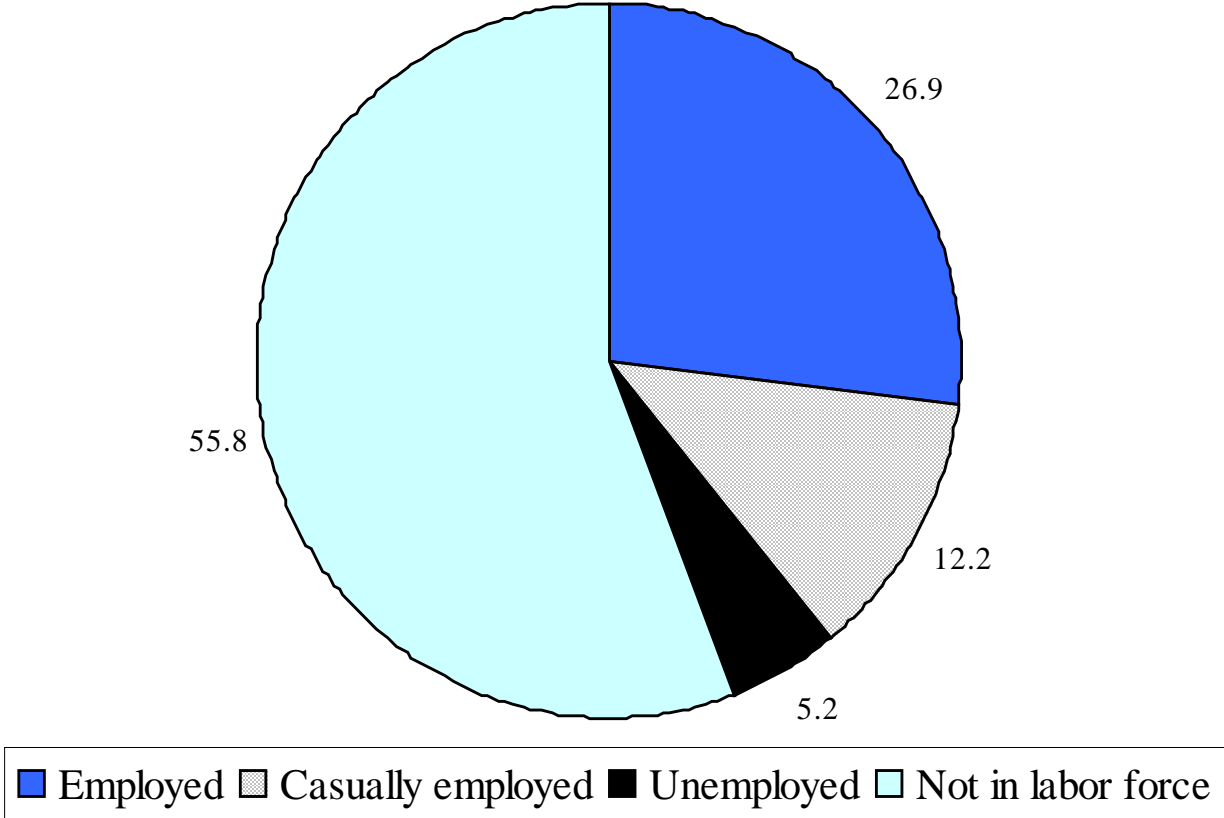
- **Participation of Roma** at labour market (socially excluded Roma vs. Socially excluded non-Roma)
- **Causes for Unemployment** and low participation at labour market
- **Demands** for low qualified working opportunities
- **Incentives** for job hunting in relation to the System of Welfare Benefits)
- **Readiness** of social and public services (Labour Offices) to act on specific needs of disadvantaged Roma applicants

The Study

- **Labour Force Survey** in marginalized Roma localities (12 localities) – NOT about all Roma
- **Qualitative Interviews** with jobseekers (1150 participants, of which 1050 Roma), employers, Labor Office staff, social workers, NGO workers
- **Employment Incentive Analysis** (adjusted OECD methodology)

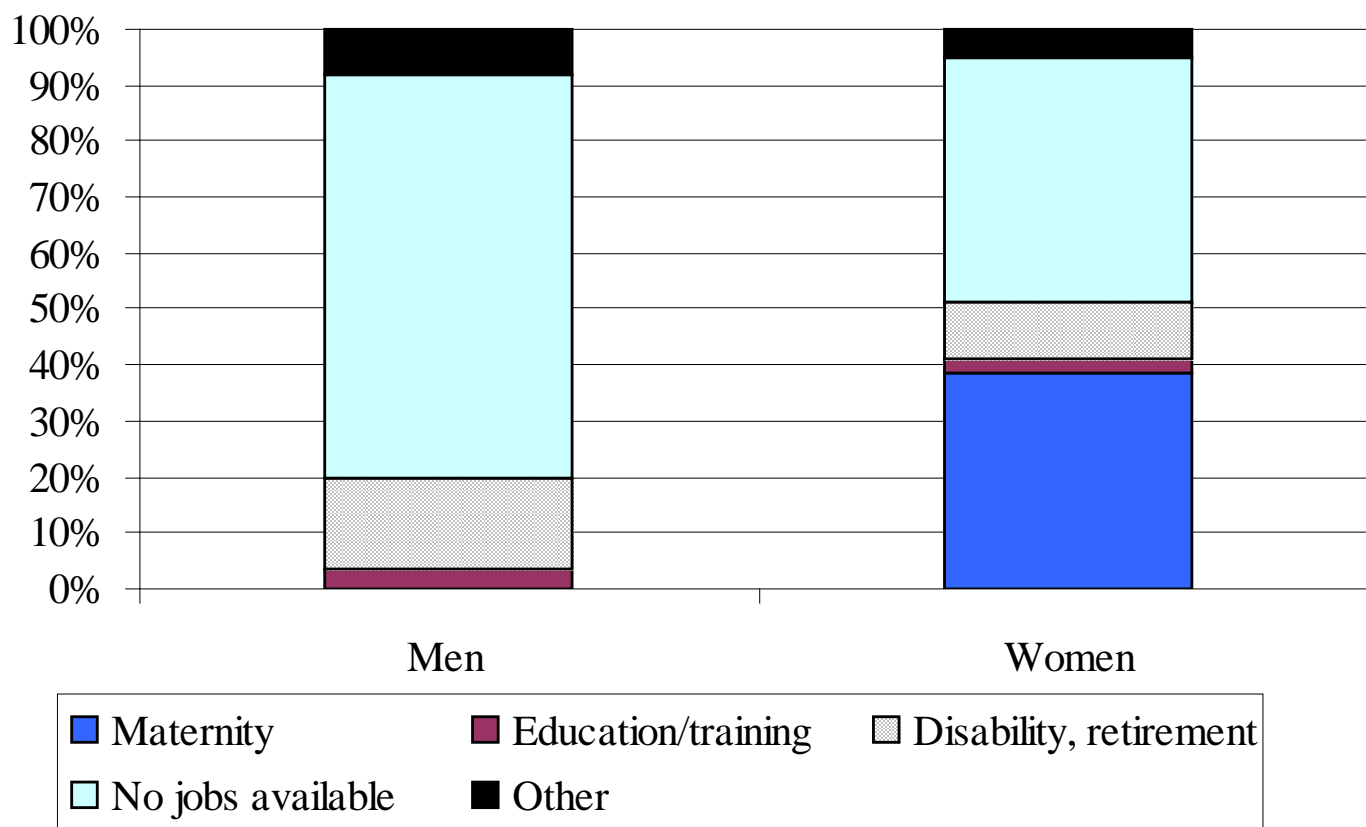
Roma Participation at Labour Market

Roma population in working age by labor force status, 2008



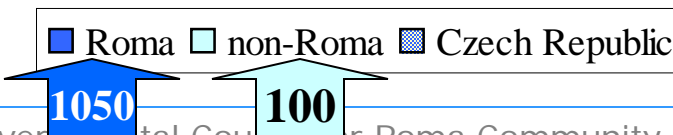
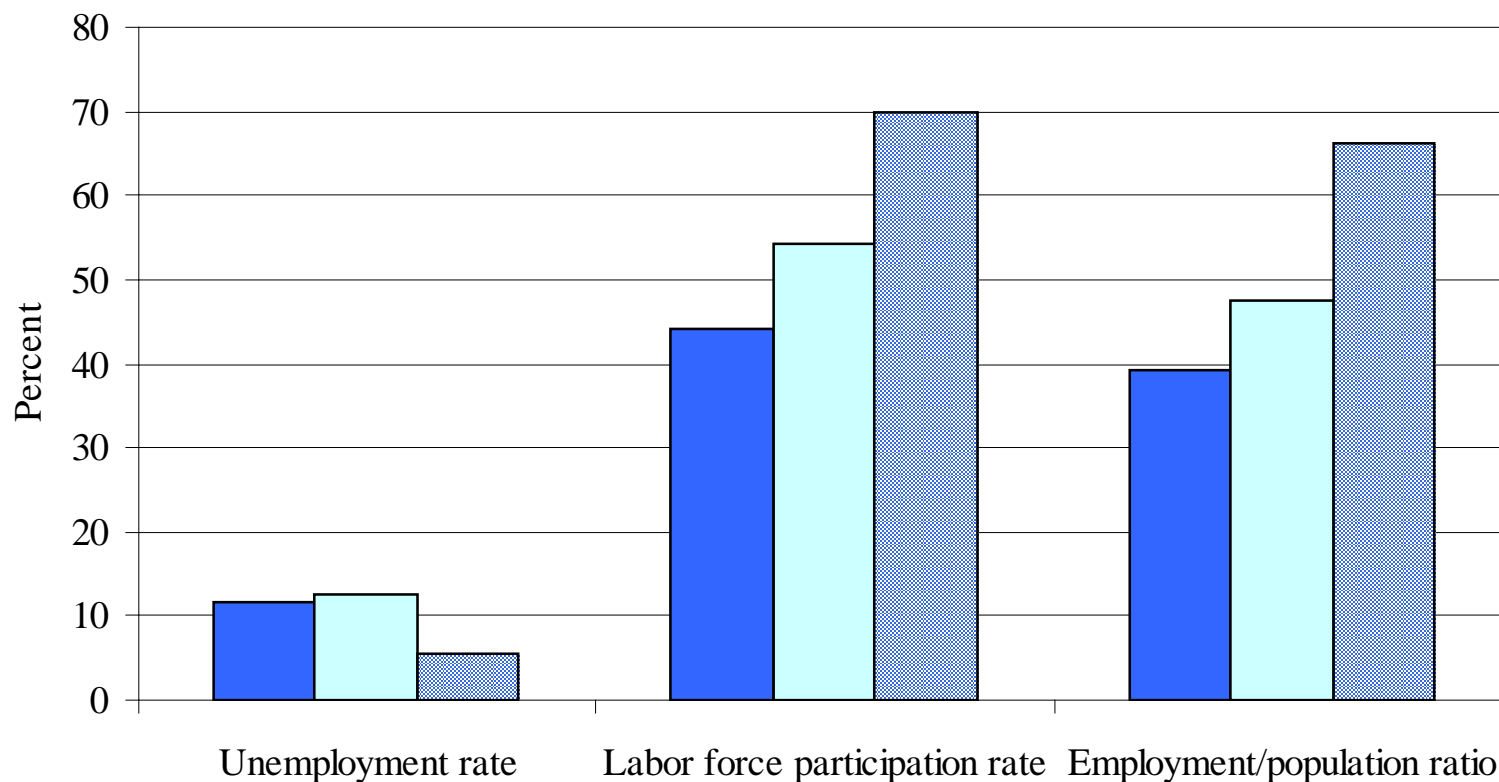
Reasons for not Working by Gender

Reasons for not working by gender, 2008



Comparison of Roma to non Roma in Marginalized Localities

Labor force status: Roma vs. non-Roma in marginalized localities



Key Barriers to Enhancing Roma Employment Chances I

- **Low Skills** and lack of demand for low skilled workers (foreign workers)
- **Malfunctioning Labour Markets** with high unemployment rates at certain regions
- **(No)Willingness** to employ Roma – discrimination, low education, lack of working experiences

Key Barriers to Enhancing Roma Employment Chances II

- **Low Employability** - low qualification lack of education, functional illiteracy and financial illiteracy, lack of working experience
- **Indeptedness** (1 out of 2 Roma is in-debt, high chance of distraintment)
- **Welfare Benefits Trap** expectation of low paid jobs leads into lack of incentives/motivation to work
- **Lack of Spatial Mobility** (inability to travel to work, lack of cheap transport, availability of transport connection to excluded localities)
- **Low Motivation** to look for jobs due to repeated failures
- **Maternity Leaves**, bad **Health Conditions** (limited employability)

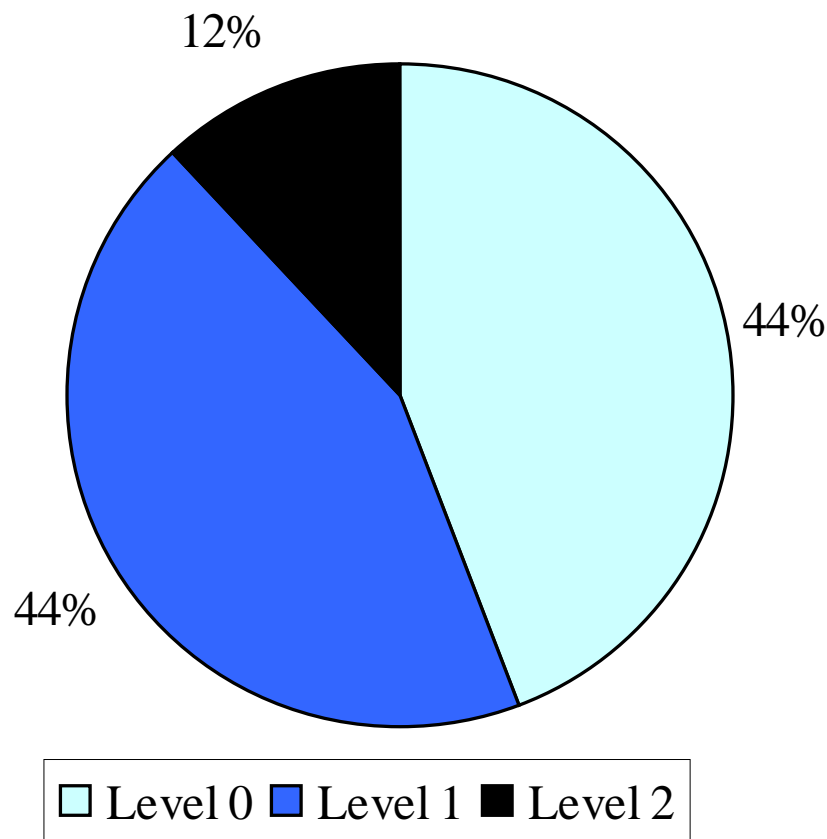
Functional Literacy of Roma among Working Age Population

Distribution of Roma working age population by skill level, 2008

- Level 0 – Almost zero capability of understanding the language of institutions, competence of understanding hypothetical questions less than 40%, numeric literacy almost zero, inability of solving simplest arithmetic operation.

- Level 1 – Basic orientation in institutional language, competence of understanding hypothetical questions 40% at least, numeric literacy and legal conscience at a substandard level.

- Level 2 – Ability of abstraction and hypothetic cogitation at a level of at least 80%, basics of numeric literacy and legal conscience.

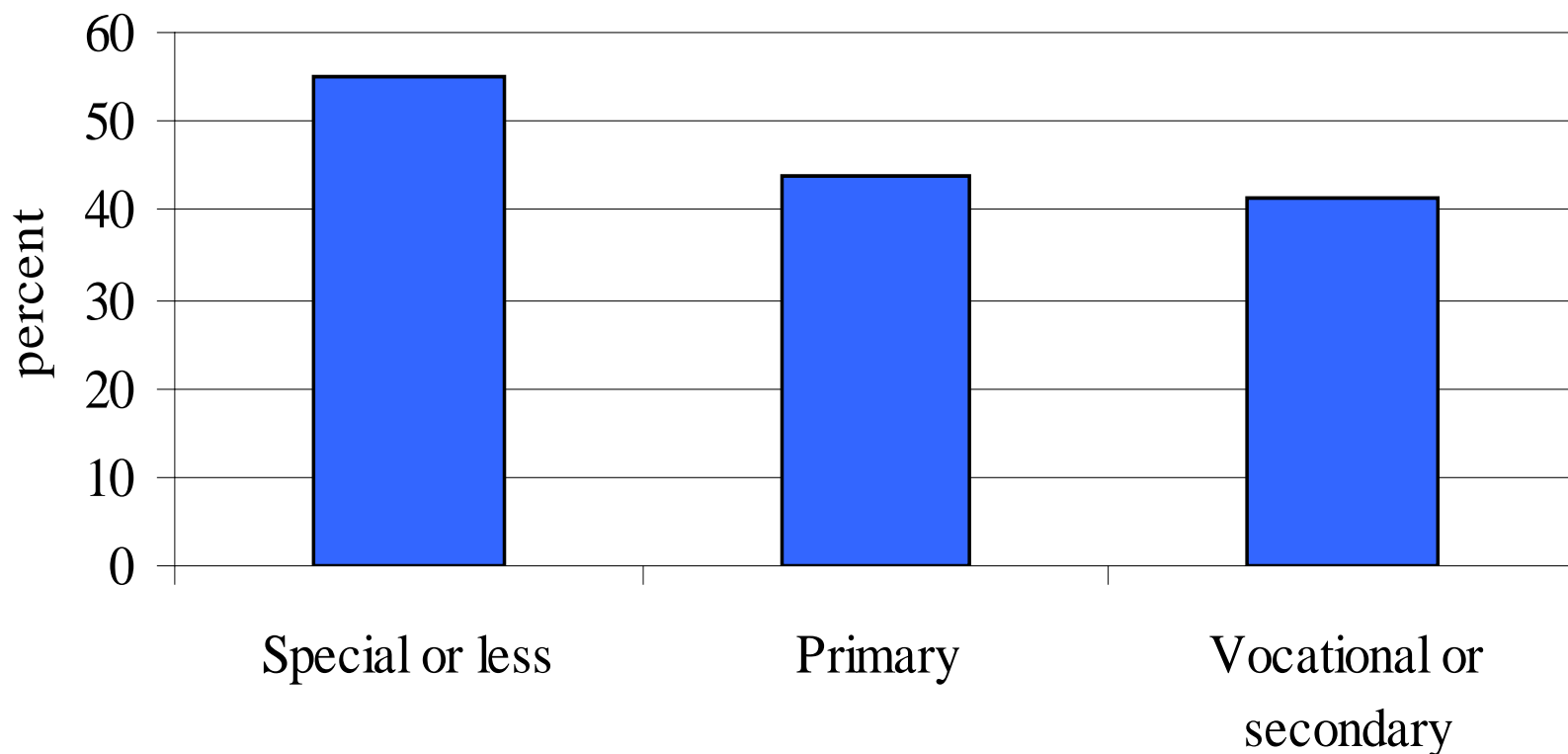


Type of the Questions

- You are about to buy a carton of cigarettes at a reduced price of 50%. The original price was 200 CZK. How much will you pay?
- Imagine you have to arrange several documents necessary for social benefit. In this matter you have to visit the appropriate office, which is not situated in the location of your residence or your workplace. Which of the given bus lines would you choose in order to visit the office during morning hours and return to your workplace until the beginning of the afternoon shift (until 13:30)? Your departure place is the place of your residence.
- E.g.

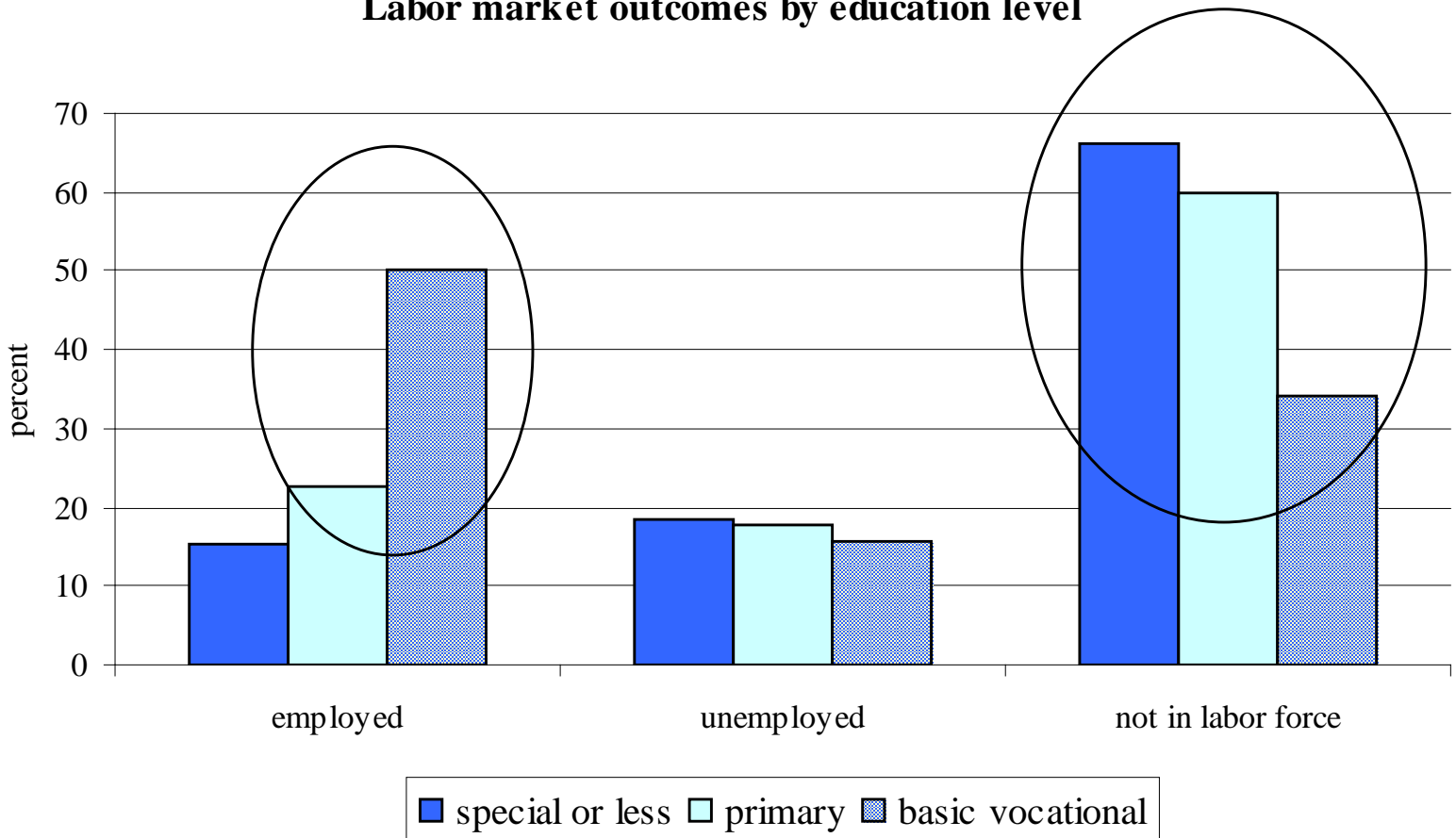
More educated Roma are less rejected by employers

Roma job seekers rejected by employer by education, 2008

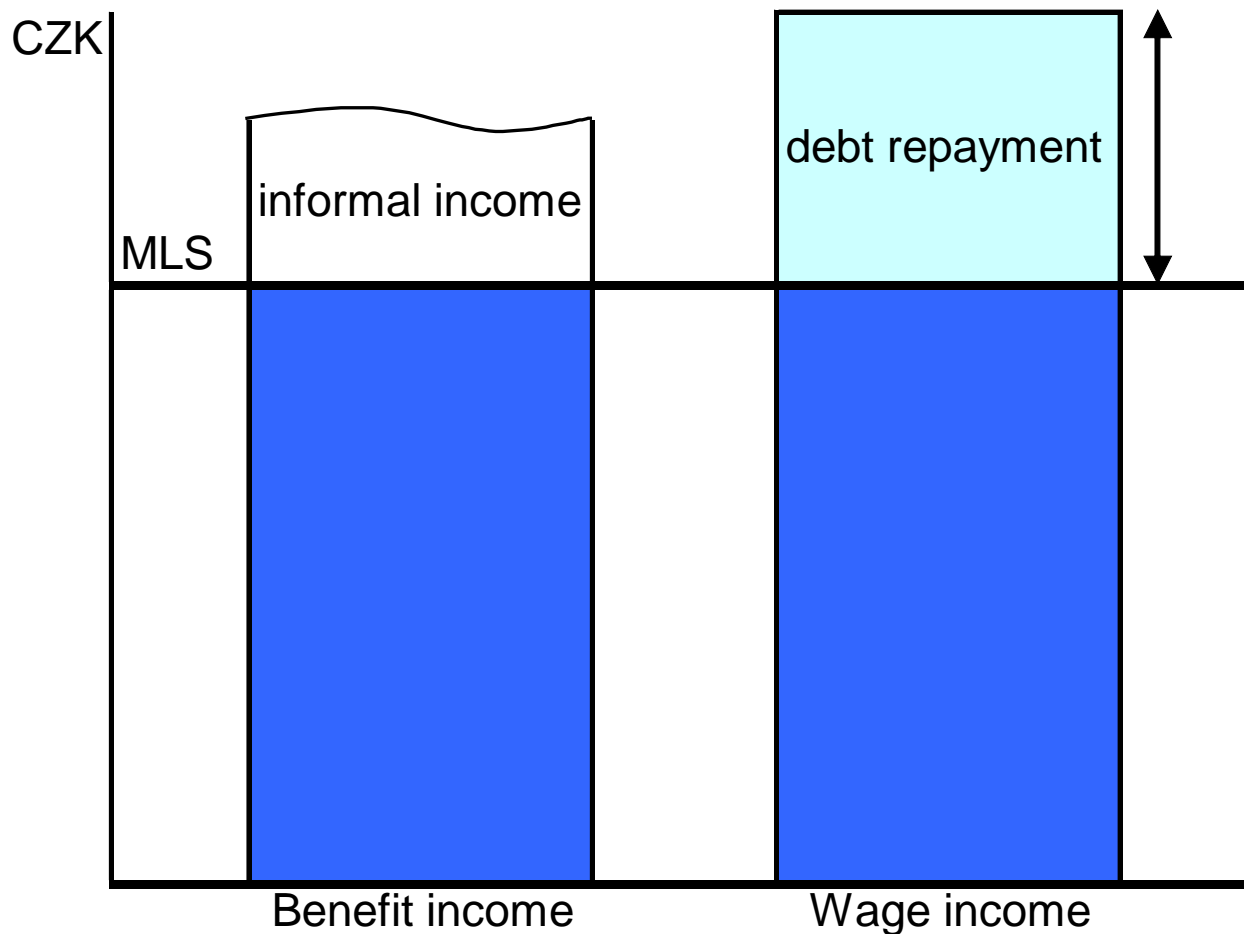


Skills upgrading pays off

Labor market outcomes by education level



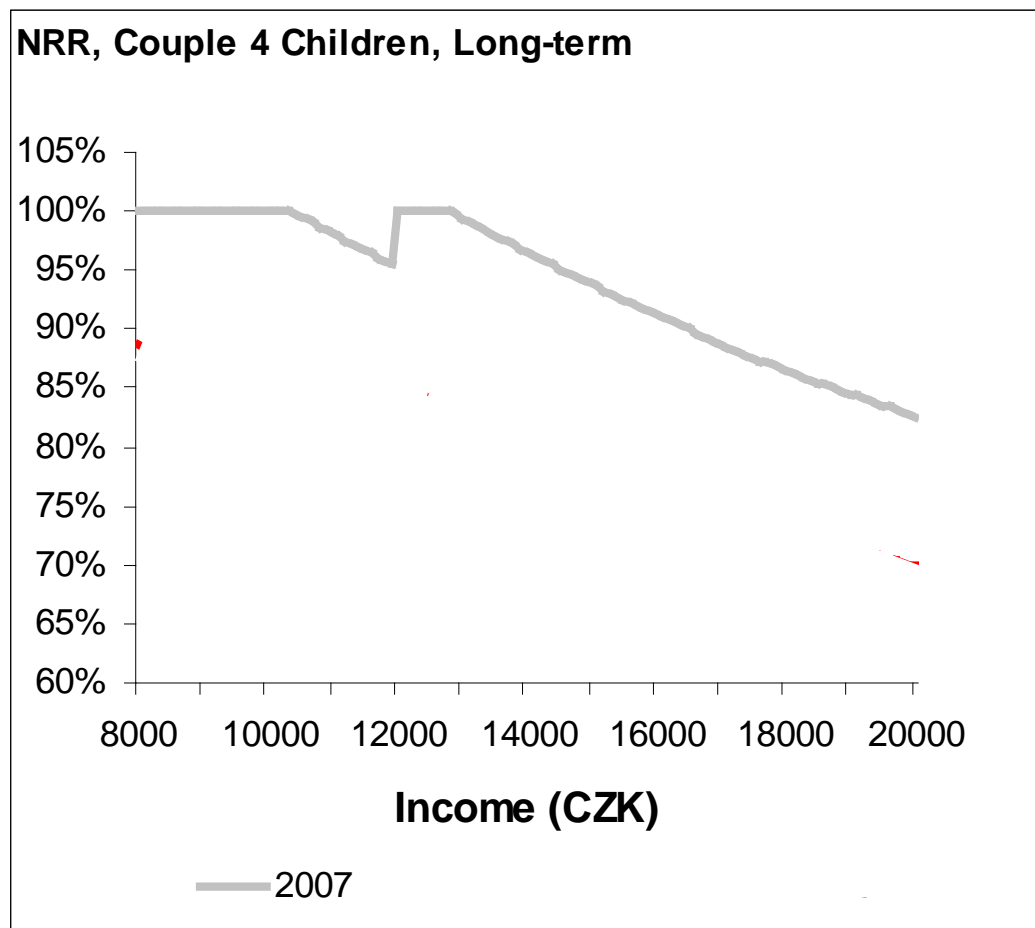
Indebtedness acts as a labor supply disincentive...



Social Trap

- Unemployment
- If in-depth it is better to stay on Social Welfare Benefits – certainty of income (Welfare Benefits cannot be confiscated by dept collectors)
- Getting more in-depth
- Loans (vicious circle)

Willingness to be on Social Welfare Benefits in Relation to Family Income



The Economic Case for Roma Inclusion

- Roma joblessness and education failure means significant financial and economic costs to the Czech Republic
 - High expenditure for Social Protection (Social Welfare Benefits, employment services)
 - Loss of productive human resource resulting in loss of GDP (from illiteracy, early school leaving, joblessness, risky behaviors)
 - Socio pathological phenomena go hand in hand with unemployment and poverty

RECOMANDATION

More efficient Public Services for Employment I

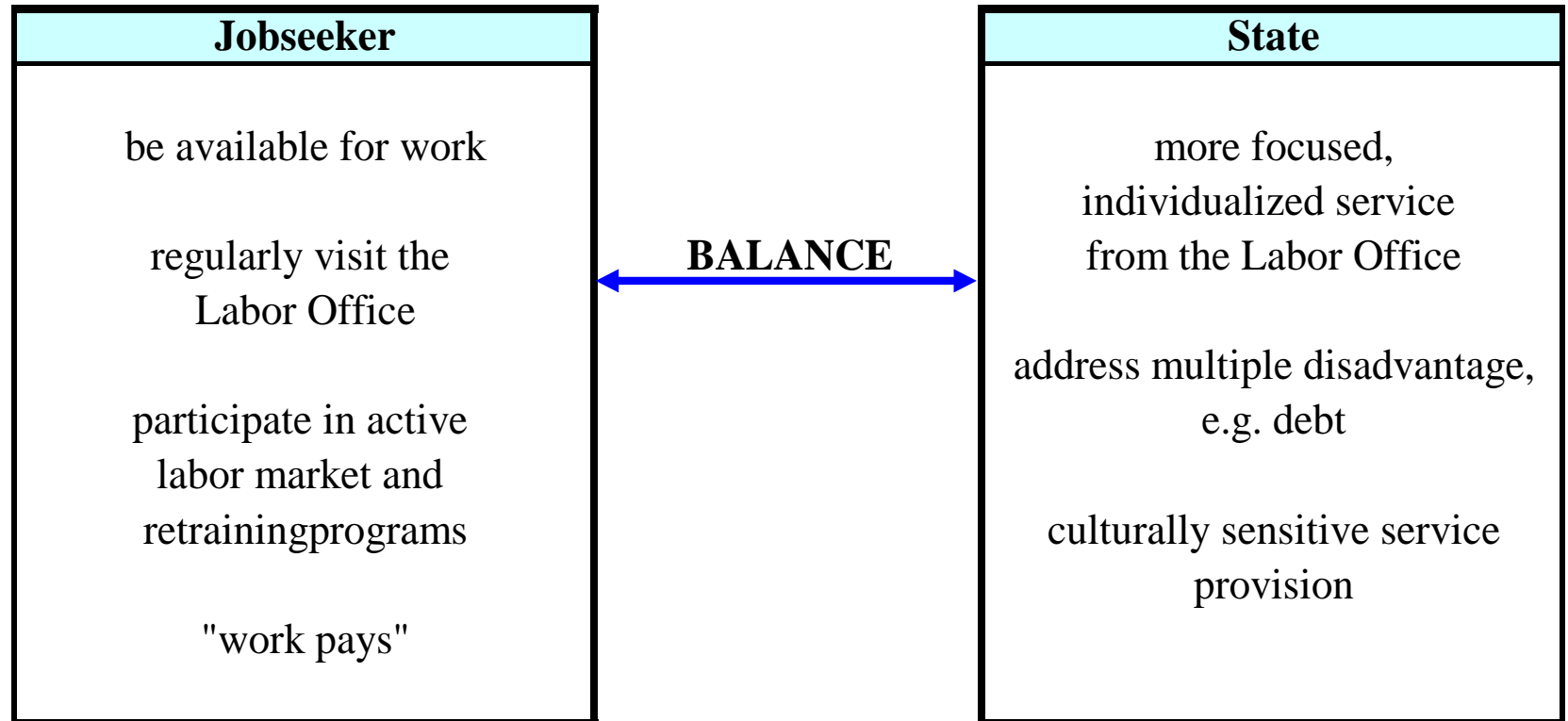
- **Profiling** according to their chances and specific barriers while job hunting
- **Individualized, culturally sensitive and empowering services** taking into account the potential of those who are jobless and their barriers for participation at labour market (IAP), and targeted services.
- **Specialized training of social workers (Labour Offices)** dealing with Roma clients (CR 1 worker per 200 clients)
- **Complex solutions for unemployed Roma** – providing multiple social services (stabilization of situation, social problems, housing, indebtedness, etc.)

More efficient Public Services for Employment II

- Outsourcing of specific services from Labour Offices into specialized institutions from private or non-profit sector (retraining, special social services)
- Regular evaluation of social services (Labour Offices) how targeted services are, clients satisfaction, efficiency
- Training for jobseekers – development of functional literacy, financial literacy, skills, and qualification, empowerment (second chance education and literacy)

Employment Activation Policy

System of Mutual Obligations and Incentives



Other Recommendations

- **Activation Policy of System Welfare Benefits** – incentives for job hunting (minimum wages should be higher than social support, tax relives for employed)
- **Combating Indepthedness** – financial training, combating usury and loans with high interests
- **Spatial Mobility** – improvement of transport connection to marginalized localities
- **Regional Development** – increasing efficiency of labour markets

Education and Training of Roma Children and Youth

- **Prevention** – inclusive education and combating social segregation of Roma children, improvement of school results.
- **Conditioned Financial Support** – providing for social support for education for families, whose children attend regular schools (for youth older than 15 years).
- **Consultancy and Carrier Services** – early identification of risk groups of students, targeted approach, development of parents competencies.

GOVERNMENTAL POLICIES AND MEASURES

Inclusive Education and Unemployment Prevention

- **Conception of Early Care** with Action Plan (targeted measures for children preschool age) – facing difficulties, some services are not available at all regions
- **Integrated Instruments in Education** (Pedagogic Assistant, preschool preparatory training, training activities and consultancy for Roma students, NGOs)
- **Scholarships** for Roma students
- **Financial Support** for Roma university students

Public Services for Employment (Labour Offices)

- **Individualized Services**: client's Action Plans;
- **Outsourcing** of activation services (VVP, retraining, consultancy);
- **2009 – State Labour Office and Social Affairs** (integrated public services, complex social work with disadvantaged clients);
- **Periodical Evaluation of Employment Activation Policy** (at this moment only statistical data, not so profound).

Welfare System Reformation

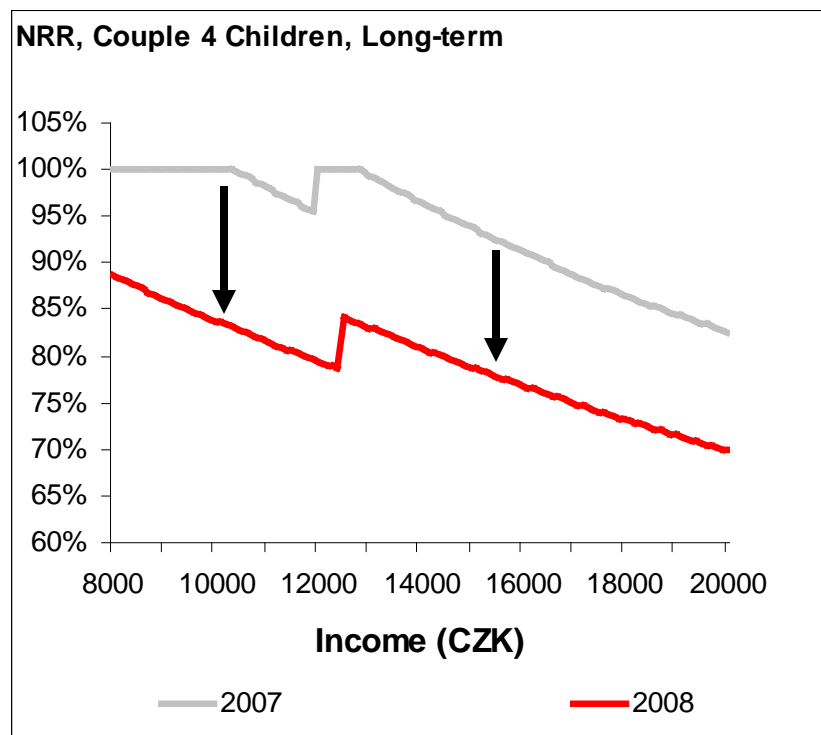
- 2008 implementing existential minimum, modification of access to social welfare benefits, access to social welfare benefits is conditioned by active search for employment (working age population), special care till 20 years
 - Special care for:
 - younger than 20 years and older than 50
 - Accumulation of disadvantages
 - Individual action plans
 - Labour Offices can cancel registration at the Office, if the client does not follow retraining program after 5 months of being registered at the office
 - Pilot projects (Ostravsko, Mostecko)
- ESF programs:
 - Special focus on socially excluded (Roma) under operational program human resources and employment
 - OP LZZ priority 3.2 – integration of socially excluded members of Roma communities
 - OP LZZ priority 3.3 – integration of socially excluded groups into labour market

Regional Development

- **Integrated Municipality Plans**
 - Measures to revitalize socially excluded localities;
 - Social services targeted to increase employment;
- Realization of **Operational Programs** (ROP) and Integrated operational program (IOP).
 - Focus on regional development in excluded localities

Combating Social Welfare Benefits Trap

2008: Results of the Social Welfare Reformation



Thank you for your attention

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