

## **ALMP instruments implemented by employment**

### ***Socially useful jobs (SUJ)***

The objective of providing a subsidy for the creation of socially useful jobs is an increase in the number of job vacancies for those job applicants who cannot be provided jobs in any other way, including applicants' making their own businesses. One of the preconditions for the creation of socially useful jobs and their effective use is a low number of job vacancies from the view of professions or territories.

A socially useful job means:

- A new job which an employer creates on the basis of a written agreement with the Employment Office for a period of usually two years and which is filled with an applicant registered with the Employment Office who cannot be provided a job in any other way;
- A new job created for a job applicant registered with the Employment Office who will become self-employed.

There is no legal title to the subsidy for the payment of costs for the creation of a socially useful job. However, Employment Offices may grant it in the form of:

- Refundable financial support – max. 80,000 CZK for one socially useful job;
- A subsidy for the payment of wages (salaries) and their refunds, including social insurance and general health insurance; the subsidy may be provided up to an amount of real wage costs including social and health insurance;
- Another specified subsidy amounting to 80,000 CZK for one socially useful job.

### ***Public works (PW)***

Community service includes new job opportunities created particularly for the job applicants for whom it is difficult to find a job, and for long-term unemployed job applicants registered with the Employment Office.

A municipality or an employer creates these temporary jobs, which do not exceed the period of twelve successive months starting the day on which an applicant starts employment.

The employer may be given a financial contribution up to an amount of the real wage costs, including social and health insurance, for such an employee.

### ***Retraining (RET)***

Employment Offices organize retraining in such events when the structure of demand on the labour market does not correspond to the structure of supply, and possible retraining makes it possible for applicants to perform new or some other work in a suitable job. Retraining represents a change in the existing qualification of an applicant by obtaining new knowledge and skills enabling him to perform work in a new job.

Employment Offices pay job applicants, apart from material security, retraining fees in full amount and they can also contribute to other costs (board, accommodation, travel expenses).

Generally, two types of retraining are organized:

- **Specific retraining** – job with a promise of employment from an employer,
- **Non-specific retraining** – without a promise of a particular job, participants in retraining are trained to obtain skills that increase their job opportunities on the labour market.

Employment Offices may also contribute to the payment of costs to the employer that organizes retraining to enable his employees to perform a different type of work.

### **Jobs for graduates and trainees (JGT)**

Employment Offices may pay to the employer, who creates a job for the professional practice of graduates (from secondary schools, colleges and universities) or for youths registered by the Employment Office to obtain qualification, wage costs, fully or partially, associated with the employment of a graduate or youth for a period of up to one year.

The financial contribution associated with the employment of an unemployed applicant (youth) makes it possible for young people to start their first jobs and it helps maintain the unemployment rate at a socially acceptable level.

### **3. The system of investment incentives – assistance for selected regions**

Apart from the active employment policy instruments, the system of investment incentives has been used within the active employment policy in the Czech Republic since 1999. Investment incentives represent, in terms of the employment policy, support for the creation of new jobs and a share in the costs for the retraining of employees. Granting incentives is approved individually by the Government of the Czech Republic on the basis of an investor's application filed via CzechInvest. The support is provided in the form of an interest-free loan, which changes in a non-refundable subsidy if the agreed conditions are fulfilled. The amount of the material support depends on the number of new jobs created, on the planned costs for the retraining of employees and on the employment rate in the district in which the investment is made. Jobs must be filled with Czech persons, who need not be registered by an Employment Office as an applicant. Despite a general agreement with the use of investment incentives, their negatives must be noted (e.g. the disruption of competition on the labour market, involving both the production factor and the final production markets) and efforts must be made to eliminate their impacts.