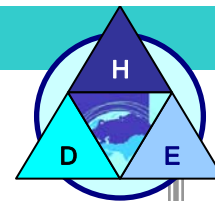


Czech Republic: Improving Employment Chances of the Roma

Joint Research Project of the
Czech Government and the World Bank
October 2008

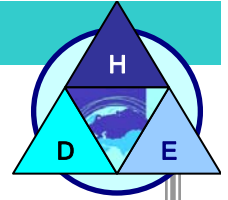




The Study

- Labor force survey in marginalized Roma localities – NOT about all Roma!
- Qualitative interviews with Roma jobseekers, employers, Labor Office staff, social workers, NGO workers
- Employment incentive analysis (adjusted OECD methodology)

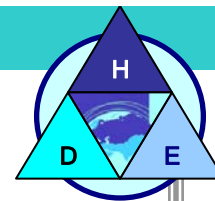




3 messages

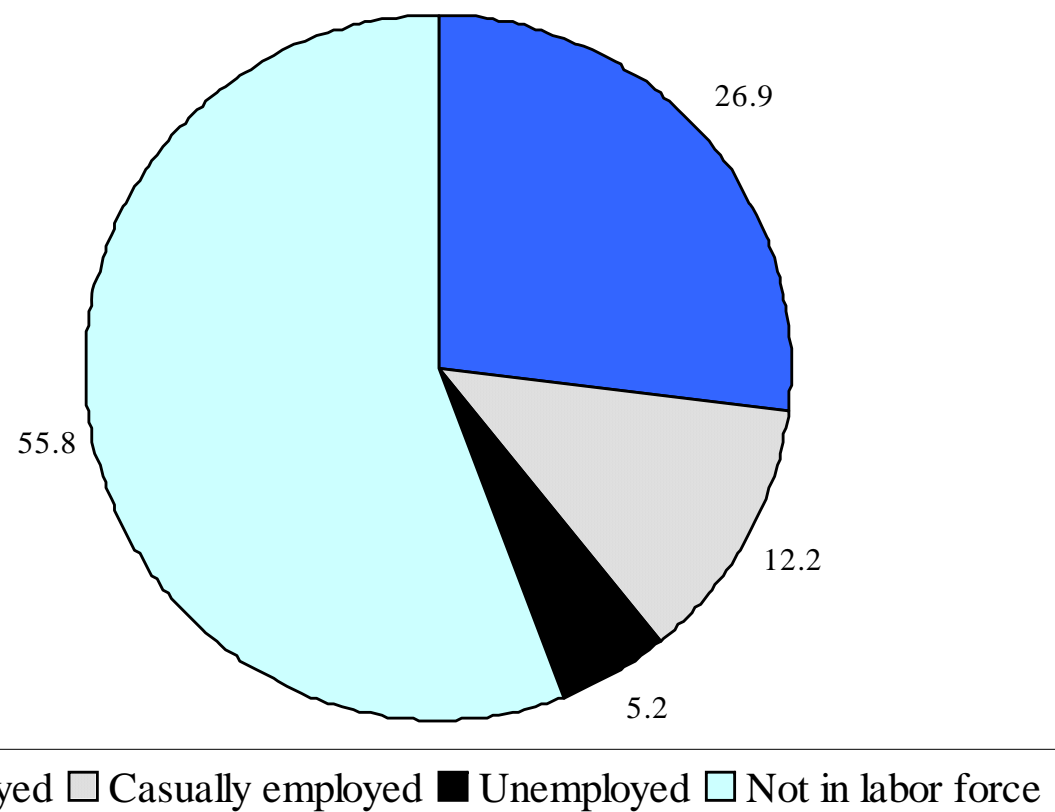
- The magnitude of the challenge of Roma joblessness is immense and growing...
- ...yet there are some opportunities...
- ...suggesting a two-pronged approach focused on employment activation
 - Preventive services focused on youth
 - Refocused employment services for adults

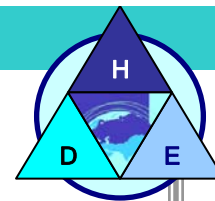




Many Roma are out of the labor market...

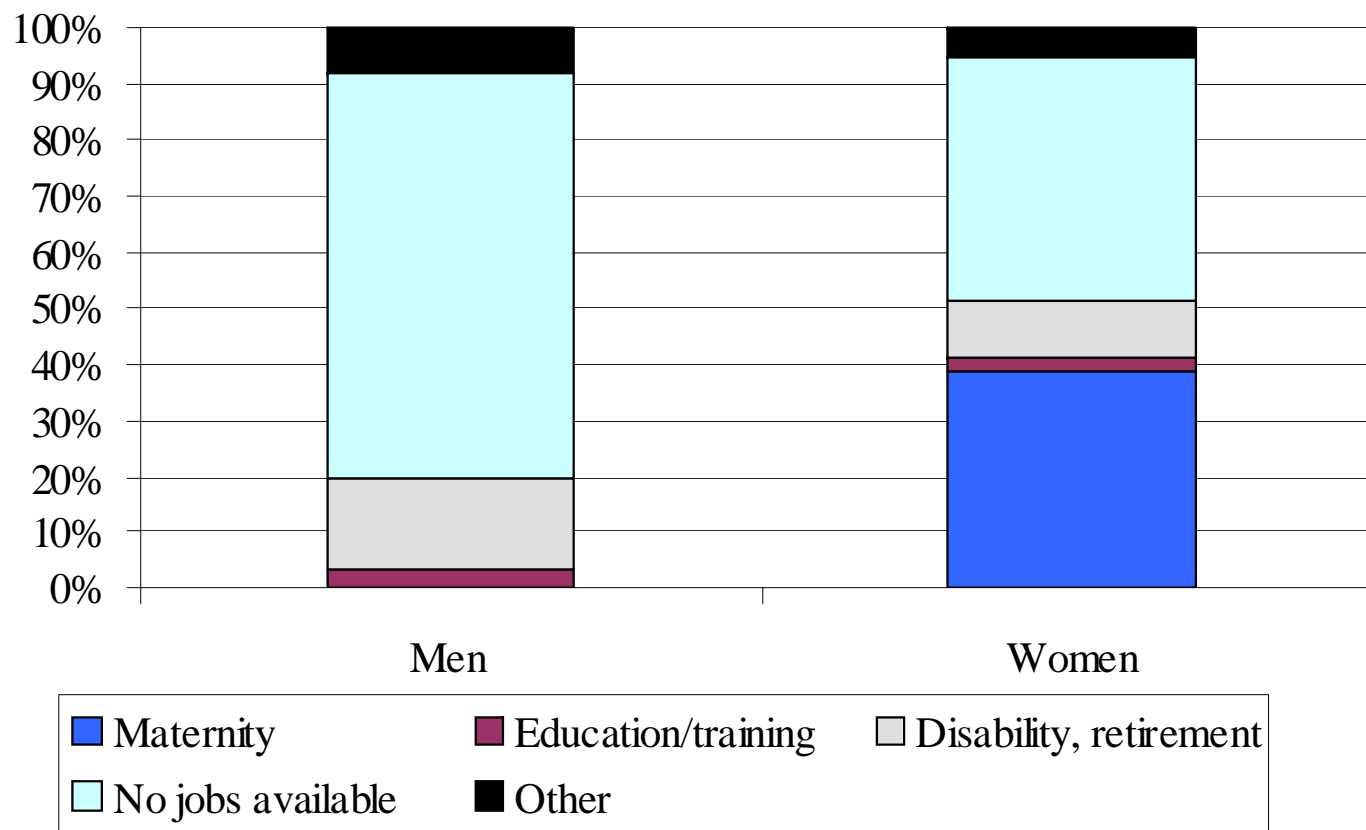
Roma population in working age by labor force status, 2008

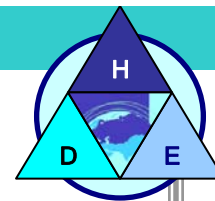




...often because they are discouraged

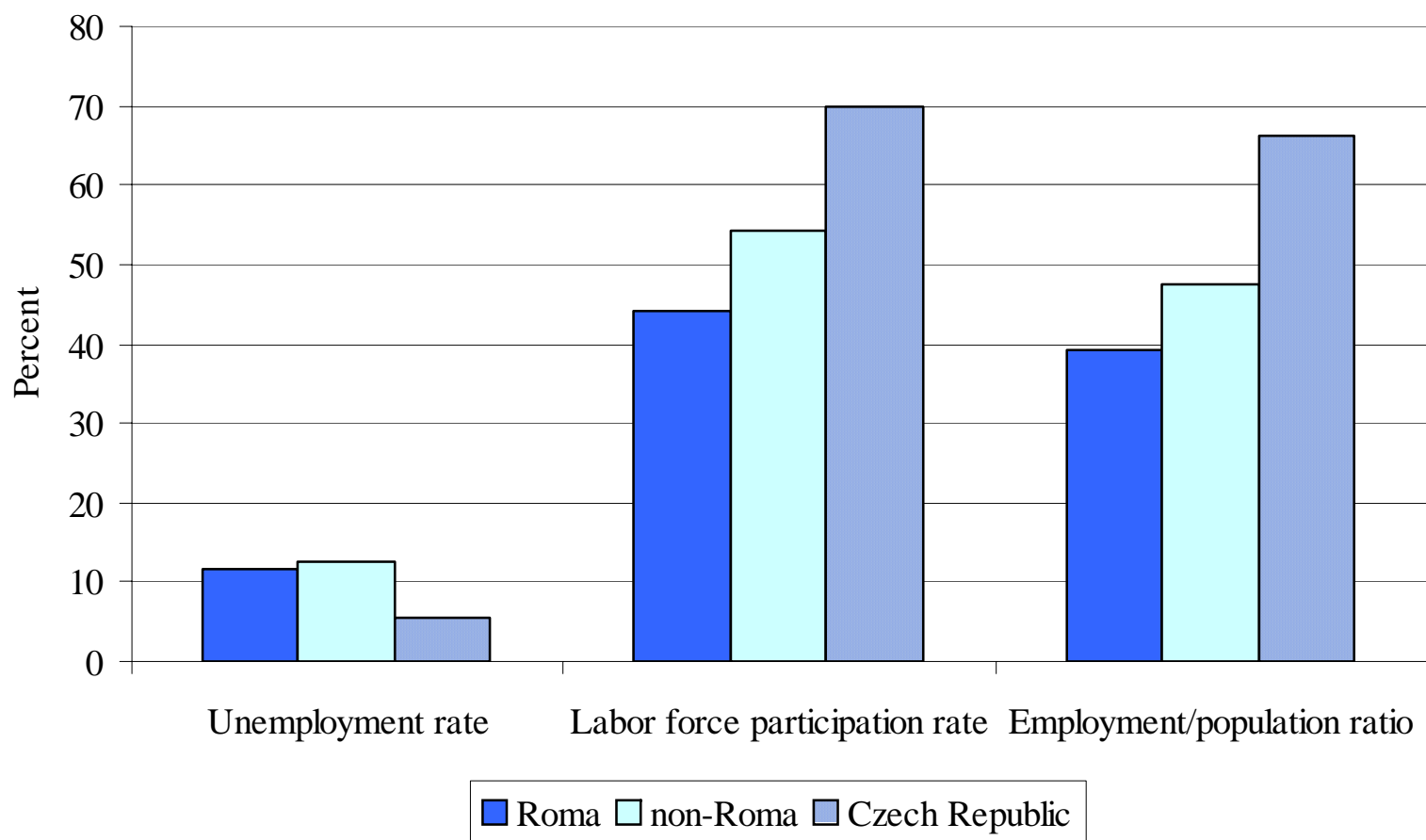
Reasons for not working by gender, 2008

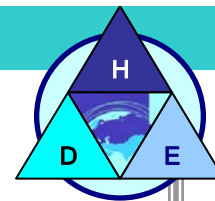




Roma fare worse than non-Roma, even in excluded localities

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

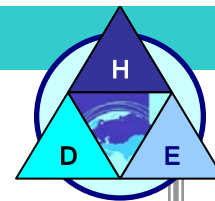




Key barriers to enhancing Roma employment chances

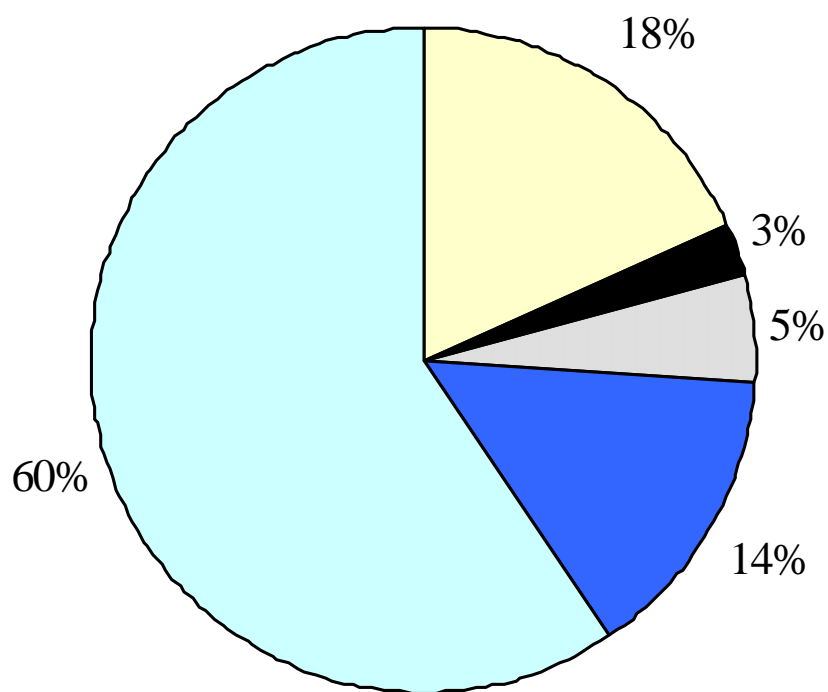
- Low skills and lack of demand for low skilled workers
- Indebtedness
- Welfare trap
- Lack of mobility





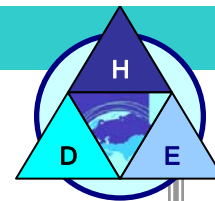
Roma have low educational attainment...

Distribution of Roma working age population by education, 2008



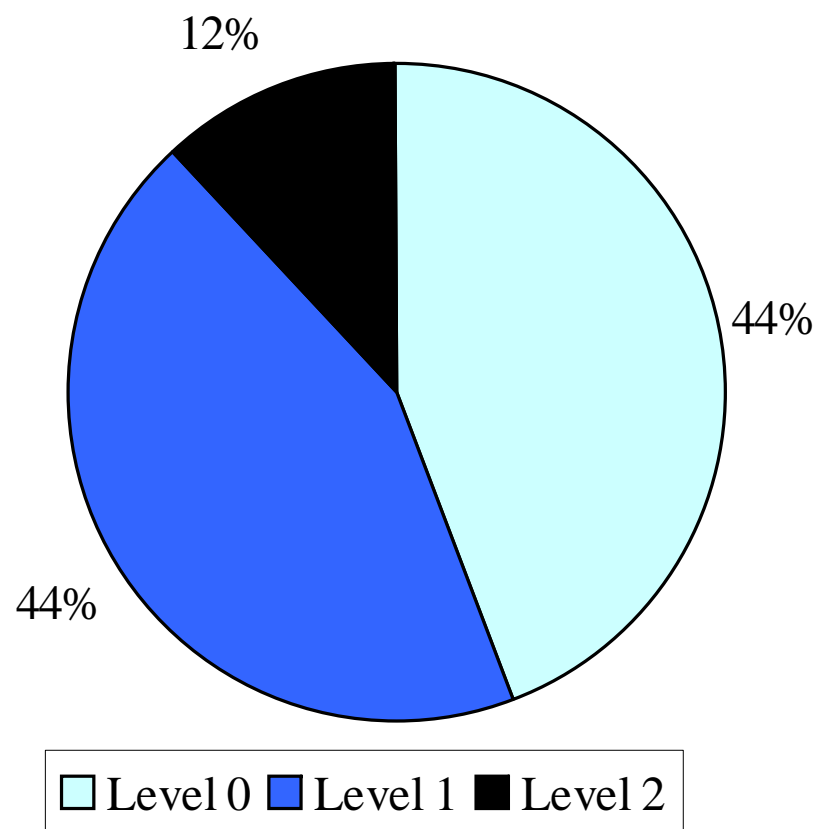
■ Less than primary ■ Special ■ Primary ■ Basic vocational ■ Secondary

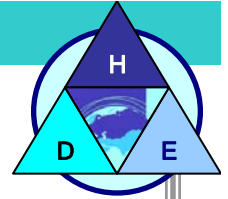




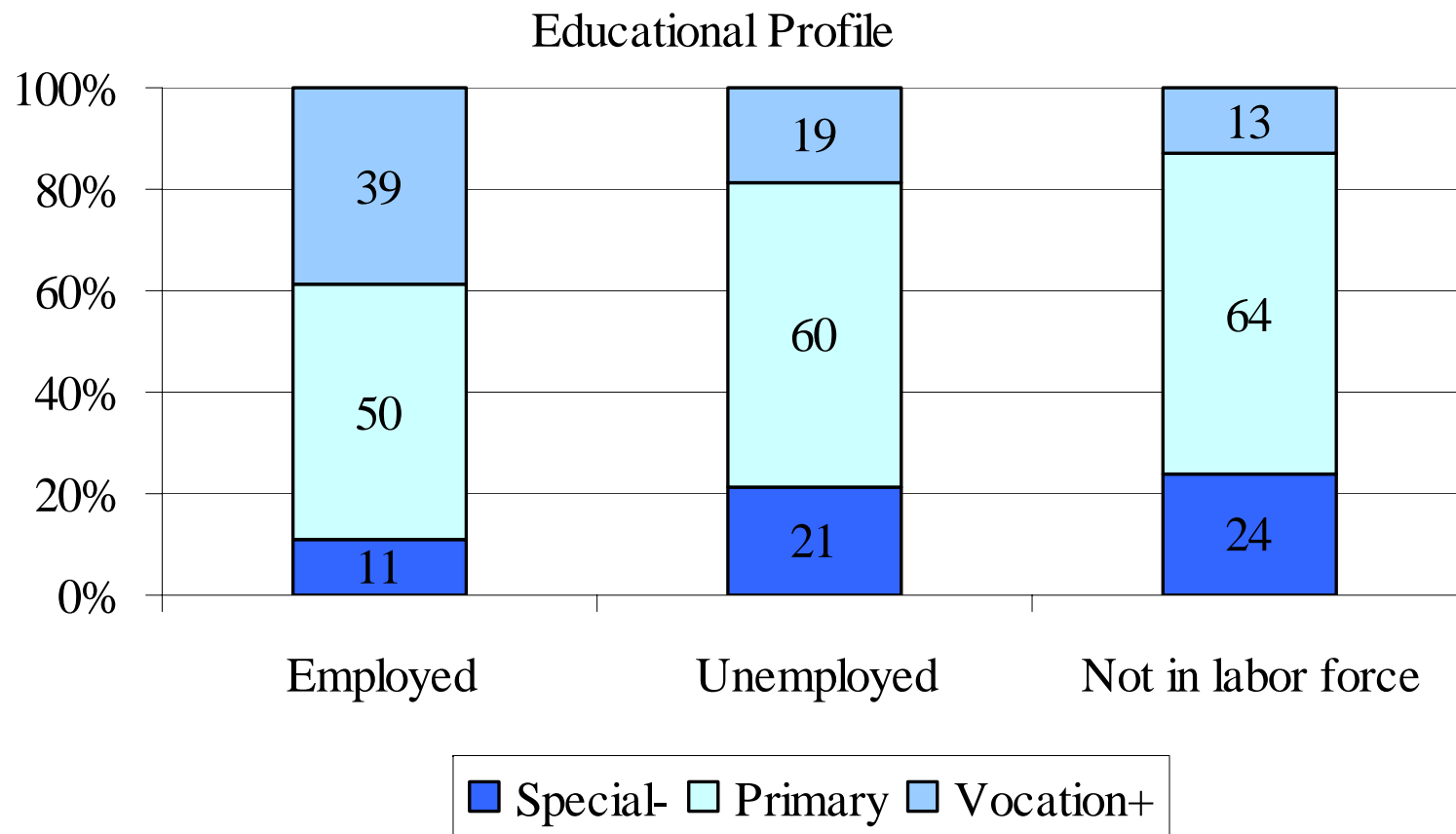
...resulting in widespread functional illiteracy

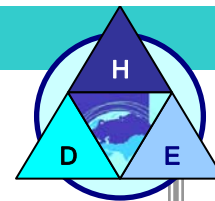
Distribution of Roma working age population by skill level, 2008





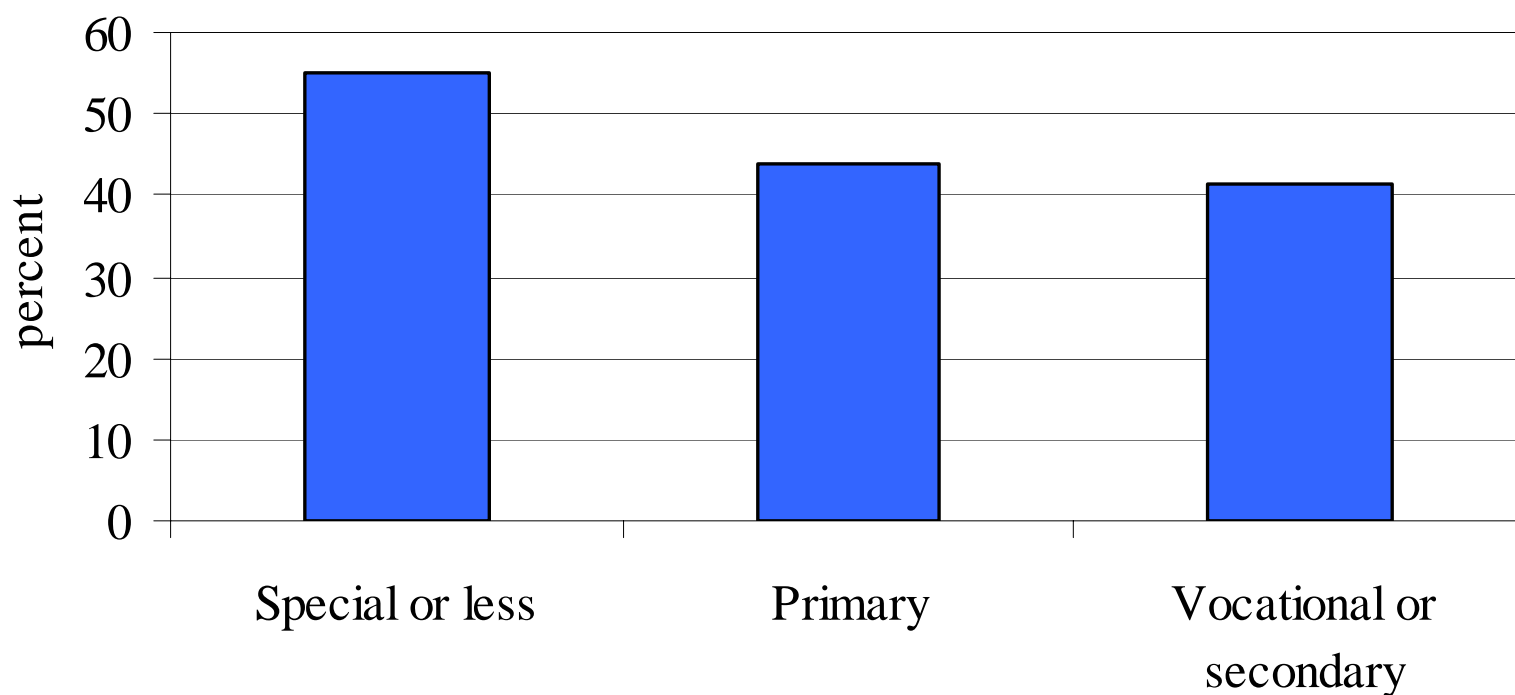
Strong link between education and employment prospects

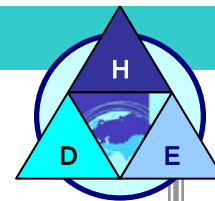




More educated Roma are less rejected by employers

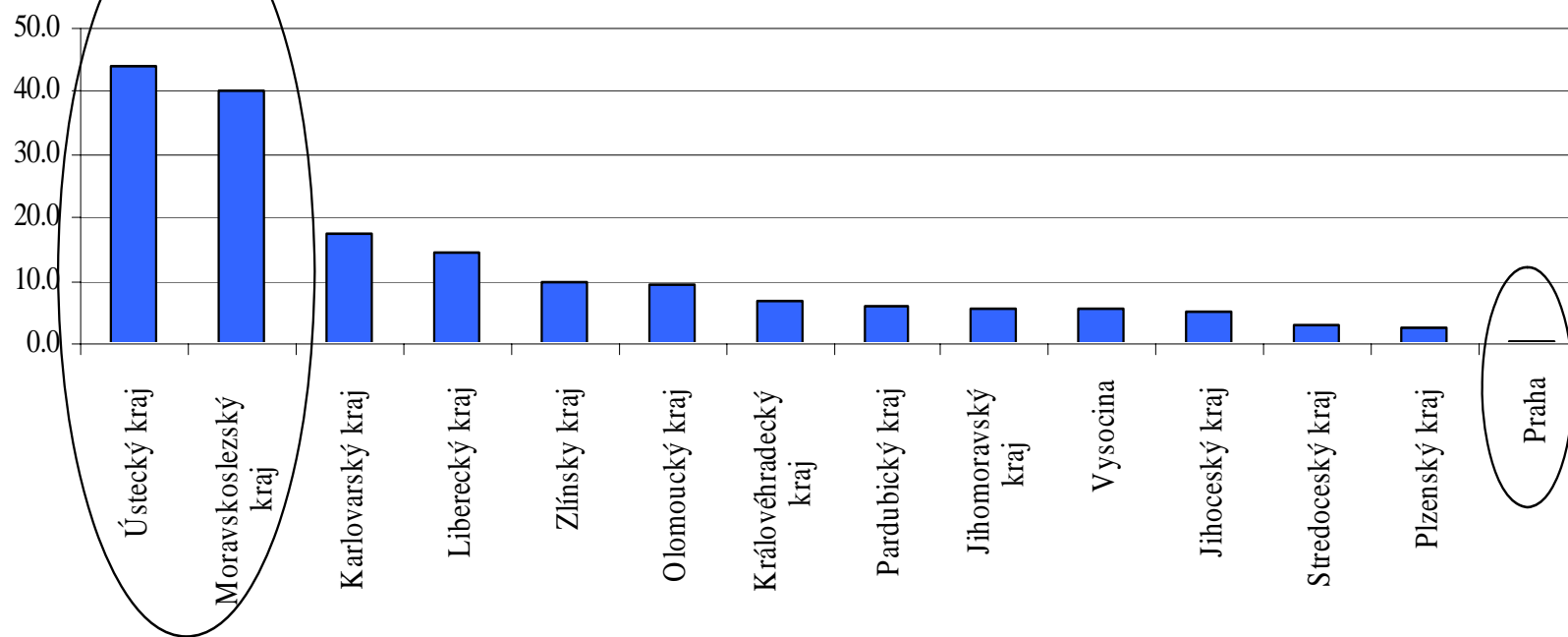
Roma job seekers rejected by employer by education, 2008

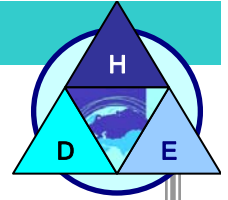




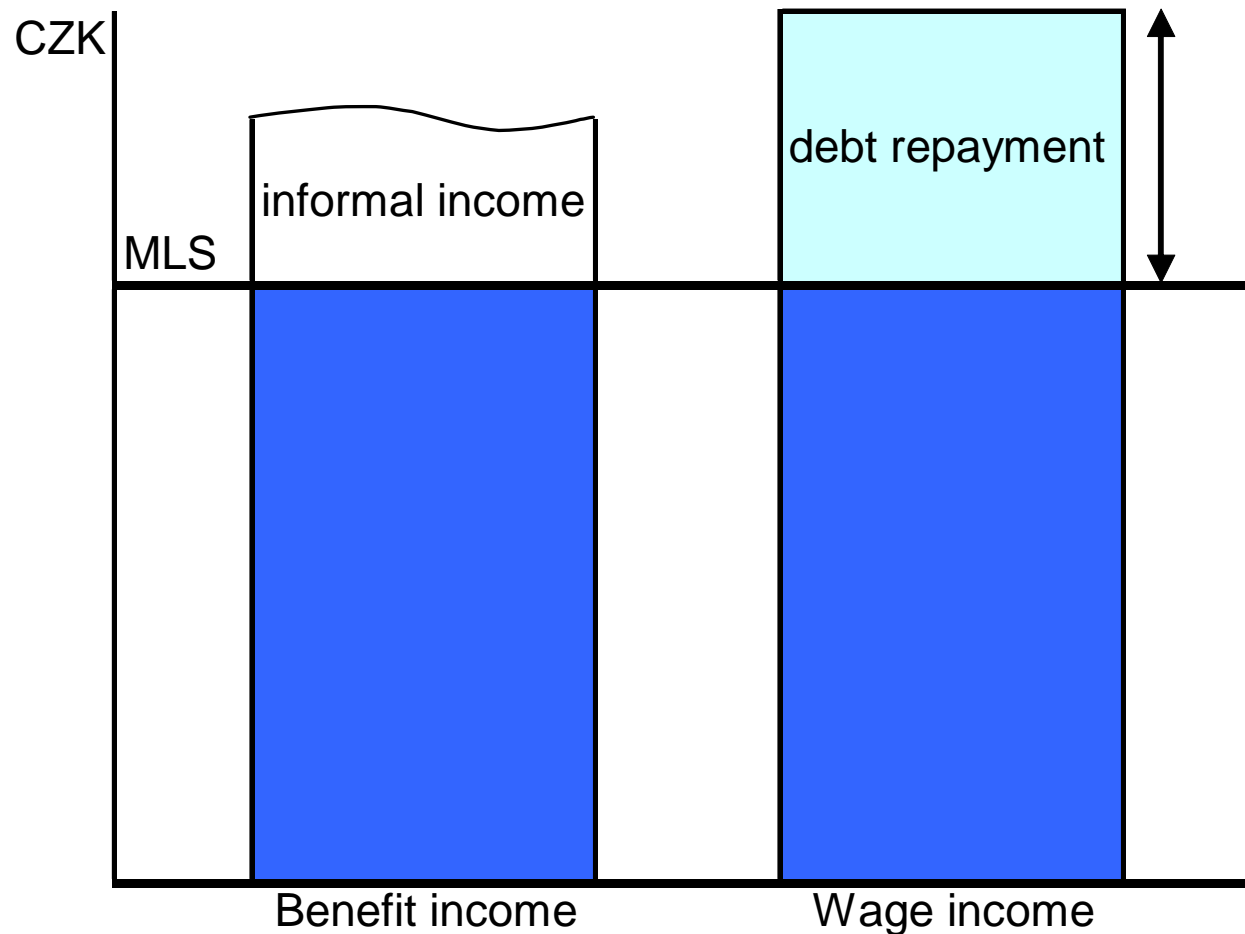
Demand for elementary occupation workers is low

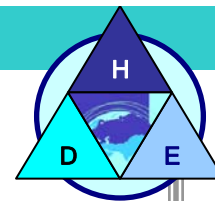
Elementary occupations: U-V ratio





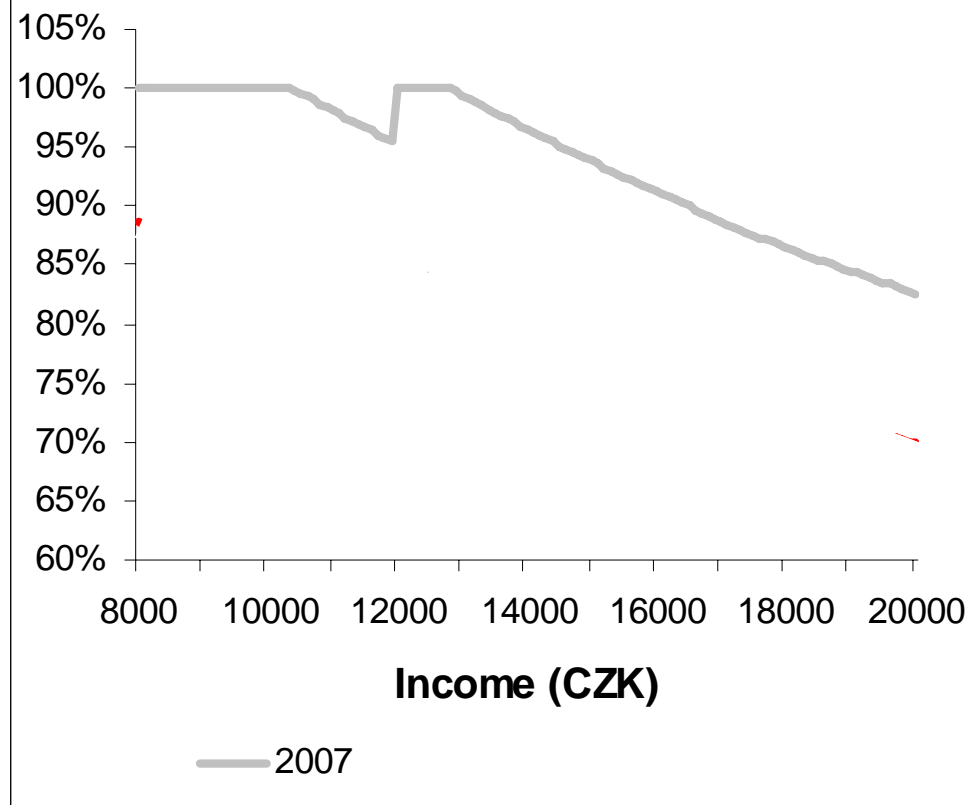
Indebtedness acts as a labor supply disincentive...

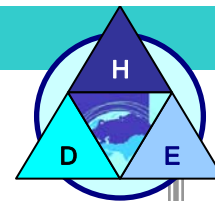




... as do welfare benefits

NRR, Couple 4 Children, Long-term

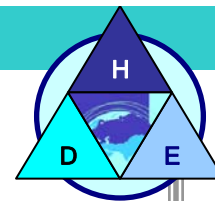




But: some opportunities

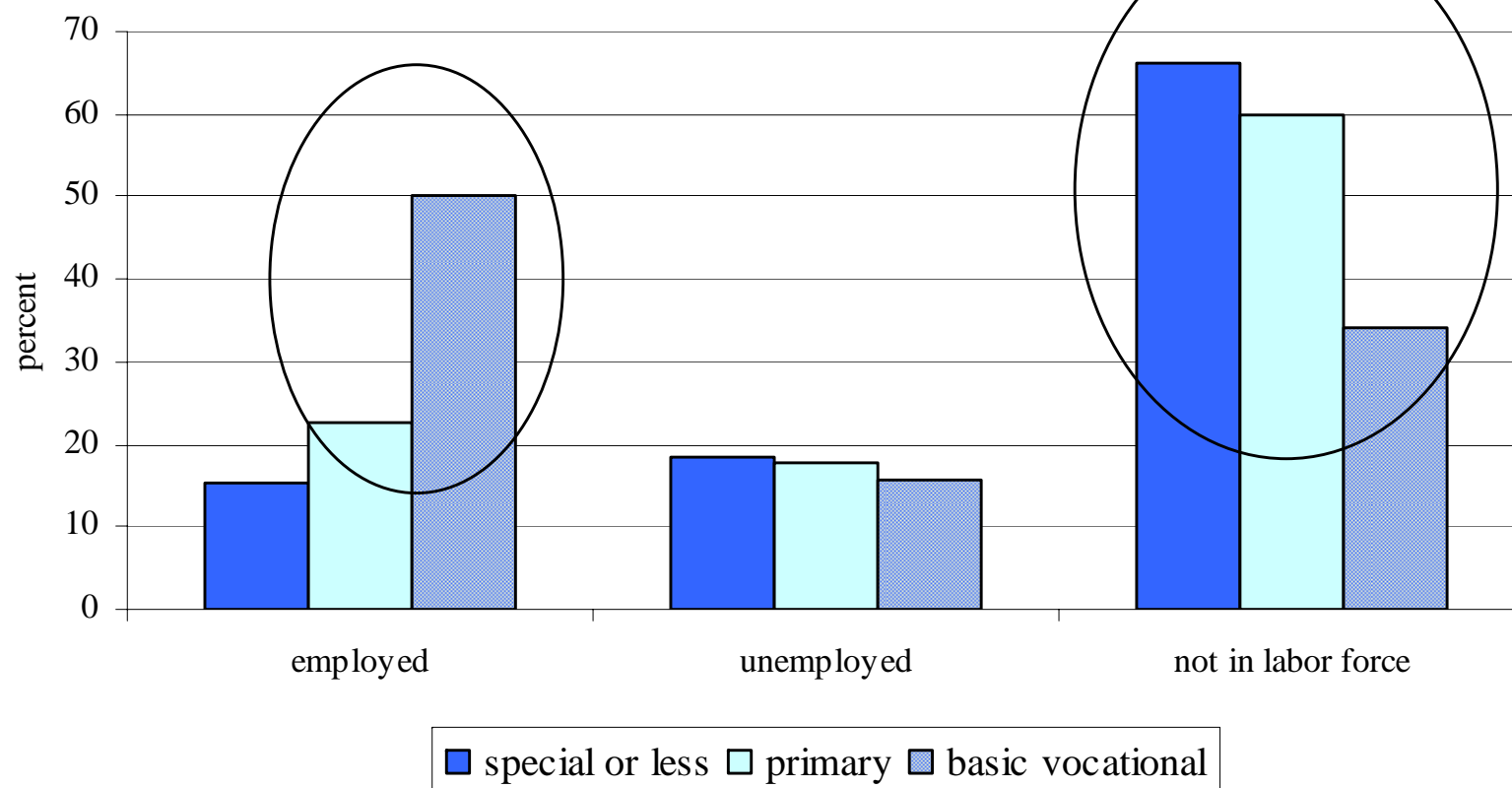
- **Skills pay off:** Evidence that vocational skills, prior employment record reduce risk of joblessness
- **Labor Office attachment:** Most Roma say they rely on LO to find employment
- **46 percent are “available for work”**

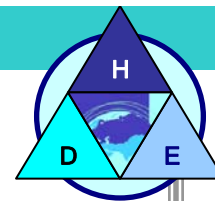




Skills upgrading pays off

Labor market outcomes by education level

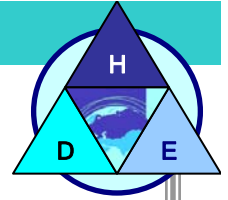




The economic case for Roma inclusion

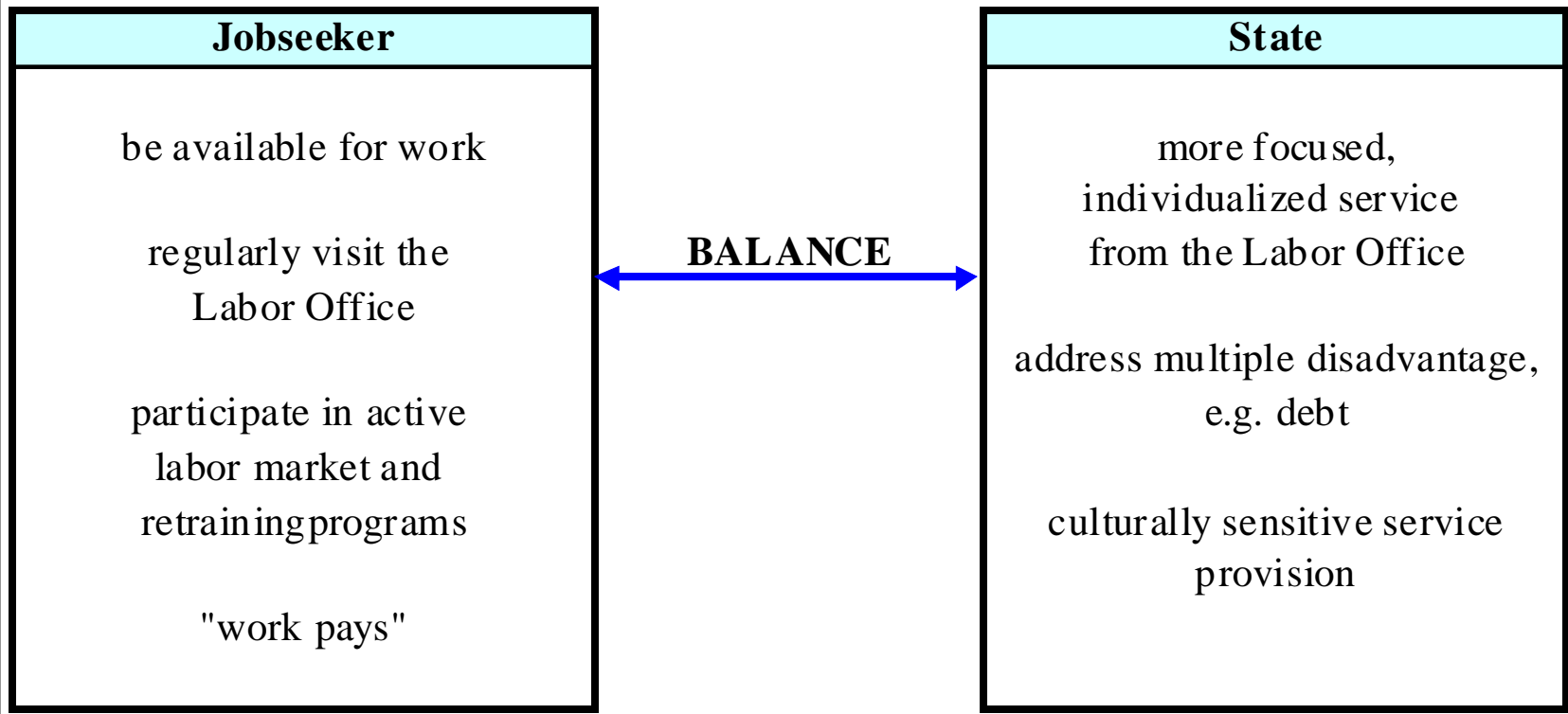
- Roma joblessness and education failure means significant financial and economic costs to the Czech Republic
 - Costs of welfare benefits, cost of ineffective schooling
 - Loss of productive human resource contribution to the economy resulting from illiteracy, early school leaving, joblessness, risky behaviours

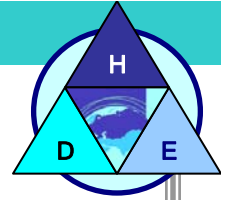




Employment Activation Policy...

System of Mutual Obligations and Incentives





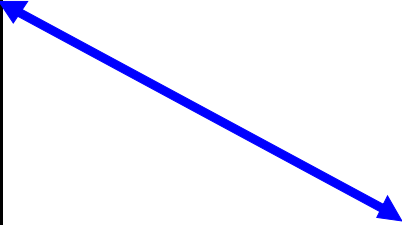
...with mutual obligations and incentives...

System of Mutual Obligations and Incentives

Jobseeker

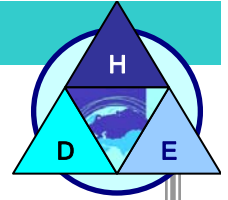
- be available for work
- regularly visit the Labor Office
- participate in active labor market and retraining programs
- "work pays"

IMBALANCE



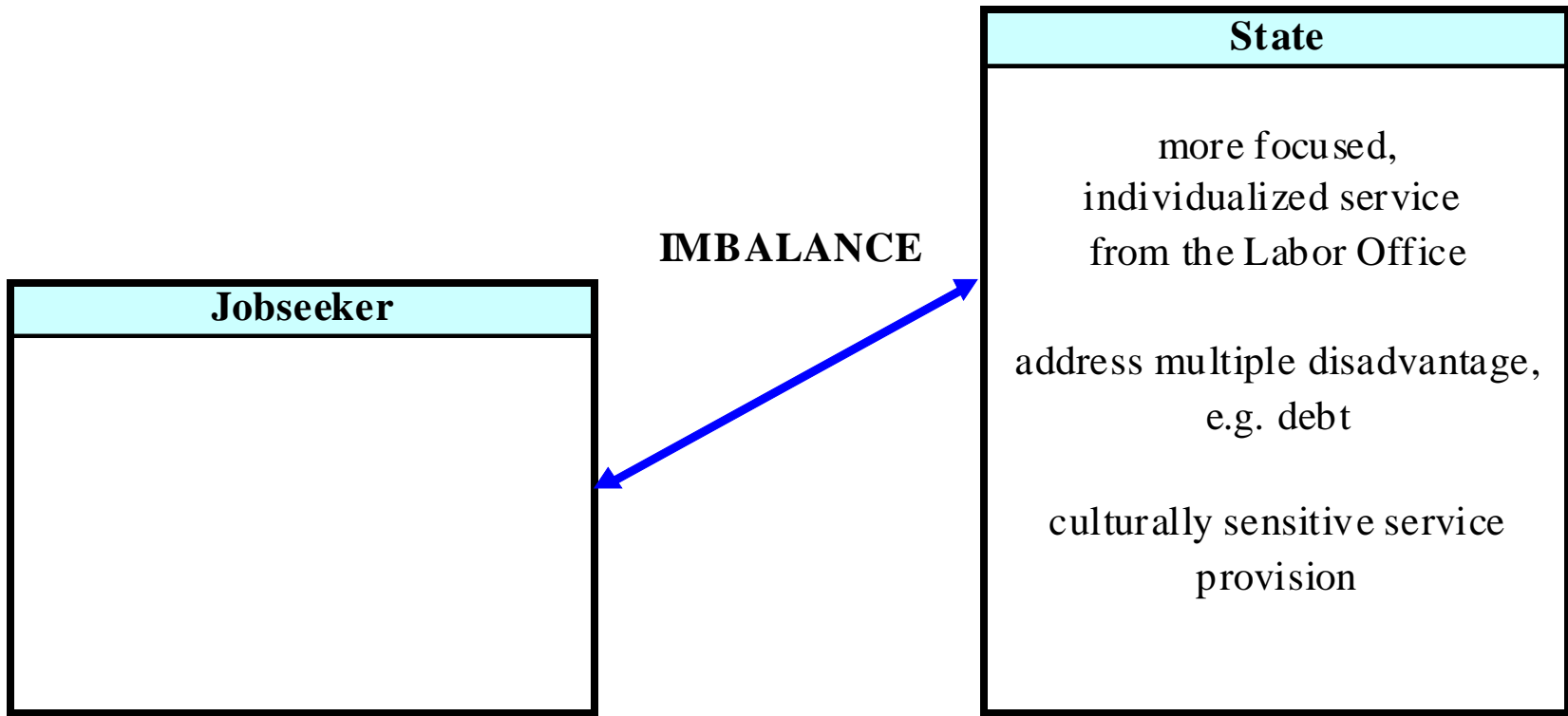
Labor Office

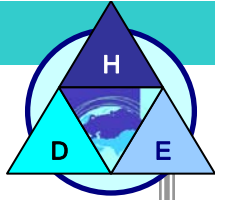




...only works if truly balanced

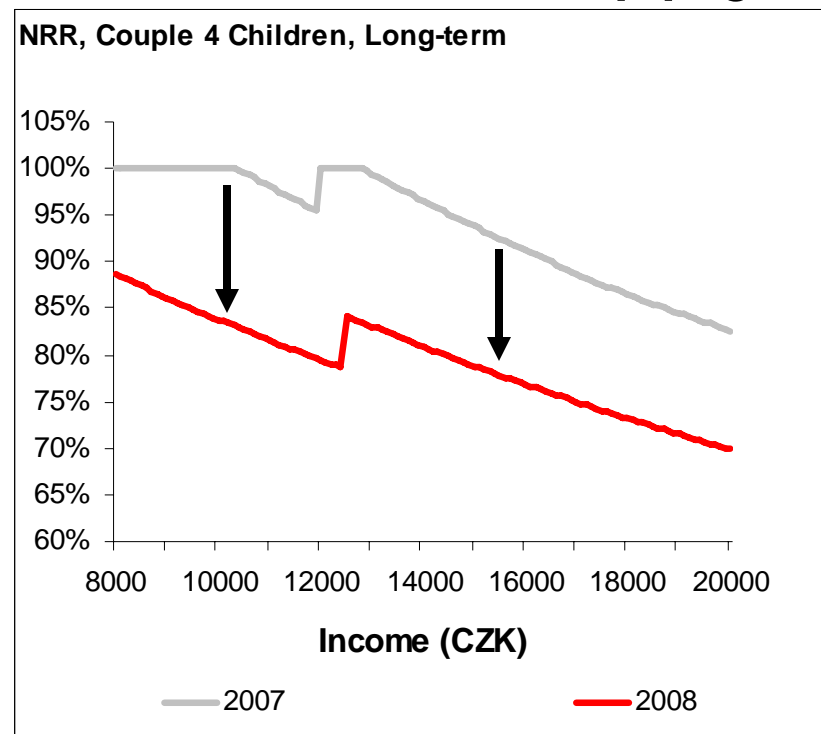
System of Mutual Obligations and Incentives

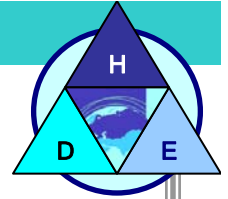




Policy focus so far centered on job seekers to reduce welfare trap...

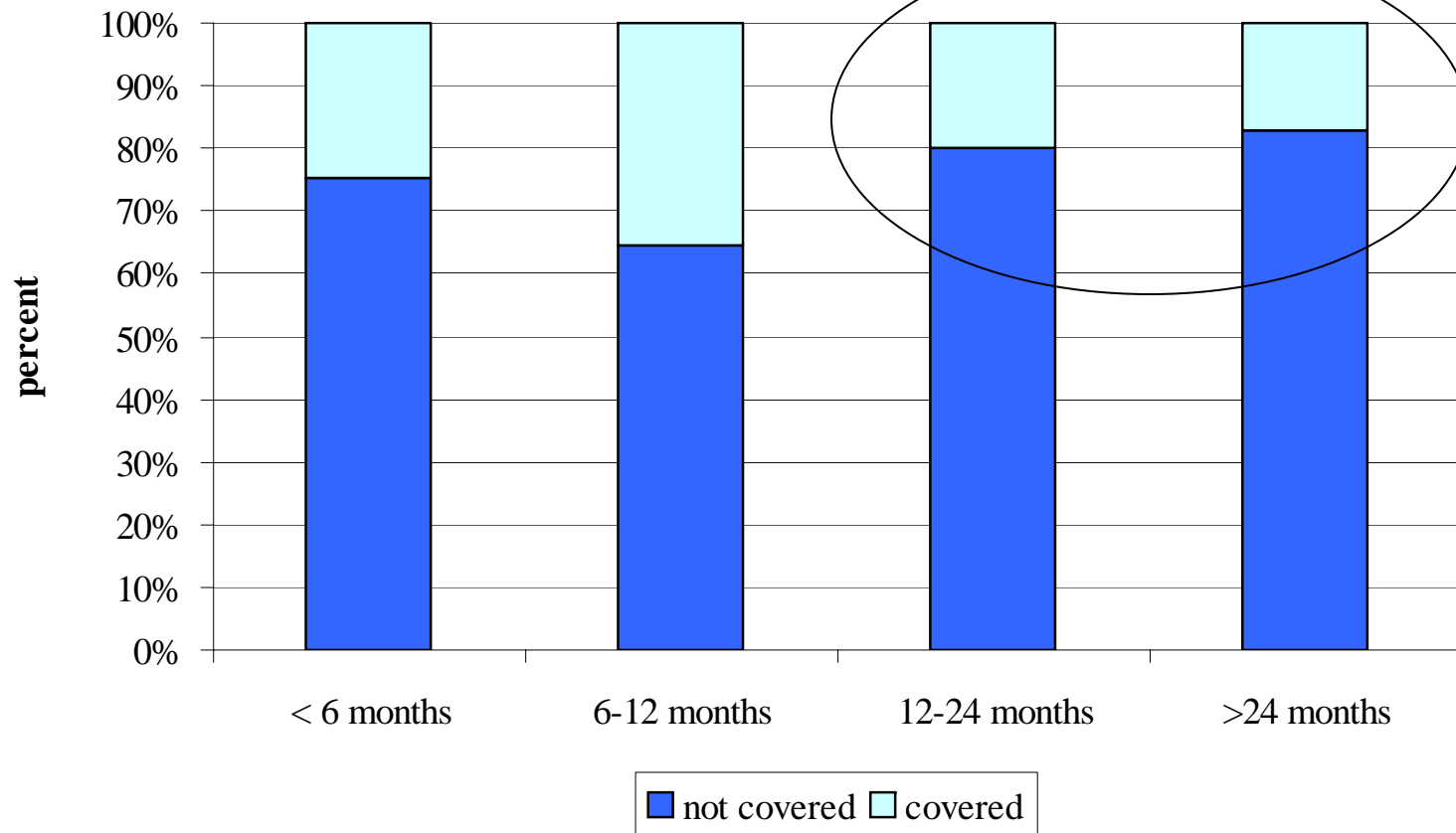
2008 changes in tax and benefit system have reduced labor supply disincentives

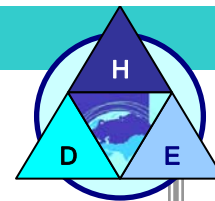




But now the Labor Office needs to focus more on the disadvantaged...

Participation in ALMPs by length of unemployment, 2005

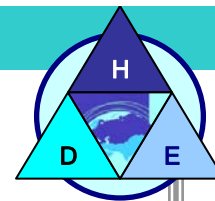




...to make the mutual obligations system work

- Currently, Labor Offices are not well equipped to deal with disadvantaged job seekers (e.g. Roma)
 - Equal service instead of differentiation
 - Not enough staff in “frontline” jobs
 - No culturally sensitive service provision
 - Narrow sense of labor market barriers
 - Helplessness of job counselors and lacking motivation

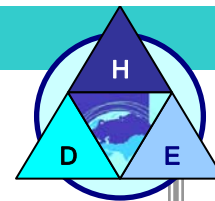




2 directions: Refocused employment services...

- Individualized and complex employment activation approach:
 - Profiling and individualized services
 - Address multiple barriers – empowerment
 - Outsourcing of activation services, partnerships with NGOs, service integration
 - Community employment but with skills training element
 - Second chance education and literacy

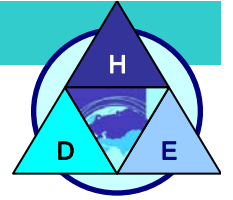




...and prevention

- Focus on the next generation:
 - Improve education for Roma – integration from kindergarten onwards
 - Consider Conditional Cash Transfer
 - Provide monetary incentives to remain in school or training beyond age of 15
 - Introduce early professional orientation in school – identify at-risk students





THANK YOU

For questions:
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jrutkowski@worldbank.org

