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**Analysis**

**of Vocational Education and Training**  
**and**  
**Institutional Development**

**in the Ostrava Region**

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**Co-ordinators and editors:**

Věra Czesaná  
Olga Stryjecka-Iljina

National Observatory  
National Observatory

**Team of authors:**

Jaroslav Bičan  
Věra Czesaná  
Petr Daněk  
Iva Galvasová  
Dušan Halásek  
Olga Stryjecka-Iljina  
Pierre Metge  
Josef Pitner  
Václav Toušek

GAREP, s r.o. Brno  
National Observatory  
GAREP, s r.o. Brno  
GAREP, s r.o. Brno  
Technical University Ostrava  
National Observatory  
Act Consultants, France  
Labour Office Brno  
GAREP, s r.o. Brno

**Data processing:**

Pavel Grégr

GAREP, s r.o. Brno

**Translators and language editor:**

Anna Bryson  
Hana Čechová

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## INTRODUCTION

In December 1997, the Czech National Observatory of Vocational Education and Training and the Labour Market organised a seminar on the information provision between the labour market and the education network in the Ostrava region (VÚSC Ostrava). The purpose of the seminar was to find out whether information on present and future employment trends is available and adequate for the adjustment of vocational education and training (VET) to the requirements of the labour market. Some information gaps were identified and some possible modes of co-operation between different bodies were discussed in order to ensure improvement of the information flow between the labour market and VET. The seminar showed the high level of interest in future co-operation on the part of regional bodies, enterprises, labour and school offices, and regional development agencies.. With the kind assistance of the regional institutions the current study has attempted to cover at least some of the missing information and data and to contribute to improvement of the education and training provision in the region in terms of requirements of the labour market.

The demand/supply analysis of the labour market is generally becoming a more serious requirement in all regions. The reason is the worsening situation of placement of graduates on the labour market, the growing unemployment rate among young people, incomplete restructuring, growing regional disparities, and, finally, the absence of a clearly defined state regional policy and strategy for regional development.

The school system supplies a number of graduates with qualifications that are not in demand, while at the same time there are vacancies available that cannot be filled by local qualified workers because of the lack of a qualified labour force in the relevant fields. As a result, there is increasing unemployment among school graduates in the region.

That is why the Czech National Observatory had actively supported the initiative of the European Training Foundation and was assigned with task of participating in the feasibility study VET in the Context of Regional Development, launched at the beginning of 1998 in the four pre-accession countries (Czech Republic, Poland, Hungary and Slovenia). The overall objectives of this project are:

- establishment of a methodology for systematic VET and Labour Market monitoring;
- preparation of targeted support measures in order to strengthen responsiveness of training provision to regional labour market requirements.

In the frame of this project a comprehensive study of the qualification needs of the region was conducted, including a wide-ranging survey among employers on their short-term (two-year) intentions in hiring-firing policy, investment, human resource development policy, co-operation modes with schools, HRD spending, etc. The results of the survey were broadly compared with educational supply (capacity of educational institutions and training providers, places offered in schools by structure of branches among all secondary and higher educational establishments in the region) against the background of the overall socio-economic situation in the region. A further aim of the study was to evaluate information and institutional structures and links in the region from the perspective of readiness to use European Social Fund sources, and fully explore existing partnership.

The pilot region of Ostrava (which will simply be referred to below as *the region*) was chosen for the study for two basic reasons: on the one hand, this region is one of the most problematic in the Czech Republic (along with North Bohemia) in terms of unemployment, social exclusion of disadvantaged groups in the labour market, and ongoing massive restructuring of big enterprises; on the other hand, the region has been involved in many international programmes and co-operation schemes and therefore its institutions and enterprises are more used to bi- and multilateral co-operation and more flexible as regards collaboration and further implementation of recommendations.

The region is defined in this study as consisting of six districts (Ostrava-City, Karviná, Nový Jičín, Frýdek-Místek, Opava, Bruntál). This definition corresponds to the new law (Law No. 347/1997) on the establishment of a *higher level of regional self-administration*, which recognises 14 regions and which will come into force on the 1<sup>st</sup> of January 2000. The law defines the Ostrava region as the six above-mentioned districts. However, it should be noted that since this study was conducted in the pre-reform period, it has had to work with what are still rather informal conceptions of region, and that in real terms, all institutional co-operation at a regional level has so far had a rather informal character.

The study is structured into the following topics:

- part I describes the Ostrava region in socio-economical terms;
- part II describes vocational education and training in the region;
- part III presents the results of the survey of employers' qualification needs in the region and compares the outcome with supply of educational programmes and school graduates on the labour market;
- part IV covers assessment of institutional preparedness for ESF applicability in the region.

The first draft of the study was elaborated by GaREP Ltd., Brno in March 1998 on the basis of the proven experience of the firm in analyses of the labour market and regional development. Mr. Pierre Metge (ACT Consultants, France) made an assessment of the institutional preparedness of the region to the ESF. The study received support from Ministry of Labour and Social Affairs and the Ministry of Education, Youths and Sports of the Czech Republic. The ministerial structures in the region, especially labour offices and school offices, were involved in practical implementation.

The present study is a first attempt to solve the problem of development of qualification needs analysis as applied to the conditions of the future arrangement of a higher level of regional administration in the Czech Republic. The project findings are based on a questionnaire survey, conducted on the sample of 2 635 enterprises. Although the rate of response was low (about 20%), the studied responses cover more than 500 employers with almost 130 000 employees, which corresponds to 1/4 of the whole labour force in the region. (Their proportion of the employment rate in the whole CR is over 2,5%). The results of the survey could therefore, with certain qualifications, be extrapolated to the whole CR. The experience from the work on this material may help to make further research work in this field more efficient, and from the practical point of view can contribute to intensifying the system of information exchange by which the qualification needs in region are monitored and evaluated. However, for these purposes, what is essential is co-operation between the public administration authorities themselves and between these bodies and employers, and between school offices and labour offices.

The recommendations for institutional and partnership development had to be derived from the evaluation of institutional development, training provision, organisational capacity, co-operation modes and the status of decision making in the Ostrava region in terms of ESF accession and its objectives. The analyses and conclusions presented in this report are based mainly on desk research (including study of researches, surveys and statistics and a field trip to the Ostrava region with in-depth interviews with the key stakeholders of the region.) Most of the documentation regarding the proposed future regulations for the Structural Funds were consulted with the representatives of DGV of the European Commission. A number of conclusions were drawn on the basis of previous experience of Structural Funds intervention in the EU Member States' regions.

After dissemination and validation of the draft study, the Czech National Observatory has incorporated most comments of experts into the present final version of the study. All data and information in the study refer to 1998 as the latest the and sometimes may be out of date by the time of reading. The National Observatory would like to implement regional assessment in other territories of the Czech Republic. Therefore we would like be very grateful for further comments to the present publication.

## I. SOCIO - ECONOMIC ANALYSIS OF THE REGION

### I.1. General characteristics of the region and its demographic composition

The Ostrava region (further referred to as the region) is located in the north-east of the Czech Republic, and comprises six districts: Bruntál, Frýdek-Místek, Karviná, Nový Jičín, Opava and Ostrava-City. As of Sep 30 1997, a population of 1,287 mil. was registered as permanently resident in the territory so defined. There are 232 inhabitants per 1 km<sup>2</sup>, which is significantly more than the average population density in Czech Republic (131 inhabitants per 1 km<sup>2</sup>).

While the region covers only 7,0% of the territory of the state, its share of the total population of the Czech Republic amounts to 12,5%. **The distribution of population across the region is highly uneven**; Ostrava-City and Karviná districts – have approx. 10% of the region's area, but almost one half of the region's population (47,3%). Five out of the six districts' population density is far above the CR average, and only Bruntál district (64 inhab./km<sup>2</sup>) has relatively low population.

Table I.1. Regions NUTS II - in the Czech Republic

Region	Area (in km <sup>2</sup> )	Population	Relation of GDP to CR average (in %)	Relation of GDP to average EU (in %)
Prague	496	1 209 855	182,2	113,9
Central Bohemia	11 014	1 106 738	78,4	49,0
South-West Bohemia	17 617	1 182 277	96,3	60,2
North-West Bohemia	8 650	1 130 160	91,2	57,0
North-East Bohemia	12 440	1 492 837	88,2	55,1
South-East Bohemia	13 991	1 664 018	94,2	58,9
Central Moravia	9 104	1 246 421	81,8	51,1
<b>Ostrava</b>	<b>5 555</b>	<b>1 289 002</b>	<b>91,2</b>	<b>57,0</b>
Average CR	9 858	1 290 000	100	62,5

Source: Czech Statistical Office

### Development of the region's population

At the beginning of the nineties, the natural increase of population in the region showed highly positive numbers (total increase of 2 432 persons in 1993), but - in line with the national trend - the values have been rapidly dropping. In 1995, the number of deaths was higher than the number of live births, and this adverse trend has continued. **The natural increase of population has changed into natural decrease**, at a highly negative rate (in 1995 - 1996, over 1000 persons).

Adverse demographic development was recorded especially in Ostrava-City district (decrease by 1 229 persons), and Frýdek-Místek district (- 416 persons). Development of population in districts of Bruntál, Nový Jičín and Opava is relatively favourable, even though continuously deteriorating. The total natural increase of population these amounted to 517 inhabitants, which is practically negligible considering its high population.

Apart from the natural increase, the population development is also influenced by migration. From January 1<sup>st</sup> 1993 to September 30<sup>th</sup> 1997, the impact of migration on population was significantly higher than the impact of natural increase. The total migration balance for the period was negative (-1 917 persons). The only immigration districts are Nový Jičín (gained in total 837 inhabitants), and Frýdek-Místek (gained 654 inhabitants), while other districts were losing inhabitants due to migration. The most distinct emigration district is the city of Ostrava (total balance of migration amounted to -2 394) and Karviná. This relatively strong negative migration balance in these districts differs from other large urban centres of the CR where emigration mostly takes place from the urban centres to their suburbs. In the case of Ostrava and Karviná the tendency is, by contrast, to emigration out of the region as a consequence of the restructuring of the mining and steel industries and the decline of job opportunities. Table I. 2 shows the total rise in population, derived by aggregating natural increase and migration balance :

Table I. 2 : Total increase of population by individual districts in period 1993 - 1997

	1993	1994	1995	1996	1997	total 93 - 97
Bruntál	627	187	28	-20	17	839
Frydek - Místek	622	69	-140	-262	-51	238
Karviná	263	-21	-77	-418	-407	-660
Nový Jičín	533	706	6	-11	149	1 383
Opava	373	110	-124	65	-1	423
Ostrava	-813	-572	-857	-943	-438	-3 623
<b>region</b>	<b>1 605</b>	<b>479</b>	<b>-1 164</b>	<b>-1 589</b>	<b>-731</b>	<b>-1 400</b>

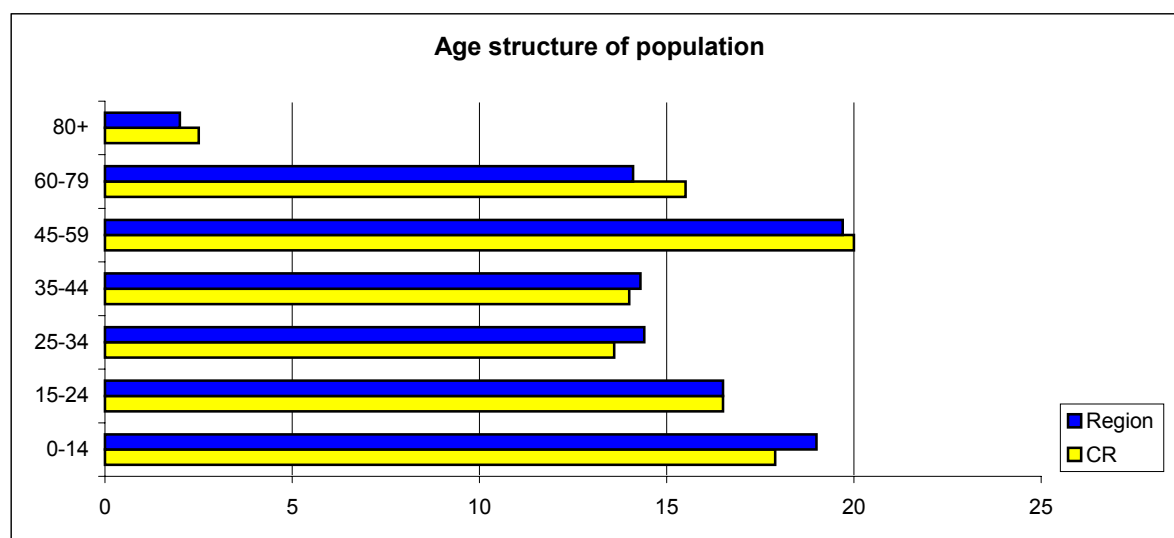
Source: Czech Statistical Office

Note: the 1997 figure represents the period from Jan 1 - Sep 30

### General demographic characteristics of the region

The current **age structure of population** in the region is favourable compared to other parts of the Czech Republic. Compared to the national structure, as of Dec 31 1996, the pre-productive component was stronger represented (19,0% of population in the region were up to 15 years of age, while in CR it was 17,9%), while the share of population in the oldest age group was smaller (16,1% of population in the region were over 60 years of age, compared to an overall 18,0% in the CR as a whole).

Graph I.1



Source: Czech Statistical Office, as of December 31, 1996

Bruntál district clearly shows the most favourable age structure. The share of pre-productive population is very high (20,0% - only five other districts in the CR show higher percentage), while the share of population over 60 years of age is quite low (14,3%). Districts of Karviná and Nový Jičín show a similar age structure as well. Ostrava-City district reports the lightly less favourable age structure, with the pre-productive component representing 18,0% of total- and the component over 60 years of age amounting to 16,5%.

As in the Czech Republic as a whole, there is **ageing trend for the population** in the region. In 1993 - 1996, the share of pre-productive population dropped from 20,5% to 19,0%, and the share of post-productive population increased from 18,2% to 18,8%. This trend is going to deepen in coming years.

### Nationality (ethnic) structure of population

Considering conditions in the CR - a state with a very low proportion of national (ethnic) minorities - the structure of nationalities in the region is quite varied. The share of "local" nationalities (Czech, Moravian, Silesian) in the region amounted to 89,1%, a figure significantly different from the national figure (98,7%). There was a large number of

inhabitants with Slovak nationality living in the region (5,4% of total), as well as Polish inhabitants (3,6% of total population of the region). 4 665 persons reported Romany nationality, most of them in Ostrava (1 593), making it the second largest concentration point for Romanies<sup>1</sup> after Prague. The region contains 14,2% of the total number of people who claimed Romany nationality in the whole CR.

## I.2. The Economy and the structure of enterprises in the region

The structure of the economy in the region is the result of long-term historical development, and is prevalingly industrial. In the past the region used to contribute almost 20% to the GDP of the country, but currently its contribution amounts to around 12%. A number of distinguished enterprises are located in the region - five out of the top twenty Czech enterprises have their headquarters in the region.

The prevailing industries include **mining, energy, and metallurgy**, which employ **nearly one half of all labour force** employed in industry. The chemical and pharmaceutical industries, engineering, electrical, paper-making, textile, and food industries are other examples of significant sectors.

The region has good potential for further development of small and medium sized enterprises especially in the sector of services, including tourism. An expansion of business infrastructure and more support for small enterprises are prerequisites for such development.

### Evolution of private businesses after 1990

As in the whole of the CR, there have been two major trends in the region in the development of structure of enterprises :

1. the number and share of state-owned enterprises in total regional employment has dropped significantly. The decrease had two stages : during 1991 - 1993, the number was dropping only gradually; this trend rapidly speeded up from 1994. Part of the state-owned enterprises were transformed into joint-stock companies, with full or majority state interest.
2. The number of private businesses has increased significantly, whether in the form of individual owner-enterprises or in the form of legal entities. From December 31 1990 to January 31 1998, the number of joint-stock companies grew more than 20times, and the number of partnerships rose more than 100 times. Recently - after a slight increase in 1990 - 1996 - the number of co-operatives has started to grow, too. The number of private entrepreneurs (natural persons) in the region increased from December 31 1990 to January 31 1998 by almost 100 000 (relatively speaking more than 4times), out of which, the number of entrepreneurs - natural persons registered in the Business register - increased by approx. 1000 (relatively speaking in 2,7 times).

Table I.3: Development of organisational structure of enterprises in the region in the period of 1990 - 1997

Legal entity	1990	1991	1992	1993	1994	1995	1996	1997*
State owned enterprises	311	329	282	255	168	116	65	45
Joint-stock companies	40	103	262	316	435	557	733	827
Business companies and partnerships	95	•	3 139	4 496	6 435	7 856	8 761	9 902
Co-operatives	159	212	232	247	215	234	266	495
Entrepreneurs – natural persons	29 936	90 148	89 088	96 690	86 797	100 529	109 525	122 519
of which registered in Business Register	623	2 140	1 904	1 691	1 712	1 723	1 719	1 688

\* as of Jan 31 1997

Source(Czech Statistical Office

According to the Register of Economic Entities maintained by the Czech Statistical Office, there were 122 519 private **entrepreneurs (natural persons)** registered in the region as of Jan 31 1998. Appx. one half of the entrepreneurs are resident in districts of Ostrava-City and Karviná. Relative to total population of district - the largest number of entrepreneurs do business in district Ostrava-City (1 entrepreneur per 10,4 inhabitants). The share of entrepreneurs on total population is quite high also in districts of Opava and Nový Jičín (both 10,4) and Bruntál (10,6). A relatively low representation is reported from districts of Frýdek-Místek (11,8) and in particular Karviná (12,0).

<sup>1</sup> Note: Data on population of Romanies gathered at census do not represent the reality. The total population of Romanies counted at census may represent approximately. one fifth of their real population since Romanies often claimed Slovak or Czech nationality rather than their own one.



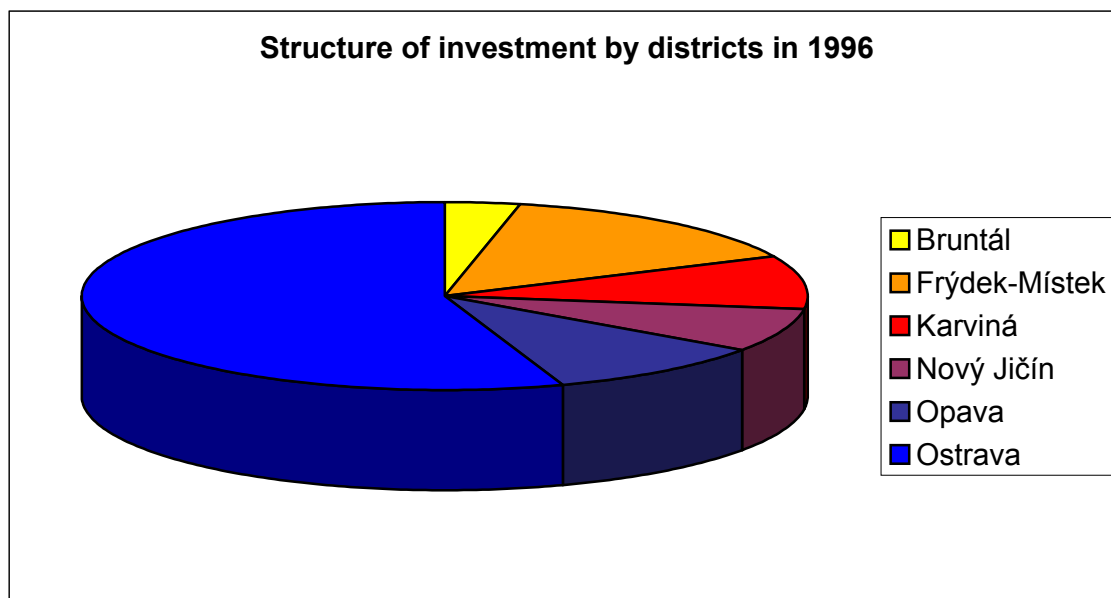
Despite a fast privatisation of the economy, the **ownership structure of large enterprises** is not yet definite, due to a strong representation of the state and the privatisation funds, i.e. entities, that are neither skilled nor interested in enforcing efficient restructuring and long-term economic development of the enterprises. The delayed privatisation of key enterprises has an adverse impact on a low technological level of production and a low productivity, while its future solution will entail a further growth of unemployment.

## Investments

In the past the region was one of the most attractive for investments, but their flow has weakened since 1989. While the volume of investments flowing to the Czech Republic between 1990-1996 increased four times, it increased only three times in the region itself, which began to suffer from what is known as "frontier syndrome", with the major part of investments caught in the Bohemian regions. At present, the scope of **investments in the region can be considered under-sized**, since the region represents more than 12% of the country's GDP, but receives only 10% of investments.

The majority of investments in the region have been attracted to industrial centres while the rural districts have suffered a lack of investments. This is reflected in the uneven distribution of job opportunities within the region.

Graph I.2



Source: Czech Statistical Office

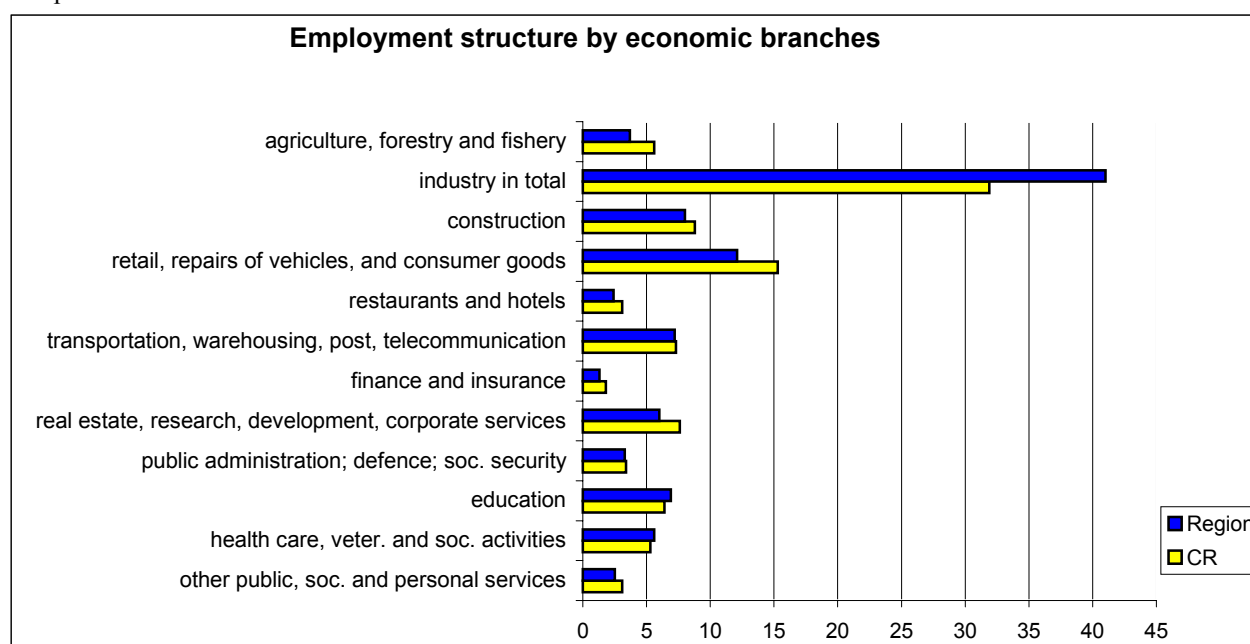
The largest volume of investment - approx. 69 bil. CZK (i.e. 44,4% of regional total) was reported by the admin. region capital. Districts of Frýdek-Místek and Karviná both invested in 1990 - 1996 approx. 25 bil. CZK, districts of Nový Jičín and Opava both invested appx. 14 bil. CZK. Bruntál district invested relatively the smallest amount - over 9 bil. CZK.

## I.3. Employment

Employment in the region represents about 11% of the total employment in the state. The share of woman in employment (42,7%) is lower than it is an average for the Czech Republic (44,6%) as a result of the structure of jobs in the region (see below).

Most of jobs - almost one third - are in Ostrava, but the employment potential of the districts of Karviná and Frýdek-Místek is significant as well. Ostrava-City is also the only district where the share in a number of vacancies in the region (32%) is higher than the share in the overall population of the region (25%). This shows that all other districts are rather dependent on supply of jobs from outside, in particular from Ostrava.

Graph I.3



Source: Czech Statistical Office

Note: As of December 1996, NACE classification

The sectoral structure of employment in the region is very unusual. Compared to the national average, the secondary sphere sectors are strongly represented, in industry in particular (raw materials production, manufacturing, production and distribution of electrical power, heat, and water). The primary sphere sectors (agriculture, forestry, fishery) provide a relatively low number of jobs (3,7% compared to 5,9% in CR), and the tertiary sphere sectors likewise.

Table I.4 : Employment structure by sectors of economy

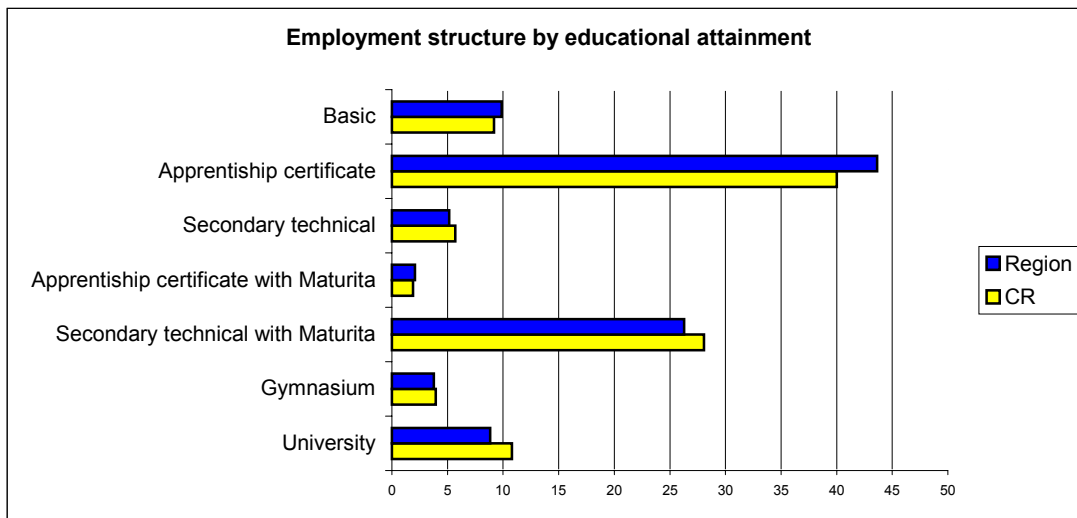
Sector	Region (%)			CR (%)		
	Total	Men	women	total	men	Women
<b>Primary (agriculture, forestry)</b>	3,7	4,2	3,1	5,9	6,9	4,7
<b>Secondary (industry, construction)</b>	49,0	48,7	30,7	40,6	36,0	29,1
<b>Tertiary</b>	47,3	47,1	66,2	53,5	57,1	66,2
<b>Total national economy</b>	100,0	100,0	100,0	100,0	100,0	100,0

Source: Czech Statistical Office

Note: As of 31 December 1996

Differences between the sector structure of employment in the region and the national average stem in particular from the high share of men employed in industry, while the sector structure of female employment does not differ significantly from the national pattern.

Graph I.4



Source: Labour Force Sample Survey, 2<sup>nd</sup> quarter 1998, Czech Statistical Office

The level of education of the labour force in the region is lower than the CR average. Only 8,8% of employees have university education (compared to 10,8% in CR), and the share of employees with secondary vocational education with Maturita (the highest secondary school qualification) is lower, too. The higher share of workers with apprentice certificate in the region corresponds to the industrial nature of the regional economy.

### Changes in employment structure in the region after 1989

The labour force in the region has undergone significant changes during economic transformation since 1989, both in terms of its structure and its size.

Changes encountered during the monitored 7-year period, were quite fundamental, and can be briefly characterised as follows :

1. The number of jobs in the primary sphere dropped by more than 55%. Approximately 28 000 of jobs were dissolved, and the share of this sector in employment in the area decreased from 7,6% to 3,7.
2. Almost 110 000 of workers left the industry sector (more than 32% of original figure). While, as of Dec 31 1989, the industry represented 53% of the total number of employed population in the region, currently it amounts to only 41%.
3. Construction as such experienced a relatively major expansion. The number of jobs in the sector rose by almost 12 000. (i.e. by one third), the share of the sector in employment in the region increased from 5,2% to 8,0%. The increase in labour force in construction was encountered in all districts of the region.
4. The number of workers in the tertiary sphere rose from 219500 workers to 264900, i.e. by 21%. Within the tertiary sphere, the retail and services experienced a significant increase, as well as for example the public administration sector. The sectors of transportation, education, health care and social security show only a small rise or stagnation.

### Inward and outward commuting

Inward and outward commuting by the economically active population is examined in detail only in the Census of Individuals, Houses, and Flats. Therefore, the most recent available data relate to 1991. On this basis and on the basis of more recent observations, four trends might be identified with certain reservations.

- a) The city of Ostrava is a distinct economic centre. Its labour potential significantly exceeds the limits given by its population. The functioning of the city's economy is extremely dependant on import of labour force; approx. one third of workers employed in Ostrava are permanently resident outside the city region.
- b) Mutual exchange of labour force among the districts of Nový Jičín, Karviná, Frýdek-Místek and Ostrava is extraordinarily strong, representing an intensity that is exceptional within the Czech Republic; this is evidence of the active interplay of the labour market in the region.
- c) The Opava district functions as a reservoir of labour force for its surroundings. A substantial portion of economically active population resident in this district is forced to search for jobs outside the borders of their district, because the number of jobs there is very limited.

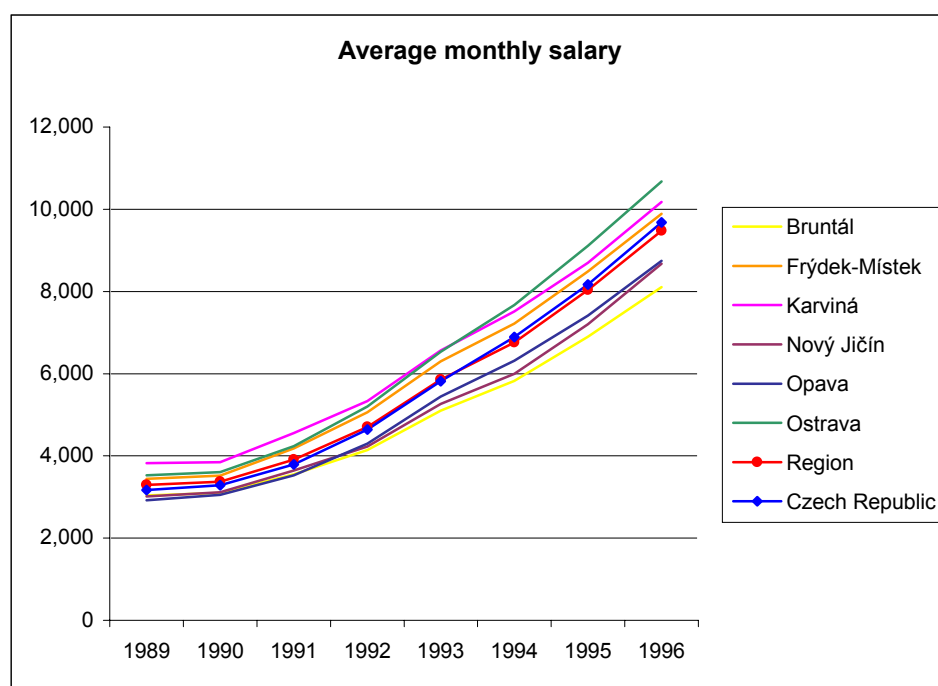
**d)** In terms of labour force, the status of the district of Bruntál is rather exceptional in the region. Migration of population to work is not unidirectional, the number of outward commuters practically equals to the number of inward commuters. The amount of population migration is - relative to the migration intensity among other districts of the region - low.

### Average monthly salary

In terms of level of average salary, the region can be split into two parts; in the western half of the region - districts of Bruntál,

Opava and Nový Jičín - the average salary in 1996 was low compared to the national average, while in the eastern industrial half of the region (districts of Ostrava-City, Karviná and Frýdek-Místek) it was higher than the national average. The difference between average salaries in the best paying district (Ostrava-City;) and the worst paying district (Bruntál) amounts to more than 30%. The salary difference is continuously increasing: in 1989 - 1996, the highest increase of salaries was reported by Ostrava-City district (index 3,03), while in districts with low average salaries, the increase is less substantial, too (Bruntál - 2,67, Nový Jičín - 2,88).

Graph I.5



Source: Czech Statistical Office

In the past the level of average salaries in the region was above the national average, reflecting the character of the production base and the preferential salaries enjoyed by mining and heavy industry workers. The rate of salary growth in the region since 1989, however, is slightly below the national average.

### Foreign workers

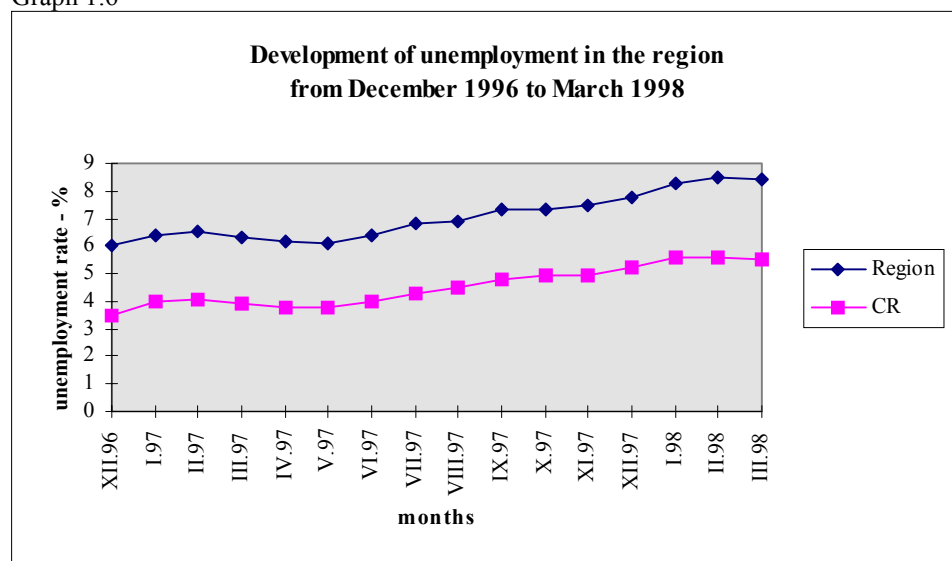
As of December 31<sup>st</sup> 1997, there were 20 295 foreigners working in the region (approximately 3,6% of the total employed in the region). Approximately 60% of them were Slovaks, nearly 20% were citizens of other states with a valid work permit, and a little over 20% represent foreigners - entrepreneurs. The highest concentration of foreign labour force (mainly the Slovaks and the Poles) is in the Ostrava and Karviná districts. The foreign workers are mostly employed in low skilled jobs in mines, i.e. in jobs in which there is virtually negligible or very little interest from the side of the local labour force.

## I.4. Labour market

The region has an above-average unemployment rate within the CR - **the unemployment rate in the region is continuously approximately 50 - 70% higher than the national average**. Together with the North-Bohemian region, the monitored region is the most affected by unemployment in the whole country. The most affected part of population is the group with low level of educational attainment, young people and people with disabilities or handicaps. An extremely high unemployment rate is estimated among representatives of the Romany minority (70-90%).

From December 31<sup>st</sup> 1996 to March 31<sup>st</sup> 1998, the number of unemployed registered<sup>2</sup> in the region increased by 42,5%. Relative to the national increase (52,5%), the trend might have seemed to be relatively favourable. In fact, the impact of unemployment in the region was more oppressive than in other areas of the state. During the monitored 15-months period, the number of unemployed in the region increased by 15 589, which represents 16,0% from the national increase, but the region's share on the national labour force is significantly lower (12,1%).

Graph 1.6



Source: MOLSA CR

The impacts of unemployment on the individual districts can be best described by the unemployment rate. It is obvious from the table below that the most affected districts are Karviná, and Ostrava–City, both districts with a substantial share of mines and heavy industry in the region. High unemployment in the Bruntál district may be explained by quite a rural character of the local economy and the narrow range of job opportunities.

Table I.5: Unemployment rate by districts as of March 31st 1998

Period	region	Districts					
		Bruntál	Frýdek-Místek	Karviná	Nový Jičín	Opava	Ostrava
03/98	8,4	8,0	7,8	10,8	7,3	6,2	8,6

Source: MOLSA CR

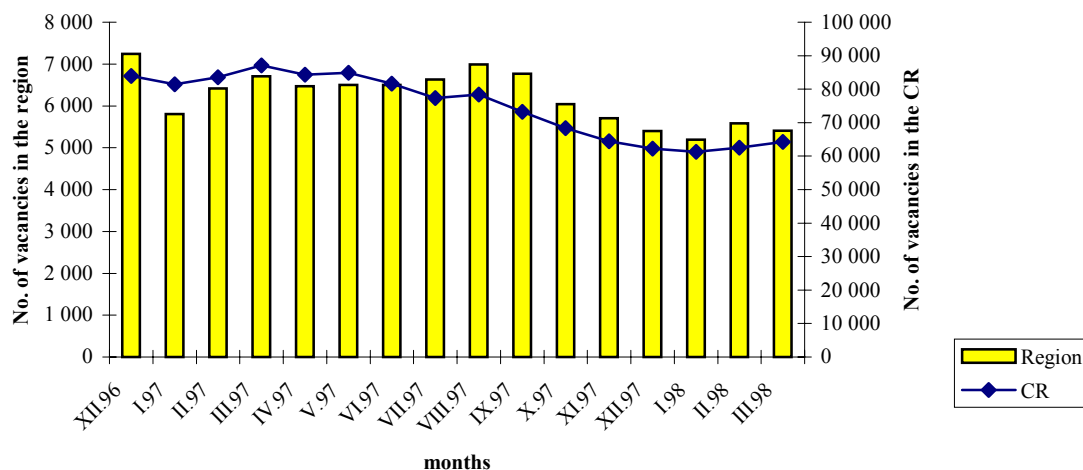
### Unemployment and job vacancies in the region

Supply of job vacancies in the region is relatively low. While the region's share in national unemployment amounts to approximately 18,4%, its share in job vacancies supply is only 8,4%. Although the number of unemployed in the region has increased since the beginning of 1997 by 42,5%, the number of job vacancies offered has dropped by more than one fourth. Therefore it can be stated that the chances of the unemployed to get a new job have decreased rapidly. However, the decrease of numbers of jobs offered in the region reflects the situation in the CR in general.

<sup>2</sup> The unemployment rate based on the number of registered job seekers at the Labour Offices is about 0,5 - 0,7 % lower than unemployment rate based on the Labour Force Sample Survey (ILO methodology).

Graph I.7

**Job vacancies: comparison of development trends in the CR and in the region  
between December 1996 and March 1998**



Source: MOLSA CR.

The number of unemployed in the region exceeds the number of vacancies 10 times. The table below shows the relationship between supply and demand on the labour market in the region, as compared to the CR as a whole. The district Karviná was in the most unfavourable situation. The dynamics of change in the supply-demand ratio was the most unfavourable in Frýdek-Místek.

Table I. 6: Number of unemployed per 1 job vacancy

Period	CR	Region	districts					
			Bruntál	Frýdek-Místek	Karviná	Nový Jičín	Opava	Ostrava
03/98	4,4	9,7	.	12,3	12,9	8,3	8,0	8,3

Source: MOLSA CR

Note: As of March 31<sup>st</sup> 1998

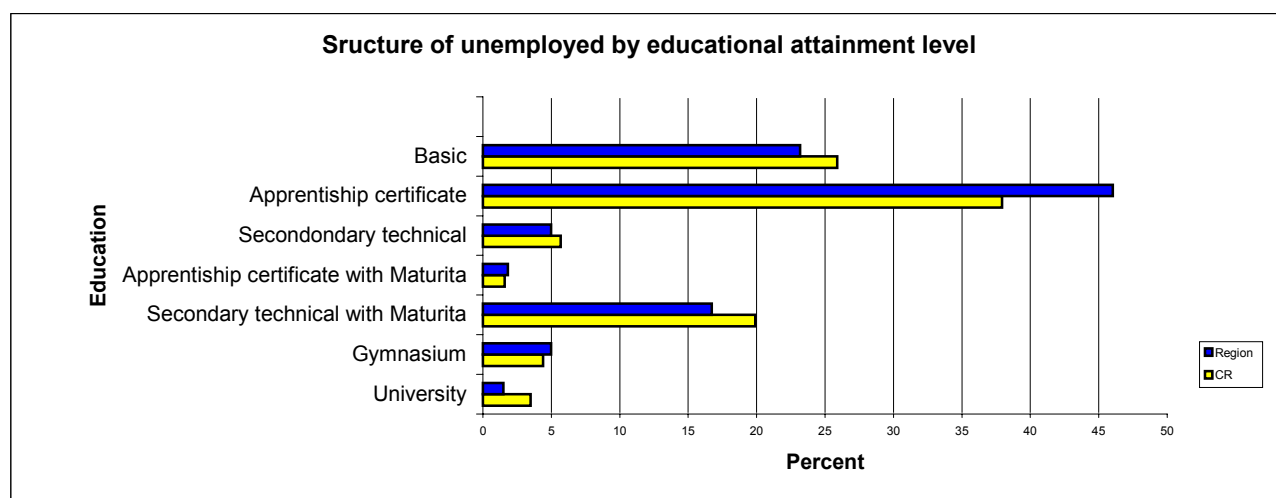
Apart from the aggregate extent of unemployment (total supply of work and demand for it), the **qualification structure** of both supply and demand is highly significant for the solution of unemployment in the region<sup>3</sup>.

The number of **unemployed** in the region is made up of two categories of job-seekers: persons with basic education and with apprentice certificate. The share of job-seekers in these two categories on overall unemployment in the region amounts to over 76 %. The large share of manual workers with apprentice qualification among the unemployed, which exceeds the national average, reflects the qualification profile of the region with its heavy representation of manual professions. It is also a consequence of the decline in jobs in mining and heavy industry, which most affects this category of employees.

There are relatively large differences between individual districts; e.g. in the Bruntál district, the share of job-seekers with basic education or apprentice certificate on overall unemployment amounts to 81,2%, in Frýdek - Místek it is only 71,7%, and in Opava 72,6%.

<sup>3</sup> Statistical reports of MOLSA CR allow us to determine the qualification structure of supply and demand only in terms of requirements on highest achieved education. As far as demand for labour force (reported job vacancies) is concerned, the structure is monitored on a quarterly basis by the main classes "categories of occupations (KZAM -ISCO)", unlike the unemployed, where the data is not the subject of search.. New IT model (*OK práce*) does not provide the employment offices with fast and simple access to summary reports of registered unemployed sorted by ISCO; these structures can be built into the Quest program, but the process is complicated. The completeness of such reports is not guaranteed either (the ISCO code is not mandatory in the *OK práce* system).

Graph I.8



Source: MOLSA CR, 1998

Another large group of unemployed are graduates with secondary education and Maturita examination; at the same time, the number of job-seekers with vocational education is approx. 3x higher than gymnasium graduates. The number of apprentices with Maturita examination is relatively high as well, in the districts of Karviná, Frýdek-Místek and Ostrava in particular.

While in 1997 the overall unemployment in the region increased by approx. 34%, the category of workers with basic education grew by 20,2%, with apprentice certificate by 37,5%, workers with secondary education without Maturita by 11,5%, and with apprentice certificate with Maturita by 72,9% (!). The number of unemployed with general secondary education (gymnasium) increased by 39,6%, and of those with secondary technical education by 52,3%, while the number of unemployed higher-education graduates increased by 54,8%. It is therefore obvious that skilled workers are increasingly affected by growing unemployment, and e those in technical-economic occupations are worse hit even e than manual workers.

Almost three fourths (71,3%) of the total number of **registered job vacancies** are for workers with apprentice certificate; the number of job vacancies for unskilled workers is consistently high as well (16,7% of jobs). There is practically no demand among employers for workers with secondary technical education without Maturita, with apprentice certificate with Maturita, or for graduates of higher professional schools. Only some 9% of skilled job vacancies are designated for workers with secondary education with Maturita, but vast majority of them - approx. 97% -ares suitable for workers with secondary technical education, with only 3% for Gymnasium graduates. 3% of registered job vacancies require higher education<sup>4</sup>.

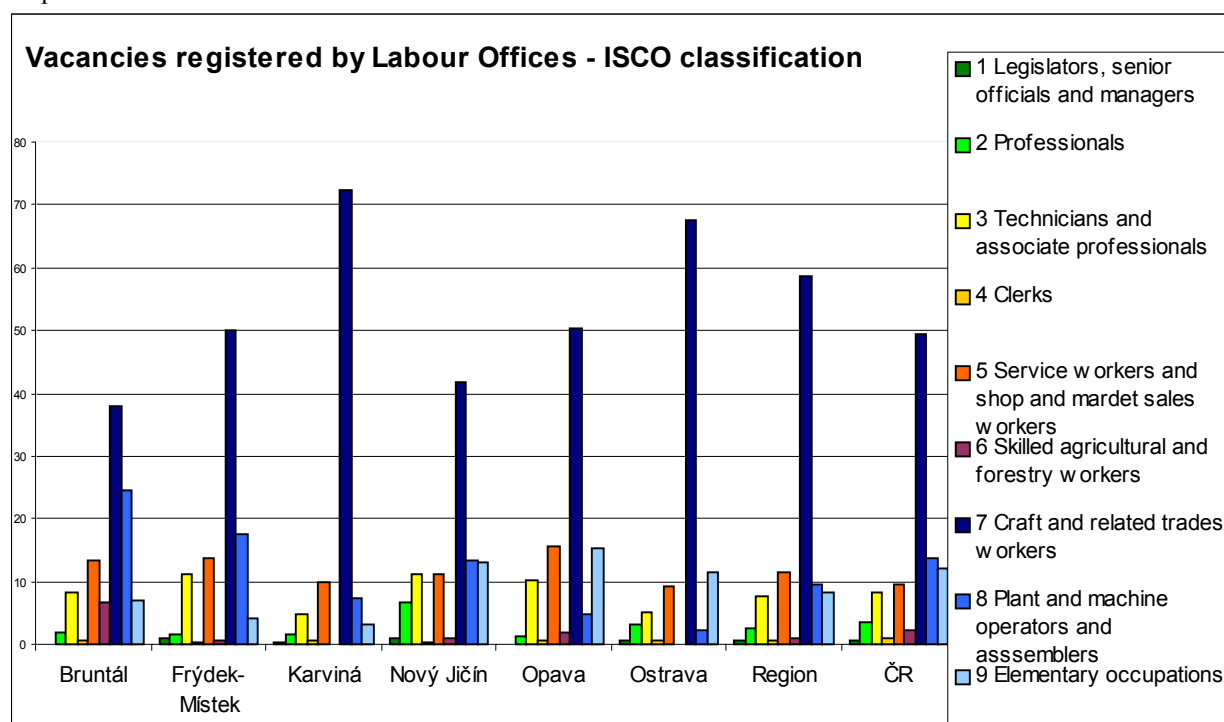
**As concerned professional structure of vacancies** in the region, The most sought-after professions are ISCO class 7 professions (craftsmen, qualified petty producers, repairmen, and processing). In 1997, 52 to 57 per cent of jobs available were in this class.

If we look at the structure of jobs available, we see a steady demand for unskilled labour which is higher than the demand for e.g. university educated people. This situation, however, does not reflect the real requirements of the employers. It is important to realise that candidates for well-paid jobs occupied by highly educated specialists are often selected based on personal references or networking and less often via Labour offices.

The professional structure of vacancies differs quite substantially from district to district (within the region).

<sup>4</sup> The number of registered vacancies, especially that require higher education, is strongly underestimated. The reason is that in these cases employers prefer forms of recruitment other than the vacancy register in Labour Offices, and although employers are obliged to register vacancies with Labour Offices, there are neither incentives nor sanctions for this.

Graph I.9



Source: MOLSA CR

During 1997, the numbers of reported job vacancies at all the educational levels monitored decreased. The rate of decrease differed according to the educational level concerned: the number of jobs for workers with apprentice certificate decreased only marginally (by 17,1%); the number of jobs suitable for workers with secondary vocational education dropped more significantly (by 27,3%). The number of reported job vacancies suitable for workers with only basic education dropped to nearly one half (by 44,2%).

Compared to the national average, the number of unemployed is - relatively - high, and the number of vacancies is low; thus the chances of finding a job corresponding to education are significantly worse in the region for job-seekers at all educational levels. - see table I. 7.

Table I.7: Comparison of unemployment structure in the region and nationwide

Level of education	number of unemployed per 1 vacancy	
	in region	in CR
No education	92,3	5,2
Basic education	18,4	6,2
Apprentice certificate	5,3	2,7
Secondary technical without Maturita	85,0	8,8
Apprentice certificate with Maturita	155,2	6,7
Gymnasium	132,4	23,2
Secondary technical with Maturita	13,6	8,3
Higher professional school	.	20,7
Higher education	7,5	3,0
<b>Total</b>	<b>9,1</b>	<b>4,3</b>

Source: MOLSA CR, (as of December 31<sup>st</sup> 1997)

While there are more than 4 job-seekers for each vacancy in the CR, the figure is twice as high within the region. Workers with apprentice certificate and graduates from secondary technical schools with Maturita have only half the chance of finding a relevant job; compared to the national average, higher education graduates and workers with only basic education registered in the region have more than twice lower chances. The supply/demand ratio in the remaining educational categories in the region is always at least 10 times worse than the relevant figure for the CR. This unsatisfactory situation does not stem only from different levels of education in the district, or to put it better, from



different levels of education of registered unemployed; the low dynamics of new job creation in the region is an even more significant factor.

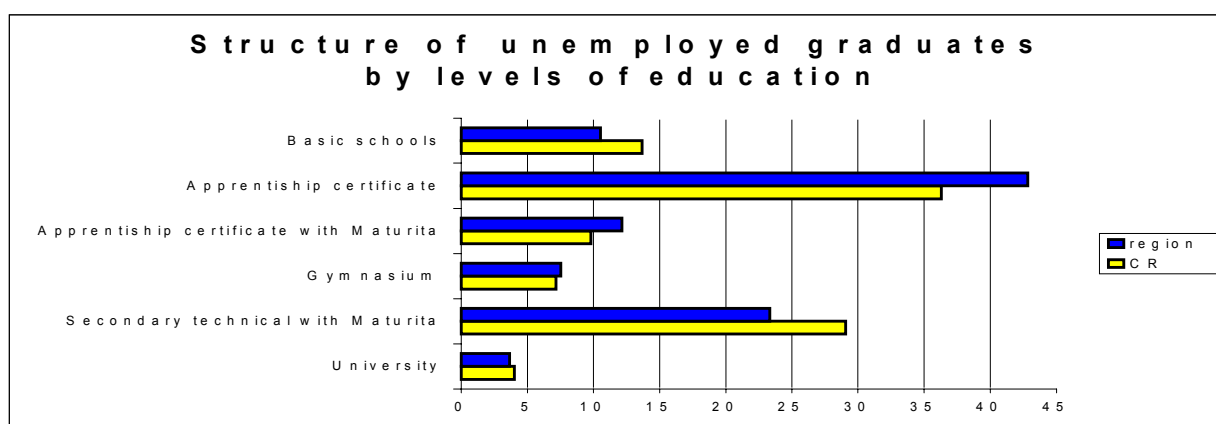
### Graduates<sup>5</sup> on the labour market

As of the end of March 1998, there were 7 572 graduates from all school types registered by labour offices in the region. Their share in the total number of unemployed amounted to approx. 14,5%, which is a relatively high figure (in CR, the same share as of the same date amounted to 13,2%).

Relative to overall unemployment - the issue of unemployed graduates is most burdensome in Karviná district; this category of job-seekers represents 18,3% (!) of the overall unemployment. The share of graduates is also high in the districts of Nový Jičín (15,2%), Opava (14,8%) and Ostrava-City (13,6%). Below average figures relative to national average were reported in the districts of Frýdek - Místek (12,5%) and Bruntál (7,2%) in particular.

Most of the graduates registered in the region belong to the category of apprentice certificate (secondary vocational school) (42,8% of total number), but the number of registered graduates from secondary technical schools is high as well (23,3%). As of the same date, there were (12,2%) from secondary vocational schools with Maturita registered in the labour offices, as well as 10,5% of graduates from basic schools and 7,5% gymnasium graduates. The number of higher education graduates was quite low (3,7% from the total number of registered graduates). However, the above structure of unemployed does not refer to the specific unemployment rate among graduates at individual qualification levels. Hence the numbers do not refer only to those actively seeking work, nor do they take into account the proportion of the number of graduates per individual qualification level to the overall number of graduates.

Graph I.10



Source: MOLSA CR, as of December 31<sup>st</sup> 1997

The structure of registered graduates in individual districts by highest completed stage of education is as follows (as of December 31<sup>st</sup> 1997):

- in the Bruntál district, the largest portion of graduates are those with apprentice certificate - 44,2%, and another 10,4% have apprentice certificate with Maturita. One third of graduates have secondary education with Maturita: 27,1% secondary technical schools, and 5,4% Gymnasium. 10,6% of graduates report only basic education; the share of higher education graduates is almost negligible (11 persons, i.e. 2,3%).
- in the Karviná district, graduates with apprentice certificate constitute more than one half (50,7%) of all unemployed graduates, and another 11,9% graduated from secondary vocational schools with Maturita. The number of unemployed graduates with secondary education is relatively low (less than one fourth of the total number), the number of registered graduates from secondary technical schools is quite low in particular (17,7%), Gymnasium graduates amount to 7,2%. Graduates with basic education constitute 10,3%, and higher education graduates 2,2% (the lowest share in the region).

<sup>5</sup> Graduate is a person who successfully completed school studies not more than two years ago, no matter whether he/she has been employed throughout the time period.

- in the Frýdek-Místek district, the number of graduates from basic schools is extraordinarily low (3,0%), while the representation of graduates from secondary vocational schools with Maturita is extremely high (19,1%). Graduates with apprentice certificate amount to 41,0%, graduates from secondary technical schools 27,6%, Gymnasium graduates 5,9%. The number of higher education graduates is once again quite low (3,4%).
- in the Nový Jičín district, the majority of graduates have secondary education (40,0%), with a high representation of graduates from secondary technical schools (32,3%) as well as Gymnasium graduates (7,7%). Graduates with apprentice certificate amount to 36,9%, and another 5,8% are graduates from secondary vocational schools with Maturita. The share of graduates from basic schools is quite high in this district (13,7%), and the number of higher education graduates is relatively low (3,6%).
- in the Opava district, the share of adolescent graduates from basic schools is very low (7,7%). The share of graduates from secondary vocational schools with Maturita is relatively high (13,0%), as well as Gymnasium graduates (9,8%), higher education graduates (5,3%) and graduates with apprentice certificate (39,5%). From the regional point of view, the representation of graduates from secondary technical schools is below average (24,7%).
- within the region, the structure of unemployed graduates in Ostrava-City district is highly atypical. The share of higher education graduates (5,7%) as well as adolescent graduates with completed compulsory education (16,1%) is extremely high, while the share of graduates with apprentice certificate is the lowest in the region (36,4%). Graduates from secondary technical schools amount to 22,5%, secondary vocational schools with Maturita represent 10,4%, and Gymnasium graduates only 8,6%.

**The Absorption capacity**<sup>6</sup> of the region in terms of employment of graduates is relatively low. The decrease of numbers of graduates from September through the year is slower in the region than in the CR as a whole (e.g. while in the CR the number of unemployed graduates decreased by 14% during the last quarter of 1997, in the region it was only by 9,2%). The problem of unemployment among graduates will continue to be one of the most serious problems of the regional labour market in the future.

## I.5 Summary

The Ostrava region is one of the Czech regions with an above average density of population and more favourable demographic structure. Despite the fact that it is not immune to the general trend towards an ageing of the population, the relatively high percentage of younger people in the productive and pre-productive age group represents an opportunity for the further development of the region but at the same time makes it necessary to ensure creation of a sufficient number of job opportunities. The qualifications potential of the region is lagging behind the national average, especially as far as university graduates are concerned.

The region is traditionally industrial with a strong representation of the mining and heavy industrial sectors, large factories and a relatively under-developed tertiary sector. The current scaling down of coal-mining, the belated process of privatisation and restructuring in smelting and heavy engineering, and the problems of light industries in finding markets, are leading to a rapid loss of jobs in traditional branches, and there is insufficient development of new and efficient activities to compensate. Once a priority area, the region is not now in the forefront of interest from investors. The current and above all the anticipated structural changes in the region will make huge demands on the flexibility and the professional mobility of the workforce.

The region's unemployment rate is one of the highest in the CR. The number of unemployed per vacancy is more than twice the national average. The situation of school-leavers is especially problematic.

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<sup>6</sup> This characteristic is calculated on the basis of the dynamics of gradual decrease of number of unemployed graduates on the labour market throughout a year, i.e. from September, where the number of graduates is the highest, to June of the coming year, where the numbers are the lowest.

## II. ISSUES CONCERNING VOCATIONAL EDUCATION IN THE REGION

### II.1 The structure of schools and students in the region

Currently there are 253 schools<sup>7</sup> which provide upper secondary level education in the six districts of the region. In 1997/98 academic year these schools were attended by the total of 58,583 apprentices and students in full-time study as well as 7,140 apprentices and students in part-time study. Of the total number of secondary schools and apprenticeship training centres in the region 144 schools provide complete secondary education with Maturita examination (out of these 87 are secondary technical schools including 9 health care schools and one music conservatory, 41 gymnasiums and 15 secondary integrated schools<sup>8</sup>). There are 109 schools and vocational apprenticeship training centres providing predominantly apprentice training courses as well as secondary vocational education without a school-leaving exam, out of those 56 are secondary vocational schools, 35 are centres of practical apprenticeship training, 13 vocational schools and there are also five centres for vocational training. It is also possible to obtain an apprenticeship certificate at secondary integrated schools, while secondary vocational schools additionally offer four-year courses with maturita exam.

#### Ownership of Secondary Schools

The Ministry of Education of the Czech Republic governs a total of 147 schools through the appropriate district authorities (School Offices). Municipal or city councils own two gymnasiums, and 11 schools (of these one is a secondary integrated school and ten are secondary vocational schools) have been established by another body of public administration.

The state schools represent 63% of all the schools in the region, but they are attended by more than 87% of full-time pupils (i.e. 51,173 pupils). On the basis of data for the 1997/98 academic year, one state school had an average of 320 full-time pupils while one private school had only 80 pupils. Private entities own 43 vocational schools attended by a total of 1,671 apprentices (i.e. 12% of the total number of apprentice pupils in the region), 7 gymnasiums with 923 students (6.3%), 41 secondary technical schools with 4,787 pupils (29%) and one health service school with 29 students. These data indicate that it is more attractive for non-governmental and private organisations to focus on secondary technical schools in particular because the operation of apprenticeship education is characterised by higher cost per one apprentice/pupil.

#### Participation in education in the region

The participation parameters of the education system in the region can be compared with the average parameters for the whole of the Czech Republic. The data representing the number of full-time pupils and students of individual types of schools (i.e. secondary, excluding post-secondary education) have been calculated per one thousand inhabitants aged 15 to 19. A comparison between these indicators for the region and the indicators for the whole of the Czech Republic suggests a somewhat worse capacity related situation in the region, especially as far as the maturita courses are concerned (see Table II.1).

Table II.1: Comparison of Secondary School Students between Region and the Czech Republic by Type of School and Type of Study\*

Area	Number of Students per 1000 Inhabitants Aged 15-19 by Type of School and Type of Study:								
	maturita courses					non-maturita courses			
	Gymnasiums **	Secondary Integrated Schools	Secondary Vocational Schools	Secondary Technical Schools	Total	Secondary Integrated	Secondary Vocational Schools	Secondary Technical Schools	Total
Region	82,7	25,5	33,6	214,4	273,6	98,0	165,0	6,6	269,6
C R	89,2	31,3	26,1	227,3	284,7	86,2	176,8	4,8	267,8

\* Full-time education excluding post-secondary and post-maturita studies.

\*\* Gymnasium students are calculated for the corresponding age group of 10 - 19 years.

Source: Annual Review of Statistics, academic year 1995 /96.

<sup>7</sup> Excluding special schools at institutions

<sup>8</sup> Integrated schools combine secondary technical and vocational courses

The total participation numbers for the region are generally comparable to the ones in the CR. However, there is much higher participation in secondary vocational schools with maturita branches, which are the least in demand among enterprises (see chapter III for more detail). By contrast, secondary vocational schools with non-maturita branches attract fewer students than the average for the CR, and this does not correspond to the needs of the regional economy with high representation of heavy industry.

Table II.2: Secondary School Students in the Districts of Region by type of school and type of study \* in the Academic Year of 1997/98.

District	Number of Students per 1000 Inhabitants Aged 15-19 by Type of School and Type of Study:							
	maturita courses				non-maturita courses			
	Secondary Integrated Schools	Secondary Vocational Schools	Secondary Technical Schools	Total	Secondary Integrated Schools	Secondary Vocational Schools	Secondary Technical Schools	Total
Bruntál	29,8	31,6	200,5	262,0	2,5	141,6	2,6	146,6
Frýdek-Míst.	45,5	17,0	123,4	185,9	40,3	59,6	0	99,9
Karviná	46,8	40,0	170,5	257,2	68,1	104,7	0	172,8
Nový Jičín	16,6	7,8	185,9	210,3	43,7	75,5	2,2	121,4
Opava	19,1	20,8	151,5	191,4	12,2	102,2	6,1	120,4
Ostrava-city	39,7	70,8	201,7	312,2	38,3	118,3	1,2	157,8
<b>Region</b>	<b>35,3</b>	<b>35,5</b>	<b>171,5</b>	<b>242,4</b>	<b>38,6</b>	<b>99,2</b>	<b>1,7</b>	<b>139,5</b>

\* Upper secondary level of education. Full-time education excluding post-secondary and post-maturita studies.

Source: Annual Review of Statistics on Education.

Comparing the situation in the individual districts it becomes apparent that the lowest figures are to be found in the district of Frýdek-Místek in both maturita and non-maturita courses. A rather unfavourable situation has also been observed in the districts of Opava and Nový Jičín. The highest participation parameters in maturita branches in the region are found in the central district of Ostrava-City, and above the average values have also been found in the districts of Karviná and Bruntál. The broadest educational supply of apprenticeship training courses (secondary vocational schools) per 1,000 inhabitants in the age group is available in the districts of Bruntál and Ostrava-City.

Apart from the demographic development (a reduction in the number of persons aged 15 to 19) a shift can be observed in the structure of students at upper secondary level. The decreasing enrolment figures for vocational secondary schools (apprentice certificate) are also linked to a generally lower interest in this type of education, one reason for which is the increasing range of the educational supply of courses at secondary technical schools.

The above statement can be illustrated by the following comparison. While in 1995/96 there were about 71 apprentices admitted to secondary vocational schools per 1,000 inhabitants in the 15 to 19 age group, in 1997/98 it was only 66 apprentices. The situation was different in secondary technical schools, where the enrolment per 1,000 inhabitants aged 15 to 19 represented 53 in 1995/96 and an increased figure of 65 was observed in 1997/98. This is still one point lower than the corresponding value for secondary vocational schools in that year, but what is more important, however, is the decreasing trend observed among secondary vocational schools and the increasing trend among secondary technical schools. The decline in the interest in studying apprentice branches follows a pattern common to the whole CR. The dynamics of change of preferences towards maturita branches do not, however, correspond to changes in the economy and demands of employers.

## II.2 Branch structure of vocational education in the region<sup>9</sup>.

Hand in hand with the growing supply of courses at the upper secondary level of schools the branch structure of the courses has also been changing in the nineties. The change in the branch structure of subjects and courses on offer is primarily linked to the changing interests of students and parents, which in turn reflect, after a certain time lag, the overall social and economic changes the country has been experiencing. Based on enrolment figures, the most important group is represented by economic branches of education followed by mechanical engineering branches and further down by electrical engineering and construction.

<sup>9</sup> See graphs in the Appendices to Chapter II.

### II.2.1 The Structure of Apprentice Training Branches

As we have already mentioned, the absolute enrolment figures for all the courses and subjects offered at **secondary vocational schools** (apprentice certificate) have been decreasing in comparison with secondary technical schools. If we look at enrolment per 1,000 inhabitants aged 15 to 19, however, we see that the relative share of some branches of courses in the given age group has in fact grown. This is the case primarily with mechanical engineering courses (growth reported from 9.9 pupils enrolled in 1995/96 to 12.1 pupils enrolled per 1,000 inhabitants in academic year of 1997/98). The peak interest in economic subjects was recorded in 1995/96. At that time 3,041 apprentices were admitted to the first years of such courses, representing 27.4 pupils enrolled per 1,000 inhabitants in the given age group. A significant reduction in the numbers enrolled in these courses in the following years indicates that the public interest in the economic vocational specialisation is falling, and one factor may be response to the slightly worse position of the graduates in the labour market. On the other hand there has been a significant drop in the popularity of construction vocational courses (from 6.2 to 3.8), wood work (from 4.7 to 1.1) and others. The trends in the popularity of individual vocational training courses and their representation over the past three to four years determines the composition of graduates from different secondary vocational schools and courses by the year 2000.

In terms of the representation of individual courses and specialisations among future graduates in the 1999/2000 academic year, the dominant group of specialisations will be economics, organisation, trade and services (41.8%). This is followed by mechanical engineering courses (25.1%), electrical engineering (8.6) and construction (7.6). The share of graduates from economic branches of education will gradually decrease from 1998/99 while other specialisations will show an increasing trend towards the year 2000. These are mechanical engineering (from 17.4% in 1997/98 to 25.1 in 1999/2000) and also electrical engineering (from 6.5 to 8.6%) and food processing (from 4.2 to 4.9). On the other hand a decrease is projected in the following courses: woodwork (from 8.3% to 2.3%), construction (from 10.9% to 7.6%), textile and cloth industry (from 5.4% to 4.1%) and others.

### II.2.2 The Structure of Maturita Branches

In terms of enrolment figures for maturita branches at **secondary technical schools**, the majority went to economic fields (the same as in apprentice branches), followed by fields in electrical engineering and engineering. It is interesting to note that the absolute numbers of pupils enrolled for electrical engineering maturita courses have been growing over the past three years despite the drop in population aged 15 to 19. The developments in the structure of courses taken up by the students of secondary technical schools have been similar to the developments observed in secondary vocational schools in which the share of economic courses has seen a drop over the past two years and electrical engineering courses have been acquiring a greater share (from 15.4 to 18.9). One difference is perceptible in relation to mechanical engineering courses, i.e. that their share at secondary technical schools is dropping (from 15.1 to 11.1). Compared to vocational courses on the other hand, the share of construction and agriculture courses is growing.

The composition of the future graduate population in 1999/2000 will be dominated by graduates from economic courses (41.6%) despite a drop in their share by 5.5% observed the previous year. There will be a larger number of graduates from electrical engineering courses, up from 15.4% in 1997/98 to 18.9% in 1999/2000. The representation of groups of courses in construction will also grow (from 4.7 to 7.7%), and the same will apply to agriculture (from 4.9 to 6.2%) as well as transport mail and telecommunications (from 4.9 to 6.2%).

The courses taken up by part-time students show a fairly similar composition. There is a majority of economic courses (34.2% in 1997/98) and mechanical engineering (27.6%) and the share of these courses in part-time education is growing. The majority (more than 80%) of part-time students study on two year follow-up, 12% of them take up four year maturita courses and the rest of them study at post secondary (post maturita) courses. There is a small share of part-time courses available in economic branches of education. A vast majority of part-time courses are therefore geared towards secondary school leavers who have passed a maturita examination.

### II.2.3 Comparison with the Czech Republic as a Whole

The composition of branches at **secondary vocational schools** in the region differs from the structure of courses in the Czech Republic especially by its high share of mechanical engineering, electrical engineering, woodwork and construction courses and on the other hand by a lower representation of courses in chemistry and food processing, textile and clothing and services.

Similar differences have been observed in the composition of courses available at **secondary technical schools** in the region as compared to the composition of similar courses in the Czech Republic: a higher share of mechanical

engineering and electrical engineering courses has been observed as well as a lower share of courses in economics, trade and services.

As concerns both types of schools (secondary vocational schools and secondary technical schools), some positive trends in the structure of branches can be observed. After the period of high student demand for economic branches of study, which overtook the availability of vacancies in the labour market, there is now a new trend to technical branches that suits the needs of employers better.

## **II.3 Tertiary Education**

Before 1989, there was an excessive concentration of more than two thirds of Czech university students in two regional centres: 45 % and 22 % of them studied in Prague and Brno, respectively. College of Mining – Technical university of Ostrava and Faculty of Pedagogy in Ostrava were the only tertiary education institutions in the region in those days. There are currently three universities in the region: College of Mining – Technical university of Ostrava (with a 150 year tradition and more than 50 years in Ostrava) and University of Ostrava and Silesian University, both established in 1991.

The oldest and the largest tertiary education institution is the College of Mining - Technical University in Ostrava. In 1995/96 there were 9,779 students studying at the five faculties of this college/university. The Faculty of Mechanical Engineering had 1,817 students and the Faculty of Electrical Engineering and Computer Science had 1,303 students. The Faculty of Mining and Geology has a total of 2,296 students (out of which 916 are part-time students) and the most popular course at this faculty is mining and mining geology which was taken by 564 students. The Faculty of Metallurgy and Material Engineering had 1,233 students, the greatest number of which focus on the iron and steel industry (metallurgy). It is the Faculty of Economics, however, which had the largest overall student body - 3,130 students.

The University of Ostrava was attended by 3,992 students in 1995/96. The University of Ostrava has a Faculty of Health Care and Social Sciences with 226 students mostly taking bachelor degree courses (204), and a Faculty of Arts, which currently has 1,014 students, the majority of whom specialise in primary and secondary teaching (682 students). An integral part of the University of Ostrava is also the Faculty of Natural Sciences, which has 672 students and a faculty of education with 2,080 students, most of whom are part-time students (1026).

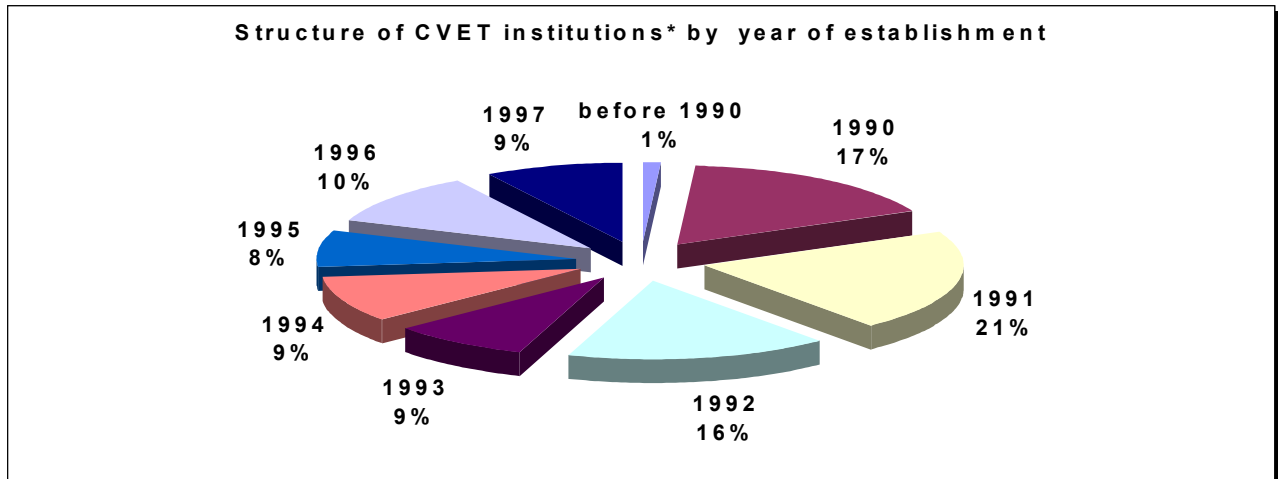
The youngest institution of tertiary education in the region is the Silesian University in Opava, which has two faculties, the Faculty of Art and Natural Sciences with 1,059 students studying teaching and non-teaching branches, and the Business and Commerce Faculty based in Karviná where there are 1,201 students primarily focusing on economics (1,131).

Out of the total 16,015 tertiary education students in the region the greatest number of students were taking technical courses (38.9%) followed by student taking courses in economics and relating branches of education (29.4%). There were 2,765 students of pedagogy (17.3%) who focused on teacher training in the humanities and science related branches of education, and this was followed by 1,613 students (10.1%) in humanities and 692 students (4.3%) in scientific courses.

## **II.4 Continuing vocational education and training**

As in the whole republic, in the Ostrava region the system of further education has undergone major changes in the 1990s. Alongside the schools (both secondary and higher) that have traditionally provided courses for people already in employment, this period has seen the appearance of a large number of private educational institutions which have responded according to market principles to demand from individuals and organisations. More than half of these private institutions (companies) were established in the very first phase of the economic transformation, i.e. 1990 – 1992.

Graph



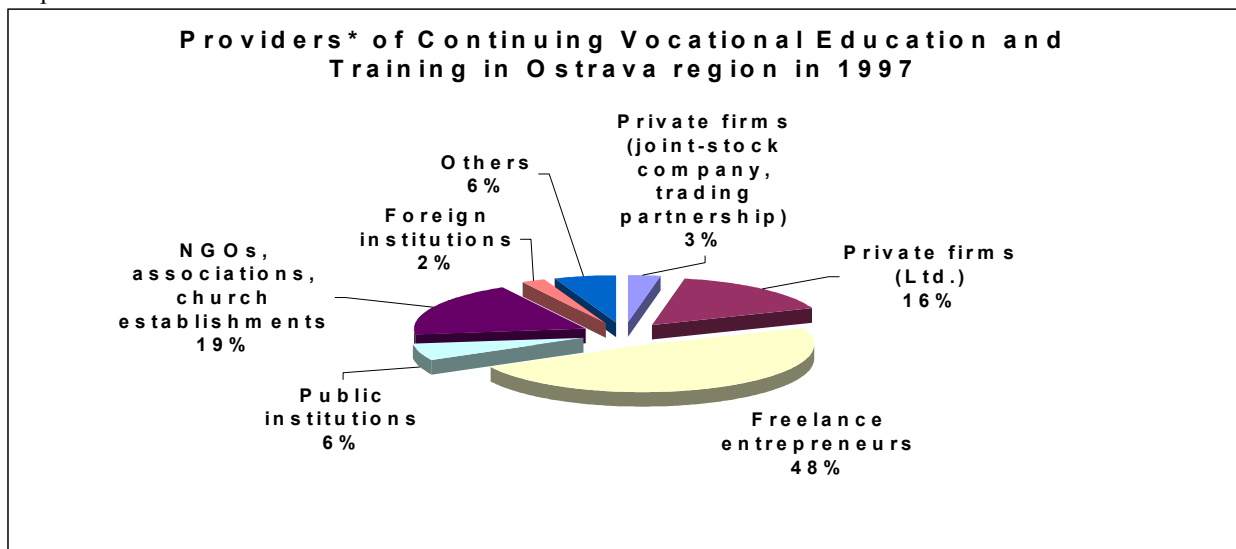
Note: \*without schools

Source: Database of Ing. Jan Hammersack

The Ostrava region is among the regions enjoying the most abundant supply of courses of further education. The number of firms licensed to provide further educational courses in the region is more than 630<sup>10</sup>. Of these perhaps 170 are estimated to be genuinely active, giving the Ostrava region what is proportionately a much larger supply of such facilities than the Czech Republic as a whole (in the Ostrava region there are 35 such firms per 100,000 economically active population, whereas the overall national figure is only 28). On the other hand the number of firms offering language courses in the region is lower than the average for the republic (74 firms per 100,000 economically active population as against a Czech average of 92).

A wide range of types of institutions are represented in the structure of suppliers of further vocational education in the region.

Graph



Note: \* without schools

Source: Database of Ing. Jan Hammersack

A survey organised by the Ministry of Education, Youth and Sports of the Czech Republic showed an extensive range of training courses offered by specialised training and consulting firms. There is a stable demand for training in accounting, trade, services, and logistics (about 56 per cent of attendants), computer technology (about 30 per cent) and machinery (14 per cent). In the regional labour market, graduates of short-term courses and special qualification courses, (known as

<sup>10</sup> Data of 1997 year, Database of Ing. Jan Hammersack

the labour force with practical experience in the field), represent strong competitors to fresh graduates of vocational or technical education in the areas mentioned above.

**Requalification courses** organised and funded by the labour offices for registered job-seekers also form part of the range of further education provided in the region. There are 125 institutions offering requalification courses on the basis of accreditation from the Ministry of Education, which is relatively a higher number than the CR average (there are 25 such firms per 100,000 economically active population in the region, which the national figure is only 20), and at the same time the range of courses offered in the Ostrava region is more variable and broader in terms of disciplines covered. As in the republic as a whole, however, the number of people taking requalification courses in the Ostrava region remains a very low percentage of the total of unemployed (below 5%).

According to data from the Labour Office in Ostrava, in 1997 the courses aiming primarily at skills to improve position on the labour market were as follows: computer use, training for business, welding courses, courses for professions in the health service and cosmetic services, and accounting courses. In recent years there have been some partial shifts in the structure of courses, with a fall in interest in accounting (book-keeping) and a rise in demand for courses on international commercial skills with foreign language teaching. Specifically targeted motivational courses for the young and the long-term unemployed have retained a stable place in the range of courses offered, as have re-qualification courses for people threatened by unemployment as a result of the restructuring of the large companies.

## II.5 Summary

### **Schools at upper secondary level in the region**

- Compared to the Czech Republic as a whole, the secondary schools in the region offer a more restricted educational supply in general education (gymnasium) and in apprenticeship training. The low representation of apprentices does not correspond to the prevailing industrial nature of the region. On the contrary, there is oversupply of vocational programmes with maturita. This trend will persist in the future: first year enrolment figures show a decreasing trend at secondary vocational schools while there is an increase in the enrolment figures at secondary technical schools.
- Although the interest of students of secondary schools in economics and service related branches of education reached its peak in 1995/96 academic year, the graduates of these courses will still represent the most numerous group of graduates in the near future. This fact does not correspond to prevailing demand of enterprises for graduates of technical branches.

### **Schools at tertiary level – universities in the region**

- The higher education institutions in the region produce graduates with technical and economic qualifications as well as in the natural and social sciences. While the technical study branches do not utilise their full capacity due to decreasing interest of students (despite the strong demand of employers for technical intelligentsia), the humanities are not able to satisfy the study demand due to insufficient school capacities,
- Despite generally high demand for skilled personnel with higher education, graduates of different study branches are not placed on the market equally successfully. The graduates of natural sciences have faced certain difficulties in job finding. From the technical branches, it was especially the graduates of mining and metallurgy who experienced problems, i.e. graduates of previously highly profiled and at present gradually reduced types of production branches in the region. Together with graduates of engineering study branches, these graduates are among those most often leaving the field of their studies, and searching for jobs in other fields.
- To evaluate and encourage successful placement of graduates of all three universities in the region, a feasibility study was conducted in 1998 concerning the establishment of a consultancy and analytical centre under the VSB - the Technical University in Ostrava. In co-operation with the remaining two universities (Ostrava, and Silesian university Opava), the centre would facilitate contacts with employer organisations, labour offices, and other potentially interested parties (ARR, municipalities), and provide consultancy services for a broad spectrum of customers.

### **Continuing vocational education and training**

- The region is relatively well equipped in terms of the supply of courses of further education, the structure of which is developing on the basis of market principles. This supply of further educational courses exceeds the national average. Only in the supply of language courses does the region lag behind the national level.



### III. QUALIFICATION NEEDS OF THE LABOR MARKET IN THE REGION AND THEIR COMPARISON WITH EDUCATION AND TRAINING SUPPLY

The current situation in the labour market in the Czech Republic is characterised both by a lack of balance between the number of job-seekers and job opportunities and by a visible asymmetry between study branches and job qualifications offered and demanded.

To solve this situation one has first to analyse basic economic development data (structure and revitalisation of economy, structure of employers needs etc.) as well as to answer the question of whether the given region offers adequate education for attainment of the the required job qualification.

Generally speaking, labour market demands change very quickly and the labour force often reacts with a certain delay. In each and every region there are professions which are not in demand as well as open job opportunities with no people qualified to apply. Such a situation leads to a phenomenon called structural unemployment characterised by both a shortage and surplus of labour force.

The current education system -- the structure of schools and their education branches -- does not react sufficiently to the changing labour market demands. The current process of optimising the school system does not approach the problem from the right angle. There are still graduates in field of study for which there is currently or prospectively no demand. After having graduated, these people, whose study was financed by the government, will turn to the government again and ask for further financial support (re-qualification training, government subsidised jobs, unemployment benefits).

To accurately forecast future employment opportunities for school graduates one has to have proper knowledge of the needs and performance of the regional labour market. As there is the lack of information on future labour market needs, a comprehensive enterprise questionnaire survey was carried out in the framework of this study. In the present conditions of economic uncertainty there are limits to the current survey. Thus, it has been assumed that for the current pilot study only the short-term needs of employers will be investigated. Nevertheless, it is presumed that the main trends found in the survey, are unlikely to alter radically in in coming years.

#### III.1 Basic characteristics of the questionnaire survey and the sample structure

The basic objective of the survey was to determine job qualification needs of the region with a view to the year 2000 and with regards to the immediate situation before the end of 1998. The survey tried to determine future employment plans of employers in the region -- especially plans to downsize (by level of education and job qualification of those planned to be laid off) or potentially recruit personnel (education and job qualification of those planned to be recruited). The employers' interest in hiring graduates of various types of schools, co-operation between schools and businesses, success of recent graduates in their first jobs, etc. were also examined. Some questions also focused on the in-house training of employees.

The processing and evaluation of the questionnaire represent the most important parts of the study of qualification needs of the region. In the process of the study, the analysts created a database which has not only helped to efficiently connect the existing databases of Labour Offices and School Offices but also facilitated new views on the situation in the region.

Therefore, one of the basic objectives of the study was to identify the disproportions in the chain: student (and his/her parents) - school (respectively School Office) - employers - Labour Office - in the region and to determine the most probable direction of the job qualification needs in the near future.

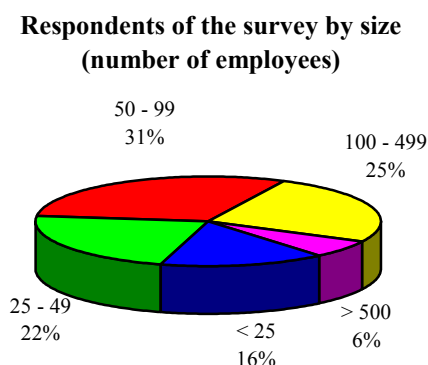
Questionnaires were distributed in March and April 1998 in six districts of Northern Moravia and Silesia. **Out of 2 635 businesses and organisations invited to participate in the survey 481 accepted, i.e. 20 per cent.** The group of respondents<sup>11</sup> who decided to take part in the study provides a reasonably representative cross-section of the structure of business activities in the given region (following the statistic Business Register).

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<sup>11</sup> Respondent is an enterprise. Normally the questionnaire was distributed to Personnel Department or HRD managers where available. In other cases the questionnaire was addressed to the director.

Most respondents (32 per cent ) were located in Ostrava-City; 80 in Frydek-Mistek district (17 per cent); 75 in Karvina district (15 per cent); 69 in Opava district (14 per cent); 62 in Bruntal district (13 per cent); and 43 in Novy Jicin district (9 per cent).

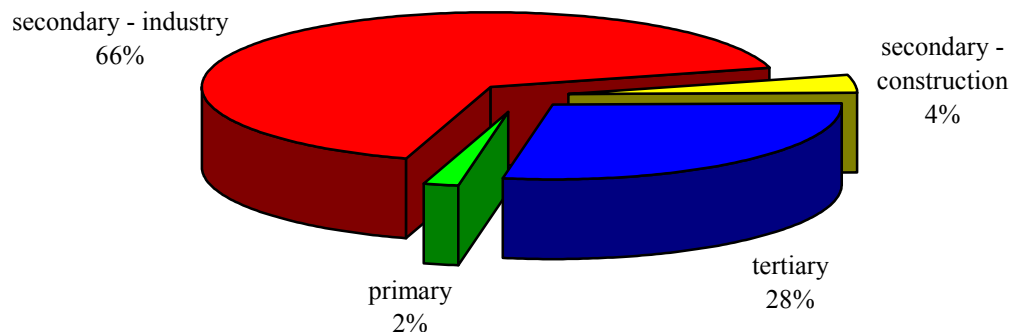
Graph III.1



The above graph shows that most of the respondents are in the category of small and medium-sized business. **Companies, that participated in the survey, employed (on December 31<sup>st</sup>, 1997) a total of 127 371 people as if December 31<sup>st</sup> 1997.**

Graph III.2

#### Structure of respondents by employment by sector



**Businesses participating in the Enterprise Survey represent a little less than 1/4 (22,7 per cent) of the total employment in the region.** It is a very high figure. Furthermore, the surveyed sample was substantially higher than the microcensus parameters carried out by the Czech Statistical Office<sup>12</sup>. We can say that **the field study was extensive enough to support generalisation from the trends and tendencies discovered**

#### Levels of educational attainment of the respondents' staff:

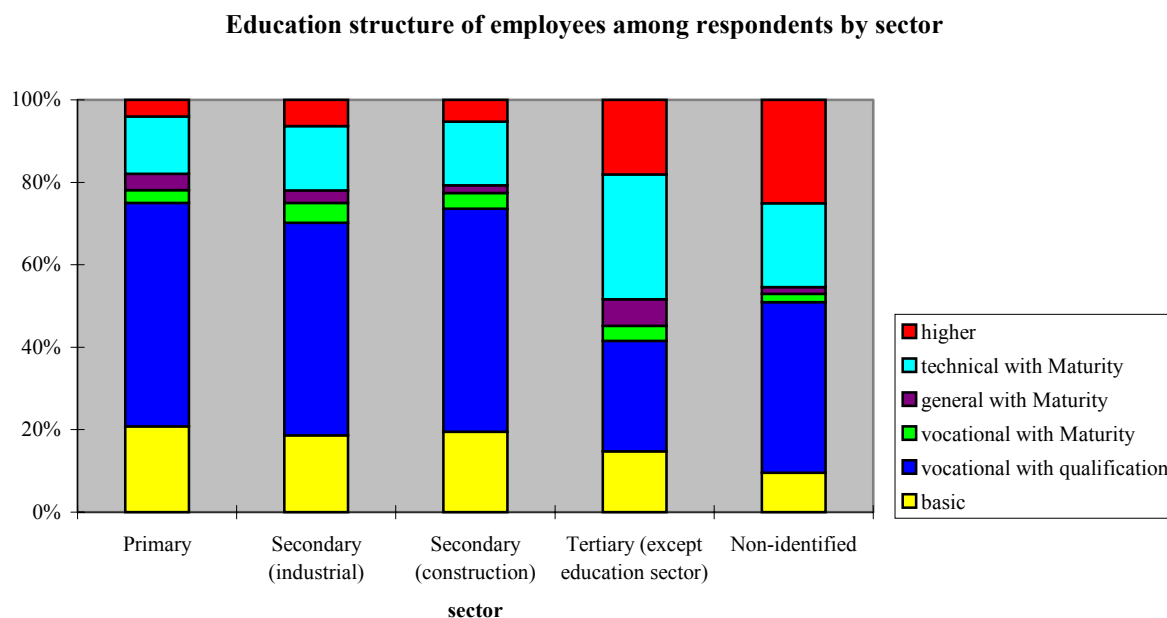
The most common degree reached by the labour force of the surveyed businesses was a secondary vocational school graduate with apprentice certificate (a total of 55 300 people, i.e. 45 per cent of the total staff of all respondents).

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<sup>12</sup> To compare: the labour force survey conducted quarterly by the Czech Statistical Office in the territory of the Czech Republic, included, in the 1Q. of 1998, 71 000 respondents in 27 000 households (0.8 per cent sample). The Trexima, spol. s r.o. sample used for quarterly average wage surveys contracted by the Ministry of Labour and Social Affairs was also substantially lower (in the 4Q of 1997 it included subjects employing about 14 per cent of the total employed Czech labour force).

The highest educational attainment was among employees in the tertiary sphere (university education -- 18 per cent, secondary technical with Maturita -- 30 per cent). In the secondary sphere (industry and construction), most employees had graduated from secondary vocational schools (52 per cent). In the primary sphere, most employees had also graduated from secondary vocational schools (54 per cent).

Graph III.3



Source: Enterprise Survey

### III.2 Changes expected in the sector structure of employed in the region

The above survey enabled us to identify expected changes in the structure of employment in the region till the year 2000. The prospective changes were determined using information from the employers concerning recruitment and downsizing.

Expected changes were identified for the following two time periods : up to the end of 1998, and 1999 - 2000. The results of the survey shows that the employment structure will change substantially in these three years. Till the year 2000, 13 700 employees of the respondents' organisations are scheduled to be laid off while 12 100 are scheduled to be recruited. **Changes should therefore affect 25 800 employees, i.e. roughly 20 per cent of the current employment base of the subjects surveyed.**

Changes resulting from the **decrease** in the number of employees will affect mainly the branches of the secondary sector; where over 90% of the lay-offs will occur and 84% of the recruitment (mostly **in the industry - by 1/3**). An outstanding decrease will be expected from now on in the primary sector of the economy (**agriculture and forestry**), where the number of lay-offs may be five times higher than the amount of those recruited.

If the whole sector of the regional processing **industry** manifests the trend, indicated by the enterprise survey, this will mean that in the period up to the end of year 2000 the number of employees in the industry will decrease by 10 thousand people.

**Construction companies'** managers believe that the **employment will increase** over the next few years. The number of planned recruitments is 700 higher than the number of planned lay-offs; if this projection is correct, it is anticipated that the construction branch as a whole will create approx. 5 thousand new jobs in the region.

Organisations in the **tertiary sector** also expect a **growth of employment**. The number of recruitments is expected to be double the expected numbers of lay-offs. If this trend continues, 6 thousand new jobs will most likely be created in the region in the tertiary sector by the end of year 2000.

### III.3 Changes expected in the educational attainment level of the employed in the region

If we **compare the educational structure of laid-off and recruited employees** in the period up to the end of the year 2000 (and compare it with the present state of the respondents), it is possible to come to the following conclusions:

- Employers will be laying off mostly **unqualified** (with basic education) employees. In the 3-year monitored period, about 3,7 thousand of them (17% of them) may be laid off, while about 1,4 thousand will be recruited. The resulting balance is outstandingly negative (minus 2,3 thousand). If employers do as they intend, each 9<sup>th</sup> - 10<sup>th</sup> employee with only basic education will lose his job. The total number of these workers will decrease by 11% and their share in the total employment will most likely fall from 18% to under 16%.
- The category of employees with **apprentice certificate** (without maturita) will undergo major changes in the qualification structure of employees in the region. While this group makes up 45% of the total amount of respondent labour forces, its share in the number of the laid-off (55%) and recruited (71%) employees will be considerably above-average. The resulting balance means there may be nearly +1,0 thousand people in this qualification category of the labour force that represents increase by 1,7%. Along with the drop in the total number of employees in the surveyed sample, this will increase the share of workers with apprentice certificate (but without maturita exam.) from 45% to 46%.
- The number of workers with **apprenticeship qualification with maturita** will emphatically decrease. The amount of the laid-off may be double the number of the recruited. The total number of these workers will decrease by about 11%.
- The group of employees with **gymnasium education** will be relatively stabilised. Although this group is numerically roughly similar to the one of graduates with apprentice certificate with maturita exam, its share in the number of the laid-off (2%) as well as of the recruited (1%) will be much lower. The balance (the recruited minus laid-off) is negative (-180 people), but not by a great deal. If the employers fulfil their plans, the number of employees with a gymnasium degree will drop by 3.5%.
- Probably, the most stable group on the regional labour market during the next three years will be the numerically strong group of people with **secondary technical education** with maturita exam. They make up 1/5 of the total number of the monitored group and constitute only 4% of the laid-off (and 5% of those recruited). Although the resulting balance (of the laid-off and the recruited) is slightly positive (80 people), it signifies that the total amount of the employees with secondary technical education with maturita exam is stagnating rather than increasing.
- Employees with **university education** represent over 10% of the respondents' employees; at the same time, they make up only 2% of the laid-off employees and 6% of those recruited. The number of the estimated recruits (710 employees) is more than double the estimated number of the laid-off (330 employees), so the resulting balance is highly positive (400 people). The number of these employees will increase by 3%.

Table III.1: Shifts in the structure of educational attainment level of employees

Level of Education	Structure of Labour Forces of Respondents						Balance*
	State by 31.12.1997		Laid off*		Recruited*		
	Number	%	Number	%	Number	%	Number
Basic	21 722	18	3 684	27	1 395	12	-2 289
Apprentice Certificate	55 271	45	7 580	55	8 510	71	930
Apprentice Certif. with maturita exam	5 393	4	1 224	9	651	5	- 573
Gymnasium	4 922	4	310	2	130	1	- 180
Sec. Technical. with maturita exam	24 447	20	597	4	683	5	80
University	12 793	10	331	2	710	6	379
Total	123 793	100	13 726	100	12 079	100	- 1 647

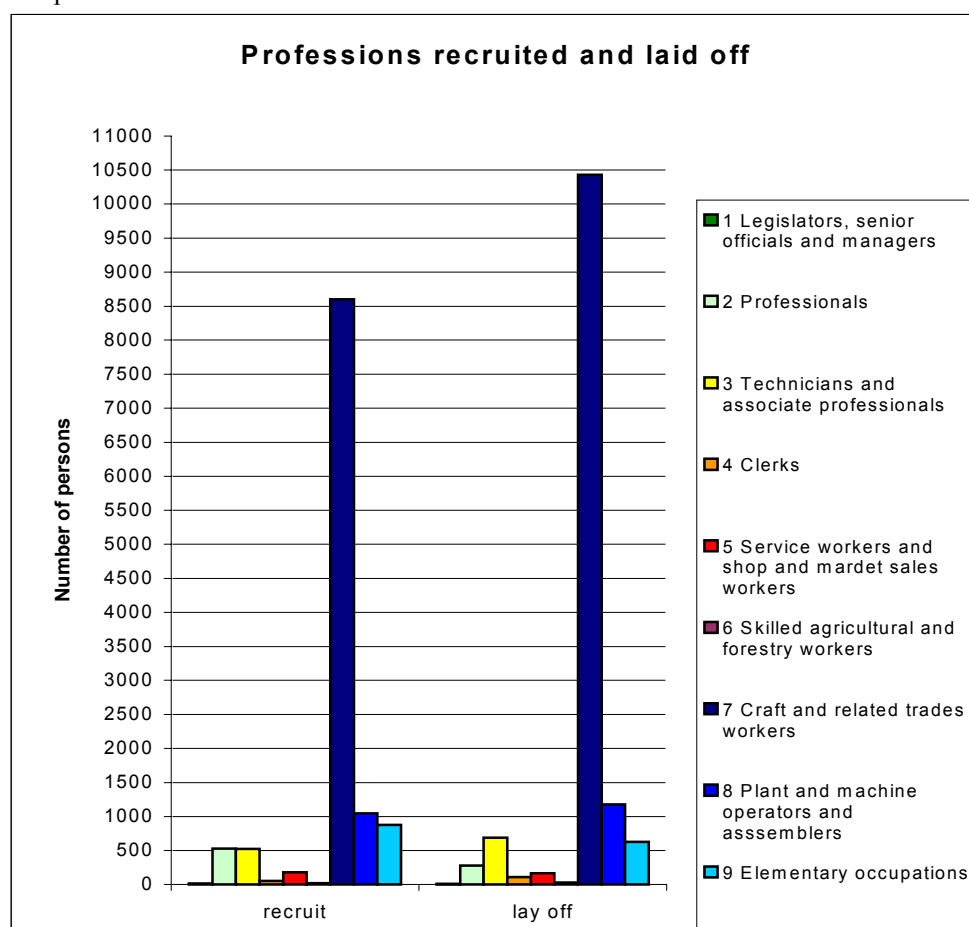
\* in the period of 1998 – 2000, Source: Enterprise Survey

In general, it can be said that during the monitored period 1998 -2000, as a result of the presumed changes, the total number of employees will decrease but that the educational structure in the year 2000 will improve. The number of employees with apprentice certificate without maturita and employees with university degrees will increase, while the number of non-qualified and also those with the apprentice certificate with maturita will decrease.

### III.4 Changes expected in the professional structure of the employed in the region

The specific jobs offered to the recruited and lost by those laid off have been specified in the survey using a method of classification in keeping with the existing international system of classification of occupations (ISCO). The survey shows that in most businesses management has a clear idea of the required professions and qualification structure of personnel.

Graph III.4



Source: Enterprise Survey

#### **ISCO 1 - Legislators, senior officials and managers (top management):**

There will be no substantial changes in the course of the projected period.

#### **ISCO 2 – Professionals:**

Although many businesses displayed interest in university educated recruits, there is relatively low demand for this class (scientists and humanities). It is to be expected that university graduates will be recruited for other professions. **There will be high demand for class 21 (technical engineers, scientists, and specialists)** which will represent 60 per cent of the recruited but only 2 per cent of the laid off. **In highest demand will be mechanical engineers, construction engineers, mining engineers, and programmers.** There are plans to recruit 163 specialised teachers while 233 teachers are to be laid off. Lawyers remain in high demand (29). There is diminishing demand for university-educated economists, and the number of physicians to be laid off is higher than planned recruitment.

### **ISCO 3 - Technicians and associate professionals:**

There is low demand for this class of staff - technicians, medical personnel, and teachers (mostly secondary school graduates). At least 700 are planned to be laid off (5 per cent of the total number) while only 530 are scheduled to be employed.

Employers concentrate their demand in the two following classes: class 31 -- **technicians (physics, technical disciplines)** and class 34 -- technical assistants. The positions of these two leading classes in the labour market differ substantially: while there may be up to 180 technicians recruited, lay-offs will be around 20. As far as the support staff is concerned, recruitment is planned of around 240 while lay-offs are planned at 469 (over twice more). **The highest demand will be for construction and machinery technicians.** Class 34 displays high demand for **sales brokers and sales representatives**. In administration, planned lay-offs are several times higher than planned recruitments.

### **ISCO 4 – Low administrative staff, clerks:**

**There is a minimum demand for this class of staff.** The number of lay offs is low (109) but it is twice more than the number of planned recruitment (54).

Survey displays very low demand in professions class 41 - **lower administrative staff**. These professions will face massive lay offs. In class 42 -- clerks in services and retail (cashiers, receptionist, information clerk, etc.) demand will be slightly higher than supply (very few recruits).

### **ISCO 5 - Service workers and shop and market sales workers:**

**This staff shows relative demand:** 170 planned to be employed and 179 to be laid off. There will be relatively high demand in class 51 professions - **support personnel, caretakers**. Class 52 (shop assistants, sales promoters) is in surprisingly low demand which is most probably due to the low representation of retail in the surveyed sample.

Agriculture is of low importance for the surveyed region with regard to both production and employment and therefore **the workforce in agriculture will not be represented significantly in the regional labour market.**

### **ISCO 6 – Skilled agricultural and forestry workers:**

There are minimum changes and differences are close to zero.

### **ISCO 7 – Craft and related trades workers:**

**Most changes in the region will be concentrated in this class -- craftsmen, qualified workers, repair-workers and people in manufacturing** (estimated recruitment 8 600 people -- almost 73 per cent, estimated lay offs 10 429 people -- 77 per cent).

Due to the economic character of the region, the most significant labour movements were identified in class 71 -- qualified miners and construction workers. There are 6 141 people planned to be recruited while 9 603 are planned to be laid off (the highest represented subclass in class 71 are miners -- 711). There is **high interest** in class 712 (qualified **construction workers -- bricklayers, masons, carpenters, and scaffolding builders**). In high demand but also under high threat of lay off are professions in class 713 (qualified end-stage workers). **Roofers and plumbers remain in high demand.** As far as construction and indoor electricians are concerned, the number of planned lay offs (200) is much higher than planned recruitment.

Class 72 -- qualified metal workers and machinery workers -- expected recruitments (1 917 workers) are much higher than lay offs (613 workers). **There will be high demand for blacksmiths, toolmen, and locksmiths** (817 people), **form-makers, welders, and assembly workers** (418). Jobs will be easy to find for **mechanics and machinery and equipment repairmen** (339) and for **mechanics, precision mechanics, and repairmen of electric and electronic equipment** (343).

### **ISCO 8 – Plant and machine operators and assemblers:**

There will be a significant changes in the category too (1 200 people to be recruited and 1 000 people to be laid off).

The demand for professions of all three ISCO 8 classes is well distributed although their positions in the labour market differ substantially -- in class 81 (**industrial equipment operators**) planned recruitment is at about 350 while **lay offs will be at least three times higher**. In group 811 (mining equipment staff) there is demand for 48 people while 174 people are to leave; in group 812 (metal processing equipment staff) 245 people are planned to be recruited while 626 are to be laid off; in group 815 (chemical factory staff), the number of planned lay offs (162) is substantially higher than recruitment (30).

In the coming three years, employers **expect low supply** of class 82 professions - **stationary equipment operators, assembly line workers**. The surveyed businesses plan to recruit 373 people of the above qualification while only 9 are to leave. **In the highest demand is** profession 8211 – **automatic (semiautomatic) machinery operators** (119 to be recruited, 0 to leave) and class 823 - **rubber and plastic products line operators** (80 to be recruited, 0 to leave). In group 826 -- **textile machinery operators** -- there are 70 people planned to be recruited and seven times fewer to be laid off. In group 827 -- **food processing equipment operators** -- there are 55 people planned to be recruited, and in group 828 -- assembly staff -- 26 people planned to be recruited (while nobody is scheduled to be laid off).

**In high demand will be** class 83 professions **drivers and mobile equipment operators** (323 to be recruited, 155 to leave). There are 211 drivers (class 832) planned to be recruited while 100 may leave.

### **ISCO 9 – Elementary occupations:**

The demand for elementary occupations will be stable<sup>13</sup>. The demand (874 workers) should be higher than lay offs (627 workers). **Unskilled workers** will find jobs in group 98 (**unskilled industry, construction and road workers**) where employers will offer about 70 per cent of new jobs in ISCO 9 (while 50 per cent will be laid off). Class 91 -- **unskilled retail and service personnel** represents about 29 per cent of new jobs in ISCO 9 (while 32 per cent will be laid off). In class 92 -- unskilled force in forestry and agriculture -- there are almost no new jobs created while relatively many people are to leave jobs (20 per cent share of lay offs in ISCO 9).

### **Professions where there are recruitment difficulties**

The field research also surveyed employers' views on professions that are in low supply in the labour market of the given region.

Among the professions in low supply we find categories at all levels of education (university -- economist, construction engineer, teacher-especially elementary school language teacher, mechanical engineer, lawyer, and programmer). Very low in supply are **professions in electrical engineering and mechanical engineering**.

Almost nobody complained about shortage of supply of professions in the ISCO 4th class - lower administrative staff.

As far as skilled labour in services is concerned (ISCO 5), the professions most in demand are cooks and waiters, and ISCO 7 shows low supply in mechanical engineering and construction - professions such as mechanic, locksmith, bricklayers, carpenters, and electromechanics. As far as ISCO 8 is concerned, the machinery professions are especially low in supply. ISCO 9 (unskilled workers) show no supply shortages in almost any area.

## **III.5 Changes in the educational branch structure of the employed**

It is quite difficult to identify the connections between the jobs people have and their educational level, especially because there is a lack of explicit correlation between the occupation and education classifications. Employers use ISCO (the occupation classification), to express the requirements for labour force and its qualification. To classify requirements for the level and character of education one needs to employ the secondary technical and secondary vocational branches classification which is used mainly by schools and rarely by the potential employers.

To find connections, a special analysis had to be done. ISCO codes were paired with the corresponding codes of vocational or technical branches, on the basis of analysis of the job profile and the character of the organisation in which the job was created.

The statistical analysis of the results of the survey concerning the requirements of the employers for the qualification of the labour force (using both ISCO classification and technical and vocational education branches classification) was given high importance. For the key findings of the analysis, see Table III.2.

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<sup>13</sup> The findings for ISCO 9 must be taken with high caution. These findings sometimes do not correspond to the previous findings where no demand for unskilled labour force with basic education was identified. This inaccuracy might be explained by not sufficiently elaborated methods of translation of levels of education and occupations in different classification systems.

Table III.2: Requirements of the employers for the qualification of the labour force in 1998 - 2000

Branch group code	Educational Branches	New recruitments	Lay offs	Diference
1100	Physics and maths	54	1	53
1200	Geology	3	0	3
1400	Chemistry	8	0	8
2100	Mining and mining geology	5 430	8 699	-3 269
2200	Mining	265	961	-696
2300	Machinery, metal processing	205	17	188
2400	Machinery, metal processing	1 817	629	1 188
2600	Electro-engineering	420	263	157
2800	Technical chemistry - others	46	7	39
2900	Food processing	54	0	54
3100	Textile and fashion	467	228	239
3200	Leather, plastics and wood processing	2	0	2
3300	Woodworks, production of musical instruments	76	19	57
3400	Polygraphy	18	0	18
3500	Architecture	1	0	1
3600	Construction and cartography	658	59	599
3700	Transportation, telecommunications and postal services	92	0	92
4200	Agriculture and forestry	2	7	-5
4300	Veterinarians	0	6	-6
4500	Agriculture and forestry	18	44	-26
5100	Medicine	8	10	-2
5200	Pharmaceutical sciences	3	1	2
5300	Medicine	53	104	-51
5500	Medicine (secondary schools)	8	0	8
6200	Economy	30	21	9
6300	Economy, management, retail and services	145	521	-376
6400	Economy, management, retail and services (secondary schools)	110	133	-23
6800	Law	31	19	12
7100	History	1	0	1
7200	Publishing, librarianship, information	4	5	-1
7500	Pedagogy	6	1	5
7600	Teaching	137	236	-99
7700	Psychology	3	0	3
7900	Gymnasium	2	0	2
8100	Art sciences	2	0	
8200	Applied arts	10	1	
	Unclassified	1 655	1 521	

Source: Enterprise Survey

**The most substantial movements** (5 430 to be recruited, 8 699 to leave jobs) are expected in the class 2 100 of the academic and vocational courses classification (**mining and mining geology**). This does not mean that at one point there will be 3 300 miners in the labour market as job seekers. Many of these people were never formally trained in this profession, many will not continue working at all (mostly for medical reasons), and some will be ready for retirement (preliminary retirement, disabilities, pensioners). Employers seeking trained miners expect that the demand will be higher than supply and therefore express the intention to hire both unskilled people or workers of other qualifications as well.

In the future, there will be **high demand** for class 2 400 of the technical and vocational courses classification (**machinery, metal processing** -- total of 1 817) and for class 3 600 of the technical and vocational courses classification (**construction and cartography**). Also in demand will be specialisations in class 2 600 of the technical and vocational courses classification (**electrician**) and graduates of class 3 100 (**textile and fashion industry** -- expected recruitment 467 people).

Most people to be **laid off** work, next to the above-mentioned miners and mining geologists, are in **metallurgy** (961 to be laid off) and machinery industry and metal processing plants (code 2 400, 629 to be laid off). People educated in class 6 300 of the technical and vocational courses classification (**economy, management, retail and services**) will



face 512 lay offs while there will only be 145 new jobs created. Class 7 600 -- **teachers** -- are in a similar situation: expected recruitment 137 people, 236 expected to leave.

The analysis of recruitment and lay offs classified in line with the technical and vocational courses classification and broken down by individual districts of the surveyed region revealed certain **geographic disproportions**: Among the most striking disproportions we find the following:

- In Bruntal (up to 2000) there will be low supply of professions related to the following disciplines -- precision mechanic, machinery blacksmith, seamstress, and bricklayer. Supply will exceed demand especially in the case of teachers. .
- In Frydek-Mistek there is a probability of low supply of the following disciplines -- precision mechanic, electrician, seamstress, bricklayer, and shop assistant. Supply will exceed demand in the following disciplines: smelter, locksmith, mechanic - metallurgy equipment repairmen, electrician, and graduates of secondary economic schools (business academies).
- In Karvina there will be high demand for qualified seamstresses and pipe assembly workers. Supply will exceed demand in the following disciplines: smelter, locksmith, and nurse.
- In Novy Jicin there will be high demand for graduates of technical vocational schools such as locksmith, toolman, and machinery blacksmith, and for electromechanics, rubber-plastics production workers, and bricklayers. Supply will exceed demand in the case of graduates of secondary economic schools (*business academies*).
- In Opava there will be high demand for qualified locksmiths, machine tool operators, machinery blacksmiths, metal processing workers, seamstresses, carpenters, and bricklayers. Agriculture machinery repairmen and teachers will probably be in higher supply than demand..
- In Ostrava there will be higher supply than demand among miners and smelters. In high demand will be graduates of engineering, computer-literate graduates of machine engineering, precision mechanics, locksmiths, machinery blacksmiths, assembly workers, repairmen, electricians, and mining electricians. There will be high demand for electronic equipment mechanics, carpenters, bricklayers, roofers, plumbers, and lawyers. There will be a surplus of business academy graduates and teachers.

**For the region as a whole**, the qualified workers in mining and metallurgy essentially shape the labour market. The demand for these educational branches is much higher than for any other specialisations. Both the demand and the lay offs are very much connected with the unilateral focus of the economy in the region and may therefore be a subject to substantial ups and downs. It is also very hard to estimate future demand in these educational branches because the potential structural changes do not depend on the economic results of the region only. It seems that other factors, such as political negotiations and political will, have much more weight. As far as other educational branches are concerned, changes in the demand are very much dependent on standard mechanisms such as economic results of individual businesses.

**The need for qualified workers expressed by many employers in industry and construction business** should remain stable even if one or two subjects show worse than expected economic results. Since many businesses feel a constant need for this class, the **stability of these professions** is **substantial**.

### III.6 Redundancy and recruitment according to size categories of employers

The recruitment and redundancy level depends on employers' size (defined by the number of employees). It appears likely that the **micro companies**, with less than 25 employees, will experience a highly progressive development. These companies' workforces make up only 0.9% of the total number of the monitored companies' employees. While their share in the number of planned lay-offs is much lower (0.4%), their share in planned recruitments is comparatively very high (1.8%). We can state that the share of the smallest companies (under 25 employees) in planned recruitments is nearly double their share of the total numbers of employees in the survey, while their share of projected lay-offs is roughly twice lower (0.4%). Although this situation is not dramatic in terms of absolute numbers (the resulting balance is 160 employees), it is important as a trend.

The largest anticipated growth in employment in micro-businesses (in terms of recruitment/lay-off balance) will occur in the professions of qualified metal and machinery workers (i.e. in category 72 ISCO), followed at some distance by the group of technical scientists and engineers (i.e. category 21 ISCO), and of professions of other qualified producers and manufacturing workers (ISCO 74). Even though in terms of individual categories, the number of employees decreases, the drop will be very slight. In the JKOV classification (standard classification of educational branches) these small companies will have an interest primarily in graduates of the group of vocational branches 2400 (machinery and metal-

working) and 2600 (electricians). A lesser interest has been noted in such branches as 2900 (grocery) and 1100 (physics and mathematics).

Table III.3 : Outlook of the recruited and laid-off employees according to the employers' size category.

Size of an enterprise	Share in Employment		Share in the Laid-off		Share in the Recruited		Balance
	Number of persons	%	Number of persons	%	Number of persons	%	
up to 25 employees	1 105	0.9	53	0.4	213	1.8	160
25 – 99 employees	14 061	11.3	678	4.9	1 271	10.5	593
100 and more	108 627	87.8	12 995	94.7	10 595	87.7	- 2 400
<b>Total</b>	<b>123 793</b>	<b>100.0</b>	<b>13 726</b>	<b>100.0</b>	<b>12 079</b>	<b>100.0</b>	<b>- 1 647</b>

Source: Enterprise Survey

**Small and medium-sized companies** with 25 to 99 employees make up 11,3% of the total employed in the number of respondents. While the percentage of the recruited employees (11.9%) is adequate to this amount, the quota of those laid-off is very low (4.9%). The total amount of employees of the companies belonging to this size category will increase by almost 600 by the end of year 2000. This group of companies will most likely enjoy stability and development.

In case of this size group SMEs, we have noted the highest interest in employees of category 74 ISCO (other qualified workers and producers), then in category 71 ISCO (qualified workers involved in raw materials' extraction, construction workers and workers in related branches), and in category 72 ISCO (qualified metal and machinery workers). There will be also a demand in the employees of category 21 ISCO (technical scientists and engineers), and category 93 ISCO (assisting and non-qualified workers in mines, quarries, industry, construction and transportation). An extended dismissal is being expected in category 23 ISCO (qualified pedagogic employees).

**Large companies** with 100 and more employees make up 87% of the total number of the employed. They have the same quota of the estimated number of those recruited. But at the same time, an outstanding dismissal of employees has been noted in these large companies and by the end of the monitoring period, the total number of their employees will decrease by 2,4 thousand people (these companies make up nearly 95% of the expected number of those laid-off).

### III.7 Improving qualification of personnel

The survey revealed several positive facts concerning human resource development in enterprises, in particular:

- On a regular basis or in keeping with re-qualification timetables (and instructed by a specialised firm), training to improve qualification and re-qualification courses are offered by about 66 per cent of the surveyed organisations, especially industrial and construction companies, but also by subjects in the tertiary sphere.
- On a random basis, training to improve qualification and re-qualification courses are offered by about 15 per cent of the surveyed organisations (more often in the tertiary sphere).
- Only 10 per cent of the surveyed organisations displayed no focused effort to provide training to improve qualification and re-qualification courses for its employees. These companies are, in case of the employees interest, ready to provide support. Only 7 per cent of the surveyed businesses displayed no interest at all.

#### Trained personnel

- Management is most often trained in the tertiary sphere, less in industry, and rarely in construction business and agriculture. Inter-district comparison displays relatively substantial differences -- management is regularly trained in 33 per cent of Karviná businesses, 26 per cent in Frýdek-Místek, 24 per cent in Bruntál, 21 per cent in Nový Jičín, and only 17 per cent in Opava and Ostrava.

- University and secondary school educated personnel is trained by about 38 per cent of surveyed businesses, most of them in the tertiary sphere, industry and construction in Karviná. Ostrava displays the lowest interest in training university and secondary school educated personnel.

c) Training to improve or change qualification of workforce is most often provided by industrial organisations (approx. every fifth one) and construction companies (approx. every third one). Inter-district comparison displays that businesses in Karviná train the most, Nový Jičín and Ostrava the least.

d) Over one fourth (28 per cent) of the surveyed businesses are actively concerned with their staff qualification (regardless of the professions). Industrial firms, construction companies and the tertiary sphere are most often involved in staff training.

Inter-district comparison displays no significant differences.

### **Finance spent for staff re-qualification, on the job training, or professional growth**

This question was answered by 480 of the 481 businesses surveyed in the empirical research. The average amounts disbursed for training and re-qualification by the surveyed subjects reached 1.16 per cent of the total pay-roll. In the primary sphere it was 0.99 per cent, in industry it was 0.92 per cent, and in construction 0.89 per cent. In the tertiary sphere -- except for schools -- it was 1.59 per cent, schools 0.58 per cent.

Inter-district comparison displays significant differences. Ostrava paid 0.63 per cent of the total pay-roll, in Opava it was 0.71 per cent, in Karviná it was 0.78 percent, in Bruntál it was 0.93 percent, in Nový Jičín it was 1.38 percent, and in Frýdek-Místek it was 2.83 percent.

## **III.8 Employers demand for school leavers**

The survey focused on **employers' demand for fresh graduates**. The results are the following:

- Fresh graduates are in demand in 44 per cent of the surveyed businesses according to their recruitment plans. 15 per cent of the surveyed employers would hire a graduate only if financially subsidised by the Labour Office while 41 per cent would not consider hiring a graduate at all.
- Even though many of the surveyed employers would not hire a graduate, they often value graduates' qualifications highly. Only 6 percent of the surveyed employers think that the graduates are not well prepared to work in practice. 12 percent of the surveyed employers think that graduates find it difficult to take a responsibility and 12 per cent also think that on the job training of graduates takes too long. 7 percent of the surveyed employers think that graduates want too much money and only 4 percent think that graduates lack either general knowledge or some core skills (languages, drivers license, computer literacy, etc.).
- When considering hiring a graduate, 32 percent of the surveyed employers co-operate with schools, 18 percent intend to start doing so and 50 percent do not consider any co-operation with schools necessary.

The requirements and opinions of employers on graduates were examined as a part of another survey<sup>14</sup>, which covered the whole country, i.e. including the Ostrava region, too. The objective of the survey was to find out, **what qualities and skills employers consider important**, and which of these skills are difficult to find. The range of assessed qualities and skills consisted of 25 different aspects, from vocational skills, communication skills, having initiative, language and computer skills, to being loyal to the enterprise. Based on the survey results, we can deduce common features, and possible differences in views of employers in the monitored region and "the rest" of the country.

We can state that surprisingly, what enterprises across the country value most is "commitment to quality", rather than "being highly skilled". This quality clearly exceeds in importance all the other assessed qualities and skills on the list. "Being highly skilled" was ranked only second by the employers.

Further, it is obvious that employers focus in particular on employee performance as well as conditions for achievement the required performance; "being cost conscious" and "having a focus on service to clients" were mentioned as the next most important qualities. Employers require their employees not to waste the enterprise's resources, and any manifestations of economic disloyalty are accepted with less understanding than for example occasional lack of vocational skills.

The requirements of employers in the Ostrava region are generally similar to those of employers in other regions of the country. Differences appear rather in the emphasis placed on certain qualities and skills:

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<sup>14</sup> Employers views and needs, AMD,Prague, 1998

Employers in the Ostrava region tend to prefer work-oriented skills - commitment to quality, cost consciousness, and focus on service to clients, as well as attention to occupational safety. At the same time, they place higher emphasis to having initiative and being willing to learn. On the other hand, computer and language skills are required to a lesser extent, and communication skills are not strongly emphasised either.

### III.9 Comparison education supply of secondary schools and demand in the region

One of the basic objectives of the survey was to determine the relationship between the requirements for selected professions and the structure of education opportunities in the region in order to arrive at certain conclusions to be used by the school system as well as to help clarify job opportunities for future school graduates.

The structure of qualifications and disciplines of secondary technical and vocational school graduates that has been identified as a result of the regional analysis may be compared to the structure of qualification needs of the surveyed employers in the region. We compared the following:

#### a) structure of level of education attainment

It is clear that the structure of the graduates' education can never fully correspond to the employers' needs. The school system should, however, monitor and evaluate the development of needs in the local economy and reflect these in e.g. adaptability of the school system. Moreover the results of such monitoring and evaluation must be broadly publicised to enable future students to make a right choice.

Due to the character and more or less one-sided orientation of the economy in the surveyed region and also due to the intensive and not very co-ordinated development of secondary education in the 1990's, the study reveals a substantial disproportion between the needs of employers projected for 1998 to 2000 and the real education structure of the future graduates:

- In the education structure of newly recruited personnel, the predominant group is that of graduates of secondary vocational schools (over 85 per cent), but only one third of fresh graduates in 1998 to 2000 will graduate from secondary vocational schools.
- Due to the fact that many new secondary technical schools have been opened in the region and the numbers of graduates will increase, technical school graduates will represent 43.4 per cent of all graduates while employers express a need for only 7 per cent. Although part of these graduates will go to the higher education, the university system capacity would not be able to absorb most of them.
- There is even lower interest in secondary vocational school with maturita exam graduates. There is, however, very little difference between the employers demand and the supply.
- The lowest interest is displayed in gymnasium graduates. The difference between supply and demand is, however, irrelevant because most gymnasium graduates continue at universities.

The following table shows a framework comparison of demands for the education structure of the newly recruited staff (as determined by the survey) and the educational structure of future graduates in 1998 to 2000.

Table III.4: Comparison of demands for the education structure of the newly recruited staff and the education structure of future graduates be in the period 1998 - 2000.

	Expected recruitments	Expected graduates
<b>Vocational</b>	85,3	33,4
<b>Vocational with maturita exam</b>	6,5	6,3
<b>Gymnasium</b>	1,3	16,9
<b>Technical with maturita</b>	6,8	43,4
<b>Total</b>	100,0	100,0

Source: Enterprise Survey GaREP Brno 1988, database ÚIV Praha 1998, calculations GaREP.

#### b) structure of educational branches

The one-sided orientation of economy in the region significantly influences the employers' demand for the structure of branches offered by the newly recruited personnel. On the other hand, secondary technical and vocational schools tend

to accept more students in branches where is very little demand (economy, trade, organisation and management, services, etc.).

The following table shows the relation between the qualification requirements of the employers and the structure of education offered in the region. This comparison is very approximate since the specific character of both figures does not allow their perfect comparison. The table points at some substantial and existing disproportion between the future qualification needs of the regional labour market and the trends in educational structure in the given region.

Table III.5: Comparison of branch structure of the planned new recruits in the surveyed businesses and the structure of graduates within the period of 1998 – 2000

Group of branches	Recruitment (%)	Graduates
Mining	53,8	0,2
Metallurgy	2,6	0,,2
Machinery engineering	20,0	15,2
Electrical engineering	4,2	10,8
Chemistry	0,5	0,4
Food processing	0,5	1,8
Textile and fashion	4,6	3,7
Leather processing, shoemaking	0	0,1
Wood processing	0,8	3,5
Construction, cartography	6,5	7,6
Transportation, telecommunications, postal services	0,9	1,6
Agriculture and forestry	0,2	5,0
Medicine	0,6	3,3
Economy, retail and services, and management	2,8	44,2
Law	0,3	0,5
Publishing and librarianship	0,0	0,2
Pedagogy	0,0	0,1
Teaching	1,4	0,4
Arts, applied arts	0,1	1,3

Source: Enterprise Survey

The evaluation of the employers' needs in comparison with the structure of education of the future graduates reveals the following:

- **There is a significant imbalance in the economic disciplines.** Businesses are ready to recruit up to 300 people (2.8 per cent of the total) while in 1998 to 2000 there will be over 15 000 graduates from economic branches (44 per cent of all graduates). Moreover, the trend in economic professions is towards rationalisation, time and labour savings and overall decrease in jobs.
- There is also **oversupply of graduates of agriculture, medical, transportation, postal services and telecommunications**, and food processing disciplines. The supply is higher than the demand.
- On the contrary, there is a **shortage in the field of machinery** where new jobs are expected to be created. Even though the number of graduates of machinery study branches is gradually increasing, the demand from enterprises is not sufficiently covered.
- Due to the orientation of the largest businesses in the region (OKD), there is a relatively high demand for graduates of mining schools. On the one hand, the mining industry is the sector in the region which is shedding the largest number of jobs, and there is a big difference between the number of the recruited and the laid off (-3 300 people). On the other hand, it is not to be expected that all these people will return to the labour market as job seekers (many lay offs will be due to the medical condition, retirement, or lack of formal training) and they will be replaced by the young workers. **The school system does not reflect this fact and mining as a discipline is very rarely offered (0.2 per cent of schools, 80 graduates).**
- There is a relatively high demand for **construction professions**, and the study shows this to be reflected in the education system since the **number of graduates from construction-related disciplines tends to grow.**

Since the analyses of education offered in the region covered the entire structure of both technical and vocational education, the findings may be taken seriously and should be used to influence the future shape of the school system and enable it to fit labour market requirements better.

The comparison of figures relating to both the labour market and education was conducted in the wider context of general knowledge of the situation in the region as such, as well as profound knowledge of the labour market. This fact should demonstrate that the findings made and trends identified should be taken seriously and can contribute to the process of outlining needs and finding ways to solve future problems.

### **III.10 Conclusion**

The industrial region of Ostrava, a centre of mining, metallurgical and heavy industries, will soon undergo significant restructuring. Although it is difficult to accurately quantify the changes and predict their timing, the enterprise survey at least sketched their direction and the impact they will have on labour demand in the upcoming period (until 2000). Employer poll revealed that companies intended to reduce the number, and significantly change the skills, background and age structure, of their workforce.

Companies will mainly look for higher-educated technologists and engineers, graduates of secondary technical schools (mainly in construction and mechanical engineering), skilled workers in machinery fields (locksmiths, blacksmiths, toolmakers, mouldmakers, welders, assemblers, mechanics for maintenance and fitting), skilled construction workers (bricklayers, carpenters, concrete placers), textile workers and machinery operators. Office staff, college-educated teachers, healthcare professionals, agrotechnicians, skilled metal miners and processors, hands and unskilled blue-collar workers, will have a hard time finding jobs.

Top-notch experts, managers and specialists are one of the few groups that are expected to expand. The demand is quite high already, the market has not been saturated, and is expected to grow even further, particularly for mechanical engineering, construction and mining engineers, computer experts and lawyers.

Although two additional universities have recently been established in the region, which means there are three institutions providing university education in technology and humanities, the intellectual base of the region grows quite tardily. Local workforce is less educated than the national average. The percentage of university and college graduates is particularly low (see Chapter I). Various regional analyses<sup>15</sup> warn that university and college graduates tend to leave the region, while it is difficult to attract top-notch experts from other parts of the country. Furthermore, interest in technical studies slacks and faculties of technical sciences cannot fill their capacity (see Chapter IV.4). At the same time, university-graduated specialists will clearly be key to the ability of foundries and machinery enterprises -- that are still awaiting restructuring -- to compete and develop. Company-university partnerships, that could certainly encourage interest in technical studies and offer a selection of candidates for companies to hire from, are exceptional and limited to largest companies in the region<sup>16</sup>. It will be important to encourage companies to link up with universities and tap into their scientific resources for Research and Development activities.

There's another structural discrepancy in the region that could affect the ability to meet companies' demand for university and college graduates. The proportion of secondary school students taken up by gymnasium, that is secondary general education geared to preparing students for university, is lower than the national average (see Chapter II.1). Mere increase in the number of gymnasium students in the region will not solve the problem unless more gymnasium graduates are attracted to pursue technical studies in university.

The anticipated restructuring of workforce in companies will affect mostly skilled manual workers and craftspeople, whose numbers are planned to decline. Significant changes in this group logically follow from expected technological upgrades and gradual endeavours of the large companies to become leaner. Technical skilled workers will be in demand, which is true of the whole country, but the concentration of industry makes their shortage more obvious in the Ostrava region. The disparity prevails, although a turning point has already occurred in the choice of field among secondary schools students, and the interest in technical branches grows. Numbers of students studying technical branches cannot meet the needs of companies, while numbers of students in agricultural and business fields outstrip, by far, the demand. It is, therefore, important for employers and labour market institutions to be involved in making the

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<sup>15</sup> The Regional Operational Program - a consultation document for the region of Ostrava. Draft. 1999

<sup>16</sup> ZDB Bohumin, for instance, have set up a partnership with all types of schools (universities, secondary schools, their own apprentice school). The company commissions theses, offers internships, hires graduates and sets up special in-training schemes for newly hired graduates. Vitkovice Steel Works have shown a similar approach.

decisions about the structure of schools in the region within the ongoing school network optimisation<sup>17</sup>. Enterprise Survey has shown that companies, particularly small ones, are not very excited about influencing, in conjunction with schools, the structure and content of education their prospective employees receive. However, ties with companies are vital for companies, and should be encouraged by tax incentives as well as regional Phare or other programmes.

Employment will stream over to small companies which, although currently fewer and farther in between than elsewhere in the country, are expected to multiply. For the most part, these small companies are tied with main producers in core industries of the region, and the survey indicates that they mainly need additional skilled workers in metallurgy, mechanical engineering, construction and electrical fields.

The extensiveness of the above-mentioned changes that will skilled manual workers implies growing demands on their flexibility, ability to adjust to new professional growth scenarios, to new organisation of work, etc. Schools should, therefore, provide their students with a wider base of professional knowledge and, most of all, skills that are transferable and facilitate movement between related fields and various types of employers, etc..

#### Regional Development Strategy - Ostrava Region

Like in other regions, documents pertaining to the development of the region of Ostrava were drafted early in 1999 under the leadership of the Regional Steering and Monitoring Committee, representing main partners in the region (regional administration, job centres, chambers of commerce and industry, universities and other entities). The document entitled Regional Development Strategy – Ostrava Region analyses current condition and charts further development. The document entitled Consultation Paper proposes priorities within the specified areas of further development.

Human Resources Development and Training have the following priorities:

■ **Developing Education**

Including: developing secondary vocational schools, apprentice schools and labour market-oriented retraining; developing universities and colleges in the region and enhancing their involvement in the community; using education providers as versatile centres of education and culture.

■ **Linking Education and Employment**

Including: evaluating labour market developments and trends; creating, co-ordinating and evaluating educational activities in relation to employment, and upgrading the information system; active promotion of education in fields and for professions needed on the labour market.

■ **Solving Long-Term Unemployment**

Including: systematic use of all active employment tools in zones with the highest unemployment; motivation, resocialisation and retraining of long-term unemployed; supporting short-term placements of hard-to-employ job seekers with the objective to improve or refresh work habits; supporting integration of groups that are in danger of being marginalised, improving their access to information, counselling services, education and jobs.

Changes that were proposed based on the enterprise survey conform to priorities listed in the currently drafted Regional Development Strategy – Ostrava Region (see box). The abundance of data used in the survey, and the trend analysis, have painted a stratified picture of skills' needs on the labour market and ways of meeting those needs in various fields as well as parts of the region. Furthermore, they make it possible to translate regional priorities into specific measures.

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<sup>17</sup> The Shool Network Optimisation is an process developed by the Ministry of Education in co-operation with social partners in the region to correct some of the pernicious effects of VET schools proliferation and to keep their efficiency.

## IV. INSTITUTIONAL PREPAREDNESS ASSESSMENT FOR ESF APPLICABILITY IN OSTRAVA REGION

### IV.1 Limits and assumptions of assessment

- 1.1 Since the general regulations for the Structural Funds intervention after the Czech Republic adhesion to European Union are not clearly defined at present, it is assumed that these Funds will contribute to regional development in the Czech Republic and the Ostrava region through the current state of the proposals for such regulations.
- 1.2 Since the definitive conditions of the European Social Fund (ESF) applicability have not yet been precisely established, this report takes into account the Commission general regulations concerning the Fund, as they are known in their current proposals, which means that ESF will provide its support through Objectives 1 Community support framework and Operational programmes.
- 1.3 Assuming that Objective 1 programmes will be managed partly from central institutions and partly at the regional level, the report considers institutional preparedness in the region for ESF applicability from the point of view of a national programme as well as of a regional programme.
- 1.4 For the period before the Czech Republic's entry into the European Union, it is assumed that the European support to the Czech Republic will be funded by PHARE under objectives and procedures close to the general regulations of the Structural Funds intervention.
- 1.5 The assessment was carried out on the basis of limited number of interviews at selected institutions, with the selection made from institutions of education, labour market and some institutions of regional administration. As time was limited, it was mostly public sector organisations that were chosen, with the assumption of general higher flexibility and, therefore, better preparedness on the side of the private sector. (for more details see Annex to Chapter IV).

### IV.2 General information on ESF intervention in the Czech Republic and the Ostrava region

#### IV.2.1 Employment, human resources and solidarity: key concerns of the Structural Funds reform

##### Rationale of the proposed reform

In its proposed reform of the European Structural Funds<sup>18</sup>, the European Commission focuses on the increasing disparities *'in virtually all the Member States'*, the growing range of regional variations in the unemployment rate within the Member States, the vulnerability of the weakest social groups (young people, women, those without qualifications) and the growing number of people living below the poverty line, this poverty being regarded as a *'matter of concern for the future of European society'*.

It recalls the current commitments of the European institutions: Agenda 2000 proposed economic and social cohesion as *'a high political priority'* and the Treaty of Amsterdam has highlighted the *'promotion of employment in the Union, sustainable development and equal opportunities for men and women'*.

In this respect, it regards as complementary *'market forces and the entrepreneurial spirit'* on the one hand and *'solidarity and mutual support'* on the other hand.

Furthermore, these considerations take on increased importance with the *'impending accession of countries at a low level of development'* and the *'major objective of reducing disparities in development'*.

The proposed reform lies on three main principles: maintained level of financial solidarity, more targeted Funds' assistance, greater cost-effectiveness and accountability by clarifying the roles of the various parties involved in regional development.

##### The Community priorities for the structural policies

The three main areas of Structural Funds assistance are infrastructure, the development of human resources and support for the productive sector. They shall be consistent with the following priorities:

- ↳ Ensuring the conditions for sustainable economic development: growth, competitiveness and employment (in both the short and the long term).
- ↳ Increasing competitiveness and innovation and supporting SME development (in order to reduce economic dependency on a very few branches)
- ↳ Developing human resources (bolstering entrepreneurial spirit, having the right skills, flexibility and equal opportunities).
- ↳ The environment and sustainable development (emphasis to economic and social measures of distinctly preventive nature).
- ↳ Equal opportunities for women and men.

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<sup>18</sup> Proposal for a Council Regulation (EC) laying down general provisions on the Structural Funds



These priorities will be presented in Community guidelines prepared by the Commission for each of the Objectives. The programmes set up under the Structural Funds objectives shall be consistent with this general policy and priority framework.

#### **IV. 2.2. The Ostrava region and most of the Czech Republic should be eligible for Structural Funds under Objective 1**

##### **The Three Objectives of the Structural Funds**

The Structural Funds will pursue three objectives, two regional s (1 & 2) and one sectoral (3), instead of the six currently pursued.

- ↳ **Regions whose development is lagging behind (Objective 1).** These are defined as regions whose level of development<sup>19</sup> is less than 75% of the Community average. The four Structural Funds (ERDF, ESF, EAGGF Guidance Section and FIFG) will contribute to this objective.
- ↳ **Areas undergoing economic and social conversion (new Objective 2):** industrial, rural, urban and fisheries-dependent areas facing structural problems.
- ↳ **The development of human resources (new Objective 3).** This will support the adaptation and modernisation of policies and systems relating to education, training and employment, where these are s not funded under Objectives 1 and 2. In any case, it will give a frame of reference for all support for human resources development.

##### **Structural Funds (including ESF) will help Czech Republic and Ostrava region only through Objective 1**

All -or almost all the Czech Republic territory should be eligible for financial support from Structural Funds under Objective 1. In such areas, Objective 3 concerns will be merged in integrated Objective 1 planning and programming. Nevertheless, a policy *frame of reference* would be elaborated, at the national level, *'for all measures to promote human resources in the national territory without prejudice to the specific features of each region'*.

##### **A planning and programming process at the national and regional level**

According to the proposed regulations for Structural Funds, the planning and programming process should be implemented both at the national and regional level.

###### ***At the national level :***

A **development plan** for Objective 1 drawn up under State responsibility and submitted by the State to the Commission: it shall include all measures for economic and social conversion, the development of human resources - having regard to the frame of reference-, and rural development and shall be consistent with the Structural Funds Regulations, the framework of reference for human resource development, the Commission guidelines and other Community policies.

On the basis of the development plan, the Commission shall draw up a **Community support framework**, in agreement with the Czech Republic government: it shall include a statement of the strategy and priorities (including the strategy for employment and the development of human resources and the regional policies), and an indicative financing plan specifying for each priority and each year the financial allocation envisaged for the contribution of each Fund.

###### ***At the regional level***

*'As a general rule, assistance covered by a Community support framework for Objective 1 shall be provided in the form of an integrated operational programme for each region'.*

Therefore, an operational programme will be drawn up for the Ostrava region. It should contain in particular: the specific priorities of the operational programme; a description of the measures planned to implement the priorities; a financing plan specifying for each priority and each year the financial allocation envisaged; the provisions for implementing an operational programme.

#### **IV. 2.3. Programming and implementation, processes under effective partnership between the State and regions and within the regions**

The Commission proposes explicit provisions for a close partnership between all the partners that are concerned in the Structural Funds intervention at national, regional and local level. Nevertheless partnership operations could be adjusted with the involvement of the partners in financing assistance. The State will be asked to guarantee the *participation of regional and local authorities, environmental authorities and economic and social partners, including non-governmental organisations*.

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<sup>19</sup> The development level will be measured in terms of GDP per capita in purchasing power parities at NUTS Level II.

The financial partnership will be the subject of an explicit agreement between those partners that will contribute to the finance of assistance at national, regional, local or other level. This agreement will be attached to the programming document.

As a matter of fact, the contribution of the Funds should be limited to *a maximum of 75% of the total eligible cost and, as a general rule, at least 50% of eligible public expenditure in the case of measures carried out in the regions covered by Objective 1.*

### **Management and implementation**

The State will designate a 'managing authority' to manage assistance: it will be *'responsible for the efficiency and correctness of overall management and implementation'*. A Monitoring Committee supervises the Community support framework and each regional operational programme. Monitoring Committees shall be set up by *agreement between the designated managing authority and the partners*. Monitoring is carried out by the managing authority and the Monitoring Committee by reference to physical and financial indicators.

#### **IV. 2.4. The Regulation governing the European Social Fund (ESF) will conform to the logic and the general regulations of Structural Funds.**

The specific ESF Regulations shall be consistent with the general framework set by the Structural Funds regulations.

The Commission regards it as very important *'to ensure appropriate articulation of, on the one hand, this overall ESF framework and its connection with the employment strategy and guidelines and, on the other hand, the operation of regionalised ESF funding'*.

An integrated approach is therefore proposed across all three Structural Fund Objectives, and co-ordination of the interventions of the different Funds will be as close as possible, *'particularly in respect of human resource development'*.

This integration within Objective 1 programmes does not lessen the importance given to human resource development. The specific aims agreed between Member States and the Commission on Objective 3 will be *'an important reference point for discussions on specific human resource activities within Objectives 1'* programmes.

Within Objective 1 Community framework support and regional operational programmes, ESF activity will be based on five policy goals:

- ↳ *Active labour market policies to fight unemployment*
- ↳ *Promoting social inclusion*
- ↳ *Lifelong education and training systems to promote employability*
- ↳ *Anticipating and facilitating economic and social change*
- ↳ *Equal opportunities for men and women.*

Improving systems for anticipating and facilitating economic and social change as well as improving the participation of women in the labour market will be regarded as priorities.

The specific national aims and the practical implementation of these goals and priorities will result in the 'framework of reference' within the Community Support Framework (possibly with regional application). It will define: (i) the allocation of money across the five policy goals; (ii) a defined number of priorities for expenditure within those five categories; (iii) the mechanisms for identifying the precise outcomes and outputs from the programme expenditure for the purposes of monitoring and evaluation; and (iv) defined targets which allow performance to be measured.

#### **IV.2.5. The PHARE interventions before the Czech Republic accession to the European Union will prepare the future Structural Funds intervention**

The Structural Funds and their regulations will become applicable in the Czech Republic and, therefore, the Ostrava region, from the accession to the European Union.

Up to that time, the European support for the Czech Republic will be provided within a single framework: the Accession Partnership (AP).

One of the main policy instruments of AP is the National Programme for the Adoption of the Acquis (NPAA), elaborated by the Czech government. NPAA is designed to achieve short-term and medium-term priorities defined by the Accession Partnership.

Medium-term priorities include employment and social affairs, in particular: labour market structures, employment policies, equal opportunities between women and men, social dialogue.

No explicit mention is made of VET. However, VET could take a place within the priority for *regional policy and cohesion*. It consists in *establishing a legal, administrative and budgetary framework for an integrated regional policy in order to participate in EU structural programmes after membership*. It should take the form of regional programmes elaborated and implemented according regulations as close as possible to the Structural Funds general regulations.

The VET integration into regional programmes would be, at this stage, consistent with the preparation for the future intervention of ESF through Objective 1 programmes.

### **IV.3 Current situation of the regional institutions potentially able to play a role for ESF applicability**

#### **IV.3.1. Ostrava area could be an Objective 1 programming region**

According to the current and proposed regulations, *the regions covered by Objective 1 shall be regions corresponding to level II of the Nomenclature of Territorial Statistical Units (NUTS level II)*. NUTS system 'subdivides each Member State into a hierarchy of increasingly smaller administrative areas' But there is no exact statistical definition of NUTS II territorial units. According to DG XVI, *'NUTS II regions cover for instance the régions in France, Comunidades autonomas in Spain, regioni in Italy, provinces in the Netherlands'*.

The area defined as Ostrava region for this study covers six districts of Northern Moravia and Silesia: Ostrava, Karviná, Nový Jičín, Opava, Bruntál, Frýdek-Místek. All six comprise about 1.288.500 inhabitants (1996), that is exactly 1/8th of the whole Republic population.

As a NUTS II European region, it will be ranked among smaller ones, but considering the specific characteristics of the Republic, it represents an acceptable size for the level II of the Czech territorial hierarchy.

As a matter of fact, the current drafts of Czech Republic territorial breakdown for accession preparation regard this six-district area as one of possible NUTS II region. The possibility of larger administrative units is, however, also under consideration at present.

#### **IV.3.2. No regional authority and no VET organisation at the regional level**

The area has been defined as a region by the 1997 Act on intermediate level communities. Nevertheless, the law did not create the regional authority that will govern this area, nor determine the competence and resources it will receive. Therefore, the area has as yet no regional authority: neither elected body, nor Regional State representation.

In recent years the area has been considered as a policy territorial unit. This was the case for the first time in 1991, when the Czech Ministry of Economy was worried about the future of the regional coal and steel industry and asked for an assessment of the situation and trends and recommendations for restructuring<sup>20</sup>. Following that work, the same territorial unit was accepted by Phare as the operational area for the newly created (1993) Regional Development Agency Ostrava (RDA) and Regional Development Fund (RDF).

These two organisations were the first with an area covering exactly the territory of the likely future NUTS II region. They implement some of the necessary tasks for elaborating, managing and implementing Objective II programmes. RDA presents interesting characteristics. Although a private corporation, its shareholders are District Offices (on behalf of the State), the Union of North Moravia and Upper Silesia Municipalities<sup>21</sup> and the Union for Development of North Moravia and Silesia<sup>22</sup>. Nevertheless, RDA cannot be accorded the political legitimacy of an elected body.

None of these organisations has competencies for the labour market and HRD. No other existing institution or organisation has specific competence or interest in the labour market and HRD at the regional level.

The above mentioned Union of North Moravia and Upper Silesia Municipalities and Union for Development of North Moravia and Silesia have no significant activity in these fields.

#### **IV.3.3. Six independent districts**

The State authority within the region is represented at the level of the six districts (Ostrava, Karviná, Nový Jičín, Opava, Bruntál and Frýdek-Místek). This representation operates through District Offices which have general competencies on economic development, environment, transport, social affairs, etc. and specialised Offices competent for Labour, Schools and Social Insurance.

A Head of District, who reports to Ministry of Interior and co-ordinates the work of technical departments, heads the District Office. Labour market and VET are not among his direct responsibilities.

The labour market is under the responsibility the Labour Office, and VET (theoretically) under the School Office. At the district level, there is no official link between Labour Office and School Office as between them and the District Office. Each of them operates separately and co-operative activity depends essentially on the individual goodwill.

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<sup>20</sup> The work was carried on by Act Consultants, 1992 (See the bibliographic appendix)

<sup>21</sup> The Union is the largest one within the region. Created in 1992, it gathers the 78 main municipalities of the six districts.

<sup>22</sup> Union for Development of North Moravia and Silesia is an interest group of legal entities which creates a platform for the regional co-operation focused on the regional development and renovation (infrastructure projects, regional strategy and information exchange, international co-operation, recruitment and education of experts. At the end of 1998, the Union comprised 82 members from different industries in the region.

In particular, no public institution is officially competent for dealing with the problems of economic restructuring, labour market development and human resources re-qualification together.

Moreover, as a large city, Ostrava has no District Office, the competence of the latter being transferred to the Municipal Authority .

At the district level, the Labour Office one of the services of the Ministry of Labour and Social Affairs. It plays two very different principal roles: (i) ensuring observance of legal regulations related to labour, wages and employment; (ii) encouraging broader access to employment for job seekers and disadvantaged groups.

For this second role, the Labour Office can use several legal tools such as:

- ↳ information and advice to job seekers (unemployed or not),
- ↳ registration of unemployed people and management of unemployment benefits,
- ↳ re-qualification and re-training,
- ↳ placement of school graduates in enterprises
- ↳ funding utility works, utility jobs and sheltered workshops for disabled.

The effectiveness of Labour Offices is obviously related to the financial means given by the State budget, and this is particularly true for active employment policy (training, funding new jobs, etc.).

Schools Offices are, at the district level, a service of the Ministry of Education, Youth and Sports. Their competence for nursery, basic and secondary schools includes the allocation of State funding to all schools of the district according to general rules fixed by the law and the Ministry. This allocation is based on the principle of an equal per capita financial contribution of the State, with corrections for specific needs due to the level, size, curricula, investment programmes, etc.

Concerning secondary technical and vocational education, initial training centres and higher professional schools, Schools Offices have no authority over the creation and modification of curricula and decisions on investment, which are all direct responsibilities of the Ministry of Education.

Higher education does not belong to the field of competence of Schools Offices.

There are 6 Labour Offices and 6 Schools Offices within the Ostrava region, each one depending on its responsible Ministry and with no institutionalised structured relations between them at the regional level. However, in 1998 the Minister of Education issued a decree (No 12/98) on Designated Regional School Offices. This has appeared as the first attempt to assign regional responsibilities to existing institutions. The task of the designated school office is to co-ordinate actions among other school offices in the region but it has no decision making or managing competency.

#### **IV.3.4. Urban and District Authorities.**

Ostrava City authorities have the same competencies as District Offices. They have no responsibility relating to VET and the labour market, which depend on Ostrava School Office and Labour Office. On the other hand, their competence includes social affairs, which may necessitate co-operation with the Labour Office.

The other 296 urban and district local authorities of the Ostrava region have no direct commitment in VET and the labour market. This does not mean they are not concerned by the current and foreseeable trend of unemployment, but they lack the proper means to face it effectively, except through their power to create utility works or sheltered workshops with the financial support of the competent Labour Office.

#### **IV.3.5. VET establishments : large number and autonomy**

There is a large number of technical and vocational secondary schools. It is well known that this number has grown since 1989, and it is not surprising that the average number of students is no more than 363.

This average number of students differs according to the type of school:

Secondary technical schools	264
Secondary vocational schools	397
Integrated secondary schools	687

The average size is particularly low in secondary technical schools.

The liberalisation process affected the school system since 1990 when the schools were given a new legal status (Act N° 171/1990) and the education branch was open to private initiative (Act N° 564/1990)<sup>23</sup>. At that time, firms were closing down all their non-productive activities, among which were educational and training facilities. This resulted in a collapse of financing of the secondary vocational schools by enterprises and obliged the State to take the financial responsibility for this type of schools as well. During the following period one could see on the one hand the rebuilding

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<sup>23</sup> Coufalík J., Czesena V., Ilyina O., Mandíková M., Kofronová O., Ulovčová H., Vojtech J., Krejčí J., Palan Z., Stejnichová L., *The VET system in the Czech Republic. Recent Changes, Challenges and Reform Needs*. Czech National Observatory, Prague 1997.

of the vocational system and the proliferation of the number of schools, but on the other hand the number of students decreased as a result of demographic development.

At the higher level, in 1996-97, there were 11 higher professional schools with 1 641 students. 3 universities are situated in the region, there is no private higher education establishment.

All these educational establishments have independent legal status and a high degree of economic autonomy. They receive most of their financial resources from the State (Ministry of Education budget) on two specific accounts: for current and investment expenses. The director has full responsibility for management. Nevertheless, the Ministry of Education fixes the number and the maximum wages of the teachers and employees.

At the beginning of the liberalisation period, a number of private continuing training firms were created. They were targeting the client sector of new private or privatised firms (including SMEs) and were supplying mainly business and management training, for which the demand was very high. Although private CVT sector proved to be flexible and adaptable in the provision of client oriented, tailor made courses, the adaptation of the whole education and training system to the regional economy changes must be a matter of concern. The enterprise survey on foreseeable regional need of human resources (1998)<sup>24</sup> shows that, in the short term (1998-2000), the main changes will affect the manufacturing and repairing craftsmen and workers in industrial firms. There will be a declining need for persons with basic education and a growing need for skilled personnel coming from secondary vocational schools without maturity. The demand for graduates of secondary technical schools will stagnate, and yet these schools produce as many graduates as the secondary vocational schools. A big surplus in economic branches of secondary technical schools may be even worsened by provision of tailor made courses by private CVT institutions. Enterprises prefer to train an already experienced personal in such disciplines (marketing or management) than to hire an inexperienced recent secondary school graduate. Although the survey only analyses the short term needs, this identified discrepancy should be regarded as one of the main middle term trends, reflecting a possible scenario of economic change and restructuring of enterprises.

#### **IV.3.6. Social partners**

The private sector is mainly represented by Economic Chambers. There is one Economic Chamber in each of the six districts. Two of these have major significance: those of Opava and Ostrava.

At the regional level, the largest firms are members of the Union for Development of North Moravia and Silesia.

On the side of the employees, the trade-union members of the Czech-Moravian Chamber of Trade Unions have a generally strong representation within the region, but there is no regional structure representing all the trade unions.

Within the region, neither the employers' organisations, nor the employees' associations have significant activities in the HRD field.

### **IV.4 Assessment of the institutional situation regarding design, management and implementation of ESF measures**

The preparedness of the Ostrava region shall be examined in terms of three criteria:

- ✓ the general principles governing the Structural funds intervention,
- ✓ the specific ESF conditions of eligibility,
- ✓ the regional capability for implementing an ESF programme.

#### **IV.4.1. Preparedness regarding the principles of intervention of ESF**

##### **a) Additionality**

The ESF does not substitute for the national/regional financing of VET, but gives supplementary means. Any ESF contribution shall have its complementary national counterpart, which may come from public (State, communities) or private sources.

The draft Regulation does not fix precisely the rate of the Structural Funds contribution, which shall be differentiated according to the gravity of the specific problems, the financial capacity of the Member State concerned, the importance attaching to the assistance and the priorities from the Community viewpoint, etc. Nevertheless, as said above, the maximum will be 75% of the total eligible cost (80 % in exceptional and duly justified cases) and, as a general rule, at least 50% of eligible public expenditure.

That means that every regional project of the Objective 2 operational programme must be funded by national sources at a rate comprised between 25 and 50 %. This raises two questions: which sources? which procedure?

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<sup>24</sup> See Chapter III.

### ***National counterpart sources***

In relation to the national financial contribution, the situation is different in the case of different thematic domain of potential projects.

In the field of *labour market*, the contribution should come exclusively from public sources (State or territorial communities) for passive measures (information, orientation, advice, benefits, etc.). For active measures (utility works and jobs, re-qualification and re-training, etc.) funds may come from both public and private sources.

Projects related to *initial VET* will probably have to be funded by public sources, i.e. either the State as is currently the case, or by the new regional authority if such competence is transferred to it.

Feasibility studies will be necessary to assess interest among private sector institutions and applicability of the projects.

### ***Counterpart procedure***

As a rule, the beneficiary of the financial support should be the project initiator. The financial procedure, regarding commitments and payments, shall be tailored in order to avoid, as much as possible, any necessary delay.

Regarding the passive measures focused on unemployment, the beneficiary will be the relevant public service(s) (either the district Labour Offices or the new regional labour department). The procedure for the national counterpart may be directly adapted from the present way of funding the regional labour policy.

Most of the projects will be designed and operated by public or private bodies. These potential beneficiaries have a large autonomy of management and can receive financial support from the State as well as other sources. But they do not normally receive funds directly from the State central budget, in particular those related to active labour market measures and VET. For that reason, it could become necessary to conceive new financial procedures.

Nevertheless, the counterpart procedure will conform to the general financial procedure of the Structural Funds. It seems obvious that a drastic simplification will be made possible by the very existence of a unified territorial authority at the regional level, since it will receive a large financial competence and capability.

#### **b) Subsidiarity**

The Structural Funds regulation assumes that the nearer the management to the beneficiary, the more efficient the financial support.

In this respect, one can observe that here and now most of the possible beneficiaries and intermediaries of the labour market and VET policy enjoy extensive management autonomy. This fact may be regarded as a very positive element. It means that at the regional level, there already exist a number of private or public actors able to design and operate their own projects and able to receive and manage related financial supports.

Less positive is the lack of regional body able to design and manage the regional VET and labour market policies.

Very positive nevertheless is the existing co-ordination among school offices in the region provided by the Designated School Office in Ostrava-City. The co-ordination between the six Labour Offices is purely informal and dependent on individuals' goodwill. The co-operation between Labour and School Offices, when it exists, seems to be mainly casual.

Creating a regional co-ordination body dealing both with VET and labour market policies at the six districts level is a theoretically possible solution. Beyond all questions, the best solution will be the creation of the new regional authority and the transfer of all competencies for VET<sup>25</sup> and labour market to that body.

Nevertheless, a transitional solution must be implemented to draw up the first regional development programme. This transitional solution consists in the creation of a co-ordination body at the regional level with participants of state administration, labour market and education institutions, business sector and social partners. For this purpose, the Ministry of Regional Development has set up a Steering and Monitoring Committee (see below).

#### **c) Partnership**

Drawing up and implementing the labour market and VET measures as a part of a regional operational programme will necessitate a close and permanent partnership at three levels.

At the **first level**, there is the partnership between the Czech State and the European Commission, which does not concern the region itself.

The **second level** is the level of the State-Region partnership. In this respect, the current situation is unbalanced, since the regional community has no legal (and political) existence. As stated above, it will not be possible to subordinate the creation of a regional operational programme to the official settlement of the Ostrava region as an elected body with extended powers. Therefore, even assuming the Region will exist and operate in 2000-01, the making of the operational programme and the first stage of its implementation will occur in the absence of a legitimate regional body.

For the State, at the national level, the Objective 1 managing body should be interdepartmental. This will ensure the coherence of the national choices and the regional programmes. The Czech government has appointed a leading Ministry for each of the main axes (e.g. transport infrastructure, agriculture, SMEs, VET and employment, etc.) or for each Structural Fund (ESF, ERDF, EAGGF). On the other hand, the Ministry of Regional Development will co-ordinate

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<sup>25</sup> The point may be discussed regarding the higher education.

the creation of all regional operational programmes. Failure to adopt the same regional partner and the same partnership procedure for all axes and Funds could lead to a certain inefficiency and lack of coherence. In any case, the transitional partner and procedure will become obsolete as soon as the Region is in operation.

The region (area formed by the six districts) is the *third level*. The settlement of a legal regional body will give it the responsibility for organising the regional partnership, which shall include at least the financial contributors to the programme and the measures and the main actors in the field of the Structural Funds specific priorities (sustainable economic development; competitiveness, innovation and SMEs development; human resources development; environment; equal opportunities).

Past and current experience of partnership at the six districts level is very positive. As examples, one can mention the Seminar on the economic and social Renewal of Northern Moravia and Silesia in October 1992 and the development of a long term vision for economic and social development under the Regvis 2005 project since 1996. Such co-operative behaviour has resulted in a number of partnership institutions, like the former Economic and Social Council of Ostrava-Karvina Agglomeration<sup>26</sup>, the Union for Development of North Moravia and Silesia and the Regional Development Agency – Ostrava<sup>27</sup>.

Also encouraging are other different informal co-ordination experiences that can be currently observed within the region. As examples, the following deserve to be mentioned:

- ✓ the information network and regular meetings of the six district Labour Offices;
- ✓ in the Ostrava district, the working group on unemployment with representatives of Labour Office, School Offices, schools, employers, which drew up a recommendation paper presenting 16 measures to prevent unemployment;
- ✓ in the Nový Jičín district, an informal committee on training, including the Schools Office, Labour Office, District Office, Economic Chamber, and representative of the municipalities.

The Regvis Partnership provided a basis for the development of regional co-ordination authorities established by the government to elaborate the Regional Strategic Plan. Thus in 1998, based on a governmental order, a Regional Co-ordination Group was established, which has been transformed into a Regional Steering and Monitoring Committee. The Committee is responsible for the development, implementation, and supervision of the regional action plan, as well as for co-ordination of all institutions in that respect. Activities of the Committee include the definition of project selection criteria, providing for programme implementation supervision and for possible programme corrections. The Regional Development Agency in Ostrava is the Committee's Secretariat.

The Committee established 9 Working Groups, one of which is for the area of Education, Culture, Human Resources. The Committee and the Working Group members form a cross-sectorial representation of all authorities and institutions in the region. The state administration and economic associations have the strongest representation. For the education sector, all universities are represented but none of the secondary schools and none of the private training providers. Several Labour Offices are represented but only one School Office. Regarding the social partners, there is a strong representation of the employers, but none of the employees (trade unions). Generally speaking, the HRD sector has no direct representative (except for universities). There is little representation of local voluntary associations and non-governmental bodies committed to employment, sustainable development, minorities' integration and equal opportunities for men and women, which are matters of major concern to the Community.

#### **d) Funds integration**

ESF will fund regional development programmes together with ERDF and EAGGF. The quality of the funds integration is a condition of programmes global efficiency for the VET development (integration of education and training actions with building and equipment investments). As for the synergy between VET actions and other development actions (like industrial restructuring, SMEs, R&D, etc.), it seems this could be the weakest point of the current regional experience. In any case, this point deserves deep attention.

#### **IV.4.2. Preparedness regarding the conditions of eligibility to ESF**

These eligibility conditions must be examined for the likely future priority actions in the VET field.

##### **a) What is eligible?**

Eligibility will be defined according to the current rules and the foreseeable rules valid for the Czech Republic and the Ostrava region.

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<sup>26</sup> The Economic and Social Council was a tripartite body including local communities, district State departments and social partners. It organised the October 1992 Seminar. Its merge with a regional employers association (Northern Moravia Economic Union) resulted in the Union for Development of North Moravia and Silesia.

<sup>27</sup> The Regional Development Agency itself is a fruit of regional partnership.

Following the EC proposal for ESF<sup>28</sup>, the main field of eligibility to ESF may be classified by category of final beneficiaries:

- ✓ *Persons*: professional education and vocational training (initial and continuing); guidance and counselling; employment aids and aids for self-employment; care services and facilities for dependants, healthcare and legal assistance;
- ✓ *Research units* (private and public): post-graduate training and the training of managers and technicians;
- ✓ *Employers*: development of new sources of employment;
- ✓ *Training and education structures*: development and improvement of the quality and content of training, education and qualification systems, including the training of teachers, trainers and staff, and improving the access of workers to training and qualifications;
- ✓ *Employment structures*: modernisation and improved efficiency of employment services; development of systems for forward planning and anticipation of changes in employment and skills development;
- ✓ *Co-ordination structures*: development of links between the world of work and education, training, and research establishments;

There is no doubt of the seriousness of current needs in most of these fields, and if the economic situation deteriorates further (in particular in mining and steelworks), these needs will become even more urgent. Preliminary assessment surveys and, in any case, a permanent watchdog system, will be necessary to give the ESF endowment the best possible allocation.

While the state of preparedness is fairly satisfactory concerning the labour market and unemployment (including continuing training), the initial VET system (private and public) does not appear sufficiently organised at the regional level to profit from the possibilities of ESF eligibility.

#### **b) What is not eligible**

As a general rule the structural operating costs and physical investments should not be eligible for ESF. Investments may be funded by ERDF, under certain conditions. Staff related expenditures are not at all eligible for Structural Funds. They are considered the full responsibility of the national authorities (State or territorial communities). This raises two points.

The public managerial structures (like Labour Offices) could face a growing workload partly following a rationalisation process and partly as a result of re-allocation of the national resources devoted to labour and social affairs.

The case of the VET system is more complex, since the central authority strictly limits the number and wages of the teachers. The *optimisation process* could partly solve the quantitative aspect of the question, but not the qualitative aspect, which is not unrelated to the low level of teachers' wages<sup>29</sup>. That could lead to isolated projects being favoured (all expenditures of which could be funded by Structural Funds) at the expense of permanent structures like technical and vocational secondary schools.

### **IV.4.3. Preparedness regarding the management of an ESF programme**

This point mainly relates to the existence and capabilities of institutions for managing the future regional ESF programme. The items to be considered are the following :

#### **a) Analysis of VET demand and supply**

Assessment of the skills of unemployed persons and job seekers on the one hand, and qualifications required by employers on the other, is one of the normal tasks of Labour Offices. They have in large the computerised capacity to update and monitor the related data, but have little staff capacity to make short-term predictions and none at all to predict middle- and long-term evolution. Nevertheless, in the uncertain context of deep restructuring of the regional economic system, it is difficult to forecast mid- to long term qualification needs and to plan related education and training curricula for the whole period of operational programme duration (if it lasts for the planned 7 years). In any case such forecasts will not present exact quantified scenario but must instead be treated as an outline of medium/long term trends. An even more important aspect would be the further step of preparing potentially disadvantaged groups for such change.

#### **b) Planning, programming and decision making**

In this field the Regional Development Agency has valuable experience. Since 1993 it has operated with funds and under procedures of EC Programme Phase. Indeed, its programmes are mainly short-middle term ones. Another positive example of the regional experience was the REGVIS programme, implemented in 1996-98, that developed a basis for a

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<sup>28</sup> Proposal for a Council regulation (EC) on the European Social Fund [98/0115 (SYN)]

<sup>29</sup> The teachers' wages have grown faster than the average salaries of civil servants, but still the wage level is insufficient to make this profession prestigious and attractive for young professionals.



broad partnership in the region. In the framework of that partnership the regional analysis was conducted and a regional consensus reached in determining objectives and strategies.

The REGVIS experience has been utilised in development of the Regional Development Strategy as a part of the National Development Strategy and the National Development Plan, as a starting point for consultations with EU on utilisation of the pre-structural funds.

The Regional Strategy Development - Ostrava Region includes a SWOT analysis for 8 development areas, in which education, culture and human resources represent a separate section, alongside economic development, infrastructure, environment, tourism, international co-operation, health care and social services, and agriculture and rural areas. Demand for training activities though is present in all sections, but the strategic objectives and planned activities for the human resources development were stated as the following:

- development of vocational education and apprenticeship as well as re-qualification, focused according to the labour market needs and on support of the employment of disadvantaged population segments
- development of Universities, and their higher participation in the social life of the region

Compared to institutions of the formal education system, less attention is paid to further education and human resources development programmes in enterprises supporting the restructuring trends in the business sector.

The strategy of the region will be followed by elaboration of the regional operating programme in 1999 for the period of 2000 – 2006.

### c) **Implementation**

Within the region there exist a number of potential operators which can design and implement projects as a part of an Objective 1 Operational Programme in the field of human resources and employment development.

Universities and schools have decision-making and management autonomy, which gives them the capacity to propose and implement specific projects. The same can be said, obviously, for local communities and firms. Nevertheless, one cannot be sure the SMEs will be able to profit by the measures funded by ESF.

The success of the operational programme and its impact on regional development will be strongly related to the quality of the projects. Therefore a great emphasis must be put on information and promotion in order to stimulate all possible good projects. It could also be very useful to create an assistance unit to help project authors (schools, SMEs, NGOs) that are not familiar with the EC procedures at the design stage of their projects.

### d) **Monitoring and follow-up**

The tasks of the **Monitoring and steering committee** established in the region in early 1999<sup>30</sup> include, apart from setting the regional priorities and co-ordinating the Regional operating programme preparations, the regular review of the implementation of the programme throughout its life, i.e. assessing the financial and factual implementation of the programme objectives, proposing corrective actions in case of possible delays or in case the efficiency of investment is jeopardised.

Organisational and administrative support for the Committee's activities is provided by the Regional Development Agency.

It will be necessary to draw up an evaluation criteria system, and to provide for relevant information flows. It will be possible to build on the experiences and information sources of numerous institutions in the region that have already developed and updated databases, and have the equipment and skills necessary for their maintenance. Among the institutions, the Regional Development Agency is experienced in the monitoring of programmes under the Phare procedures.

#### **IV.4.4. Preparedness regarding the international co-operation**

Since 1992, many regional actors have been involved in international efforts to implement common goals and projects. Unfortunately, due to lack of accurate data, it is impossible to estimate the exact share of participation in international activities by regional institutions as compared to the whole CR, or the financial share of the projects in the region in the total resources granted by individual international programmes. However, it can be stated as a mere empirical observation that the region has been quite actively involved in international projects as compared to other parts of the CR. This might be explained on the one hand by an early establishment of the Regional Development Agency, which has been very positively evaluated as compared to other similar agencies in the CR, and on the other hand, by its natural geographic position, close to borders and therefore attracting attention from various bilateral assistance programmes. The unfavourable situation on the labour market in the region and continuously increasing unemployment have also

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<sup>30</sup> Members of the Committee are appointed by the Ministry of Regional Development

made the region a targeted investment point in the framework of Phare. Below, you will see some examples of international projects under different schemes involving various types of institutions.

**a) Co-operation for regional and local development**

Cross-border co-operation with neighbouring regions is very developed. The Regional Development Agency – Ostrava has contacts with similar agencies in Katowice (Poland) and Zilina (Slovakia), all three being funded by PHARE.

The Union of North Moravia and Upper Silesia Municipalities has settled close links with its sister association of the Polish Upper Silesia. Two smaller associations have similar goals: the Union of Municipalities of the Karviná district (with the Polish association of municipalities of Těšín County) and the association of Beskydies (with the neighbouring Slovak municipalities). Besides, very close links exist also between Czech and Polish cities such as: Ostrava and Katowice, Krnov and Glubczyce, Opava and Raciborz, Český-Těšín and Polský-Těšín.

Creating so-called *Euroregions* is a new trend. Recently, two of these cross-border agreements were made within the region between Czech and Polish border areas : Praděd Euroregion and Těšín Euroregion. Two more are planned or possible: between Opava and Raciborz and at the borders with Poland and Slovakia (Beskydies Euroregion).

At the inter-State level, a Permanent Cross-border Committee for Czech-Polish Co-operation brings together Czech and Polish representatives of the competent ministries (Ministry of Education, Youth and Sports and Ministry of Labour and Social Affairs) and local representatives of Districts Offices and main border cities. It works in close co-operation with the Czech-Polish Intergovernmental Commission.

Regarding multilateral co-operation, several ECOS-Ouverture programmes have been developed during the last years, involving regions of France, Germany, Portugal, Denmark. In this respect, the contribution of Frederiksborg (Denmark), Shannon (Ireland), Nordrhein-Westfalen (Germany) and Lorraine (France) to the Regvis 2005 operation deserves a special mention.

These programmes are often complemented by bilateral co-operation. Many cities are involved into twinning or co-operation agreements with EU cities. As an example, Ostrava-City has twinning or co-operation agreements with Coventry (UK), Dresden (Germany), Frederiksborg County (Denmark) and Lorraine Region (France).

**b) Co-operation for education, training and research<sup>31</sup>**

Universities, a number of secondary schools and training institutions are active in European co-operation schemes.

*(i) Tempus*

Ostrava Technical University (Faculty of Economy and Central Analytical Laboratory) and the Silesian University (Faculty of Commerce and Economy) are participating in several Tempus programmes.

Moreover they have jointly participated in two programmes: Training in Technological Risk Management, Monitoring and Waste Processing, (TRRIMM project) and *Establishment of public relations and marketing and other new specialities in economics education*.

*(ii) Leonardo*

The Ostrava University Geographical Faculty is starting a programme for *Transferring international modules for geography*.

METER training institute (supported by the Swiss foundation Transfer) is involved into enhancing the regional capacity of initial and continuing vocational education through two programmes:

*Training-Employment-Orientation (FOREMOR)*, assessment of the market needs for vocational training, led by a French Union of Entrepreneurs of Normandy with partners from Spain, France, UK and Czech Republic (1997- 2000)

*Training occasional trainers though the Internet*, with partners from Spain, France, Germany, Greece and the Czech Republic (1998- 2000).

*(iii) Other support schemes from the European Commission*

*Comenius scheme*: Advanced Language Gymnasium (Ostrava-Poruba) with partners from Ireland, Sweden and two schools from Greece (on going).

*Lingua scheme*: Gymnasium of Opava.

*Socrates scheme*: Ostrava University (Geographical faculty) with the universities of Munich and Bonn (Germany) and Klagenfurt (Austria), just starting.

*Phare VET Reform*: Secondary vocational school of Poruba: one of 19 pilot schools under the programme implemented by the National Training Fund.

*Phare - NTF*: Subsidy programme in training of managers and entrepreneurs, where e.g. 11 institutions of the region were selected in the tender procedure in 1997. Under another NTF project, targeted at development of managers and human resources in enterprises, the enterprise ŽDB Bohumín was selected.

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<sup>31</sup> See Information Dossier in the Annex to Chapter IV.

Faculty of Commerce and Economy (Silesian University): *Preparing students and companies to the changes following the adhesion to the European Union*, in close co-operation with the Delegation of the European Commission (start in late 1998).

The bilateral links are multifarious. Within the region, the main foreign partners of schools and universities are from France, the Netherlands, Switzerland and United Kingdom. Others co-operation programmes include Denmark, Sweden and Germany.

France:	Technical University (Ostrava)	Ecole Centrale of Paris	1996
	Technical University (Ostrava)	Ecole des Mines (Nancy)	1997
	Advanced Language Gymnasium (Ostrava-Poruba)	Limoges and Epinal language institutes	
	Secondary Technical School (Ostrava-Vitkovice)	Reims Technical secondary school	
The Netherlands	Faculty of Commerce and Economy (Silesian University)	Nederland Institut voor Marketing	1995
	Secondary vocational school of Poruba	Dutch bilateral aid	still on planning
Switzerland	Silesian University (Karvina)	Transfer Foundation	finished
	METER training institute	Transfer Foundation	finished
UK	Advanced Language Gymnasium (Ostrava-Poruba)	Coventry language institute	
	Technical University (Ostrava)	Newport University (Ostrava branch)	
	Silesian University (Faculty of Commerce and Economy)	Sunbridge Park Management Centre (London) and Critical Skills Development (Sheffield)	

### c) Co-operation for labour market organisation

The Phare PALMIF scheme (*Labour market adaptation*) supported a number of experiments within the region with rather encouraging overall results.

Ostrava Labour Office: *Supporting access to the employment market* (since 1997), including three experimental actions :

- *direct financing for employment access of long-term unemployed and handicapped persons*: 30 persons concerned with results not completely satisfactory
- *qualification courses for future unemployed and women who want to start working again*: about 240 persons concerned, with very positive results
- *payment of the salary during the trial period (up to 6 months) of long-term unemployed*: concerned 17 persons, of whom 12 were actually recruited

Karviná Labour Office (with the support of the Komensky Academy)

*Assistance and special training for young people who have stopped their studies and are in an unstable situation, helping them either to find an adequate qualification or to try to find a job*; success rate was close to 60-70 %.

*Creation of an incubator*, with the objective to promote SME development and create new jobs.

The Regional Development Agency Ostrava (mainly funded by PHARE) has so far supported two incubators in the region (in Krnov and in Kopřivnice) and will soon co-finance the creation of a new one in Vítkov.

Phare pilot project *Development of managers and human resources in the Czech companies (The project aims at the provision of consultation and access to international know-how in the field of management and HRD)*: ZDB Bohumin was one of the 6 Czech companies participating in the project.

In the field of bilateral co-operation, the first programmes were with France on the theme of organising the labour market public management. They concerned most of the region Labour Offices and included study tours and seminars. Currently the Labour Office of Nový Jičín is co-operating with CEPAC MORAVA scheme training potential entrepreneurs with a 3-month course, a 6-month close support and follow-up period. CEPAC Morava was created in 1994 by the French ONG CEPAC Soissons with the involvement of the Labour Office and the Palacky University of Olomouc. It co-operates with a dozen of Labour Offices in Moravia and Bohemia. The results look very positive, with 65 % of the trainees creating their own company, 30 % finding jobs and only 5 % going back to the Labour Office. There is also the Training the Trainers scheme, which is a bilateral Czech-French programme.

The past initiative of OKD (the largest coal mining company) also deserves mention. A co-operation programme with British Coal resulted in setting up of a "Job Shop", for helping internal mobility within the group or assisting the unemployed to find a job or a qualification.

In the field of social affairs, too, there is a long-standing Czech-French co-operation project for handicapped children rehabilitation, that includes the exchange of experiences and a training seminar for specialists.

The municipality of Havířov is developing a project with an Italian partner, a municipality in the Rome suburbs, for providing a shelter and a workshop for disabled and sick citizens.

## **IV.5 Comprehensive assessment**

This section summarises the main conclusions of the assessment, classifying them into strong points and weak points, regardless of whether or not they are specific to the Ostrava region.

### **IV.5.1. Strong points**

1. Experience in programming and implementing development measures under the European Commission (Phare) procedure
2. Past and current experience of an extended partnership at the six districts level, which resulted in a number of partnership regional institutions; capacity to gather representatives of the whole area and all economic and social sectors; capacity for decision making under partnership.
3. Implementation of a planning process and document Regional Development Strategy – Ostrava Region, which will be followed by the definition of appropriate concrete measures; this gives the region the basis for elaborating an Operational Programme and negotiating it with the State and the European Commission.
4. Creation of the Regional Monitoring and Steering Committee responsible for drafting, implementation and control of Operational Programme and for co-ordination of all participants at the regional level.
5. Existing co-ordination among the six School Offices and also informal co-operation among Labour Offices. In several districts, following the initiative of Labour Office or School Office, semi-organised dialogue involving the main parties concerned by employment and training.
6. Numerous potential operators which could elaborate and implement projects in the field of human resources and employment.
7. Technical and vocational secondary schools capacity for implementing their projects (due to their legal status and management autonomy).
8. Long and various experience in international co-operation (cross-border, bilateral, multilateral) in diverse fields of regional development.

### **IV.5.2. Weak points**

1. The region has no regional authority: neither an elected body nor a regional State representation. Although the Regional Monitoring and Steering Committee was set up for preparation and implementation of the Regional Operational Programme, but the competencies of state government and self-government bodies at the level of future Ostrava region have not yet been defined. Co-operating and participating structures are therefore still unstable.
2. There are 6 Labour Offices and 6 School Offices, each one depending on its responsible central department, with no formal structured relations between them at the regional level. Although the Designated School Office in Ostrava co-ordinates the regional activities among 6 school offices, it has not decision making power. At the district level, there is no official permanent link between Labour Office and School Office or between these and the District Office.
3. School Offices have no authority on the creation of VET curricula and investment, all of which depend directly on the Ministry of Education.
4. The technical and vocational secondary schools are numerous and small sized (specially the secondary technical schools). This atomisation of schools does not facilitate consolidation of funds, management and quality assurance.
5. Employers and employees organisations are not significantly active in the VET field.
6. Constraints on wages and staff recruitment level could prevent secondary schools from participating to the Objective 1 programme implementation.
7. It is impossible to foresee a mid- and long-term development and needs regarding human resources; there is a lack of know-how concerning the human resources management in a context of uncertainty.
8. Low level of information concerning the financial procedures of Structural Funds and current lack of information on project practise and monitoring and controlling tools relating to Objective 1 programmes.

## IV.6 Conclusions

1. There will probably be an Objective 1 programme covering the Ostrava 6 districts regions.
2. It will be strongly based on the region's experience on planning, programming, partnership and international co-operation.
3. It will necessitate a regional co-ordination system both to deal with integrated development policy and to cope with the global human resources problem (including VET and employment).
4. The Regional Monitoring and Steering Committee as transitional solution has been created for the period preceding the effective creation of the region, and this can cover the programming phase and the first stages of implementation.
5. During that period, and from now, a particular effort has to be made for information and promotion on the Structural Funds and the Objective 1 programme, notably for ESF and human resources related measures.

## IV.7 Recommendations

This section presents the recommendations for improving the preparedness of the Ostrava region for ESF intervention. They are considered regardless of whether they are specific for the region or general for the whole Czech Republic, proper for the ESF or valid for all Structural Funds.

### IV.7.1. Adapting the present conclusions and recommendations to definitive decisions concerning the Structural Funds intervention in Czech Republic and Ostrava region

Most conclusions and recommendations depend on the regulations that the European Commission and the Czech Republic will definitively adopt for the Structural Funds intervention. Therefore, it will be necessary to monitor the decisions concerned and, in particular, to see whether :

- ✓ the Ostrava region is confirmed as a NUTS II Objective 1 programming region as well as a territorial community with competence on VET and labour market policies;
- ✓ the European Union adopt the current proposals for the Structural Funds general regulation and the ESF specific regulation;
- ✓ the expert interpretation of these regulation proposals is confirmed by the further agreement between the Czech Government and the European Commission.

### IV.7.2. Organising the programme management for the transitional period

The regional institution provided for by the Czech Constitution and the 1997 Act is not likely to operate before the beginning of the Structural Funds intervention. This means that the programme cycle will begin under provisional conditions.

#### a) Transferring the operational programme management to the future regional institution

The transition period will end with the creation of the new regional institution.

Assuming it will receive appropriate competence on economic development, labour market and education<sup>32</sup>, it will inherit the full responsibility of the comprehensive regional development programme, including the measures funded by ESF.

When created, it will become the only correspondent of the central departments. But in the meantime a temporary solution must be designed for the programming process and the first stage of implementation.

#### b) Enlarging the strategic and programming partnership

The basis for strategic and programming partnership was created by the setting up of the Regional Monitoring and Steering Committee.

Within the labour market and VET field, it will be necessary to help some of the concerned bodies organise themselves in order to be fully recognised as partners. This is, in particular, the case of trade unions, which are not co-ordinated at the regional level. It is the responsibility of the Czech-Moravian Chamber of Trade Unions, to encourage the structuring of its regional bodies.

#### c) Securing the Funds integration

As the Structural Funds technical management is secured by different national departments, there will be a great risk of non-integration if there is no close co-ordination at the regional level.

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<sup>32</sup> That seems to be one of the main hypotheses concerning the regional competence.

For ESF, the result could be isolation from the regional development operations and in this case it would become sadly ineffective. The solution would be an integrated regional management unit. All concerned Ministries (Regional Development, Industry, Agriculture, Labour, and Education) should co-ordinate their initiatives in this respect.

**d) Preparing the administrative and financial procedures**

The operational programme implementation could probably begin before the effective creation of the legal regional institution, and so there could be probably a short period of direct relations between the central departments and their regional services.

A transition procedure shall be designed. Concerning the operations funded by ESF, it should use the regional competence of School Offices and Labour Offices. These services must receive all the necessary information and means.

**e) Including VET into the *pre-accession* regional programmes**

As regional development programmes are drawn up and implemented during the pre-accession period and within the framework of Accession Partnership, it is in the interest of the VET institutions (regional as well as national ones) to be more closely associated with this process. It would be consistent with the preparation for the future intervention of ESF through Objective 1 programmes<sup>33</sup>.

#### **IV.7.3. Preparing the operators of the regional Objective 1 Programme**

The programme implementation will depend on the quality of the projects it will fund. These will be presented by local communities, public bodies, companies and NGOs. There is, within the region, a large number of such potential programme operators. However, the state of preparedness is uneven, for instance, as between large firms and universities on the one hand, and SMEs and secondary schools on the other hand.

**a) Enhancing the supply capacity of VET schools**

A solution must be found to allow the technical and vocational secondary schools to participate in the programme implementation despite their constraints of staff and wages. The schools should be able, for instance, to recruit temporary teachers for specific projects and give the ordinary staff extra wages for extra work.

**b) Assessing the SMEs demand and capacity to respond to it**

The region must be given the tools, skills and means for a permanent assessment of needs of SMEs, and capacity to respond to these. These could be funded by the operational programme.

**c) Preparing the Labour and Schools Offices**

Because of their official competence and regional involvement, the Labour Offices and the Schools Offices will play an important role in the labour market and VET field in implementing the programme, not just as direct operators but also for mobilising SMEs, NGOs and secondary schools, in particular. Special and tailor made preparation (that could include information, training and study tours in Member States) shall be undertaken from now on to prepare these Offices for that role. It will be a two level preparation, targeted on the whole staff, on the one hand, and on the staff members who will be involved in the programming and implementation process, on the other hand.

**d) Establishing a promotion, training and assistance unit**

Implementing most of the VET and labour market oriented measures will depend on the projects presented by SMEs, NGOs and secondary schools, which at present do not enough information, skills and means to formulate and present their proposals<sup>34</sup> (unlike the large firms or the universities, for instance). It is suggested that a special unit be created at the regional level for promoting the measures, training those responsible for projects and assisting them, with the purpose of giving small structures equal chances to participate in the programme. It should be a joint unit of Labour and Schools Offices.

#### **IV.7.4. Adjusting labour market and VET organisation to future economic changes**

This report emphasises the need for co-ordination between the regional Labour and Schools services. This need is in fact increased by the difficulty of making predictions in an uncertain economic and social environment.

**a) Instituting co-ordination structure and procedures in the field of labour market and VET**

It is proposed that a leading institution (or at least one sole representative) now be nominated at the regional level for Labour Offices. In the field of education, the Designated School Office in Ostrava has already been entrusted with co-ordination activities among other school offices. These leading institutions should now be recognised by their central

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<sup>33</sup> An the time of the study preparation there was no clear indication whether ESF will directly support the regional operational programmes to be implemented during the pre-accession period.

<sup>34</sup> This fact is generally proved in all regional development programmes in the Member States.

departments and the regional programme management as a sole competent in their domain. That must be a temporary solution until the new legal regional structure becomes operative.

**b) Assessing the equipment and skills needs of the Labour / VET regional department**

An assessment must be done with the purpose of providing the regional labour and VET services with the necessary skills and planning the possible upgrading of their equipment.

**c) Preparing for the management of labour market / VET in an uncertain context**

The current growing unemployment rate is a new phenomenon. The VET and labour market experts complain that they cannot foresee labour market development and related needs in the mid-long term with existing capacities. They understand there could be radical economic changes with very serious social effects. After assessing the related needs, training sessions might be instituted with an emphasis on possible answers in the field of labour market and VET, and in particular: permanent dialogue involving all concerned parties (public and private); regional development plans deriving from local initiative (not only inward investments); broadening innovative schemes to enhance the capacity for changing jobs, for re-qualification and upgrading training, for accepting the possibility of temporary unemployment, introducing preventive measures against unemployment, etc.

**d) No accurate mid/long term forecasting of labour market qualification requirements is possible as long as the government has no policy on the future of coal mining and steelworks**

The government must give a clear indication of its policy on the future of coal mining and steelworks and respond to the opportunity of the Objective 1 programme for planning an appropriate mid-term set of restructuring measures, including employment and VET measures.

#### **IV.7.5. Necessity of other regional assessments**

The expert observations fully validate the choice of the Ostrava region as the mission area. They reveal the rather good general level of preparedness of the region for the ESF financial intervention so long as certain improvements will be made. They give indications on what may be done within the current legal conditions and the route that must be taken to ensure complete preparedness before January 2000.

The Ostrava region case, however, cannot be regarded as representative of all Objective 1 programming regions. At least four reasons for this must be considered:

- (i) The Ostrava region could be the only one where the Objective 1 programming area covers exactly the region's territory as defined by the 1997 Act.
- (ii) The kind of permanent partnership practice at the regional level that is evident in the Ostrava region could prove to be an exception.
- (iii) No other region has so long and rich an experience in the European Commission funding and procedures.
- (iv) The Regvis 2005 operation was a pilot project, unique at the present in the Czech Republic.

For these reasons, it will be necessary to make the same or a more in-depth assessment in other programming areas.

#### **IV.8 Concrete measures: training and pilot projects**

Besides these general recommendations, a few concrete measures should be taken in the field of training for preparation for ESF, human resources and labour market development (pilot projects).

##### **IV. 8.1. Training for preparation to ESF**

**a) Programmes**

**I. European Funds and the Czech Republic**

General information on the European Union and accession process, Structural Funds, Cohesion Fund, European Social Fund, Introduction to Regional Planning and Programming, Principles of Programme Management (introductory level or introductory + intermediate level, depending on the target group)

**II. Regional Planning and Programming**

- VET and Labour market needs and priorities assessment in the context of economic and social uncertainty
- Regional capacities to cope with the needs and priorities
- Conceiving a project
- Integrating VET and Labour market measures with infrastructure and economic measures into a Regional Operational Programme

**III. Managing Programme Implementation**

- Financial management (SF regulations, national procedures); searching for effectiveness

Technical management: promoting the programme, selecting the supported projects, controlling their implementation  
 Monitoring  
 Evaluations: interim , final

#### **b) Target groups**

Each type of training programmes will be addressed to a specific public. The table below summarises the possible targeting.

<b>Target groups</b>	<b>Progr. I</b>	<b>Progr. II</b>	<b>Progr. III</b>
Secondary schools students	Introductory level		
Univ. Students, non concerned specialists	Introductory		
Massmedia professionals, public relations	Introductory to intermediate		
Employees and employers associations	Introductory to intermediate		
VET teachers and managers, academic teachers	Introductory to intermediate		
Human resources and labour market specialists and managers (private and public)	Introduction to intermediate		
Programmes and projects managers	Introduction to intermediate		

#### **c) Implementation**

Each of these training programmes shall be translated into short courses of about 6-18 hours.

Most of them shall be organised at the regional level. For some others, the national level seems to be more convenient (particularly Programme III)

The more the target group involved into concrete project planning and implementation (see below: pilot projects), the better the result in the effectiveness of courses. That is true in particular for the most specialised courses: programmes II and III.

### **IV.8.2. Pilot projects**

#### **a) General principle**

In the framework of the pre-accession Special Preparatory Programme (SPP), Regional Operational Programmes (ROPs) will be prepared that will include human resources development and funds integration. It must be strongly recommended that any regional pilot project be conceived and implemented as a part of the ROPs. As a matter of fact, pilot projects will be more effective where there is synergy with appropriated projects in the area of economic development and competitiveness.

The pilot projects in the field of labour market and VET shall be selected according to the general selection process of the ROP. The four projects below are presented only as examples.

#### **b) Four pilot projects (examples)**

Human resources management in SMEs: mid-term forecast and programming for training and recruitment. Training SMEs human resources managers (HRM). Supporting HRM consultancy to SMEs for mid-term programming. Setting up a regional network of SMEs HRM, with the capacity to draw up a model for mid-term regional forecast and programming.

Developing training systems for new rural activities, such as bio-agriculture, agro-tourism (combining entertainment and accommodation), small handicraft, multi-services shops, etc. Conceiving and experimenting with specialised training courses.

Enhancing employability, mobility, and integration into the labour market of middle-aged, low-skilled people affected by industrial restructuring, including up-grading of existing skills, provision of new skills, guidance and counselling. Such a project could be addressed for instance to coal and steel workers in relation to restructuring programmes.

Forecasting and programming human resources development in a context of uncertainty. Producing new concepts and methods for regional planning, including labour market organisation and VET adaptation.



## V. EX-POST VALIDATION PHASE

### V.1 Steps of validation

The process of the study dissemination and validation was organised in three phases:

- dissemination of the draft study to the Steering Committee of the Czech National Observatory of VET and Labour Market and other selected experts;
- a prior dissemination among 60 experts and key players at the regional and national level that had been invited to the subsequent seminar in Ostrava on October 29-30<sup>th</sup> 1998 and the discussion in the working groups and in the panel at this seminar;
- presentation of the main study outcomes at the validation conference of the Slovenian National Observatory in Ljubljana on November 6<sup>th</sup>-7<sup>th</sup>, 1998, and presentation of methodology of the enterprise survey and its main outcomes at workshop Methodologies of Anticipation of Skill Needs in Five Pre-accession countries in Ljubljana, November 9<sup>th</sup>-10<sup>th</sup> 1998.

In the first phase the draft study was distributed in particular to: Dr. Jiří Berkovský (Labour Office, Tábor), Mr. Pavel Chejn (Employers' Association in Energy), Dr. Jaromír Krejčí (Ministry of Education, Youth and Sports), Mr. Jiří Valenta (Czech Moravian Chamber of Trade Unions), Mr. Miroslav Přibyl (Ministry of Labour and Social Affairs), Dr. Karel Prančl (Ministry of Regional Development), Mr. Miroslav Crha (ALIACHEM, a.s.)

The experts positively evaluated the study and its methodology, especially the attempt to assess the needs of the labour market in the region in its dynamic development by analysis of the future needs. The acquired information from the employers was identified as an added value to the existing instruments of adjustment of the educational offer and supply to the qualification needs of enterprises, which are mostly based on a static approach and take into account only the current situation. On the other hand, it was noted that a two-year projection is a too short time for planning, and a more complex analysis of the labour market development will be necessary in order to secure the accuracy of the projection in a transforming economy. It was pointed out that one of the positive features of the study was that it provided a dynamic evaluation of the "production" of the school system in the light of pending labour market changes. Qualification and Profession classifications were interfaced, enabling a comparison of company demand and school graduate structure in the coming three years. In **Appendices to Chapter V – Annex A**, you will find detailed comments of some experts.

The second phase of the validation involved not only experts, policy makers and social partners at the national level but had a particular emphasis on involvement of key players from the studied region. More than sixty people participated in the seminar where they were introduced with the detailed contents of the study in the Czech Republic, as well as with the main outcomes of the similar pilot regional studies in Slovenia, Poland and Hungary. The participants were informed about policy and mechanisms of functioning of the European Social Fund, and recent developments in the pre-accession structural funds strategy by a representative of the European Commission DGV and by a national expert. The detailed programme of the seminar is in **Appendices to Chapter V – Annex B**.

The validation of the study outcomes at the seminar was organised in a form of structured discussion in working groups and a conclusive panel discussion. The discussion groups were organised in three thematic blocks:

- qualification needs in the region;
- data availability and information flow as far as qualification needs analysis is concerned;
- institutional preparedness of the region to the ESF intervention.

**Appendices to Chapter V - Annex C** contains the list of questions discussed in the working groups and the list of participants.

### V.2 Outcomes of the discussion

During the discussion the following comments were put forward:

#### a) On methods used in the study

From the point of view of methodology and organisation of the survey of enterprises, it is very difficult to expect a high rate of return of questionnaires, unless the survey is obligatory by the state law. From this point of view the 20% rate of return is considerably high. The Slovene and Hungarian colleagues shared their experience with regular company surveys on future employment prospects. In Hungary, for instance, a special methodological centre conducts regular

company surveys with a 9 month time projection. The surveys are repetitive each half a year and, therefore, have an overlap, which allows for correction and accurate time series. The survey is obligatory and the rate of return is very high. The results are used by the government decision making. Similarly the company survey with 80% of response and one-year forecast is organised by the National Employment Office in Slovenia.

It was stated that the methodology of the study had the following major benefits:

- It is the first detailed analysis of the whole region. Previously, data collection and processing focused on individual districts within the region.
- A two to three year forecast of the development of the regional labour market demand was attempted, based on an extensive questionnaire query in companies. The resulting data are original and unusual, in that the information Labour Offices otherwise gather from employers present only a six month horizon. However, the data furnished by companies need to be approached with caution, because companies are not always capable of forecasting their needs accurately.
- A new analytical avenue was embarked on in comparing the demand side of the region's labour market, i.e. qualification needs of companies, with the supply side, i.e. the structure of the school graduates' population.
- The authors have been innovative in trying to link professions with the demands on fields of education. To be able to do that, interfaces had to be created between stand-alone systems of KZAM (professional group classification system) and JKOV (field of education group classification).

Workshop participants proposed that the methodology of the study could be further enhanced in the following areas:

- updating information on plummeting unemployment in the region
- elaborating on how the economic development, the structure and nature of employers' demand and the training of future graduates to meet that demand, are linked. Relate conclusions of the study to the general tendency to increase qualifications levels, widen general education and enhance key competencies to facilitate labour force flexibility.
- making wider use of specific unemployment rates of groups with particular levels of education achieved in particular fields of education.

The discussion about the usage of the projections of labour market qualification needs led to the conclusion that although the education system has its limits in regulation of education supply, the projections are necessary for improvement and innovation of existing curricula, introducing new curricula and expending/reducing the education offer in particular branches.

The capacity of firms to forecast their needs in a perspective of 2-3 years, however, requires a good knowledge of external factors. SMEs, for instance, in most cases have no capacity to project their development in the medium run. On the other hand, accurate planning is especially difficult in big industries where re-structuring process has only started and where, therefore, a five year vision is virtually impossible. This particularly concerns the steel industry in the region. This may influence the accuracy of the outcomes of such study in the period of transition. The experience of the Labour Office in Opava three years ago in attempt to identify future employment in machinery sector showed that enterprises tended to overestimate the rate of decrease of employment in the sector as compared to the actual development. It was also mentioned that companies themselves are not used to plan their medium to long term employment development, and a project like this one is to contribute to facilitating this process.

From the point of view of a private continuing training institution with two sorts of clientele - companies and individuals, the study helped to find a better understanding on the future training needs in the region. However, the study does not have a sufficient analysis of the future macro and microeconomic development. The information on future investments is not easily accessible, while it is a cornerstone in the future shape of training needs among companies in the region. Private training institutions note that coming of a new investor or a change of ownership of the enterprise brings about the overall change in the HRD policy in the company, often using their own know how and training providers.

One of deficiencies of the study was found in reliance on data on registered vacancies. They were presented as stable numbers without data flow. Apart from this, Labour Offices estimate that in some districts only about 30% of all actual vacancies are registered (the situation is even worse as compared to about 50% several years ago). The discussion on how to overcome the deficiency of the system of the vacancy registry gave an interesting perspective of the Slovenian experience where companies cannot register the insurance number unless the position had been announced in the vacancy registry.

Representatives of School Offices and Labour Offices confirmed that the analysis agrees with their experience of low interest in technical fields of study. There is no adequate information system to provide labour market data that parents and future students need to make their decisions.

## **b) On data availability and information flows of the qualifications needs analysis**

Continuing labour market monitoring in the region is sufficient in the very short-term perspective. The Labour Offices have very good links to enterprises in the region and a necessary expertise to expend labour market monitoring in order to anticipate the future trends and to facilitate a better link with schools and School Offices. However, the Labour Offices have very limited capacities and insufficient IT systems developed for these purposes. This was identified as one of priority areas for financial support.

Monitoring of the labour market should not be left only for statistics and academic exercises. An active monitoring of the future qualification and training needs of enterprises must be also conducted through a network of enterprises in region. This network, once created, should function in co-operation with other formal and informal regional structures to facilitate the overall regional development. The network of enterprises and their co-operation with the school sector can facilitate a better adjustment of the education to the needs of businesses on the one hand, and improve human resource management in companies, on the other hand. Such a partnership can become a permanent watchdog system for the education and training compliance with labour market medium-term trends on the background of macroeconomic development

Forecasts of qualifications needs on the labour market should be able to rely on regular and methodologically uniform data from the industry. Although there is currently no thorough economic development policy or forecast, and although companies are financially unstable, relevant bodies should establish a regional forecasting system that taps into resources of Labour Offices or at least works in close connection with them. It would require the following:

- establishing an industry monitoring system; companies would provide their input concerning methodology
- devising a research methodology to be used by experts in forecasting
- creating institutional channels for information sharing and particularly for regular analysis.

Furthermore, the schools must be more active in trying to adjust their education offer to the labour market needs. Monitoring of the school graduates on the labour market in the framework of co-operation with Labour Offices has started developing. Monitoring period must cover at least three years after graduation in order to attain a good knowledge not only on equivalence of the branch structure of the education offer, but also on the quality of education outcomes. It might also introduced a sample survey of the placement of young graduates of a particular type of school, track what kinds of schools they go on to, what kinds of jobs they find, and check the status again after a longer period of time. The schools must better prepare the students to use information on the labour market. Information and Counselling Centres at Labour Offices have very rich information but a lack of receptive clientele was noted as one of deficiencies of the school system. The school system must go through re-orientation towards principle branches with broader specialisation that are less vulnerable to labour market trends.

## **c) On institutional preparedness for ESF**

The panel discussion demonstrated that there are many initiatives in the region that try to improve co-operation and facilitate the information exchange between different regional institutions. Although there are no formal regional structures set up in the region, the co-operation often takes a form of informal consultation bodies. This co-operation is supported by the Agency for Regional Development and other key regional institutions and soon will become a basis in preparation to pre-structural funds intervention. The lack of definition of competencies at the regional level of the fourteen territories refrains formalisation of co-operative structures in the region. For instance, the 14 School Offices entitles for co-ordination at the regional level do not have other than co-ordinating functions.

Director of the Agency for Regional Development (ARD) Mr Cekaj mentioned insufficient information availability on EU integration, structural funds approaches and policies. Although information dissemination could be developed in the region, it must also become a national priority with a pro-active mass media campaign. On the other hand, some other participants of the seminar noted that the ARD must become a principle point for dissemination of information on structural funds, and ESF in particular.

Representative of the DGV Mr Tillieut expressed his understanding of the situation with the whole range of issues of uncertainty in future regional development in the CR as well as the applicability of the structural funds. However, his premier advise was to start as soon as possible from perhaps a small but real programme implementation to learn by doing in a pilot phase.

\* \* \*

The discussion showed a high relevance of the study to the needs of the region, where many participant intended to use

its outcomes for planning of their activities. Moreover, it was also noted there is a high need in such analyses in other regions. Some Labour Offices try to assess themselves the future employment trends at a district level (e.g. Labour Office in Prerov) and many of them will be interested in development of standard company surveys in the future.

Comments and remarks during the discussion were taken into account in preparation of the final version of the report.

## **APPENDICES to Chapter I**

**Table AI. 1 : Age structure of population in the region by individual districts (as of Dec 31 1996)**

Area		Population as of Dec31,1996	Broken down by age group							Share of population in age groups	
			0-14	15-24	25-34	35-44	45-59	60-79	80+	0-14	60+
Bruntál		106 054	21 210	19 448	14 522	15 340	20 360	13 446	1 728	20,0	14,3
Frýdek – Místek		228 848	43 454	37 814	32 382	32 240	43 992	33 725	5 241	19,0	17,0
Karviná		285 387	55 061	45 344	43 083	40 555	57 036	39 131	5 177	19,3	15,5
Nový Jičín		161 227	31 752	27 609	23 151	22 912	30 873	21 719	3 211	19,7	15,5
Opava		182 027	34 570	31 028	24 867	26 835	34 605	26 372	3 750	19,0	16,5
Ostrava–City		323 870	58 426	51 647	47 796	46 133	66 383	46 495	6 990	18,0	16,5
Region	Abs.	1 287 413	244 473	212 890	185 801	184 015	253 249	180 888	26 097	19,0	16,1
	%	100,0	19,0	16,5	14,4	14,3	19,7	14,1	2,0		
CR	(%)	100,0	17,9	16,5	13,6	14,0	20,0	15,5	2,5	17,9	18

Source: ČSÚ (Czech Statistical Office)

**Table AI.2 Development of unemployment in the region from Dec 31 1996 to March 31 1998**

Period	Number of unemployed		Job vacancies		Rate of unemployment		Unempl. /1 job vacancy	
	region	CR	region	CR	region	CR	region	CR
12/96	36 673	186 339	7 243	83 976	6,0	3,5	5,1	2,2
01/97	40 126	205 185	5 803	81 472	6,4	4,0	6,9	2,5
02/97	40 596	206 658	6 419	83 598	6,5	4,1	6,3	2,5
03/97	39 258	199 597	6 705	87 125	6,3	3,9	5,9	2,3
04/97	38 503	195 023	6 471	84 357	6,2	3,8	6,0	2,3
05/97	38 307	193 442	6 501	84 893	6,1	3,8	5,9	2,3
06/97	40 235	202 562	6 498	81 601	6,4	4,0	6,2	2,5
07/97	42 671	222 374	6 628	77 380	6,8	4,3	6,4	2,9
08/97	43 350	230 301	6 991	78 367	6,9	4,5	6,2	2,9
09/97	45 410	247 633	6 769	73 220	7,3	4,8	6,7	3,4
10/97	45 795	249 519	6 045	68 389	7,3	4,9	7,6	3,6
11/97	46 691	254 106	5 708	64 441	7,5	4,9	8,2	3,9
12/97	49 061	268 902	5 399	62 284	7,8	5,2	9,1	4,3
01/98	51 855	287 104	5 191	61 298	8,3	5,6	10,0	4,7
02/98	52 798	289 222	5 584	62 546	8,5	5,6	9,5	4,6
03/98	52 262	284 090	5 406	64 252	8,4	5,5	9,7	4,4

Source: MOLSA CR

**Table AI.3: Structure of unemployed by level of education - as of Dec. 31 1997**

	Number of unemployed								
	Total (%)	Out of which (%)							
		Basic..*	Apprent.	Sec. technical without Maturita	Apprent. with Maturita	Gymnasiums	Second. technical	Post-secondary**.	Tertiary***
Bruntál	100,0	40,5	40,7	0,9	3,3	3,0	10,3	0,1	1,2
Frydek-Místek	100,0	23,2	48,5	0,8	5,8	3,9	14,8	0,3	2,7
Karviná	100,0	37,9	41,3	0,9	4,4	3,8	10,0	0,1	1,6
Nový Jičín	100,0	33,2	41,5	1,0	2,8	3,3	15,7	0,1	2,5
Opava	100,0	29,7	42,9	1,0	3,9	4,4	15,2	0,1	2,8
Ostrava	100,0	39,9	35,8	0,7	3,6	3,9	12,3	0,1	3,7
<b>CR</b>	100,0	33,3	39,4	1,5	3,4	3,7	15,8	0,2	2,7
<b>Region</b>	100,0	34,8	41,3	0,9	4,1	3,8	12,5	0,1	2,5

Source: MOLSA CR

\* Basic including no education

\*\* Post-secondary - higher professional schools

\*\*\* Universities, including doctorate study

**Table AI. 4: Structure of job vacancies by required level of education - as of Dec 31<sup>st</sup> 1997**

	Total (%)	Out of which (%)						
		Basic education *	Apprent. certif.	Secon. technical without Maturita	Apprent. with Maturita	Gymnasium	Secon. technical.	Universities tertiary **
Bruntál	100,0	9,7	77,9	0,5	0,5	0,0	6,6	4,8
Frydek-Místek	100,0	11,4	75,6	0,0	0,1	0,0	11,9	1,0
Karviná	100,0	13,7	78,0	0,0	0,3	0,8	4,6	2,6
Nový Jičín	100,0	23,3	61,4	0,0	0,0	0,0	12,1	3,2
Opava	100,0	15,2	74,3	0,0	1,1	0,4	7,0	2,0
Ostrava	100,0	23,2	62,6	0,2	0,0	0,0	9,5	4,5
<b>Region</b>	100,0	16,7	71,3	0,1	0,2	0,3	8,4	3,0
<b>CR</b>	100,0	23,5	63,3	0,7	2,2	0,7	8,2	3,8

Source: MOLSA CR

\* Basic including no education

\*\* Universities Tertiary incl. Doctorate study

**Table AI.5: Structure of unemployed graduates by levels of education - as of Dec 31<sup>st</sup> 1997**

	Number of registered graduates						
	Total	Out of which					
		University	Sec.techn. schools	Gymnasium	Sec.voc.with Maturita	Apprent.	Basic schools
Bruntál	480	11	130	26	50	212	51
Frydek-Místek	1 438	49	396	85	275	590	43
Karviná	2 959	64	524	212	354	1 501	304
Nový Jičín	953	34	308	73	55	352	131
Opava	953	50	235	93	124	377	74
Ostrava	1 968	112	449	169	204	716	318
<b>Region</b>	8 751	320	2 042	658	1 062	3 748	921
<b>CR</b>	44 174	1 667	12 092	2 984	4 088	15 116	5 687

Source: MOLSA CR

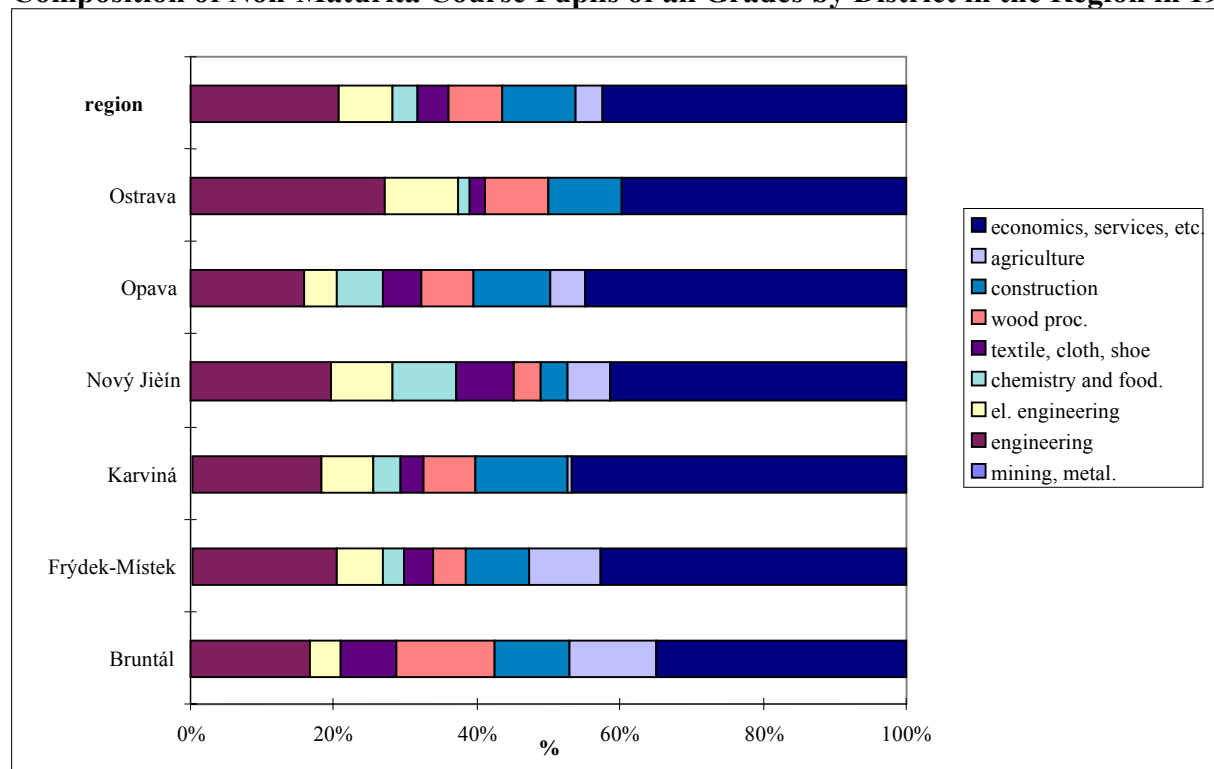




## **APPENDICES to Chapter II**

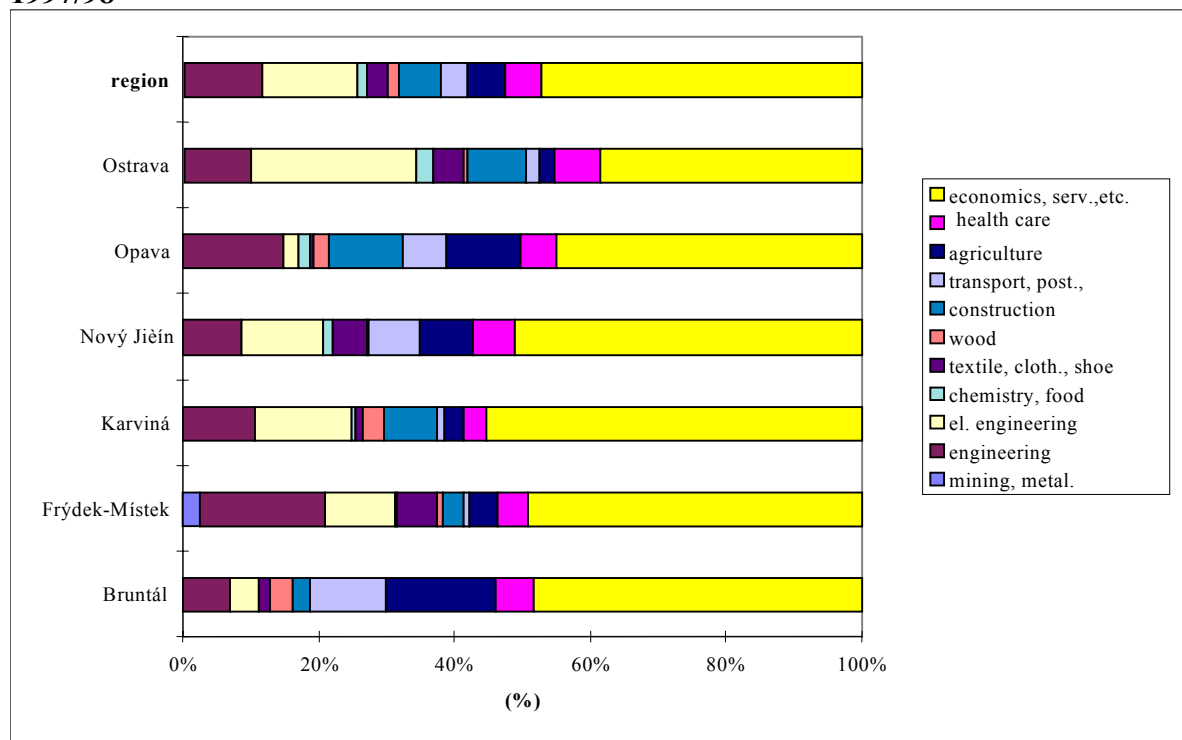
**Graph AII.1**

**Composition of Non-Maturita Course Pupils of all Grades by District in the Region in 1997/98**

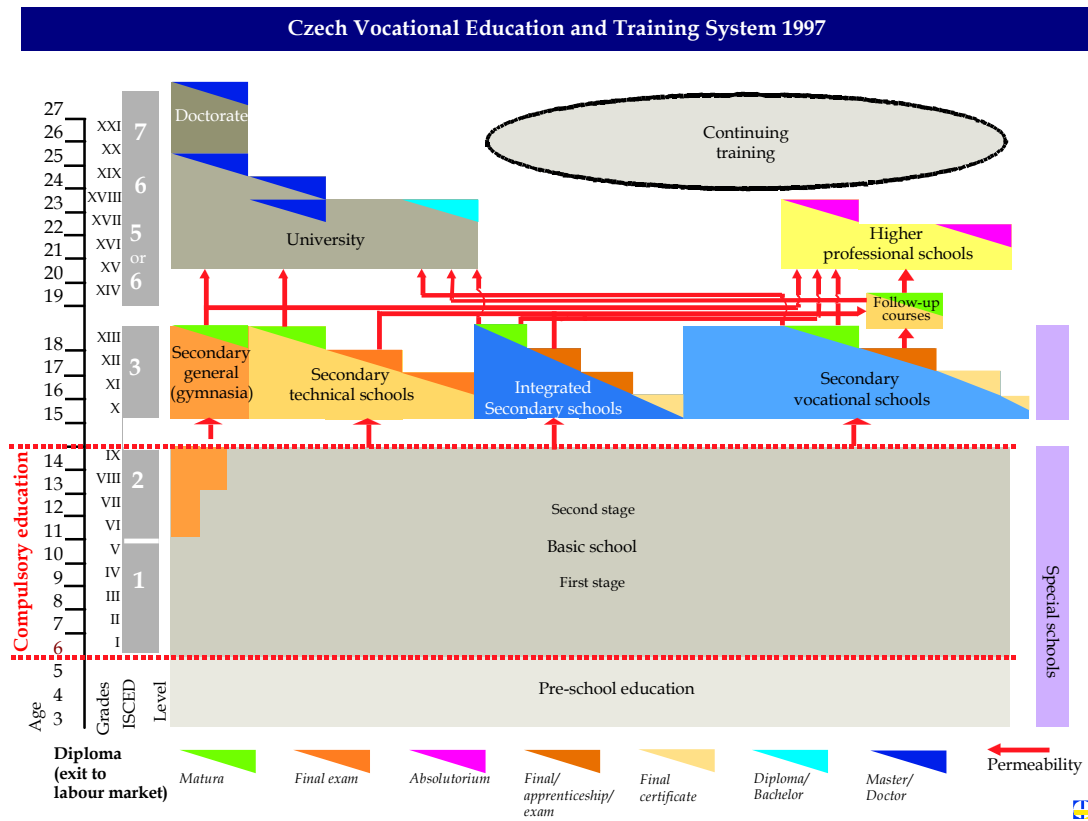


**Graph AII.2**

**Students of Maturita-Courses of All Years by Specialization by District in NM Region in 1997/98**



Chart





## **APPENDICES to Chapter III**

**Table A III.1: Respondents - size**

Number of employees	Bruntál	Frýdek-Místek	Karviná	Nový Jičín	Opava	Ostrava	Region
1 – 24	10	11	13	7	10	24	75
25 – 49	11	27	20	10	17	23	108
50 – 99	28	19	19	15	19	46	146
100 – 499	11	18	18	8	17	49	121
500 plus	2	5	5	3	6	10	31
Total	62	80	75	43	69	152	481

Source: Enterprise survey

**Table A III.2: Respondents by districts and sectors of industry**

District	Number of respondents					
	Total	Sector				
		Primary	Industry	Construction	Tertiary	Unclassified
Bruntál	62	8	20	5	25	4
Frýdek-Místek	80	3	17	9	49	2
Karviná	75	1	18	3	51	2
Nový Jičín	43	3	13	2	25	0
Opava	69	6	20	4	36	3
Ostrava	152	0	27	12	111	2
Region	481	21	115	35	297	13
Region %	100	4	24	7	62	3

Source: Enterprise survey

**Table A III.3: Number of employees in businesses taking part in the survey**

District	Number of employees per sector						Unknown
	Total	Primary	Secondary			Tertiary	
			Total	Industry	Construction		
Bruntál	6 637	382	4 166	3 945	221	1 973	116
Frýdek-Místek	18 852	353	13 856	13 061	795	4 598	45
Karviná	10 414	275	3 719	2 945	774	6 353	67
Nový Jičín	10 473	346	8 590	8 210	380	1 537	0
Opava	11 869	784	6 900	6 725	175	3 933	252
Ostrava	69 126	0	51 176	48 203	2 973	17 815	135
Region	127 371	2 140	88 407	83 089	5 318	36 209	615
Region %	100.00	1.68	69.41	65.23	4.18	28.43	0.48

Source: Enterprise survey

**Table A III.4: Education structure in sectors of national industry (in %)**

Education	Total	Sector (branch of industry)					Unknown
		Primary	Secondary	In		Tertiary	
				Industry	Construction		
Basic	18	21	18	19	20	15	10
Apprentice certificate	45	54	52	52	54	27	41
Apprentice certif. with Maturita exam.	4	3	6	5	4	4	2
Gymnasium	4	4	3	3	2	6	2
Secondary technical with Maturita exam.	20	14	15	16	15	30	20
University	10	4	6	6	5	18	25
Total	100	100	100	100	100	100	100

Source: Enterprise survey

**Table A III.5: Education structure in sectors (branches of industry)**

Education	Economy total	Sectors					
		Primary	Secondary			Tertiary	Unknown
			Total	Industry	Construction		
Basic	21 722	403	16 063	15 035	1 028	5 159	61
Vocational	55 271	1 052	44 546	41 694	2 852	9 409	264
Vocational with maturita exam	5 393	61	4 041	3 842	199	1 278	13
Gymnasium	4 922	76	2 565	2 468	97	2 271	10
Secondary technical with mat.	24 447	269	13 395	12 582	813	10 653	130
University	12 038	79	5 444	5 164	280	6 355	160
Total	123 793	1 940	86 054	80 785	5 269	35 161	638

Source: Enterprise survey

**Table A III.6: Education structure of employees to be laid off in the given region in 1998 -2000 (numbers of employees)**

Level of Education	Total	Sector (branch of industry)					
		Primary	Secondary	In		Tertiary	Unknown
				Industry	Construction		
Basic	3 684	139	3 332	3 209	123	210	3
Vocational	7 580	93	7 319	7 247	72	166	2
Vocational with maturita	1 224	2	1 163	1 163	0	56	3
Gymnasium	310	2	257	257	0	50	1
Second. Technical with maturita	597	14	272	249	23	257	54
Higher education	331	1	122	122	0	200	8
Total	13 726	251	12 465	12 247	218	939	71

Source: Enterprise survey

**Table A III.6 (continuation)**

**Education structure of employees to be laid off in the given region in 1998 -2000 (in %)**

Level education	Total	Sector (branch of industry)					
		Primary	Secondary	In		Tertiary	Unknown
				Industry	Construction		
Elementary	27	55	27	26	56	22	4
Vocational	55	37	59	59	33	18	3
Vocational with maturita exam	9	1	9	9	0	6	4
Gymnasium	2	1	2	2	0	5	1
Sec. technical with mat.	4	6	2	2	11	27	76
University	2	1	1	1	0	21	11
Total	100	100	100	100	100	100	100

Source: Enterprise survey

**Table A III.7: Expected recruitment in the surveyed businesses in 1998 - 2000 (numbers)**

Level of education	Total	Sector (branch of industry)					
		Primary	Secondary	In		Tertiary	Unknown
				Industry	Construction		
Elementary	1 395	2	1 118	898	220	255	20
Vocational	8 510	32	7 880	7 338	542	593	5
Vocational with matura exam	651	7	446	352	94	189	9
Gymnasium	130	0	34	28	6	96	0
Secondary technical with matura	683	10	363	308	55	305	5
University	710	1	324	287	37	370	15
Total	12 079	52	10 165	9 211	954	1 808	54

Source: Enterprise survey

**Table A III.7 (continuation)****Expected recruitment in the surveyed businesses in 1998 - 2000 (in %)**

Level of education	Total	Sector (branch of industry)					
		Primary	Secondary	In		Tertiary	Unknown
				Industry	Construction		
Elementary	12	4	11	10	22	14	37
Vocational	70	62	78	80	57	33	9
Vocational with matura exam	5	13	4	4	10	10	17
Gymnasium	1	0	1	0	1	5	0
Second. Technical with matura	5	19	4	3	6	17	9
University	6	2	4	3	4	20	28
Total	100	100	100	100	100	100	100

Source: Enterprise survey

**Table A III.8: Education structure of employees planned to be laid off in the given region in 1998 - 2000 (per district)**

Education	Region Total	In						Unknown
		Bruntál	Frýdek-Místek	Karviná	Nový Jičín	Opava	Ostrava	
Elementary	3 684	136	151	98	80	133	3 059	7
Vocational	7 580	95	1 126	185	42	134	6 002	2
Vocational with matura exam	1 224	4	44	25	36	37	1 075	3
Gymnasium	310	3	84	28	40	18	136	1
Secondary technical with matura	597	51	54	134	76	29	199	54
University	331	39	14	35	41	20	174	8
Total	13 726	328	1 467	525	315	371	10 645	75

Source: Enterprise survey

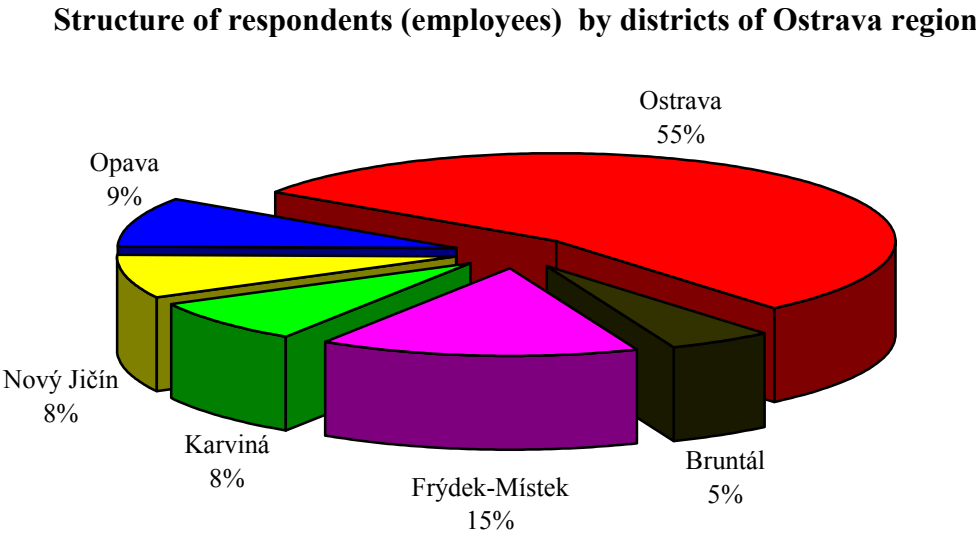


**Table A III.9: Level of education of new recruits in 1998 - 2000 (by districts).**

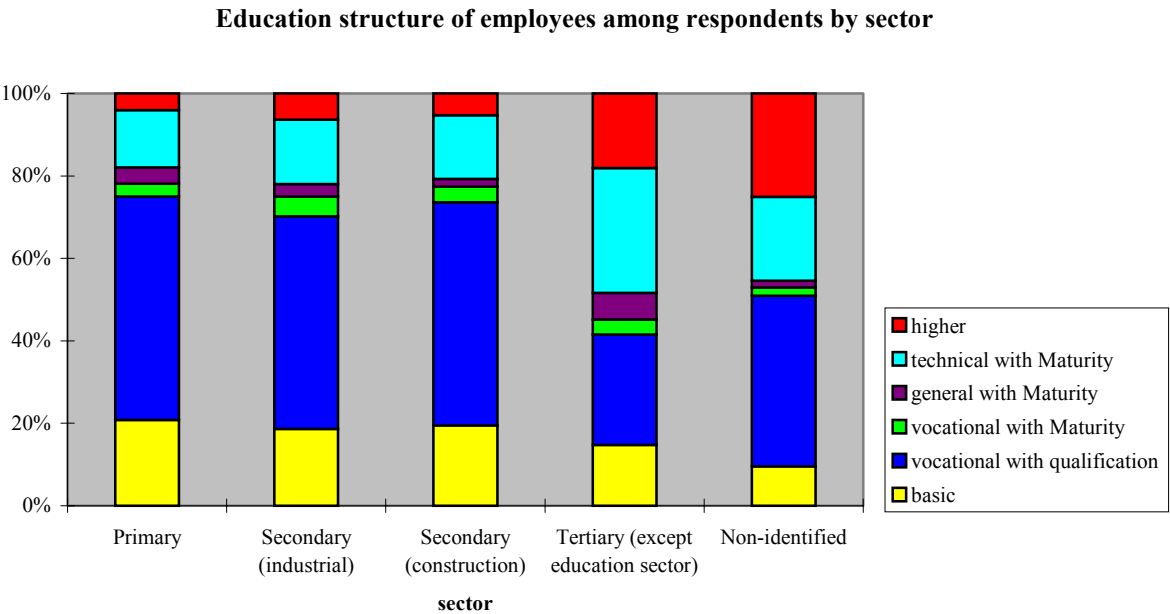
Education	Region Total	In						
		Bruntál	Frýdek-Místek	Karviná	Nový Jičín	Opava	Ostrava	Unclassified
Elementary	1 395	41	256	105	95	88	790	20
Vocational	8 510	223	374	198	430	370	6 878	37
Vocational with maturita exam	651	53	72	38	76	114	284	14
Gymnasium	130	6	59	5	7	11	41	1
Secon. technical with mat.	683	32	70	81	37	77	380	6
University	710	21	37	91	95	52	399	15
Total	12 079	376	868	518	740	712	8 772	93

Source: Enterprise survey

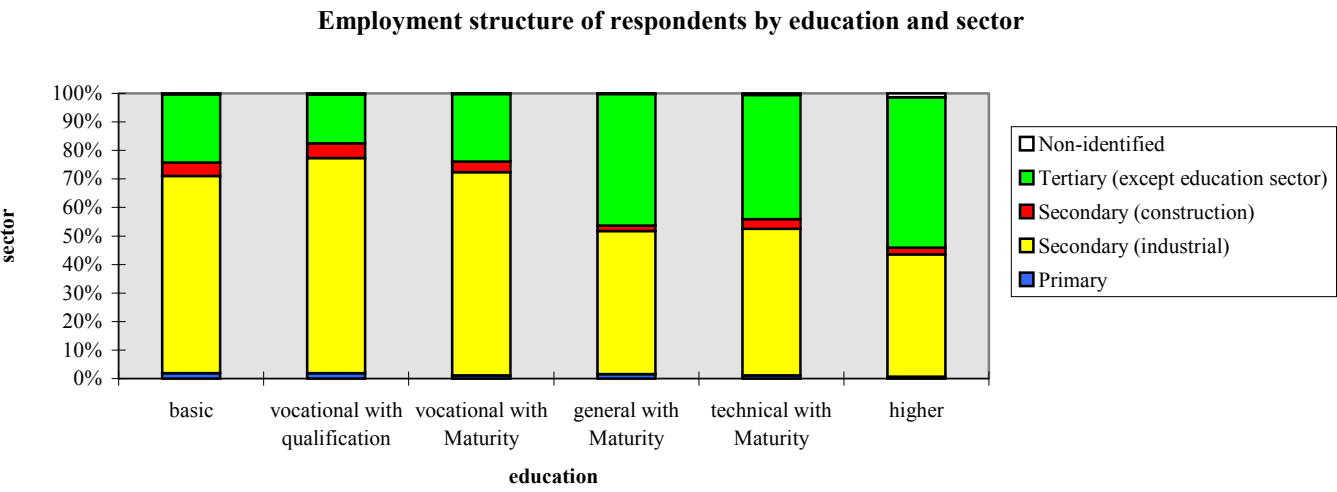
Graph A III.1



Graph III.2



Graph III. 3





## **APPENDICES to Chapter IV**

# Annex 1, Chapter IV

## LIST OF INTERVIEWED PERSONS IN THE NORTH MORAVIA REGION (INSTITUTIONAL ASSESSMENT) MAY 4-7, 1998

PaedDr. Jiří Mezulánik CSc	Vice Dean	School of Business Administration Silesian University	Karviná
Dr. František Němec	Vice Dean	School of Business Administration Silesian University	Karviná
Ing. Pavel Nezval		School of Business Administration Silesian University	Karviná
Ing. Jan Weber	Head of District	District Office	Karviná
PaedDr. Pavel Kulhánek	Director	Schools Office	Karviná
Dr. Zdeněk Moldrzyk		Service of Social Affairs, District Office	Karviná
Doc. PhDr. Josef Jünger CSc	Directeur	Business Development Institute	Ostrava
PaedDr. Tomáš Bouda	Director	Schools Office	Nový Jičín
Ing. Petr Czekaj	General Director	Regional Development Agency	Ostrava
Ing. Karel Skokan	Director	Regional Development Agency	Ostrava
Ing. Zdeněk Pražák	Deputy Mayor	City Hall	Ostrava
Mrs. Rováková	Head of Service	Service of Social Affairs	Ostrava
Ing. Zdeněk Prouza	Director	Labour Office	Ostrava
Mrs. Nataša Řehořová	Head of Service	Placement Service	Ostrava
Prof. Ing. PhDr. Tomáš Čermak	Vice-Rector	Technical University	Ostrava
Dr. Jindřich Kaluža	Vice Dean	Faculty of Economics, Technical University	Ostrava
Mgr. Ing. Pavel Míka	Director	Secondary Industrial School	Ostrava – Vítkovice
Ing. Jiří Mlynek	Vice Director	Secondary Industrial School	Ostrava – Vítkovice
Ing. Petr Škapa	Director	Integrated Secondary School	Ostrava – Poruba
Ing. Karel Koběorský	Vice Director	Integrated Secondary School	Ostrava – Poruba
Ass. Prof. Petr Šindler, Ph.D.	Head of Department	Department of Social Geography, University of Ostrava	Ostrava

**INFORMATION DOSSIER**  
for  
Institutional Preparedness Assessment  
for ESF Applicability in Ostrava Region

**TRANS-BORDER AND INTERNATIONAL CO-OPERATION IN  
VET AND  
LABOUR MARKET ADAPTATION**

**Structure**

- Part I:           The main international co-operation frameworks**
- I.1.       Contacts between municipalities
  - I.2.       Relevant associations of municipalities
  - I.3.       Other relevant co-operation frameworks
  - I.4.       Multilateral programmes
- Part II:          Transferred co-operation examples in VET, labour market adaptation and insertion of disadvantaged groups**
- II.1.      A favourable regional position for transferred co-operative activity
  - II.2.      Co-operative activities in VET with Poland
- Part III:        International co-operation examples in VET - Basic and Secondary schools**
- III.1.     The BATA Junior Achievement organisation
  - III.2.     International co-operation in *gymnasiums*
  - III.3.     International co-operation in secondary technical and vocational schools
- Part IV:         International co-operation examples in VET - Higher education**
- IV.1.     International co-operation in the Silesian University
  - IV.2.     International co-operation in the Ostrava Technical University
  - IV.3.     Other international co-operative activities
- Part V:          International co-operation in labour market adaptation and insertion of disadvantaged groups**
- V.1.      Labour market adaptation in the Phare framework
  - V.2.      Support for micro company creation with CEPAC MORAVA
  - V.3.      Active employment policy within firms
  - V.4.      Co-operative activity in private continuing training schools
  - V.5.      Integration of national minorities and disadvantaged groups

### **I.1.        Contacts between municipalities**

Contacts between municipalities are widespread in the region. It is realistic to assume that at least the four largest cities of each district have had several twinning contacts with other cities, mainly western cities. After the November 1989 revolution, municipalities abandoned their obligatory sister cities from the Eastern bloc and developed contacts with municipalities based mainly in the neighbouring countries of the European Union, Great Britain and France. Transferred contacts remained very strong between Czech and Polish municipalities, partly due to the proximity of the cities.

Contacts between municipalities may be made official by a "twinning agreement". This step is of formal nature and may have very little impact on the quality and dynamism of the co-operation. In some cases the "twinning" will only mean one yearly routine visit of the partner mayor, with regular rotation, and in some other cases much stronger links will be unofficially developed by direct actors (teachers, firemen, sports club, folklore groups ...).

The example of Ostrava-City is interesting : there are five official "twinning " municipalities (Katowice in Poland, Coventry in the United Kingdom, Dresden in Germany, Split in Croatia and Volgograd in the Russian Federation) and two "Agreements on co-operation" (with Frederiksborg County in Denmark and Lorraine Region in France). The co-operation with Split is completely inoperative and the contacts with Coventry lately declined and are now reduced to official visits. The two most dynamic co-operative links are with Dresden and Katowice, and cover cultural and educational exchanges as well as organisation of seminars and conferences. The case of Volgograd is symptomatic of the times : the links were completely interrupted between 1989 and 1997, but contacts are being renewed through the celebration of the Volgograd battle (2nd World War) and the newly reborn co-operation between the two municipality theatres.

The "Agreement on co-operation" signed with Lorraine Region is the first attempt to set up a co-operation framework between this French region and Ostrava, chosen as the main city of the six districts that compose North Moravia and Silesia. This agreement includes specific project implementation and the creation of a pilot committee in charge of the follow-up. It was followed by an agreement with the Frederiksborg County that was similar in the philosophy but without pilot committee.

In the same period , good contacts between the University of Pittsburg (USA) and the Technical University of Ostrava have led to common actions with the municipalities, without any formal agreement, such as a workshop about the reconversion of an industrial site of Vitkovice that will be closed in July this year. This workshop will take place in the end of June 1998 in Ostrava.

### **I.2.        Relevant associations of municipalities**

The Association of towns of North Moravia and Silesia is the largest association and brings together the 78 main municipalities of the region. It has been a voluntary union of municipalities of the six districts of the region since 1992 and has very close co-operative ties with its sister association of the Polish Upper Silesia. Both associations see promotion of Czech-Polish trans-border co-operation as one of their main objectives.

Two smaller associations have similar goals : the Union of Municipalities of the Karviná district brings to gather all the 15 municipalities of this border area with Poland and Slovakia and aims at developing co-operation with the neighbouring Polish association of municipalities of Těšín County. The second example is the association of border region Beskydy that develops contacts with the neighbouring Slovak municipalities.

The activities of these various associations are focused on training sessions for municipalities, organisation of seminars and study tours and participation to conferences. International co-operation is considered to be a way of developing tourism and attracting foreign investments in the region, whereas transferred contacts aim at solving key local problems with a maximum coherence with the neighbouring region.

These associations are informed about the main European Union programmes and are frequently either leading or associated partners in the relevant projects . These are mainly related to economic development but also to VET and insertion of minorities (for example participation in the implementation of the project Phare PALMIF in Karviná



district).

### **I.3. Other relevant co-operation frameworks**

The creation of the Euroregions NISA in Liberec border area and GLACENSIS in Rychnov nad Kněžnou inspired the development of two similar regional experiences between Czech and Polish border areas in recent months : the Euroregion Praděd (July 1997) and Těšín (April 1998). One more is planned between Opava and Raciborz. Another Euroregion called Beskydy situated on the borders with Poland and Slovakia might also emerge in a near future.

A Euroregion is above all a voluntary framework for the development of transferred co-operation in many areas such as economic development, company contacts, education and culture. With some marginal exceptions, the conclusion of such an agreement does not automatically bring financial means from the European Union, but it is considered a highly valuable advantage when the partners ask for financial support for specific projects within the frame of EU programmes.

### **I.4. Multilateral programmes**

The objective of this passage is not to describe in detail the different multilateral programmes, but just to note their existence as several references to most of them will be made in the following chapters. The only programmes that are described here are those that are related to the Vocational Education and Training systems (VET) and to labour market adaptation and minority insertion.

#### **I.4.1. European Union programmes for VET**

##### *The SOCRATES programme*

The SOCRATES programme was created to support co-operation for the development of a European dimension at all levels of general education systems. It was launched in 1995 and will continue up to 1999.

Associated European Union programmes involving Central Europe include higher education (programme ERASMUS), and secondary and primary education (programme COMENIUS). They can also support foreign languages teaching (programme LINGUA), distance training and access to distance training in the European Union and at last development of information and experience exchanges (programme EURYDICE, ARION, NARIC). The programme commitment can be a financial contribution to the project expenses or grants for teachers and students. During the first three years Czech schools and Universities could only participate as partners, but from the 1st October 1997, the Czech Republic became a full member of the SOCRATES and LEONARDO programmes. This new status gives Czech institutions access to the position of coordinator.

After its first implementation in 1997 in the Czech Republic, the ERASMUS programme is reaching an important stage of its development because the access to a full membership entails the necessity of signing an institutional contract between the Czech universities and the European Commission. This contract will clearly state the ways to develop new activities and co-operative activities with the European Union universities. A total of 22 Czech universities out of 23 were involved in the writing and sending of the Czech proposal. The Silesian University was the only university that did not take part to this process. The reason was perhaps the disproportion of available financial means between the ERASMUS programme and the TEMPUS programme, with the ERASMUS programme being less financially interesting.

The COMENIUS programme started in 1997, with a selection of 26 projects presented by schools from the whole Czech Republic. Four schools from North Moravia and Silesia were involved : 3 *gymnasiums* in Frýdek-Místek, Ostrava-Poruba and Havířov, and the Commercial Technical School in Opava. The most frequent foreign partners are Greece, Austria and Germany, to a lesser extent Sweden and Italy. For the second round, in March 1998, a total number of 48 projects were selected, among which 3 had a Czech institution as lead partner. Each partner received 2 000 ECU and each leading partner 3 000 ECU. Only 2 schools from the region were involved : the *gymnasium* of Opava and the Chemical Technical School of Ostrava-Zabřeh. The latest call for applications closed in March 1998 and received 44 applications of which 35 will be selected. It will be interesting to see if the decreasing trend is confirmed once the selection is made.

As far as the LINGUA programme is concerned, the activity of the LINGUA E programme is the only one that involves schools and complete classes. In the 1997-1998 round, a total of 11 schools were selected, including the Economic Technical school of Opava and the Private Economic Technical School of Ostrava.

### *The LEONARDO programme*

The LEONARDO programme aims to support vocational training in the European Union through the development of co-operation between Czech and European Union institutions and organisations. The objectives are to improve the quality and innovation capacities of the vocational training, to increase its "capacity to attract" potential applicants and to develop continuing vocational training. It was first implemented in the Czech Republic in 1995 and has enjoyed growing success in terms of implemented projects: 2 projects involving a Czech partner were selected in 1995, 21 in 1996 and 62 in 1997.

The programme should continue until 1999. A decisive step was taken in October 1997, as in the case of the SOCRATES programme, when the Czech Republic gained full membership. One of the particularities of this programme is that it is not only limited to vocational schools. Indeed, applicants can belong to various types of institutions or even private firms (national level firms are deeply involved in several LEONARDO projects). The programme commitment is a financial contribution to the project expenses.

For 1997, four partners from North Moravia and Silesia were involved in three selected projects: the private vocational training centre METER (see paragraph V. 4), the Technical University of Ostrava, the VITKOVICE steelworks and a foundation for education KONTA. A total of 40 700 ECU was granted to these three projects. Under the call for proposals 1998 four institutions from the region submitted six proposals, but the results of the call are not yet known. The Placement and Exchanges strand (1997) involved two secondary and higher vocational schools in the region, and the Business Development Institute, and carried a grant of approx. 28 000 ECU. In 1998 it has involved six schools and a total grant of almost 43 000 ECU.

### *The TEMPUS programme*

The TEMPUS programme aims at developing co-operation between high schools and universities of Central Europe and European Union. It supports improvement of teaching programmes in priority areas, reform of higher education system, and the development of vocational training clearly oriented towards industry. The programme was first implemented in the Czech Republic in 1994 and will last until 2000. The duration for project implementation is 3 years and the programme support consists in contribution to the project expenses and mobility grants for teachers and students.

In North Moravia and Silesia, the most active university is the Technical University of Ostrava, which participated to the TEMPUS programme from 1991-1992 through its technical and economic faculties, which were involved in a total of 21 projects. This university presented more projects each year and the number is approaching the national average. Just for the 1997-1998 session, 6 projects were presented and in half of them the Technical University was leading partner.

The two universities have a shorter experience as associated partners: the Ostrava University participated to 7 projects from 1991-1992 but the trend is stagnating with never more than 2 projects per year. For 1997-1998, for example, the Ostrava University is involved as partner in 2 projects.

The Silesian University first became involved in the programme in 1994-1995, with participation in 3 projects. Since then, the university has participated in a single project per year.

The Individual Mobility Grants for 1997-1998 reflect the same hierarchy between the three regional universities: a prevailing advantage with the Technical University of Ostrava (7 grants), a less involved Ostrava University (2 grants) and an hesitant Silesian University (no grants at all).

### *The Youth for Europe programme*

The programme *Youth for Europe* is supported by the European Union and aims at promoting exchanges between young people from 15 to 25 years old in Europe. These exchanges are not part of a school education programme but concern free time and concrete practical activities. Each partner asks its national office to support part of its own travel and insurance costs and also part of the accommodation costs of the other partner when its group visits. The groups of young people vary from 16 to 60 and the costs are covered up to 75 %. The programme has been running from the beginning of 1996. In 1997, no school from the region was chosen, but among the 15 chosen in 1998, two were situated in North Moravia and Silesia: the private *Gymnasium* of Ostrava-Hrabůvka and the Economic Technical School of

### *The REGVIS 2005 Project*

The Strategy for the Development of the North Moravian and Silesian Region that was set out in May 1998 within the frame of the ECOS-OUVERTURE project "REGVIS 2005" represents a reference document on the development strategy of the region based on a SWOT analysis and strategy in 6 different domains, among which is "Social development, education and culture". The strategy places among its priorities the development of education focused on new activities and new occupations through the development of specialised and apprentice school system and re-qualifications adapted to the labour market needs. A higher involvement of the universities in the social life of the region and university development is the second priority in education. As far as social priorities are concerned, the strategy focuses its action on the prevention of social problems (help for marginalised groups and support for social cohesion). The regional strategic committee, which played a key role in the drawing up of this strategy, approved the two following points :

- The creation of an "implementation committee" in charge of the selection of top priority projects and the identification of possible financial means for their start-up phase
- The Regional Development Agency of Ostrava is responsible as a coordinator for the implementation process of the regional strategic plan and will be a member of the "Implementation Committee"

### **I.4.2. European Union programmes for labour market adaptation and social insertion**

#### *The LIEN Programme*

The aim of this programme is to provide support to projects implemented by organisations working with endangered target groups in the health and social sphere, especially in the following areas : assistance to threatened groups of women (socially disadvantaged, abandoned, suffering illnesses ...), social reintegration of unemployed or socially disadvantaged groups (minorities, handicapped ...), social and health support to threatened groups (senior citizens, homeless, street children, drug addicts, AIDS victims ...). The programme started in 1996 and should finish in 1998. A distinction between micro (with co-financing ranging from 3 000 to 10 000 EUR) and macro projects (from 10 000 to 200 000 EUR) was established, depending on the financial grant level and the presence of partners from the European Union.

The 1996 compendium for Macro-LIEN projects shows that in this period, one micro project was financed in Sumperk.

#### *The DEMOCRACY Programme*

The aim of this programme is to support the development of a democratic society and a legal state in the Czech Republic with the following main objectives : acquisition of knowledge and techniques of Parliamentary practice, strengthening of non-governmental bodies and associations which can make a continuing contribution to the promotion of a pluralist democratic society, transfer of specific expertise and technical skills about democratic practices. The programme started in 1992 and offers financial grants to the applicants.

One micro project was financed in 1997 in Cesky Tesin.

#### *The Phare-PARTENARIAT Programme*

The Phare-PARTENARIAT programme supports co-operation between Central Europe and European Union organisations active in the field of sustainable economic development, long-term international co-operation through European networks, know-how transfer for the support of local economic development. This programme, which started in 1993 in the Czech Republic, offers various action areas, such as improvement of regional planning and infrastructures, support of local development, development of economic life and companies, development of human resources and education, institution building and development. The programme is due to be discontinued in 1999.

The activity reports of 1997 shows that one project involving a museum and natural sciences association in the Bruntal district was selected for a micro project. A total of 19 micro projects were selected in Czech Republic in 1997.

#### *The PALMIF Programme*

The purpose of the PALMIF programme is to support labour market restructuring in connection with transition to a market economy and to create a favourable climate for employment development. This programme was set up to enable the Ministry of Labour to finance locally-based, innovative approaches to problems on the labour market, with the expectation that the Ministry would thereby discover new tools for its mainstream active labour market policy. The programme started in 1991 and since 1993, PALMIF financed 50 small projects in the whole country, such as, for example, training and re-qualification, assistance to people facing particular difficulties on the labour market, promotion of job creation in micro-regions especially suffering from high unemployment. A recent innovation in the PALMIF programme has been to divide grants into types A, B, and C. A-grants are at the disposal of the Ministry of Labour for new labour market policy measures implementation, while B-grants are designed for local Labour Offices which can use these means to innovate with a high level of power decentralisation. Lastly, C-grants are open to any organisation, or individual, which proposes to address an employment or labour issue in an innovative way.

These grants are intended to promote innovation in job creation, training and counselling. From its creation in the country, the PALMIF grants supported the creation of nearly 1500 jobs.

The chapter V 1 provides more concrete information about the projects that were implemented in the region in the latest years.

## *Part II:* Transferred co-operation examples in VET, labour market adaptation and insertion of disadvantaged groups

### **II.1. A favourable regional position for transferred co-operative activities**

North Moravia and Silesia are situated at a geographical cross-roads close to the Slovak and Polish borders. Katowice, the largest city of southern Poland, and Žilina, the closest significant city in Slovakia, are respectively 90 and 120 km from Ostrava. The proximity of the border and the dynamism of the industrial sector has meant that for several generations immigrants from Poland and Slovakia have settled in the region and created significant communities that still keep their own specific cultural features. The present industrial conglomerates are still eager to hire this cheaper work force for a certain time, but immigrants have to go back in their country once their contract was over.

The Karviná district is known for its strong Polish communities. However, no Slovak community is known in the region, probably because Slovaks had certain mobility within the former Czechoslovakia and possibly went back home after the split, and also because they were not quickly assimilated among their Czech compatriots.

The existence of a strong and dynamic Polish community can account for the fact that trans-border co-operation with Polish side is much more active than with the Slovak one.

The presence in Ostrava of a Polish Consulate is more than a symbol. Ostrava and Katowice are twin cities, which co-operate in economic and cultural activities.

It seems that trans-border co-operation with Poland is steadily growing, especially since the creation of a Permanent Cross-border Committee for Czech-Polish Co-operation, including Czech and Polish representatives of the competent ministries (Ministry of Education, Youth and Sports and Ministry of Social Affairs) and local representatives of District Offices and main border cities. The first meeting session of this committee was held in 1995 in Český Těšín (Czech Republic) and was focused on education. The second took place in 1996 in Polski Těšín (Poland) and concerned youth exchanges. The third was held in the beginning of 1998 in Rychnov nad Kněžnou and was focused on co-operation between youth organisations. This committee works in close co-operation with the Czech-Polish Intergovernmental Commission.

Contacts between municipalities and joint actions are provided by the Association of Municipalities North Moravia and Silesia which, as we saw in part I, has a Czech and a Polish branch. Very close links exist between cities that are very close to each other and that in the past belonged to the same country: Krnov and Glubczyce (35 km from each other), just like Opava and Raciborz. Český-Těšín and Polski-Těšín, which once made a single city, co-operate in numerous projects.

The recent creation of Těšín and Praděd euroregions are only the beginning of a probable development of new forms of co-operation. The towns of Opava and Raciborz are also planning the creation of a euroregion.

Czech-Slovak transferred contacts declined after the split in 1993 and did not really recover, probably because of the distance between the main cities that are, moreover, separated by mountains.

### **II.2. Co-operations in VET with Poland**

Co-operation with Poland in VET activities is very significant in the region. In the municipalities of Havířov, Karviná and Český Těšín, the three main cities situated in the Karviná district and bordering Poland, the Polish communities have at their disposal several Polish basic school (for example one in Havířov with approximately 100 children). There is also one *gymnasium* with Polish language in Český Těšín (380 students) that prepares pupils for higher education exams in both the Czech Republic and Poland. The Commercial School of Český Těšín and the secondary industrial technical school of Karviná-Hranice are also bilingual, with the opening of several classes with teaching in Polish language.

### *Part III:* International co-operation examples in VET - Basic and Secondary schools

#### **III.1. The BATA Junior Achievement organisation**

The BATA Junior Achievement (J.A.) organisation - Czech Republic branch, was founded in 1992 by Thomas Bata, with the agreement of the Czech Ministry of Education. Its mission is to train young pupils and students to an understanding of the worth of entrepreneurship, commerce and economy, to develop their ethical capacities in management and prepare them for the active world.

This non-profit organisation develops and introduces courses linked to economy for basic and secondary schools and for students until 20 years old, on a nation-wide basis. Participation to the programme is free for the schools. Bata J.A. provides education material and special training for the teachers that will then train the children. The costs are covered by sponsor firms, including some of the largest of the country.

The Ostrava branch is one of the four in the country and covers 10 districts in North Moravia and Silesia. Two courses make the core of the pedagogical programme :

- the first course concerns basic schools and explains the basis of entrepreneurship through educational games. One session takes 1 hour per week during two months,
- the second course is set up for pupils and students from secondary schools and higher professional schools until 20 years old. The complete course takes 3 hours per week during 10 months.

BATA J.A. also proposes company simulation games and annually organises a competition for the best student and the best student firm in the country.

In North Moravia and Silesia the organisation is especially active. As many as 15 basic schools and 20 secondary and higher education schools of the six northern districts participate in the training programme.

For example, the commercial secondary schools of Ostrava Mariánské-Hory and Orlova actively cooperate with BATA J.A.

The teaching is in Czech but teaching materials are in English and Czech. The BATA J.A. has too many demands from schools and therefore has to make a selection among them because the sponsors' financial contributions are limited. However, it is difficult to appreciate the real interest and involvement of schools because their participation is free of charge and is considered to be a good argument for the secondary vocational and technical schools that compete in order to attract applicants.

#### **III.2. International co-operation in *gymnasiums***

One of the most active *gymnasiums* of the region is the *Gymnasium* with Advanced Language teaching of Ostrava-Poruba. This school was founded in 1991 and provides foreign language teaching amounting to one third of the whole syllabus, with access to reputed international language exams.

The school has strong partnerships with Coventry (United Kingdom), Limoge and Epinal (France) and has recently been developing new contacts with a school in Holland. It presently takes part to a COMENIUS project with partners from Ireland, Sweden and two schools from Greece.

Other *gymnasiums* play an active role in co-operation with other schools from the European Union, such as the *Gymnasium* of Opava, involved in a LINGUA project. The *Gymnasium* Olga Havlová from Ostrava-Poruba has been involved since 1997 in a UNESCO project within the frame of the Association of schools for solidarity, in a project aiming at developing education with tolerance, democracy and international co-operation. This school also has contacts with the Swedish town of Mjölby.

The international dimension of a *gymnasium* is very often emphasised and used as a decisive means of attracting new students : the Havířov *Gymnasium*, for example, offers courses leading to a German language examination available in only 12 schools in the country. Other schools boast participation in international co-operation programmes and yet others boast of student exchange opportunities.

Because of competition between *gymnasiums* for applicants and students, since numbers determine financing from the state, it is clear that the impact of these co-operative projects is different in each school.

#### **III.3. International co-operation in secondary technical and vocational schools**

Many examples can be used to illustrate the dynamism of international co-operation in secondary and vocational schools. The Secondary Vocational School of Poruba, open to both lightly handicapped and other children, for

example participated to the Phare project for *"Vocational Education and Training Reform"* supported by the Czech National Training Fund, which started in 1994 and was operated in only 19 schools selected according to tough criteria. This school also plans to co-operate with Dutch bilateral help in the field of re-education of handicapped children. on.

Secondary commercial technical schools frequently present international co-operation as a guarantee that the students will have an opportunity to use their two foreign languages on the spot. Some of these schools also stress their co-operation with the BATA Junior Achievement organisation (Secondary Commercial Technical Schools of Orlova and Ostrava Mariánské-Hory).

Three bilateral programmes are involved in the region through three particular schools :

- Secondary Technical School in Karviná that received technical help from the Denmark government for the launching of a new environmental programme,
- Secondary Technical School in Ostrava that was supported by a French grant for the implementation of a student exchange scheme,
- Secondary School for gardeners in Ostrava that received a German support for some practical training in gardening.

#### **Part IV: International co-operation examples in VET - Higher education**

The following projects significantly illustrate the present state of co-operation.

##### **IV.1. International co-operation in the Silesian University**

The Faculty of Commerce and Economy of the Silesian University is based in Karviná and was founded in 1992. It has participated to several TEMPUS programmes, such as "The establishment of public relations and marketing and other new specialisation in economic education" in 1994, with the Economic Faculty of the Ostrava Technical University as coordinator. It also took part to two other TEMPUS projects in the past years.

The faculty has created an Information Advice Centre that is involved in another TEMPUS project named "Higher studies for professional and social counselling".

The faculty co-operates with the British consulting firm *Sunbridge Park Management Centre* of London and Critical Skills Development in Sheffield with whom it organises an annual course on "Commerce and Entrepreneurial Activities" and a seminar "Managing Skills".

In October 1998 the faculty will launch a new specialisation aiming at preparing students and companies for the changes that will occur when the Czech Republic joins the European Union. This specialisation will include courses such as European law, European economic and tax policy, etc. The project has been set up in close co-operation with the European Union Delegation.

The faculty is strongly involved in vocational training, through the development of distance learning and vocational training courses for companies. Distance learning amounts to approximately 20 % of all courses and the objective is to increase it to 33 % by the year 2005. Vocational courses also have a growing share within the faculty, which organises vocational training "tailor made" courses for the employees of the largest regional firms (TRINEC steelworks, ŽDB Bohumin, Customs offices in Karviná, Czech Post).

The faculty participated in 1992 in the Swiss project TRANSFER, developing advanced vocational training methods in marketing and economy. This project is now finished.

The most significant commitment of the faculty in the field of vocational training is its participation to the courses for marketing specialists provided by the Czech Institute for Marketing according to the Dutch methodology NIMA (*Nederlands Instituut voor Marketing*). This co-operation started in 1995 and allows annual organisation of several sessions for the two level courses CIMA A and CIMA B. Professors of the faculty were trained in the methodology and each student attending the courses has to pass an exam organised by the Dutch partner during a national session in Prague. The programme was supported by the Czech National Training Fund (NTF).

##### **IV.2. International co-operation in the Ostrava Technical University**

The Ostrava Technical University is a leader in term of international co-operation. One teacher of the metallurgical faculty managed in 1969 to establish contact with the engineers of the *Ecole Centrale* of Paris and kept on exchanging students each year even during the darkest days of communism. The co-operation is still very active and manages to find funding from both European Union programmes and the French government (grants for doctoral studies and help for know-how exchanges between teachers and researchers within the frame of the BARRANDE programme).

In 1993, the Central Analytical Laboratory, an independent department of the University, received Phare financial support in order to modernise its analytical and measuring equipment. This support came from a TEMPUS project (1,5 million ECU) and through the Czech Ministry of Environment (1,15 million ECU).

The Department of Energy of the Mechanical Faculty also received a Phare grant through the Czech Ministry of Environment (170 000 ECU) that made possible the purchase of a vehicle especially equipped with air pollution measuring systems. Since then, the department has been successful in getting an official certification that allows it to make legally valid pollution measurements for large regional companies.

Since 1994, the same department of energy has been managing a TEMPUS project called "Training in Technological Risk Management, Monitoring and Waste Processing" (TRRIMM). This project also aims at improving the environment and encouraging the more efficient use of energy. It consists in seminars, conferences, study missions and exchanges of students. There are as many as seven European partners, for example the Universities of Derby and York (GB), Cordoba (Spain), Bordeaux and Montpellier (France). The Silesian University was also associated to this project, which



illustrates the good relations between local institutions.

The Economic Faculty of the Technical University also has positive and extensive experience in international co-operation. As the second largest Economic faculty in the country, it has been, since 1995, an official contractor and coordinator of TEMPUS projects. The faculty leads a TEMPUS project, mainly with the University of Liverpool (GB), that enables it to prepare its students to an official Master of Business and Administration diploma. In 1997, the faculty was also involved with the French Mines' School of Nancy in a project training Czech students to a Master diploma in economic reconversion. The Economic faculty was therefore the first Czech faculty able to deliver both an English MBA and its French equivalent.

#### **IV.3. Other international co-operations**

The Ostrava University seems to be less experienced than the Technical and Silesian Universities. Examples of co-operation certainly exist, but are probably not at the level described in the former paragraphs. However, the most significant co-operation is the one managed by the Geographical faculty within the frame of the LEONARDO programme and aiming at transferring international modules for geography (know-how transfer). The faculty also participates to a SOCRATES project with the universities of Munich and Bonn (Germany) and Klagenfurt (Austria). This project is only at its beginning.

The Higher Vocational School of Kopřivnice was created in 1992 among first established higher professional schools. This school puts a real stress on international co-operation, especially through close contacts with a Dutch college and with the ESTA in Belfort (France). The objective of the Czech partner is to locally apply the French teaching methods and courses. Although the co-operation between these two schools started in 1994, the know-how transfer has not yet started for financial reasons.

The last example of international co-operation is a possibility to gain an MBA (also BBA, DBA) through distance learning. The NEWPORT University, based in Ostrava, proposes such courses, in close co-operation between the Ostrava Technical University and the NEWPORT University - USA.

*Part V:* International co-operation in the labour market adaptation and insertion of disadvantaged groups

**V.1. Labour market adaptation within the frame of Phare**

Several PALMIF projects were implemented in the region. In Ostrava, for example, a project started in 1997 in co-operation with the Labour Office of the city. The project was supporting access to the employment market and implemented three experimental actions :

- direct financing for employment access of long time unemployed and handicapped persons. Grant of 50 to 60 % of the salary during the 2 to 4 first months. Approximately 30 persons were concerned and the results were not completely satisfactory.
- qualification courses for future unemployed and women who want to return to work. This action concerned approximately 240 persons and the results are very encouraging.
- payment of the salary during the trial period of long time unemployed for up to 6 months. This experiment concerned a low number of people and satisfactory results (12 out of 17 stayed after their trial period).

Another PALMIF project was implemented in the Karviná district through the Labour Office and the Kommensky Academy. The project was designed for young people at risks who stopped their studies and are in an unstable situation. Assistance and special training was helping them either to find an adequate qualification or to try to find a job. The success rate was close to 60-70 %.

In Karviná district, the PALMIF programme also financed the creation of a small company incubator in Karviná city, with the objective to promote SME development and create new jobs.

The ARR Ostrava (Regional Development Agency Ostrava) supported so far two incubators in the region (in Krnov and in Kopřivnice) and will soon co-finance the creation of a new one in Vitkov.

**V.2. Support for micro company creation with CEPAC MORAVA**

The non profit organisation *CEPAC Soisson* developed a specific training methodology for potential entrepreneurs, based on a 3-month course and a 6 month close support and follow up period. In 1994, when it was clear that this concept interested the Czech Ministry of Labour, the association CEPAC MORAVA was created with the involvement of the Labour Office and the University Palacky of Olomouc. Four years later, the foundation works with a dozen of Labour Offices in Moravia and Bohemia, among which the Labour Office of Nový Jičín was among the first to cooperate. The results look very positive, with 65 % of the trained applicants that create their own company and hire further people, 30 % who find work and only 5 % who go back to the Labour Office.

The French bilateral help pays for the training of Czech trainers and the training costs are covered by the Labour Offices who receive a special grant from the Ministry of Labour. The only city of North Moravia and Silesia that is represented in this project is Nový Jičín. The future development of unemployment will probably involve more Labour Offices in this projects.

**V.3. Enterprise projects**

The region knew a first wave of lay-off in 1991-1992 and large companies, alarmed by the possible consequences of their decisions, intended to implement some projects with international help.

In the nation's largest mine company OKD, a co-operation programme with British Coal enabled the set up of a "Job Shop", a structure helping internal mobility within the group or assisting unemployed to find a job or a qualification. In the steelworks company VITKOVICE, the direction decided to create a Technological Innovation Centre directly inspired by the incubator concept. The project was so successful that nowadays it has more than 30 companies and created 300 jobs. The centre is now a Business Innovation Centre, full member of the EBN network.

The mechanical company ZDB Bohumín participated recently to the Phare pilot project Development of Managers and Human Resources in the Czech Enterprises supported by the Czech National Training Fund. It was one of the 6 Czech companies selected for this project that intended to support Czech companies through access to foreign specialists and exchange of experience. A conference in December 1997 showed that the participating firms were very satisfied with what they had learned from the project. The co-ordinator of the project *Development of Managers and Human Resources in Czech Enterprises* is training and consulting firm SILMA-group which is very active in the region. Other Phare National Training Fund projects, targeted at management of enterprises, are *Development of Marketing* (participated by meat production - Krásno and ŽDB Bohumín in the region) and *Pro-innovative Development* (ŽDB Bohumín).

#### **V.4. Co-operations in Private continuing training schools**

The beginning of the year 1990 saw a sudden development of private training firms and institutes that proposed multiple courses to company employees. These institutes developed quickly but also directly felt the slow-down of the market. Only the strongest survived, among which the IRP (Business Development Institute), that can show work experience with the British know-how fund, the BATA Junior Achievement, the Phare programme through the Regional Development Agency. This institute is working in close co-operation with the Labour Office in Ostrava, and proposes requalification courses with Phare financial contribution.

Another training institute is METER, which was created in 1992 and started to work with the Swiss foundation TRANSFER on vocational training methods in marketing and economy. The foundation stopped its activities in the region but METER gained the right to use the gained methodologies.

This institution is eager to gather as many experiences as possible from the European Union and therefore participates to two LEONARDO projects. The first one is led by a French Union of Entrepreneurs of Normandy and is named FOREMOR (Training-Employment-Orientation). It intends to set up appropriate tools enabling the assessment of the market needs in terms of vocational training. Foreign partners are from Spain, France and UK. The project started in 1997 and will last till 2000.

The second LEONARDO project is with a French centre for continuing training based in Clermont Ferrand. The objective is to train occasional trainers by internet, thanks to a new method available on internet, so that they could later train other employees of a company. The project started in 1998 and will end in 2000. Foreign partners are from Spain, France, Germany and Greece.

International co-operation is also to be seen in other regional training centres, for example INORGA Consulting s.r.o., *Dům Techniky*, *Hutnický Institute*. These institutes are mainly working with the marketing training method CIMA.

Training institutions in the region are very actively involved in the subsidy management training programme in the framework of Phare by the National Training Fund. The programme is based on co-operation within institutional network, open to every training institution, that fulfil certain quality criteria. In 1997 there were 11 institutions involved in the programme from the region (40% of the total number of participating institutions in the 1997 programme). 39 training programmes, realised by these institutions, received financial subsidy for the total of 2 034 course participants (even more than 40% of all subsidy financing by the NTF in 1997). The subsidised programmes were mostly concentrated in marketing, financial management, controlling, and management skills.

However, the demand from the side of companies in the region in the field of training of managers is so far insufficiently aimed at strategic management. Therefore, in the training offer in the region mostly economic and technical topics prevail (financial management, management accounting, logistics, operational management). On the contrary, there is under-supply in human resource management, strategic management, usage of information technologies in management, innovation management. The management training is often offered in isolated way, independently from the knowledge and qualification profile of the manager.

#### **V.5. Integration of national minorities and disadvantaged groups**

##### **Integration of disadvantaged groups**

Co-operation in social fields is not as active as in other more profitable activities. However, two examples of worthwhile co-operations can be cited.

The French Government has been giving each year since 1992 a grant to support Czech-French co-operation in handicapped children education. This grant financed the exchange of experiences and the organisation of the French days in Ostrava, a training seminar for specialists. The Ostrava town hall also supports the project, including financially. In 5 year co-operation, a lot of experience has been transferred, such as new education methods, and new appropriate equipment use.

The success of the seminar has been always growing, until it took a national dimension last year.

The municipality of Havířov, through the civic association PAKSOP, is developing a project with an Italian partner, the Community of S. GIROLAMO from the Gubbio municipality situated in the Rome suburbs. The objective is to provide help to the citizens handicapped and affected by diseases, thanks to the building of a shelter and a workshop for their reception. The project preparation has started two years ago and is supported by the Italian government.

Charity organisation, such as CHARITA, DIAKONIE and the SALVATION ARMY also work with their foreign partners which belong to the same network (for example, CHARITA receives a large of its finances from the German and Austrian branches of the group). These institutions receive also grants from the Phare programme (for example for the building of a shelter or the renovation of accommodation for low revenue people). SLESZKA DIAKONIE received in 1995 a grant amounting to 190 000 ECU for the development of a co-ordination centre for the 5 local shelters.

### **Integration of Romanies**

The Prague-based foundation "Nova Škola" is in charge of the co-ordination and follow-up of the "*Central Europe programme for Romany Education*". This programme is financed by Phare and supports the training of Romany assistants in specific basic schools. These assistants work in couple with classical school teachers and facilitate the involvement of the Romany pupils.

In North Moravia and Silesia, approximately 10 Romany assistants have been trained mainly in the *Religious School Petr Přemysl* of Ostrava, but also in the basic schools of Bohumín, Karviná, Nový Jičín and Ostrava-Privoz.

## **APPENDICES to Chapter V**

### **Position on “Review of VET and Institution Building Developments in the Ostrava Region”**

The study includes a substantial number of facts and data about these issues in the given region.

Chapter I, “The Analysis of the Socioeconomic Situation,” and Chapter II, “VET Issues,” feature an extensive, comprehensive and relatively lucid description of demographics, companies and their activities. Chapter II surveys the development, structure and current condition of the educational system and its activities in Northern Moravia. Given the amount of information and multitude of sources, it is impossible to check the details, although we do appreciate the extensive coverage.

I view favorably the increase of apprentices enrolling in engineering, electrotechnological and construction schools. Given the labour market situation, the fact that the highest number of students, in absolute terms, still enrolls in business studies, may turn out to be a problem in the future. However, the decrease in their interest is a good sign.

I see the main benefit of this study in its third chapter, “Matching Labour Market Qualifications Needs With Educational Supply.” The extent of field research is probably unparalleled by other comparable regions, and sets a good example for them to emulate. I also agree that many conclusions might apply to the whole country.

The research also expects interest in higher educated staff, which has not affected the second main group of KZAM (white collar R&D staff). This could be understood to imply that employers somewhat underestimate R&D in forecasting their needs. There might be a possibility to find support (ESF, etc.) for future projects in the area. These could well be used to indirectly support the educational system in the whole region. (Use the potential of educational institutions - particularly colleges and universities - for R&D).

We are glad to see that most employers pay attention to increasing the qualification of their staff, and do not leave it only up to the staff themselves, to educational institutions or Labour Offices.

I particularly value the section that deals with shaping future qualifications' structure of labour force in a region to suit the requirements of employers. The information it contains could be used not only in possible Phare and other projects, but mainly in the educational system and the active employment policy of Job Centres. The outcomes of the research have been widely publicised also outside the expert community.

The assertion that half the companies do not work together with schools (as educational institutions), seems to somehow contradict the attention employers pay to increasing the skills of their staff. The material does not show clearly whether the statement applies to large employers or only small ones, but either way, I still believe that in here lies a lot of space for improving labour market mobility and school to labour market transition. Having said that, employers still view the quality of graduates favorably. On the other hand, they often prefer to hire people with a work track record.

Chapter IV on readiness of institutions for ESF in the Ostrava region (project REGVIS 2005) is, I believe, one of the sections that could, and should, be extrapolated. Although the Ostrava region is still far from perfectly prepared to absorb aid and work with the EU, it has made a number of steps in this direction, and is perhaps the best prepared region in the country. This project enhances its readiness even further.

The material does not pay enough attention to the education of ethnic minorities. It states that Northern Moravia has the second highest concentration of Romany citizens of all regions in the country, yet does not cover the issues of educating Romanies.

### **Conclusion:**

The study is generally well executed. I would like to see the regional field research outcomes widely published, particularly those that deal with future needs of employers and their relation to fields of education.

The evaluation of the readiness of institutions to pursue ESF objectives, implement development projects, and of co-operation and partnership among the authorities, could motivate further work in other regions, in positioning the regional administration, etc.

Prague October 19<sup>th</sup>, 1998

Miroslav Pribyl

### **Position on “Review of VET and Institution Building Developments in the Ostrava Region”**

The document is thorough and well executed. The following few minor points are meant to help refine the material.

Re/ the last two paragraphs on page 25: the authors are painting an incomplete picture when they say that the structure of the apprentice and vocational fields of study can be blamed for graduate placement difficulties. It can be partly true in case the graduates are ill-equipped with knowledge and skills, but the more serious part of the problem is the growing number of schools that offer those fields of study. The field of study cannot be blamed for unemployment of its graduates, unless it is designed inappropriately. The cause can rather be seen in the fact that the field of study is offered by too many authorised schools, and an excessive number of graduates are produced.

I am including minor comments on wording and suggestions of more precise terminology.

October 20<sup>th</sup>, 1998

Dr. Jaromir Krejci

### **Position on “Review of VET and Institution Building Developments in the Ostrava Region”**

1. The document offers a good survey of the labour market and VET.
2. The great strength of its labour market analysis is that it does not rely only on the number of vacancies filed at the Labour Offices, but works also with labour fluctuations and expected developments.
3. Rectification should take place at two levels: a/ the inappropriate qualifications' structure of the unemployed, and b/ the inappropriate structure of the future labour force (students and pupils). The two levels will require two different approaches: retraining and interventions in the content and structure of education, respectively.
4. Given the length of vocational education and the overall difficulties in the convergence of the labour market and education, it'll take a few years to overcome at least the most salient discrepancies between the structure offered by the educational system and the structure required by the labour market.
5. For these reasons, VET forecasts absolutely MUST take into account forecasts of labour market developments. Therefore, the 2000 horizon seems to be too close.
6. In order to replace the inappropriate VET structure, we ought to perform at least some analysis of the causes of the current conditions, to make sure that we don't make the same mistakes in the future.
7. The labour market situation is becoming edgy; the condition is not described and solutions are not proposed.

October 18<sup>th</sup>, 1998

Dr. Jiri Berkovsky



**Validation seminar on the results of the pilot study of Vocational Education and Training in the Context of Regional Development: Ostrava Region**  
**October 29<sup>th</sup> -30<sup>th</sup> 1998, Ostrava, hotel Atom**

**October 29<sup>th</sup>**

**9:00 - 9:15** - registration of participants

**9:15 - 9:35** - *Introduction to the seminar*

Miroslava Kopicová, Director of the National Training Fund: *Opening of the seminar*

*Chairperson of the seminar:* Jaromír Coufalík, National Training Fund - National Observatory

Věra Czesaná, National Observatory of VET and Labour Market: *Information on activities of the Czech National Observatory for VET and Labour Market, information on the present pilot regional study;*

Henrik Faudel, European Training Foundation: *International aspect of the present pilot regional study*

**9:35 - 10:15** - Presentation of the project outcomes - **CHAPTERS I-III:**

GAREP, Ltd., Brno: *Qualification needs of North Moravia Region: methodology and results of the survey*

**10:15 - 10:30** - Questions/answers session

**10:30 - 10:45** - Coffee break

**10:45 - 12:15** - Three Parallel Workshops (discussion in small groups):

2 - national (with a possibility for interpreting), 1 - international (English speaking only).

**Topic:** *Qualification needs of the region*

Aspects for discussion:

- validation of outcomes of the study,
- validation of the used methodology,
- suggestions for the future improvements (systemic changes): input to the future publication

**12:15 - 12:45** - Presentation of outcomes of the three workshops (10 min. per each = 30 min)

**12:45 - 13:00** - Questions/answers/clarifications

**13:00 - 14:00** - Lunch

**14:00 - 15:30** - Three Parallel Workshops (discussion in small groups):

2 - national (with a possibility for interpreting), 1 - international (English speaking only).

**Topic:** *Data availability and information flow as far as qualification needs analysis is concerned.*

Aspects for discussion:

- state of art of the data collection and flow,
- possibilities of forecasting of qualification needs of the labour market
- suggestions for the future improvements (systemic changes): input to the future publication

**15:30 - 16:15** - Presentation of outcomes of the three workshops (10 min. per each = 30 min)

- Suzana Geržina, Slovenian National Observatory:

*Recent experience in national monitoring of labour market qualification needs*

**16:15 - 16:25** - Questions/answers.

**16:25 - 16:40** - Coffee break

**16:40 - 18:00** - **Panel discussion** of the outcomes: reaction from the side of experts, enterprises, regional development agencies (Mr Fischer - ARD), Labour Offices (Mrs Hodaňová - LO, Ostrava), schools (secondary, higher, and continuing education levels (Mrs Danihelková - METER), School Offices (Mr Bouda, SO Nový Jičín), Ministry of Education, Youth and Sports (Mrs Horačková), Ministry of Labour and Social Affairs (Mr Kaplan), Ministry for Regional Development (Mr Hartmann).



## **Questions for discussion in working groups**

### **Topic: Qualification needs of the region**

1. Do the presented outcomes correspond to your so far knowledge and experience?  
What are the differences?
2. What are the content-related limits of the outcomes of the study?
3. What positive and negative aspects of the used methodological approach do you find?
4. Which outcomes of the study do you think is possible and appropriate to use immediately in your practice? How is it possible to implement?
5. What possible measures could be undertaken on the basis of the outcomes of the study at regional and central levels
6. How can the study and its methodological approach be improved?

### **Topic: Data availability and information flow as far as qualification needs analysis is concerned**

1. Did the situation with monitoring of future qualification needs improve during 1998?
2. Did the situation in information accessibility and its flow between institutions and sectors improve in the field of qualification requirements of the labour market? (e.g. information flow between Labour Offices and School offices)
3. What is the experience in functioning of advisory boards of Labour Offices?
4. What are weak and strong points of functioning of IPS (Information and Guidance Centres) at Labour Offices and guidance services at schools?
5. How do you suggest to improve the situation in forecasting of qualification needs? What systemic changes could be introduced?
6. To what extent are enterprises capable to forecast their needs (e.g. medium/long term)?

### **Topic: Institutional preparedness of the region to the ESF intervention**

1. What are positive and negative aspects of the study – Chapter IV?
2. How do you evaluate preparedness of the region to the ESF intervention? Do you think that assessment of the region (its strong and weak points of institutional development) as presented in chapter IV.5, are accurate?
3. Do you think that the proposals of recommendations in chapter IV.7 are accurate and sufficient?  
What further suggestions or changes do you propose?
4. Do you think that suggested measures in chapter IV.8 are appropriate and sufficient? What further suggestions of changes do you propose?

<b>List of Participants</b>		
<b>Working group No.1</b>		
<b>Name</b>		<b>Institution</b>
Ferenc	Boda	National Observatory, Hungary
Henrik	Faudel	European training Foundation, Torino
Suzana	Geržina	National Observatory, Slovenia
Petr	Chuděj	National Training Fund
Miroslav	Janalík	Granitol, a.s., Moravský Beroun
Ksenia	Kempa	National Observatory, Poland
Taavo	Kivstik	National Observatory, Estonia
Pierre	Metge	Act consultants, France
František	Němec	Silesian University, Opava
Denisa	Neuwirthova	Moravskoslezské teplárny a.s.
Jaromír	Pátik	Trexima, Zlín
Olivier	Rigaux	Regional Development Agency, Ostrava
Jana	Sklenářová	Ministry of Finance - Center for Foreign Assistance
Marie	Šmídová	Ministry of Labour and Social Affairs
Michel	Tillieut	DG.V, European Commission
Miroslav	Vavřečka	Regional Chamber of Commerce, Ostrava
Dorotea	Versa	National Observatory, Slovenia

List of Participants		
Working group No.2		
Name		Institution
Jaroslav	Bičan	Garep, Brno
Tomáš	Bouda	School Office Nový Jičín
Petr	Branich	Vítkovice, a.s.
Hana	Danihelková	Meter spol.s r.o., Ostrava
Ladislav	Fišer	Školský úřad Moravská Ostrava
Ladislav	Botur	Garep, Brno
Jan	Halama	Železářny a drátovny Bohumín, a.s.
Dagmar	Horáčková	Ministry of Education, Youth and Sports
Jitka	Hurábová	Bussines and Inovative Center North Bohemia, Most
František	Kala	Trexima, Zlín
Petr	Kaplan	Ministry of Labour and Social Affairs
Jana	Kapustová	Faculty of Andragogy, Charles University
Jaroslav	Karlík	Labour Office Přerov
Zdeněk	Karpíšek	Research Institute of Labour and Social Affairs, Praha
Andrea	Křížáková	Technical University of Ostrava
Miroslav	Mandíková	National Training Fund
Jarmila	Mateřánková	Labour Office Opava
Josef	Pitner	Labour Office Brno
Jan	Polášek	Labour Office Frýdek Místek
Karel	Skokan	Regional Development Agency, Ostrava
Miloš	Smutek	RPIC, Ostrava
Pavel	Vlach	School Office Brno
Jana	Kolibová	Silesian University

<b>List of Participants</b>		
<b>Working group No.3</b>		
<b>Name</b>		<b>Institution</b>
Petr	Czekaj	Regional Development Agency, Ostrava
Pavla	Čmuhová	POE EDUCO, s.r.o., Ostrava
Zdeněk	Fisher	Regional Development Agency, Ostrava
Pavel	Grégr	Garep, Brno
Martina	Halásková	Technical University Ostrava
Igor	Hartman	Ministry of Regional Development
Izabela	Hobzová	School Office Opava
Jitka	Hodaňová	Labour Office Ostrava
Jiří	Kern	Technical University Ostrava
Jiří	Klocek	Secondary Vocational School Ostrava - Hrabůvka
Miroslava	Kopicová	National Training Fund
Vladimír	Kozák	School Office Bruntál
František	Krontorad	OKD, a.s., Ostrava
Lubomír	Lednický	Vítkovice, a.s.
Eva	Minaříková	Labour Office, Nový Jičín
Zdeněk	Pospíšil	School Office Ostrava
Jaroslav	Pozdíšek	Labour Office Bruntál
Jiří	Tomčík	Union for Development of North Moravia and Silesia
Václav	Toušek	Garep, Brno
Jana	Varadzinová	RPIC
Jan	Weber	District Office, Karviná