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WHAT ARE THE CHANCES OF GETTING CZECH WOMEN BACK INTO THE LABOUR MARKET?

Insufficient capacity of preschool facilities, lack of flexible working arrangements and persistent social stereotypes are the most common obstacles to Czech women willing to return to work after maternity leave. Flexibility in the form of part-time jobs, home office or job sharing could often help women with children to get back to work more easily. Czech society is very conservative in this respect compared to the rest of the EU Member States. These weaknesses of the Czech labour market have also been pointed out in the set of recommendations by the European Commission within the European semester and were the main topic of a debate devoted to obstacles in the labour market for women on maternity leave organised by CEBRE on 17th December 2013 at the European House in Prague. Hana Velecká from the European Commission informed that the negative impact of parenthood on women's employment in the Czech Republic is the largest in the EU, more precisely 35.8 % compared to European average of 9.6 %. A total of 5 011 kindergartens are currently available in the Czech Republic, 95% of them being managed by the public sector, 4% by private sector and 1% by churches. The main challenges in preschool childcare identified by Jaroslava Vatalová from Ministry of Education of the Czech Republic are insufficient capacity of preschool facilities, high number of children in the classroom, as well as unqualified teachers due to lower financial rewards compared to primary schools. Apart from lack of flexible working arrangements and shortage of kindergartens, Petra Janíčková, founder of website focused on job opportunities for women on maternity leave, finds an unwillingness of managers to work with this target group as a big issue. According to her, the government should be obliged to provide care for children from the age of 3 years, but up to 40 % of children could not find a place in kindergartens due to insufficient capacity. Janíčková wrapped up the debate with the thought, that Czech society needs more role models to break social stereotypes.

Petra Janíčková, Founder of website focused on job opportunities for women on maternity leave.

DE MINIMIS CEILING UNCHANGED

Just before the Christmas break, the European Commission has adopted a revision of the Regulation on small aid amounts, the so-called de minimis regulation. Prior to adoption of the revised Regulation, three public consultations were opened that gave the Commission sufficient feedback both from Member States and business organisations all over the EU. The main debate concerned the idea of whether to raise the ceiling for de minimis support, which was set to 200 000 EUR per undertaking over 3 fiscal years, or to keep it at the same level. The European business community was not unanimous in this matter. While some business organisations supported the idea of keeping the same ceiling, others wanted to include inflation in the final figure and raise the ceiling accordingly, and some even proposed to allow businesses to obtain more than double the 200 000 EUR sum. In the end, the Commission did not find sufficient evidence in the public consultation responses to prove that a higher ceiling would be justified and therefore the limit has not been changed in the new regulation. Nevertheless, the specification changed slightly as the new legislation clearly defines that the limit applies per Member State. The idea of setting up a mandatory central register monitoring the amount of de minimis aid given to an undertaking in each Member State would increase transparency was relatively well taken by the business community; however, the final regulation does not include this provision and it remains up to each Member State to decide whether the declaration of the aid will be made by beneficiary or a central register. Although de minimis revision is over, other revisions under state aid modernisation initiative remain closely watched by the business community, especially the General block exemption Regulation which should be finalised before the European Parliament elections.

CEBRE was founded in 2002 by the three most important Czech business organizations - Czech Chamber of Commerce, Confederation of Industry of the Czech Republic, Confederation of Employers' and Entrepreneurs' Associations of the Czech Republic with kind support of the Ministry of Industry and Trade via its Trade promotion agency CzechTrade.

www.komora.cz

www.spcr.cz

www.kzps.cz

www.czechtrade.cz

News FLASH

>THE CZECH REPUBLIC CALLS FOR ONE OBJECTIVE IN 2030 CLIMATE FRAMEWORK

In the context of the introduction of goals within the EU climate and energy package for 2030 by the European Commission, the Czech Republic will seek to ensure that there will be only one objective - to reduce the CO_2 emissions.

>CZECH GOVERNMENT DEBT TO GDP RATIO AT 46 %

According to the latest Eurostat data, Czech government debt to GDP ratio has reached 46 % at the end of third quarter of 2013 while the EU28 ratio was 86.8 %.

>THE CZECH REPUBLIC RECEIVED EMISSION ALLOWANCES

The Czech Republic was among the first 6 countries to receive free emission allowances by the European Commission. From the total of 163 million tonnes of emissions, the Czech Republic received allowances for 25.74 tonnes of CO_2.

>NEW CZECH GOVERNMENT APPOINTED

Bohuslav Sobotka became Prime Minister of a newly established Czech government at the end of January. He took the post over from Jiří Rusnok, who led the care-taker government in demission since July 2013.

UKRAINE THE HOTTEST TOPIC IN EU-RUSSIA TALKS

It was no surprise that the main topic of the 32nd EU-Russia Summit that took place at the end of January in Brussels was the situation in Ukraine. The initial peaceful protest reacting at Ukrainian President's surprising decision not to sign the Association Agreement with the EU quickly broke out into massive demonstrations that led to resignation of the government. At the summit, Russian President Vladimir Putin reconfirmed the commitment which had a large influence on President Yanukovych's decision not to sign the agreement saying that Russia would provide a loan and reduce gas prices for Ukraine. The discussions about the Eastern Partnership and the Customs Union between Russia, Belarus and Kazakhstan also took place at the summit. While President of the European Commission José Manuel Barroso and President of the European Council Herman Van Rompuy tried to convince the Russian delegation that the potential accession of Ukraine to the Eastern Partnership would have no effect on the Russian market, President Putin expressed doubts and requested further assurance that Russia would not be flooded by EU goods through Ukraine. Political stability in Ukraine is a concern for both politicians and business leaders, and Czech businesses are no exception. Ukraine is a very attractive market for Czech companies with high growth potential, which is a reason why it made to the list of 12 priority markets in the 2012-2020 export strategy of Czech government. According to 2012 figures, Czech exports to Ukraine rose by 37% compared to previous year to more than 1 billion EUR and pushed Ukraine among the top 20 most important market for Czech businesses. A good sign of EU-Russia relations is the commitment of both sides to continue in bilateral talks regularly and to work together on a new agreement that would replace partnership and cooperation agreement signed in the early nineties. The next chance to deal with one of the 'quite a few problems' between EU and Russia – as described by EU officials, will be on 3rd June 2014 at the next bilateral summit in Sochi, Russia.

EESC CORNER: JANUARY PACKAGE ENERGY & CLIMATE – INDUSTRIAL COMPETITIVENESS

Wednesday, January 22nd only marks the tabling of a proposal by the Commission. For the proposal to become policy, all 28 EU member states have to agree to at least part of the proposal. It is important to realize, that the proposal had still been drafted more on a host of various, and often contradicting wishes, than on thorough and impartial assessment of implementation of the current policies although traces of positive movements towards desired changes cannot be overlooked.

The key elements of this package comprise the following proposals:

- *A binding target to reduce Green House Gas (GHG) emissions by 40% compared to 1990 levels – up from 20% in 2020.*
- *A proposal of fixing the EU ETS by tightening the reduction factor from 1.74% p.a. to 2.2% p.a.*
- *A binding target to have 27% of energy produced in the EU by renewables by 2030 – however, there will be no binding targets for specific member states. The Commission suggests this could mean 45% of electricity being produced by renewables. There will be a new 'governance system' to manage progress in renewables in each state.*
- *No new specific target on energy efficiency or on transport fuels. This is largely down to the struggle to meet the previous targets and the move against biofuels.*
- *No specific regulation on shale gas.*

In practice, this new package will not change the competitiveness of industry in the short run. The high pile of documents released by the Commission analyses and promises, but in the end it only proposes one legal act – the change of the EU ETS. But is this enough?

The Commission finally acknowledged energy prices in Europe are uncompetitive. It also recognised the way the EU supported renewable energy was unsustainable. It is now up to EU member states to change this approach.

The impact on European competitiveness of a 40% CO_2 reduction target by 2030 for the entire EU economy cannot be underestimated either. The suggested changes by the Commission for industrial sectors will require emission reductions of 43% in 2030, 65% in 2040 and 87% in 2050. The European Council in March needs to assess the feasibility of this package in detail and develop tools that support the deployment of innovative low-carbon solutions in industry.

Additionally, the cost and feasibility of decarbonising the current power sector is not addressed. This will increase electricity bills, which are already too high. The EU will have to explore new models of decarbonising the power sector, other than via the carbon price alone. Given the sizeable shift towards greater flexibility, there is a clear sign that the current policy has been inadequate. However, it has taken six years for this realisation to set in – at a huge economic cost to Europe's households and businesses and this story can´t be repeated.

Josef Zbořil
Member of EESC,
Group I - Employers

CEBRE CALENDAR:

- Debate on "Common Agricultural Policy Reform" – 19th February, 2014 (Prague)
- Consultations with CEBRE at CzechTrade Meeting Point – 18th – 19th February, 2014 (Prague)

CEBRE – Czech Business Representation, protects the interests of the Czech business community in relation to EU institutions, informs Czech businesses about EU legislation affecting them, trains Czech entrepreneurs in Brussels and represents Czech business associations at European business federations. Contact: Czech House, 60 Rue du Trône, 1050 Brussels, Tel:+ +32 2 502 0766/+32 2 502 8091, e-mail: brussels@cebre.cz, www.cebre.cz

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