

**ROMAN KLIMKO**

**University of Economics in Bratislava, Faculty of National Economy, Department of Social Development and Labour, Slovak Republic**

## **LABOUR MARKETS IN VISEGRAD COUNTRIES TEN YEARS AFTER THE 2004 EU ENLARGEMENT**

### **Abstract:**

In 2004 the European Union expanded to include ten new members, including all Visegrad countries. It can be concluded that growth potential of the Czech Republic, Hungary, Poland and Slovakia was obvious. However, the global economic crisis hit the labour markets of V4 countries significantly, but differently. The paper aiming at identifying labour market developments in V4 countries and examines the impact of the economic development on them. The paper emphasizes the development of the selected specific unemployment rates. It deals with an issue how to get employment development back on track. Therefore, the last section reviews the green economy as one of the key sectors with great employment potential.

### **Keywords:**

Visegrad countries, labour market, unemployment rate, green jobs

**JEL Classification:** J01, J08

## 1 Introduction

In May 2014, the Visegrad countries (V4)<sup>1</sup> were celebrating the tenth anniversary of EU Membership. Benefits of joining the EU were apparent at the very beginning and associated with four fundamental freedoms – free movement of goods, services, people and capital, including greater choice of products and inflow of foreign capital from EU states. The EU membership also extended opportunities to travel to the “old” Member States as well as to do a business, to work or study over there. However, EU membership meant increasing pressure to create a better business environment and at the same time new business opportunities for competitive firms have been created. The V4 countries also gained full access to structural funds, which was limited before joining EU. It definitely helped them to finance investments in regional development, to increase competitiveness and employment. The EU membership also brought the transfer of a number of important competencies in various areas, many times over-regulation, as well as the outflow of skilled labour force abroad and disappearance of certain businesses due to increased competitive pressure.

The second section of the paper deals with economic developments in V4 countries. The third section presents an overview of labour market developments in the Czech Republic, Slovak Republic, Hungary and Poland since EU accession in 2004. The major contribution of the forth section is to explore the employment opportunities for V4 countries in the field of green economy and employment. The importance of green economy and its potential of creating new jobs are obvious and it is constantly highlighted by the European Commission (2012b), OECD (2012) and the United Nations (UNEP 2008).

## 2 Economic developments in V4

The period after EU accession in 2004 could be divided into two periods, before and after crisis. The financial crisis has affected V4 economies in many ways, but it can be concluded that the common effects of the financial crisis were (Sobják 2013):

- a sharp decrease in GDP,
- decrease in exports because the demand in the EU was falling,
- an industrial production and the construction sector declined,
- the capital outflow from the V4 area.

The substantial fall in GDP led to significant increase in unemployment rates across V4 countries. The nature of V4 economies is that they are open, small (except Poland) and

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<sup>1</sup> The Czech Republic, Hungary, Poland and Slovakia

highly export-oriented, it means, their exposure to negative trends in global economy is quite high.

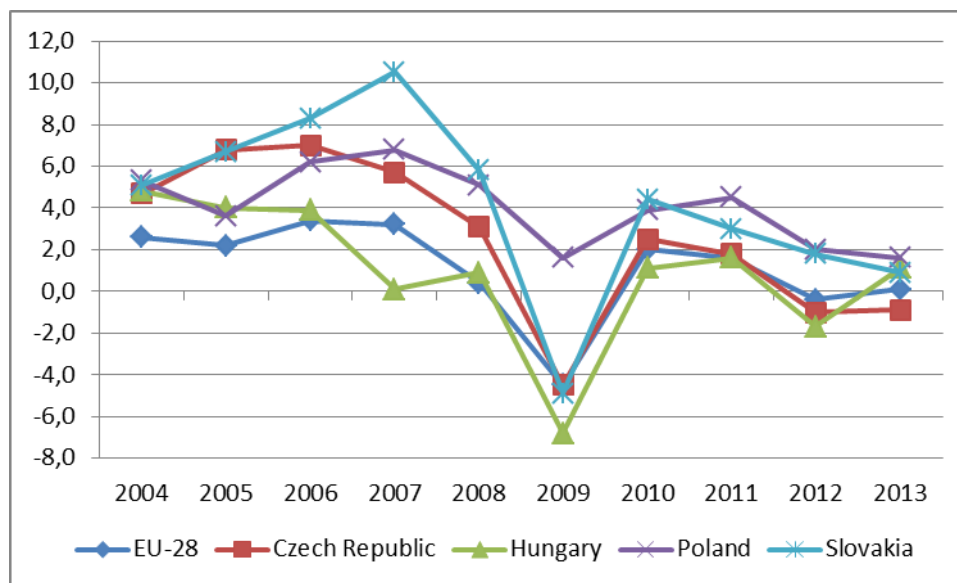
The economy of the Slovak Republic is one of the most dynamic in the European Union. It is a small and open economy that means exports make up a large part of GDP. However the greatest strength can also be the biggest weakness. In the period from 2004 to the onset of the crisis, GDP growth was among the highest in EU, also supported by strong productivity growth. The fall in GDP in the wake of the crisis was one of the highest (OECD 2013). The period after joining the European Union is characterized by acceleration in economic growth, and its dynamics has significant impact on the labour market in the direction of a decrease in unemployment and creating more permanent jobs. However, in Slovakia remained strong regional polarization of labour market, income inequalities within the state and the regions. In terms of Slovakia there was a sharp increase in GDP before the onset of the crisis. The GDP growth in 2007 peaked at more than 10%. Comparing the other V4 countries it can be conclude that the fall of GDP growth in Slovakia was enormous, from 10.5% in 2007 to -4.9% in 2009. Luckily, as shown in the graph 1, recovery was quite swift. The strong growth in the period before the crisis was driven by major export oriented FDI inflows, but mainly into the western regions of Slovakia (OECD 2014a). It means that benefits from high GDP growth are seen mostly in the western part of the state. It is necessary to add that exports of goods and services are ca 95% of GDP. Nevertheless, growth is dependent mainly on the situation in automotive and electronic industries.

The Czech economy is a stable, small and open economy, closely integrated with the European Union. The country is considered as export economy with strong machinery and automotive industry, closely connected with Germany as its main export partner. Before the financial crisis that occurred in 2008, the Czech Republic experienced the longest period of uninterrupted growth ever (European Commission 2014a). The strategy was based on attracting FDI and positive labour market situation. When Germany slid into recession in November 2008, demand for Czech goods shrank dramatically and real GDP fell sharply in 2009 (graph 1). There was a slow recovery in 2010 and 2011. However, in the next year the Czech economy fell back into the recession. Comparing the other V4 countries, the Czech Republic was the only V4 country with negative GDP growth in 2013. The Czech economy has remained weak for longer time than the majority of EU countries. The recovery started in the second half of 2013. The reasons could be seen in a lack of external demand and because of austerity measures taken by the government (OECD 2014b).

The developments in the Hungarian economy are quite different. The serious slowdown of the economy could be seen since the beginning of the year 2006. Regarding GDP growth is obvious that the crisis has hit Hungary a bit earlier than the other V4 countries. In April 2006, the Hungarian government adopted a package of austerity measures in order to reduce the budget deficit. That was the reason of slowing down in next two years. Although

the GDP growth fell below zero not until 2009, the years 2007 and 2008 could be called as stagnation, with GDP growth 0.1% and 0.9% respectively. Hungary was also forced to agree and take a loan from the IMF in October 2008. There was a sharp decrease in GDP growth in 2010 (graph 1). After another GDP decline (1.7%), Hungary got out of recession in 2013, with GDP growth of 1.1%. However, weak investment, low employability of low-skilled workers and shortcomings in labour and product markets held back growth potential. All in all, further structural reforms are essential (OECD 2014c).

**Graph 1: GDP growth in V4 countries and EU-28 between 2004 and 2013 (in %)**



Source: Eurostat, own processing.

Note: GDP at market prices, percentage change over previous period.

Comparing all V4 countries, Poland is the only one that has not met the negative GDP growth since joining the EU. The economic performance has been impressive since EU accession in 2004. The success of Poland in tackling the crisis is quite impressive. There are couple of reasons for positive development in GDP growth and for answer the question: why was Poland's economy that resist to the global shocks? Firstly, at the beginning of the crisis in Europe, fiscal structure and banks were stable. Moreover, the Polish currency has not been pegged to the euro and it helped central bank of Poland. Depreciation of Polish currency facilitated to increase competitiveness in case of exports. Another important thing is that the Polish economy is not that open as the other V4 countries. And finally, the size of the Polish economy, robust domestic demand and consumption helped to overcome deteriorating economic conditions since the onset of the financial crisis (Sobják 2013). Yet,

a bit surprising was that the economy slowed down in 2012 and 2013. That means the important challenges remain.

### **3 Labour market developments in V4**

#### **Labour market situation**

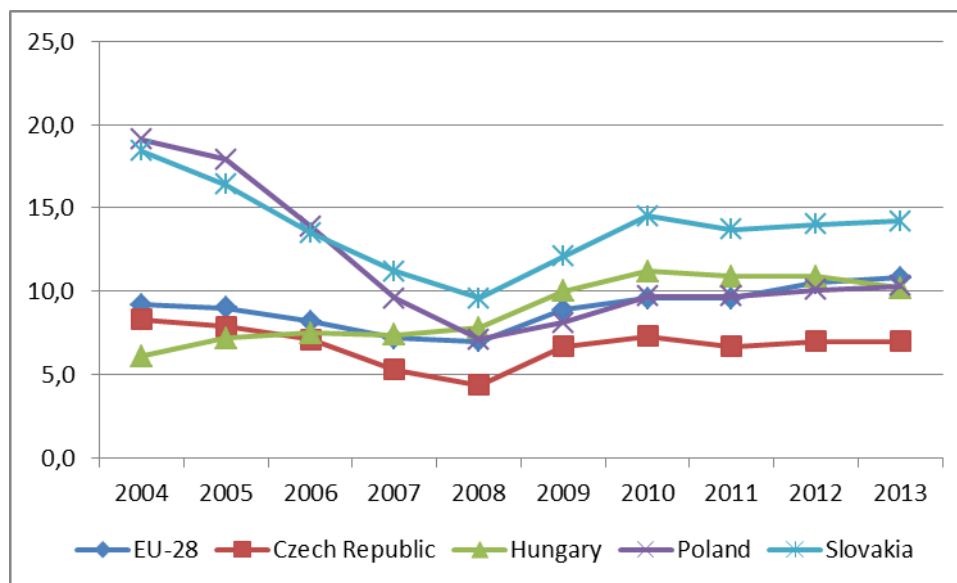
After accession to the EU, the labour markets of V4 countries experienced significant changes. Any measures aimed at preventing significant labour migration were gradually removed. Free movement of persons as the main objective was clear. Developments in the labour markets after joining the EU can be divided into two periods (graph 2), however, differed significantly in nature (Šikulová a kol. 2014). The onset of the crisis in 2009 represents the dividing line and it left the significant negative phenomena in the V4 labour markets which are very difficult to overcome nowadays. Therefore, it is a crucial issue to cope with unemployment, because it represents the unused value of the economy and it is a social indicator associated with adverse social phenomena (Pongráczová, 2011). However, policy-makers in the V4 countries focus on certain policies that suit their needs in order to avoid implementing the politically sensitive recommendations (Szüdi – Kováčová, 2014).

#### **Slovak Republic**

The labour market in Slovakia has been hard hit by the crisis. Total unemployment, youth unemployment and long-term unemployment are the major problems the Slovak Republic is facing. The most important problem the Slovak labour market needs to deal with is undoubtedly a long-term unemployment. While the number of unemployed has declined continuously since 2001, the number of long-term unemployed has increased its share of total unemployment. In 2013, more than 70% of unemployed were unemployed more than 12 months, the highest share not only in V4, but also across the EU. In 2007, there was a problem with the reduction in unemployment rate and the cause was mainly a large number of long-term unemployed in the labour market, either without work habits, or not willing to move to work. The graph 3 shows that the situation in case of long-term unemployment remains more or less stable since 2004 (except year 2009) and we cannot see any positive improvements. While in 2004 the long-term unemployment was at the level of 64.7% of total unemployment, in 2013 it was 70.2% and this is extremely high. Also, it is necessary to emphasize high unemployment among young people under 25. Every third economically active in this age group is unemployed, what is the worst among V4 countries. Frustration of young people of job prospects can be a destabilizing factor in the development of long-term unemployment. The developments in unemployment rate of young people can be seen in graph 4. Of course, there were some positive improvements between 2007 and

2008, but later the situation has deteriorated and high levels of unemployment which could be seen before crisis came back. The Slovak government knows that current situation needs solution so that a couple of new instruments will be implemented in order to improve the performance of the labour market. The measures are related mainly to employment services to make them more efficient and effective for disadvantages job-seekers. Also, other measures are aimed at young people under 29, long-term unemployed and Roma communities (NRP 2014a).

**Graph 2: Unemployment rate in V4 countries and EU-28 between 2004 and 2013 (in %)**



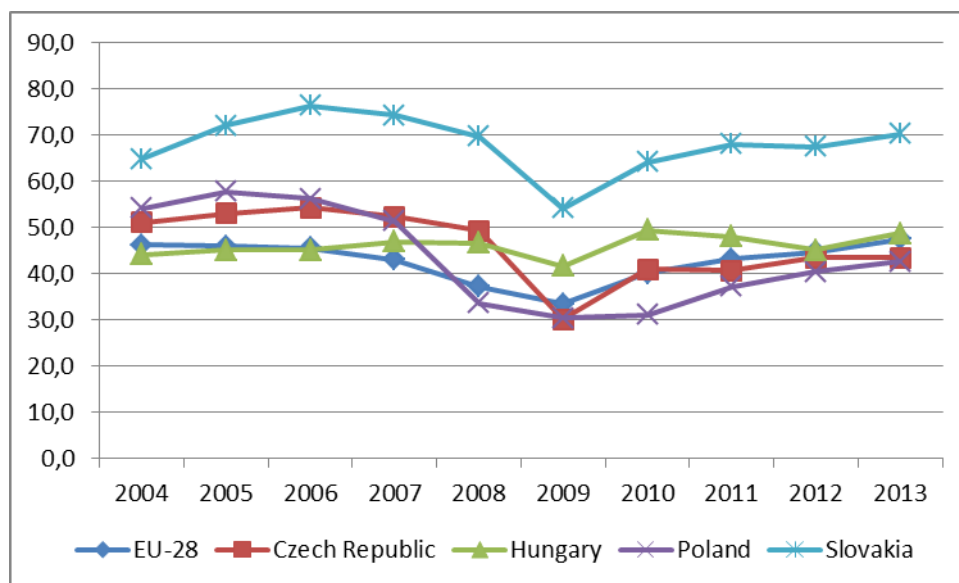
Source: Eurostat, own processing.

## Czech Republic

Comparing the situation across V4 countries, the labour market indicators in the Czech Republic are quite good. The development of unemployment rate since joining the EU can be seen as a success. It started at the level of 8.3% in 2004, than it lowered to 4.4% in 2008 and finally, it reached 7.0% in 2013 (graph 2). The level of 7.0% is the lowest unemployment rate among V4 countries and it is also 3.8 percentage points (pp) lower than EU average. However, the financial crisis revealed some structural problems; e. g. the labour demand has changed towards a more qualified labour force, without significant reaction of the government. Since 2008, the unemployment rate rose and affected mainly low-skilled and young people (OECD 2014b). The youth unemployment reached 19.5% in 2012 (graph 4), what is a big difference, if we compare it with total unemployment rate. The government has got a plan to deal with it, e. g.:

- better career guidance;
- improved information provision;
- facilitation of participation in active labour market policies;
- workplace training.

**Graph 3: Long-term unemployment in V4 countries and EU-28 between 2004 and 2013 (in % of unemployment)**



Source: Eurostat, own processing.

Another structural problem in the Czech labour market is the persistence of high long-term unemployment rate (graph 3). There is 43.4% of the unemployed without a job for longer than 12 months. Active labour market policies could help in that situation to raise the employability of low-skilled and young people who left education system and have no skills needed in the labour market. However, the spending on active labour market policies in the Czech Republic is low and not that well targeted. A Youth Guarantee Programme was adopted with its aim to offer employment, further education, training or internship to everybody under 25. The offer needs to be within 4 months after becoming unemployed. The implementation of the programme is via existing 31 projects for youth (NRP 2014b).

Hungary

There are some visible improvements in labour market situation due to couple of reforms they had been made in the past years. However, Hungary still needs a lot to do in order to deal with challenges that country faces, namely structural problems and low economic growth.

Hungary adopted a couple of measures in order to mobilize labour force and boost employment in the past years, e. g. (European Commission 2014b):

- the reform of the social service system to promote work,
- a reinforcement of active labour market instruments,
- the launching of new Public Work Programme,
- an adoption of new Labour Code,
- the transformation of labour income taxation,
- the reform of the tax system,
- an implementation of a new employer benefit system, which reduces employment costs directly,
- the reforms in the fields of vocational and adults training.

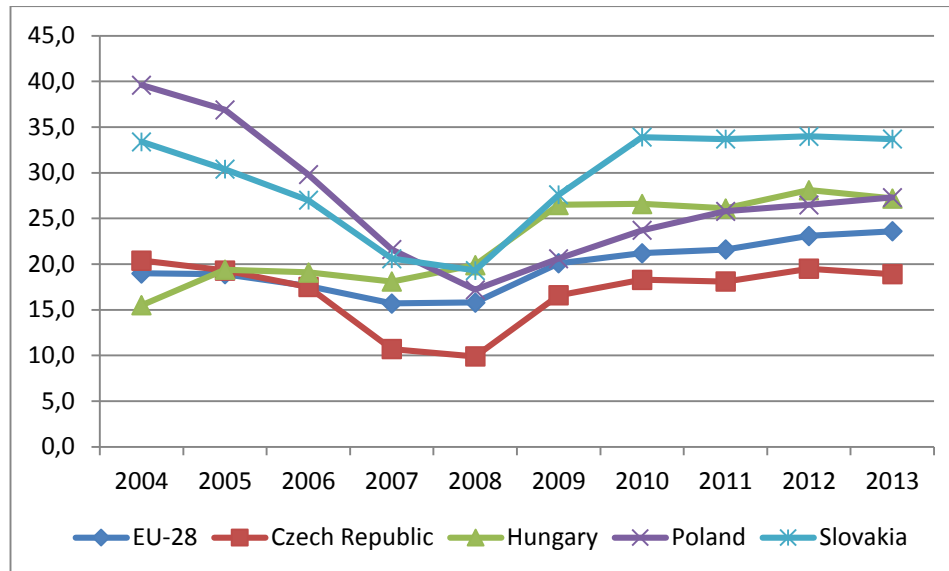
Despite the fact that the country has introduced a number of measures, the new ones need to be adopted. In 2004, unemployment rate was 6.1% (graph 2). Over the decade, it increased and it is stabilised around 10% nowadays, which means ca 4 pp more than in year of joining the EU. If we compare V4 countries we can find out that for example in Poland in 2004 unemployment rate was 19.1% (exactly 13 pp more than in Hungary) and in 2013 unemployment rate in Poland was 10.3% (only 0.1% more than in Hungary), what is quite interesting for comparison. As we mentioned above, there are couple of issues to deal with. One of the important barriers is labour taxation, especially for people with low wages. The jobseekers in Hungary also need more time to find their job in comparison with the three months period of unemployment benefit. Of course they may be forced to join public work scheme, but they can be stuck inside that scheme for a longer time or just take the first job even if it does not fit their qualification.

The youth unemployment in Hungary rose significantly since joining the EU, from 15.5% to 28.1% in 2012 (graph 4). Then, in 2013 decreased to 27.2% but still remains high. Some measures has already been undertaken in this area, e. g. retargeting active labour market policy to young people and support schemes for young entrepreneurs, or wage subsidies (European Commission 2014b). The country considers youth unemployment as a top priority and challenge. Another very important priority is to tackle a problem of long-term unemployment (NRP 2014c). Although there is not a significant rise over the years, the



share of long-term unemployed among unemployed people increased from 44.0% in 2004 to 48.6% in 2013, the second highest level across V4 countries (graph 3).

**Graph 4: Unemployment rate of young people in V4 countries and EU-28 between 2004 and 2013 (less than 25 years, in %)**



Source: Eurostat, own processing.

## Poland

Labour market developments since Poland joined the EU are quite good at first sight. The level of unemployment rate decreased by 8.8 pp since 2004 and it was 10.3% only compared with 19.1% in 2004. So, what are the reasons? First of all it is mostly because of labour costs which are competitive, if we compare labour costs across the EU. It means that employees are not expensive for the companies, they are also productive, tax burden is not that high and labour law is flexible (European Commission 2014c). In order to make the labour market situation in Poland better, the government committed to undertake reforms in the field of labour market in National Reform Programme 2014/2015 (NRP 2014d). The government plans to introduce new labour market instruments mainly for vulnerable group in the labour market – young people under 30 and older people aged 50+. Another issue is what to do with the consequences of the financial crisis if we speak about long-term unemployment. The Polish government stated that emphasis is being placed on measures which can maintain employment even in the case of decrease in economic activity, e. g. they plan to co-finance the training costs of employees who face economic downturn or who's working time is reduced. Also, the measure which will support

employment through providing financial supplements to employees who are in the risk of dismissal in case of temporarily deteriorated business conditions.

Especially the high incidence of unemployment among young people is a burden. In 2013 the unemployment rate of young people peaked at 27.3%, what is high level, taking into account 17.2% in 2008 (graph 4). Comparing the situation in 2004, when it was 39.6%, it seems to be quite good nowadays. However, it is not. The rate is the second highest among V4 countries and the situation requires taking measures which would help the young people to find first job. Also, the problem is that there is a lack of access to quality apprenticeship and work-based learning. Some reforms have already been done in the field of vocational education and training system. The progress is obvious and it is going in the right direction (European Commission 2014c). As mentioned above, government has got a plan what to do and how to fight long-term unemployment. If we take a look at graph 3, we can see that Poland has the lowest level of long-term unemployed of total unemployed. In 2013 it was 42.5%. It means that since joining the EU it has decreased by ca 11.5 pp and this we can consider for success comparing with other V4 countries.

#### **4 Where will new jobs come from?**

In order to respond to the continuing high unemployment and low employment rate in the EU, in April 2012 the Commission introduced a set of measures with a clear objective, namely to promote job creation, entitled Employment Package. The Employment Package is a set of documents outlining the options to link employment policy at the EU level with a number of other policies to promote smart, sustainable and inclusive growth. It identifies potential areas of job creation and the most effective ways to create them within the EU. The Commission proposed measures in the following areas (European Commission 2012a):

- a) Support job creation;
- b) Restore the dynamics of labour markets;
- c) Enhance the EU governance.

In the area of promoting job creation, the measures can be divided into three sub-areas (table 1): (a) stepping up job creation in all sectors of the economy fostering labour demand, (b) exploiting the employment potential of key sectors, and (c) mobilisation EU funds for job creation (for more see Klimko – Rievajová 2014). However, in the next section, attention will be paid and there will be highlighted measures to promote green economy as one of the key sectors with employment potential.

**Table 1: Measures to support job creation**

Section	Measures
Stepping up job creation in all sectors of the economy by supporting labour demand	<ul style="list-style-type: none"> <li>• Targeting hiring subsidies to new hiring</li> <li>• Reducing the tax wedge on labour in a budgetary neutral way</li> <li>• Supporting self-employment, social enterprises and business start-ups</li> <li>• Transformation of informal and undeclared work into regular employment</li> <li>• Boosting 'take home' pay</li> <li>• Aligning wages and productivity</li> </ul>
Exploiting the employment potential of key sectors	<p>Job growth in sectors:</p> <ul style="list-style-type: none"> <li>• Green economy</li> <li>• Health and social care</li> <li>• ICT</li> </ul>
Mobilisation of EU funds for job creation	<p>Using funds:</p> <p>The European Social Fund (ESF)</p> <p>The European Regional Development Fund (ERDF)</p> <p>The European Progress Microfinance Facility</p> <p>The European Globalisation Adjustment Fund (EGF)</p> <p>The European Agricultural Fund for Rural Development (EAFRD)</p>

Source: European Commission 2012a, own processing.

### Exploiting the employment potential of key sectors

The Europe 2020 strategy states that the EU is currently facing deep structural changes, in particular the transition to ecological, low-carbon and resource-efficient economy,

demographic ageing and the rapid technological progress. That is why in the Annual Growth Survey 2012 were identified the following three main areas, each of them having a considerable future potential for job creation: (a) green economy, (b) health and social care, and (c) ICT (European Commission, 2011). The Commission noted that only the energy efficiency and renewable energy sectors could create five million jobs by 2020. However, the challenge remains to adapt skills to new technologies, especially for low-skilled workers and older workforce (European Commission, 2012a). Nowadays, employment in the health and social care within the EU is growing fast as a result of population ageing, as well as because of an expansion of services to better meet quality requirements and rising demand for personalised care and professional social services. The third area of job creation potential is the area of information and communication technologies. The demand for ICT professionals continues to grow and the demand for labour force exceeds supply.

#### **4.1 Green economy**

The Europe 2020 is based on the assumption that green, low-carbon and energy efficient economy is crucial to achieve smart and inclusive growth. Inefficient use of resources, unsustainable pressure on the environment and climate changes, as well as social exclusion and inequality pose challenges for long-term economic growth.

Green growth is a challenge and an opportunity for the labour market and skills that are key factors for enabling green growth. The transition will bring major changes in the overall economy and in a wide range of sectors, and thus create new jobs (OECD 2012). In this context, it is important for better targeting and coordination of labour market measures and tools to establish the conditions necessary to promote green jobs, a support to overcome the mismatch between skills shortages and labour shortages, and anticipating changes in the needs of human capital.

The Employment package from 2012 identified the green economy as the major source of job creation in Europe. It is estimated that the implementation of measures in the field of energy efficiency could create or maintain up to 2 million jobs by 2020 and the renewable energy sources development could lead to 3 million new jobs by 2020 (European Commission 2012a). However, policies which lead to greening the economy may have an impact on employment in carbon-intensive sectors or require adaptation of skills and working methods. Therefore it is important to ensure that the skills needed in the emerging green industries could be anticipated and developed.

Annual Growth Survey 2014, as well as the previous one in 2013, emphasized the potential for job creation in the green economy and the need to develop the strategic frameworks in which labour market and skills policies play an active role in supporting job creation. However, integrated policy frameworks combining green growth and employment exist only in a few Member States, while the majority of them has a disjointed and fragmented approach (European Commission, 2013).

## **What is green economy?**

UNEP (2008) defines the green economy as the economy, which leads to improvement of human well-being and social equity while reducing environmental risks and ecological damage. In the simplest terms, a green economy can be seen as a low-carbon, resource-efficient and promoting inclusive society. In terms of green economy the increase of income and employment should be driven by public and private investments that reduce carbon emissions and pollution, increase energy efficiency and resource efficiency, and prevent the loss of biodiversity and ecosystem disruption. Such investments are necessary to stimulate and encourage by targeted public expenditures, policy reforms and changes in regulatory areas.

The development of a competitive, low-carbon and energy-efficient economy will bring fundamental transformation in terms of business processes and the necessary skills that will contribute to the creation of so-called green jobs. In the longer term, many of jobs will be transformed to the green jobs. In this context, it is also the notion of green jobs associated with the various sectors of the economy. Thus, it is not only about certain sectors such as sector of renewable sources (European Commission, 2012b).

Green jobs include jobs that are dependent on the environment, or are created, substituted or redefined (in terms of skills, working methods, etc.) in the process of transition towards a greener economy. For example, more jobs will be created through the renovation of buildings, the development and introduction of new technologies such as renewables. Some employment in traditional cars production will be gradually replaced by production of hybrid cars.

## **European Union policy to support green jobs**

The economic crisis has revealed some structural weaknesses that are present in the European economy. Global and long-term challenges in the areas of globalization, climate changes and natural resources, as well as technological changes and demographic changes (decreasing labour supply) were intensified. The European Commission launched the Europe 2020 on 3 March 2010 to promote joint activities that could turn the EU into a smart, sustainable and inclusive economy with high levels of employment, productivity and social cohesion.

There are a number of policies and strategies designed to move Europe towards a low-carbon economy and reduce its environmental impact. One of the most important of those, in terms of potential impacts on employment, is the European Energy and Climate Change

Package. The goals of the package are generally known as the 20-20-20 targets. They include:

- to reduce the greenhouse gas emissions of at least 20% below 1990 levels;
- renewable sources will represent 20% of final energy consumption in the EU;
- to reduce energy consumption by 20% of the expected 2020 levels.

As a result of legislative reforms and emission targets will, on the one hand, the reduction and restructuring of industrial carbon-intensive sectors. On the other hand, employment growth can be expected in the field of renewable energy and activities to promote energy efficiency, particularly in construction and transport.

Key sources of investment to support sustainable growth and job creation are European Structural and Investment Funds. The main EU financial instruments to promote skills upgrading, job creation and the transition to a greener economy include:

- European Social Fund (ESF) co-finances labour market measures, measures to smooth the transition into work and improving knowledge and skills. The ESF may support the labour force transition towards greener jobs, help address the lack of skills and improve the vocational education and training.
- European Regional Development Fund (ERDF) supports investments in the areas of energy, renewable energy, waste and water management, green infrastructure, conservation and protection of biodiversity, eco-innovations, development and innovation of low-carbon technologies.
- European Agricultural Fund for Rural Development (EAFRD) promotes investment in agriculture, forestry, rural development, including investments in renewable energy and energy efficiency, etc. Member States will have to invest at least 30% of total spending from the fund to mitigate climate changes, as well as to address issues relating to the environment.

In 2012, the European Commission highlighted the potential for job creation in the context of green growth and identified four actions for employment in order to promote the creation of green jobs (European Commission, 2012b):

- to integrate the green jobs in the national plans for the job creation;
- to strengthen the knowledge base of skills needed in the green economy;
- to encourage greater use of financial instruments for smart green investments;

- to build partnerships among participants in the labour market.

In order to stimulate innovations in technologies, ways of organizing and facilitating investments in physical and human capital, which support the efficient use of resources, there is a wide range of fiscal, financial, regulatory and legislative instruments at the European, national, local and sectorial levels. The purpose of these instruments, as well as individual policies, is the promotion and implementation of innovations and changes, which are more efficient in terms of resources and will have an impact on the labour market.

## **Examples of measures supporting green jobs in the European Union**

### **Slovak Republic: The building insulation programme**

The insulation programme, launched in mid-2009, was a part of the government stimulus package aimed at mitigating the negative impact of the economic crisis. The idea was to use the emission allowances revenues to make the energy saving better and reduce the cost of housing for households through insulation grants for residential houses built before 1989. The applicants, individuals and legal entities, could apply for interest-free loans of up to 100% of the costs with upper limit - maximum € 80 per square meter. The condition was that the supported projects have resulted in energy savings for heating by at least 20%. The evaluation report made by government confirmed the creation of around 8,000 jobs and evaluated the programme of insulation as one of the most cost-effective comparing measures adopted in the package. Since the applications exceeded the available funds significantly, the government decided in 2011 to extend the programme (10 million € in 2011, but 24 million in 2012 and 25.5 million in 2013).

### **Belgium: The energy scanners project**

The energy scanners project includes training the long-term unemployed with low skills in the activities related to energy saving. Unemployed become energy scanners and they offer households free installation of energy saving devices. In addition, energy scanners provide professional advice on how to save energy. Services provided under this project were gradually extended into the services in the areas of recycling and insulation works like roof, walls and floors. Training courses are coordinated with public employment services and provided by more than 30 social economy organizations. In 2011, there were about 34,000 households in Belgium benefited from the services of expert advice how to save energy. Moreover, these advices enabled them to cut their energy bills and/or use the offer of insulation. Through this project, about 4,000 people have found new jobs.

### **Romania: The green house initiative**

The ongoing initiative green house, which started in 2009, seeks to promote energy efficiency within both households and firms. Through this scheme it is possible to provide subsidies for the installation of heating and power plants using renewable energy sources. This measure supports the use of renewable energy, as well as employment in the construction sector. It is also an incentive for training in the area of green qualifications. This instrument encourages individual and community initiatives as well as the entrepreneurship. In 2011, about 11 000 households and 170 businesses used that initiative.

## 5 Conclusion

Ten years after joining the EU we can conclude that it was the right decision for V4 countries. Although the positive developments since 2004 were hit hard by the crisis, the situation is much better than at the beginning in 2004. Nowadays, the V4 countries are economically stronger and if work together they have also stronger voice in the EU. In terms of labour market, the biggest issues that need to solve are:

- high youth unemployment rates;
- long-term unemployment and to find out how to get long-term unemployed back to work.

As we showed in the fourth section, the opportunities how to increase employment and how to tackle youth unemployment or long-term unemployment already exist. We believe and it is moreover justified by official documents and reports made by the European Commission and OECD that green economy will help to maintain and create millions of jobs by 2020 and beyond. Regarding the Europe 2020 strategy, to green the economy is the commitment made at EU level with a significant job potential. The EU supports green jobs and offers funding through European Structural and Investment Funds. Therefore, we also paid attention to that and we highlighted some examples of measures supporting green jobs in the EU.

The paper is the outcome of scientific project VEGA No. 1/0103/12 "Labour market in relation to economic growth in the context of socio-economic changes" (Trh práce vo väzbe na ekonomický rast v kontexte spoločensko-ekonomických zmien).

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