

Labour market barometer

POLICY DEVELOPMENT

PRACTICAL MEASURE/INITIATIVE

 CZECHIA

Timeline



ID number 28092

Background

As a highly industrialised country, Czechia is deeply affected by the developments linked to the Industry 4.0 processes. The rapid changes on the labour market and new employer requirements are increasingly shaping public debate. And yet Czechia has long been missing a comprehensive and permanent system of anticipation of skill needs that would inform policy makers, education experts and general public about the future developments. The Kompas project led by the Ministry of Labour and Social Affairs (MPSV) was launched to fill this gap.

Objectives

The objective is to establish a system of labour market forecasting with a regional focus.

Description

The Kompas project was launched by the Ministry of Labour and Social Affairs in 2017, aiming at establishing by 2020 a labour market barometer, a permanent system of labour market forecasting with a strong regional focus. The system will collect the available statistical data as well as qualitative information on future regional and national developments, important changes and technology trends. The outcomes of the system are expected to inform education providers and counsellors (IVET as well as CVET), the public employment service (responsible for retraining), regional authorities (responsible for IVET), employers, central bodies (Ministry of Labour, Ministry of Education) as well as the general public via a comprehensive website.

By 2018, a network of regional expert teams has prepared profile studies to summarise regional specifics and conditions influencing labour market development. At the national level, several sectoral trend studies were elaborated that use a dominantly qualitative approach to describe the current situation and main prospects of the given sectors. A system of statistical forecasting models (national as well as regional) is being developed. In 2019, a first working version of a quantitative forecast is being prepared and provided to regional and national experts for review. Following their feedback, the methodology for the quantitative forecasting model should be further elaborated.

2017 Implementation

2018 Implementation

2019 Implementation

A methodology for regional studies was developed in 2019. It summarises statistical data and qualitative information specific to a region and serves to describe the situation of regions in terms of demographic and economic factors in the current labour market development. Following discussions, initial versions of these materials for individual regions were elaborated and will be subsequently updated annually. Sectoral trend studies are to identify the main trends and factors that shall affect the situation in the sector over the next few years, particularly in terms of employment and skills needs. The studies are meant to detect qualitative trends, technological and political developments, which are difficult to determine through quantitative methods and yet might be the dominant drivers of development in the near future. These studies will serve both as a tool for interpreting and/or fine-tuning the outputs of the statistical model, and as an output on its own, summarising the situation in the sector. The key sources of information used for the studies included opinions of experts from relevant industries, interviews and focus groups, supplemented by research literature reviews and available statistical data. The principal concern for the future is the sustainability of the system; it is supported by the products created and the network of links between the regional and central levels. In terms of organisation and financing, the Ministry of Labour and Social Affairs strives to make the agenda of labour market projections a stable component of active employment policies.

2020 Implementation

In 2020, the entire comprehensive model apparatus of labour market predictions was completed, linking the national and regional levels and containing several sub-models: the labour demand forecasting sub-model in individual economic sectors and professional qualification groups, as well as supply models of school graduates entering the labour market, and labour supply coming from abroad. The system of models is closed by an overarching model, which balances both sides and indicates possible future tensions in the labour market from the point of view of individual professional and qualification groups, both at the national and regional levels.

Predictions were also updated in 2020 to incorporate the first signs of the impact of the COVID crisis on the economy and the labour market. They also respected the framework of macroeconomic forecasts of national (Czech National Bank and Ministry of Finance) and international authorities (Eastern European Consensus Forecast). The outputs also included an updated forecast of the inflow of labour from abroad based on the latest Labour Office data, reflecting current changes due to the COVID situation, border closures and difficulties in the movement of foreign workers. The predictions were discussed with experts at the national level as well as within individual regions.

At the same time, labour market monitoring tools were finalised and tested, both through direct data collection from employers regularly performed by the Labour Office of the Czech Republic and through analytical reports devoted to development factors in key sectors of the economy and in individual regions. Monitoring of employers in the regions is carried out by the regional branches of the Labour Office, which, on the basis of a uniform methodology, carries out surveys among employers, with 25 or more employees, and selectively also among smaller companies. At present, almost half of the employees are covered by this survey (48% of all employees in the Czech Republic). In addition to detailed data on the current number and structure of employees, companies also indicate their intentions regarding the planned expansion or shrinking of employees in individual occupational groups (ISCO - 1 level) in the company in a one-year outlook. The Central Labour Office summarises and evaluates data from this monitoring of employers, while also comparing the degree of compliance of expected trends with the real development of employment in the regions. These analyses are one of the sources of verification and refinement of regional labour market predictions created on the basis of econometric model tools.

In addition to regional monitoring of employers, networks of regional partners were created as part of the project to identify the intentions of other key actors in regional

development. Among them are local authorities, education institutions, regional chambers of commerce, regional development agencies and other institutions.

At the end of the year, the first version of the website was launched, providing a single location on which national and regional labour market forecasts are published.

In 2020, the Ministry of Labour and Social Affairs decided to extend the project until 2022, so that some new analytical and conceptual activities could be supplemented and the database of predictions could be expanded by additional sources. The Ministry will also expand the professional team to supervise the functioning of the entire system of predictions, ensure individual processes, manage their quality and communicate with relevant users of outputs.

2021 Implementation

A communication concept was elaborated and the plan to educate the users of the outputs of the labour market prediction system (audio spots, social media, professional articles, printed materials, meet-ups with career counsellors, workshops for the users of the forecasting system, in-person and e-presentations of prediction outputs at national and regional levels) was launched.

2022 Completed

The Ministry of Labour and Social Affairs continued to update and publish the results and it further developed the dedicated website. In 2022 an updated skills forecast was published. The occupations at the website have been expanded with detailed descriptions of related work units and tasks extracted from the National Registry of occupations.

The project was completed on 31 December 2022. It is planned that the Ministry of Labour will continue to publish regular forecasts.

Bodies responsible

- Ministry of Labour and Social Affairs

Target group

Entities providing VET

Companies

Other stakeholders

Social partners (employer organisations and trade unions)

Other

employers and employer organisations, regional authorities, state bodies

Thematic categories

Governance of VET and lifelong learning

Establishing and developing skills intelligence systems

Subsystem

IVET CVET

Further reading

[The Kompass project page](#)

[Labour market forecasts website](#)

Related policy developments

2024 Completed

National artificial intelligence strategy of the Czech Republic

The NAIS follows up on and meets the objectives of the Government Innovation Strategy 2019–30 and is linked to the Digital Czech Republic programme. It was inspired by similar foreign strategic documents concerning AI and support for the digitisation of the industry and services.

 CZECHIA

Type of development

Strategy/Action
plan

Subsystem

IVET CVET

“ ... ” Cite as

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