

III. Characteristic of results – 2nd quarter 2006

Published results of surveys characterize (in harmony with applied international methodical approaches) the population living just in selected dwellings. Situation of persons living in other accommodation establishments (especially collective households) is not reflected in the survey results. That fact excludes therefore to a certain extent some categories of persons from the surveys (for example foreign citizens in temporary housing facilities, church persons in seminaries etc.).

III. A. *Employment*

The number of first job holders in the 2nd quarter of 2006 amounted to 4825.9 thousand persons, of which males and females accounted for 2737.5 thousand (56.7 %) and 2088.4 thousand (43.3 %), respectively. Year-on-year total employment was higher by 75.2 thousand. As a relative figure, the rise in the number of first job holders amounted to 1.6 %. At the same time the number of first job holders with the limited duration of working contract increased - it was 353.9 thousand in all in the 2nd quarter of 2006 (of which 192.0 thousand females) - i.e. by 11.2 thousand more in total than in the 2nd quarter of 2005.

Prevailing in the number of employed persons were **employees** (4028.8 thousand); their number increased by 71.0 thousand year-on-year. The share of employees in total employment rose by 0.2 percentage points to 83.5 %. The number of **members of producers' cooperatives** decreased by 8.2 thousand onto 16.1 thousand. The number of the **self-employed** reached 780.3 thousand, which was by 11.7 thousand more year-on-year. Compared to the 2nd quarter of 2005, the percentage of the whole entrepreneurial sphere did not change (16.2 % of total employment). The number of **self-employed without employees** fell by 1.2 thousand onto 551.6 thousand persons and the number of **contributing family workers** decreased too (by 3.1 thousand onto 33.3 thousand). On the other hand the number of **self-employed with employees** increased by 16.0 thousand onto 195.5 thousand persons. The share of self-employed in total employment in the long term exceeds the average share in EU Member States.

Numbers of first job holders: by professional status

Professional status	All		Males		Females	
	Thous.	%	Thous.	%	Thous.	%
Employees	4028.8	83.5	2174.5	79.4	1854.3	88.8
Members of producers' coop.	16.1	0.3	11.0	0.4	5.1	0.2
Self-employed without employees	551.6	11.4	397.7	14.5	153.9	7.4
Self-employed with employees	195.5	4.1	148.0	5.4	47.4	2.3
Contributing family workers	33.3	0.7	5.5	0.2	27.8	1.3
A l l	4825.9	100.0	2737.5	100.0	2088.4	100.0

Four regions (NUTS 3) out of fourteen saw lower employment: most in the Moravskoslezský Region (-5.5 thousand). On the other hand, employment increased notably in the Hlavní město Praha (16.4 thousand), Středočeský (15.3 thousand), Zlínský (13.1 thousand) and Královéhradecký (9.1 thousand) Regions. A higher growth of the number of employees was recorded for the Středočeský (19.0 thousand), Olomoucký (11.1 thousand), Vysočina and Zlínský (both 9.9 thousand) Regions, while employees dropped in number primarily in the Karlovarský Region (-2.6 thousand).

However, when evaluating developments in the status-in-employment structure, one should take account of the fact that the released figures are measured in and related to the respondent's usual place of residence and not to the region where he/she works. There are much more people working in the capital city of Prague than the number of those usually living and working there (The number of working in Prague was higher than number of employed Prague residents by 119.0 thousand and reached 745.5 thousand.). And it is the category of employees in Prague where the high commuting balance occurs mainly exclusively (111.8 thousand).

Vice versa, the number of persons commuting from the region to other regions exceeds the number of those commuting into the region from the others mainly for Středočeský Region (this negative balance reached -65.6 thousand, largely in favour of Prague), for Ústecký (-15.6 thousand), for Vysočina (-10.9 thousand) and for Moravskoslezský (-9.3 thousand) Regions. Negative balance of commuting for other regions varied from -2.2 thousand in Karlovarský Region to -7.2 thousand in Zlínský Region. The regional borders were crossed generally by employees (91.4 % of interregional commuting).

**Increases/decreases in the number of first job holders: by professional status and region
(2nd quarter 2005 to 2nd quarter 2006, persons in thousand)**

CR total		Regions													
Thousands	%	Hl. m. Praha	Středočeský	Jihočeský	Plzeňský	Karlovarský	Ústecký	Liberecký	Královéhradecký	Pardubický	Vysočina	Jihomoravský	Olomoucký	Zlínský	Moravskoslezský
Total															
75.2	1.6	16.4	15.3	2.3	-2.6	-1.5	8.2	-0.7	9.1	4.2	4.3	4.0	8.6	13.1	-5.5
Employees, incl. members of producers' cooperatives															
62.8	1.6	7.1	17.6	3.3	-0.9	-2.6	7.2	-1.9	6.9	3.3	6.9	-1.1	9.9	9.9	-2.8
Self-employed															
14.8	2.0	8.3	-3.5	-1.5	-1.7	0.8	2.4	1.8	2.7	0.9	-1.9	5.0	0.3	3.9	-2.8

There are still rather large regional differences in the structure of employed persons by professional status. The share of employees ranges from 77.9 % in Hlavní město Praha Region up to 86.5 % in the Pardubický and 88.0 % in the Moravskoslezský Regions. A relatively high proportion of members of producers' cooperatives, mainly agricultural ones, is in the Vysočina Region (2.5 %), it ranges from a statistically negligible figure in the Karlovarský, Zlínský, Liberecký, and Hlavní město Praha Regions to 0.8 % in the Jihočeský Region.

Large differences exist in the category of the self-employed. The Hlavní město Praha Region has a high percentage of the self-employed (excl. family workers): 21.3 % of all first job holders living on the territory of the capital city. As for the other regions, the percentage is rather high in the Středočeský (17.3 %), Liberecký (17.0 %) and Zlínský (16.3 %) Regions. In case of middle Bohemia there proves a fact that former districts of Praha-východ and Praha-západ have a significant active migration balance with Prague and a certain part of the Praha self-employed reside in these districts. The lowest shares of the self-employed are reported for the Moravskoslezský (11.3 %), Vysočina (12.7 %) and Pardubický (13.1 %) Regions. The number of contributing family workers exceeds the number of members of producers' cooperatives and their share on total employment in regions ranges from 0.2 % in Vysočina Region to 1.4 % in Středočeský Region.

In terms of employment of men and women there still remain the high differences in **industry structure of employed**. The two sexes have the highest employment in manufacturing, but their shares in the other industries differ (see Annex table No. 304 for a rather detailed breakdown of sections of CZ-NACE, which is compatible with NACE, Rev. 1.1; the table provides greater detail on manufacturing and trade branches).

Structure of first job holders in the Czech Republic: by CZ-NACE category, by sex

Industries	All		Males		Females	
	Thous.	%	Thous.	%	Thous.	%
TOTAL	4825.9	100.0	2737.5	100.0	2088.4	100.0
including:						
Agriculture, hunting and forestry	182.3	3.8	120.7	4.4	61.6	3.0
Fishing	3.1	0.1	2.4	0.1	.	.
Mining and quarrying	55.6	1.2	48.2	1.8	7.4	0.4
Manufacturing	1363.4	28.3	854.3	31.2	509.1	24.4
Electricity, gas and water supply	75.0	1.6	58.5	2.1	16.5	0.8
Construction	435.7	9.0	402.5	14.7	33.3	1.6
Trade, rep. of mot.vehicles, pers.and househ.goods	615.5	12.8	291.6	10.7	324.0	15.5
Hotels and restaurants	189.1	3.9	84.5	3.1	104.6	5.0
Transport, storage and communication	357.5	7.4	257.2	9.4	100.3	4.8
Financial intermediation	92.9	1.9	34.9	1.3	57.9	2.8
Real estate, renting and business activities	319.0	6.6	180.9	6.6	138.1	6.6
Public administration, defence, compul.soc.security	325.9	6.8	176.0	6.4	149.9	7.2
Education	286.2	5.9	72.7	2.7	213.5	10.2
Health and social work	326.4	6.8	61.4	2.2	265.0	12.7
Other community, social and personal services	191.8	4.0	90.4	3.3	101.4	4.9

In the structure of employment by sector, workers in services (CZ-NACE G-Q), where already worked 56.1 % of all employed, dominate sharply. On the contrary in primary sector (CZ-NACE A, B) the employment permanently falls; the shares of older age groups in agriculture are substantially higher than in other sectors (more than half of employed persons are older than 45).

Sizable differences are uncovered, if the industrial structure of first job holders is compared between 2nd quarter 2005 and 2nd quarter 2006. Employment in the **primary sector** (agriculture, forestry, fishing) decreased to 185.4 thousand persons and accounted for only 3.8 % of the total number of first (main) job holders. The number of persons employed in the **secondary sector**

(industry, construction) increased by 56.0 thousand year-on-year to 1929.7 thousand (40.0 % of total employment). This growth was exclusively affected by the year-on-year increase of 75.7 thousand in employment that occurred in manufacturing. The number of employed persons went up most in manufacture of parts and accessories for motor vehicles and their engines (20.8 thousand), treatment and coating of metals; general mechanical engineering (18.6 thousand), manufacture of basic iron and steel and ferro-alloys (9.0 thousand), manufacture of other general purpose machinery (7.8 thousand). Decrease in the number of employed in construction by 27.0 thousand was due to unfavourable climatic conditions in spring months.

Employment in the **tertiary sector** (all divisions of services including transport) increased by 29.2 thousand to 2709.7 thousand (56.1 % of total employment), but it developed in the individual divisions in an opposing way. Employment increased most in real estate, renting and business activities (38.0 thousand), hotels and restaurants (4.4 thousand), and transport, storage and communication (3.0 thousand). Within the section real estate, renting and business activities the growth showed mostly in investigation and security activities, within the section other computer related activities, in advertising, legal, accounting and book-keeping activities, tax consultancy, market research and public opinion polling. In hotels and restaurants it grew most in restaurants and within the section transport, particularly the number of persons employed in other land transport increased.

On the other hand, employment dropped most year-on-year in education (-8.2 thousand), mainly in primary education. Employment dropped also in public administration and defence, compulsory social security (-6.8 thousand), most in administration of the State and the economic and social policy of the community.

Increases/decreases in numbers of first job holders: by industry
(2nd quarter 2005 to 2nd quarter 2006)

Industries	Decrease		Industries	Increase	
	Thous.	%		Thous.	%
Construction	-27.0	-5.8	Manufacturing	75.7	5.9
Agriculture, hunting and forestry	-9.4	-4.9	Real estate, renting and business activities	38.0	13.5
Education	-8.2	-2.8	Mining and quarrying	9.4	20.5
Public administration, defence and compulsory social security	-6.8	-2.1	Hotels and restaurants	4.4	2.4
Financial intermediation	-3.9	-4.0	Transport, storage and communication	3.0	0.8
Electricity, gas and water supply	-2.1	-2.7	Trade, repair of motor vehicles and pers. and household goods	1.7	0.3
Health and social work	-1.7	-0.5			
Other community, social and personal service activities	-0.2	-0.1			
Fishing	-0.1	-3.9			

The ranking of industries according to an increase/decrease in the number of persons carrying out the activity changes from one quarter to another. With this in mind one should stress the fact that an increase/decrease in employment may strongly differ from values derived from other sources. This is apparent, e.g., in the case of employment trends in public administration, where the differences compared to figures of business statistics stem among others from the fact that the LFSS

idea of employment is more general in nature (see Introduction) and is not directly related to the so-called registered numbers of persons.

The number of **employees** represents a decisive part of occupied persons in all industries of the national economy. However, the proportion of this category is variable when viewed in general, which results from the nature and concentration of activities carried out in the industries, from the requested level and branch of education of employed persons, and from a variety of other aspects. An extraordinary proportion of employees is found for classical industrial branches with an above-the-average size of companies and also for some industries of tertiary sphere (primarily education and health service), where specific professional qualifications are also called for. The share of employees is naturally big in the organizations which concentrate on function of the public administration.

Employees and self-employed - first job holders: by industry
(2nd quarter of 2006, persons in thousand)

Industries	Total employment	Of which			
		Employees	Self-employed		
			Total	With employees	Without employees
TOTAL	4825.9	4028.8	747.0	195.5	551.6
of which:					
Agriculture, hunting and forestry	182.3	133.4	32.0	3.4	28.6
Fishing	3.1	2.5	.	-	.
Mining and quarrying	55.6	53.5	2.0	.	1.3
Manufacturing	1363.4	1256.4	100.1	34.4	65.6
Electricity, gas and water supply	75.0	71.9	3.1	1.0	2.1
Construction	435.7	274.3	158.5	28.6	129.9
Trade, rep. of mot.vehicles, pers., househ.goods	615.5	467.6	138.9	43.9	95.0
Hotels and restaurants	189.1	151.4	33.9	19.2	14.7
Transport, storage and communication	357.5	305.5	48.8	14.9	33.9
Financial intermediation	92.9	72.9	19.7	1.3	18.4
Real estate, renting and business activities	319.0	205.0	109.3	19.2	90.1
Publ.administration, defence, comp.soc.security	325.9	320.3	5.6	2.1	3.5
Education	286.2	276.8	9.0	2.3	6.7
Health and social work	326.4	295.8	29.5	18.2	11.2
Other community, social and personal services	191.8	136.4	55.0	5.9	49.1

Only a few industries reported significant numbers of **members of producers' cooperatives**. Their frequency further decreased to 14.0 thousand in agriculture. Their number dropped to 1.1 thousand in manufacturing. Number of **contributing family workers** is higher in industries of trade (8.7 thousand) and manufacturing (5.9 thousand).

The development in the number of **employers (the self-employed with employees)** went up most of all in manufacturing (7.7 thousand) and transport, storage and communication (5.8 thousand). The decrease in **own-account workers (the self-employed without employees)** was mainly due to lower numbers of such persons in construction (-7.5 thousand) and in trade, repair of motor vehicles and personal and household goods (-6.5 thousand). In following table there are figures on the level of

absolute and relative increase (decrease) in number of self-employed with and without employees in selected categories of economic activities.

The share of the self-employed without contributing family workers constituted 36.4 % of all first job holders in industry in construction, 35.6 % in extra-territorial organizations and bodies, 34.2 % in real estate, renting and business activities, 28.7 % in other community, social and personal service activities, and 22.6 % in trade, repair of motor vehicles, personal and household goods. Their shares were low in public administration, defence and social compulsory security (1.7 %) and in education (3.1 %).

**Increases/decreases in numbers of the self-employed: by CZ-NACE activity
(2nd quarter 2005 to 2nd quarter 2006)**

Selected CZ-NACE activities	Increases/decreases in the number of self-employed			
	Without employees (own-account workers)		With employees (employers)	
	Thous.	%	Thous.	%
Agriculture, hunting and forestry	-0.3	-1.0	-0.9	-20.6
Manufacturing	0.3	0.5	7.7	28.6
Construction	-7.5	-5.5	2.2	8.5
Trade, repair of motor vehicles, person., househ. goods	-6.5	-6.4	-1.3	-2.8
Hotels and restaurants	-1.7	-10.3	0.3	1.8
Transport, storage and communication	2.5	7.8	5.8	63.8
Financial intermediation	0.3	1.7	0.0	-1.8
Real estate, renting and business activities	8.6	10.5	2.0	11.4
Education	0.1	1.9	-0.6	-19.7
Health and social work	0.5	4.8	0.4	2.3
Other community, social and personal service activities	2.3	5.0	-0.4	-5.6

The total number of first job male entrepreneurs exceeds the total number of first job female entrepreneurs 2.7 times (2.6 times in the group of self-employed without employees and 3.1 times in the group of self-employed with employees). In addition to the general prevalence of the number of the male self-employed over that of the female self-employed, there are differences in the industrial structure of this category between both sexes. The markedly higher number of male self-employed persons over female self-employed persons is distinct in most of the industries, particularly in construction, manufacturing and trade, repair of motor vehicles and personal and household goods. On the other hand, there are more female entrepreneurs than male ones in other community, social and personal service activities and in health and social work.

Self-employed: by CZ-NACE activity, by sex

Selected industries	All Thous.	Male self-employed				Female self-employed			
		Without employees		With employees		Without employees		With employees	
		Thous.	%	Thous.	%	Thous.	%	Thous.	%
TOTAL including ¹⁾	747.0	397.7	100.0	148.0	100.0	153.9	100.0	47.4	100.0
Construction	158.5	127.9	32.2	28.0	18.9	2.0	1.3	.	.
Trade, repair of motor veh. and pers. and househ. goods	138.9	61.1	15.4	32.2	21.7	33.9	22.0	11.7	24.8
Real estate, renting and business activities	109.3	50.2	12.6	15.9	10.7	39.9	26.0	3.3	6.9
Manufacturing	100.1	54.5	13.7	28.2	19.1	11.1	7.2	6.2	13.1
Other community, social and personal service activities	55.0	15.7	3.9	3.2	2.2	33.5	21.7	2.7	5.6
Transport, storage, communication	48.8	30.7	7.7	13.0	8.8	3.2	2.1	1.9	4.0
Hotels and restaurants	33.9	8.8	2.2	13.6	9.2	5.9	3.9	5.5	11.6
Agriculture, hunting, forestry	32.0	23.9	6.0	2.5	1.7	4.7	3.1	0.9	2.0
Health and social work	29.5	5.5	1.4	7.0	4.7	5.8	3.8	11.3	23.8

¹⁾ Sequence by the number of the self-employed of both sexes in the industries

In the **civil sector of the national economy**, there were 94.9 % of persons working **full time** in their first jobs. Of the total of 244.9 thousand employed persons in their **part time employment**, 48.6 thousand were classified as **underemployed** (1.0 % of the total first job holders in the civil sector). Three quarters of part-time employed persons are females; and females are sharply prevailing in the group of the underemployed (75.7 %).

There were in total 107.7 thousand **second job holders** in the civil sector in the 2nd quarter. The frequency of these employed dropped year-on-year by 7.0 thousand. The share of males made up 56.5 %. Unlike first job holders, working contracts with limited job tenure are much more represented here (23.0 %). The number of second job holders is high especially in Hlavní město Praha (13.4 thousand), in other regions overtops the level of 10 thousand in the Moravskoslezský (13.0 thousand), Středočeský (11.2 thousand), and Jihomoravský (10.7 thousand) Regions.

Similarly, the structure of professional status of second job holders substantially differs from that of first job holders. Employees, who account for 38.5 % of all second job holders (41.4 thousand), fell by 4.3 thousand when compared to 2nd quarter 2005. The number self-employed (incl. family workers) second job holders went down (by 2.9 thousand), but their share in all second jobs is still high (61.1 %). The most numerous status group are the male self-employed: a total of 41.3 thousand (including family workers), i.e. 67.9 % of male second job holders.

Prevailing majority of persons employed in the second job have employee status within the first/main job (total 88.0 thousand, i.e. 81.7 % of second jobs) or status of self-employed without employees (14.3 thousand, 13.3 %).

Second jobs affect total employment in the industries of trade, repair of motor vehicles and personal and household goods (12.6 thousand), manufacturing (11.9 thousand), education (11.9 thousand), and especially real estate, renting and business activities (19.4 thousand), where they account for 6.1 % of first job holders in industry. One should respect the big difference in the average hours of work in the first and second jobs.

Average **usual hours of work per week of first job holders** in the civil sector stood at 41.7. The number of these hours represents an average number of hours normally worked by a person in week including the regular overtime disregarding whether they are paid but do not cover the time spent on commuting from home to work and back and recess. **Hours actually worked** in the reference period were fewer (39.4). First job holders working full time and part time worked usually 42.7 hours a week and 22.9 hours a week, respectively. The largest number of hours usually weekly worked of persons working full-time was shown in industries of construction (46.0 hours). Employed in extra-territorial organizations and bodies (45.6 hours), where the employment is very low though, in hotels and restaurants (45.1 hours) and real estate, renting and business activities (44.5 hours) indicated an above-average number. Actual hours worked in second jobs stood at 12.8 hours in the reference week.

When responding to the survey, the self-employed mention that their activity consumes a considerable amount of time. On average, their hours worked per week exceeds those of employees working full time by more than a fifth.

The share of second jobs in the total scope of work executed is shown in the following table, where also the numbers of persons are given on top of average usual hours of work a week.

Average usually weekly worked hours and numbers of persons employed in civil sector of national economy: by professional status (2nd quarter 2006)

Professional status excl. persons not working 4 weeks or more	First job		Second job ¹⁾
	Full-time	Part-time	
Thousands of persons			
The employed, all	4562.7	244.9	107.7
Employees	3809.2	201.6	41.4
Members of producers´ cooperatives	15.4	.	.
Self-employed (incl. family workers)	737.4	42.6	65.8
Average usually weekly worked hours			
The employed, all	42.7	22.9	12.8
Employees	41.2	23.3	12.5
Members of producers´ cooperatives	42.2	22.3	23.7
Self-employed (incl. family workers)	50.4	20.6	13.0

¹⁾ Hours actually worked

Participation rate (rate of economic activity), which is the ratio of the employed plus the unemployed to all persons aged 15+ stood at 59.2 % (both sexes) and didn't change in comparison with its level in the 2nd quarter of 2005. This rate is high in the group of persons aged 30-44, where the percentage of economically inactive males is extremely low (2.7 %) and the percentage of economically inactive females is 18.2 %. The low rate of economic activity is characteristic for the youngest age group of 15-29, as these persons are often still preparing for their occupation. The detailed data on the trend of economic activity by age groups are shown in table no. 508.

**Participation rate: by age and sex
(2nd quarter 2006)**

Sex	All	Age group			
		15-29	30-44	45-59	60+
Males	68.4	58.3	97.3	89.3	16.3
Females	50.6	42.8	81.8	76.2	5.4

Among the employed in the civil sector, 89.3 thousand persons (including 41.6 thousand males) were seeking another or additional job in the reference period; it mostly includes persons wishing to have better working condition (higher pay, better working time, commute, quality of work – 52.6 thousand). The principal reasons given for seeking another/additional job were besides the aspiration for better work conditions also uncertainty and fear for the loss of the existing job (11.0 thousand). The activity of the employed in seeking different or another job was comparatively the highest in the Zlínský (3.9 %) and Ústecký (3.2 % of all first job holders in the civil sector) Regions.

III. B. *Unemployment and economic inactivity*

The number of **the unemployed** derived from LFSS results stood at 366.8 thousand in the 2nd quarter 2006, including 201.4 thousand females (54.9 %), and decreased by 35.3 thousand below their number in the 2nd quarter 2005 (included are persons who have found their job but they are able to start a job in two weeks). The unemployment increased more just in age group 30-34 by 5.4 thousand.

The decrease in unemployment proved notably in age group 25-29 by 20.2 thousand. Unemployment decreased markedly also in the wide group of younger and middle-aged people between 35 and 54 years of age. The number of unemployed men remains lower than number of unemployed women. Simultaneously with the total year-on-year decrease of total unemployment the unemployment of men dropped by 14.8 thousand and fall of unemployed men proved mainly in age group 25-29 (by 5.4 thousand). The number of unemployed women decreased in the same period totally by 20.5 thousand and this drop showed the most in age group 25-29 (by 14.9 thousand).

The number of persons with basic education amounted to 92.8 thousand (i.e. 25.3 % of total unemployment), and the number of unemployed leavers from secondary schools without the General Certificate of Secondary Education was high (164.7 thousand, i.e. 44.9 % of the total unemployed). Taking account of educational attainment, the structure of unemployed men is somewhat different from that of unemployed women. While persons with primary education and leavers from secondary schools without the GCE dominate among unemployed men with 24.3 % and 51.3 %, respectively (26.1 % and 39.6 %, respectively, among unemployed women), also persons with secondary education with GCE are strongly represented among unemployed women (29.7 % of unemployed women).

The number of unemployed with work experience, who finished their last job before less than 8 years, amounted to 276.9 thousand and decreased compared to the 2nd quarter 2005 by 35.5 thousand. According to the ascertained industrial breakdown the unemployed with experience of work had worked the most frequently in manufacturing (94.5 thousand), trade, repair of motor vehicles and personal and household goods (49.5 thousand), and in construction (24.6 thousand).

In light of the classification of occupations, three quarters of the unemployed were at work in the four following major groups of CZ-ISCO-88 classification: service workers and shop and market sales workers (55.9 thousand - 20.2 % of all unemployed persons with experience of employment), craft and related trades workers (54.7 thousand - 19.8 %), elementary occupations (52.8 thousand - 19.1 %) and plant and machine operators and assemblers (44.2 thousand - 16.0 %).

The number of **long-term unemployed** (one year and more) decreased by 8.3 thousand to 206.0 thousand, but their share in the total unemployed still exceeds one half (56.2 %). The drop of long-term unemployment proved mostly in women in age group 20-29 years by 6.5 thousand, and in men in age group 40-49 by 4.9 thousand. The number of persons unemployed for more than four years went down by 1.7 thousand to 60.5 thousand (16.5 % of the total unemployed).

**The unemployed: job seeking duration
(2nd quarter 2006, persons in thousands)**

All	Up to 3 months	3-6 months	6-12 months	1-2 years	2 years or more	Not identified
366.8	36.6	48.0	76.2	81.4	124.6	-

The growth of total employment and the decrease in the number of the unemployed resulted in a relatively high decrease of general unemployment rate of persons aged 15-64 (ILO). In comparison to 2nd quarter 2005, the general unemployment rate decreased by 0.7 percentage points to 7.1 %. It decreased mainly among the female population (by 1.0 percentage points to 8.8 %), while it dropped among the men population by 0.6 percentage points to 5.7 %. According to the latest complete results of the Eurostat for 2nd quarter 2005 the general unemployment rate in the Czech Republic was lower than in the EU25, when with a relatively low unemployment level of men the level of unemployment of women in the CR was practically the same as the total for all EU member states. The big decrease of unemployment during this year in the Czech Republic had a positive effect in both of the comparisons with the EU25 and EU15 countries.

Compared to the neighbour states, the level of unemployment is higher than in Austria but markedly lower than in Poland and Slovakia, where it is still extremely high and the highest throughout the Union. Our unemployment level is lower also in comparison with Germany mainly due to an unfavourable situation in the long run in the federal states in the regions of former DDR.

General unemployment rate of persons aged 15-64 in the EU member states in Q2 and Q4 2005

%

Country	Q2 2005			Q4 2005		
	Total	Men	Women	Total	Men	Women
EU-25	9.1	8.5	9.9	:	:	:
EU-15	8.3	7.7	9.0	:	:	:
Belgium	8.1	7.4	9.0	8.5	7.8	9.4
Czech Republic	7.8	6.3	9.8	7.8	6.1	10.0
Denmark	4.9	4.2	5.6	4.1	4.0	4.2
Estonia	8.3	10.1	6.5	7.3	7.5	7.0
Finland	9.7	9.7	9.7	7.7	7.2	8.1
France	8.6	7.9	9.5	9.6	8.6	10.8
Ireland	4.3	4.7	3.8	4.5	4.6	4.2
Italy	7.6	6.2	9.7	8.1	6.3	10.7
Cyprus	5.5	4.5	6.7	5.4	5.2	5.6
Lithuania	8.6	8.6	8.6	7.2	7.5	6.9
Latvia	9.2	9.6	8.7	7.9	8.3	7.4
Luxembourg	4.5	3.5	5.8	4.5	3.5	5.8
Hungary	7.1	6.9	7.4	7.3	7.2	7.5
Malta	7.9	7.2	9.3	7.4	6.6	9.2
Germany	11.4	11.7	11.1	10.9	11.0	10.9
Netherlands	4.8	4.6	5.1	4.5	4.1	4.9
Poland	18.3	17.4	19.4	17.0	15.6	18.6
Portugal	7.7	6.9	8.5	8.5	7.5	9.7
Austria	5.3	5.2	5.4	5.2	4.9	5.5
Greece	9.8	5.9	15.3	9.8	6.2	15.1
Slovakia	16.3	15.7	17.1	15.4	14.4	16.6
Slovenia	5.9	5.6	6.2	7.4	6.8	8.0
United Kingdom	4.6	5.0	4.1	5.1	5.4	4.7
Spain	9.4	7.3	12.3	8.8	6.7	11.7
Sweden	8.8	8.9	8.7	7.2	7.2	7.3

Source: New Cronos

Unlike the total unemployment level, the position of the Czech Republic is less favourable from the point of view of long-term unemployment (1 year and more). In 4th quarter 2005, the share of long-term unemployed in the total unemployment was higher only in three countries, which are our direct neighbours – Germany, Poland, Slovakia. The share of long-term unemployment in the total unemployment increased in the long run in the countries with the biggest share of long-term unemployed, i.e. in Poland and Slovakia. This applies both for men and women. Completely different is the situation in Austria, where only one out of four unemployed was unemployed more than one year.

Share of long-term unemployment in the total of unemployed persons aged 15-64 in the EU member states in Q2 and Q4 2005

%

Country	Q2 2005			Q4 2005		
	Total	Men	Women	Total	Men	Women
EU-25	45.5	44.9	46.2	:	:	:
EU-15	41.8	41.3	42.4	:	:	:
Belgium	51.6	50.4	52.7	51.2	49.3	53.1
Czech Republic	53.0	51.7	54.0	52.5	54.7	50.9
Denmark	25.7	29.7	22.3	22.8	19.5	26.2
Estonia	54.1	51.9	57.5	50.8	42.0	60.2
Finland	22.4	25.1	19.5	27.3	32.0	22.8
France	43.4	42.6	44.2	39.1	38.2	39.9
Ireland	34.4	42.4	21.2	32.3	40.6	20.1
Italy	52.1	50.4	53.8	50.1	47.9	52.0
Cyprus	27.0	21.6	31.5	21.5	14.6	29.6
Lithuania	54.0	54.4	53.6	49.7	48.9	50.7
Latvia	46.7	52.9	39.5	43.6	50.9	35.0
Luxembourg	26.4	33.8	20.5	26.4	33.8	20.5
Hungary	44.4	46.3	42.3	46.3	48.4	43.9
Malta	47.0	55.6	32.7	44.2	45.0	42.9
Germany	54.0	53.7	54.4	56.0	56.8	54.9
Netherlands	40.3	44.9	35.2	42.1	45.1	38.9
Poland	58.1	56.2	60.1	58.8	57.2	60.4
Portugal	48.5	47.0	49.9	49.0	47.6	50.2
Austria	23.5	23.6	23.4	25.4	27.9	22.7
Greece	53.6	43.1	59.5	50.7	42.2	55.7
Slovakia	71.4	72.5	70.3	74.3	73.8	74.8
Slovenia	51.0	53.2	48.8	47.3	46.4	48.3
United Kingdom	22.2	26.0	16.8	20.5	25.2	14.2
Spain	24.6	20.3	28.3	24.3	21.0	26.9
Sweden	14.1	16.7	11.3	:	:	:

Source: New Cronos

Most of the unemployed (70.2 %) were graduates from secondary schools without GCE or people with basic education. This fact also resulted in considerable differentiation of the rate of unemployment calculated for individual levels of education; the lowest level of unemployment is recorded steadily for university graduates (2.5 %) and persons with secondary education with GCE (4.8 %). The high unemployment rate continued in the group of persons with elementary education (24.6 %). Above-average rate occurs also in the group of persons with secondary education without leaving exam, mostly apprentices (7.5 %).

To verify the reliability of the sample survey, CZSO regularly analyses and compares LFSS figures and indicators with those based on the registration of labour offices. For this purpose, a breakdown of the categories of unemployed persons and all registered job applicants according to the results of the LFSS can be found below.

**Breakdown of registered job applicants and the unemployed as identified by the LFSS
(2nd quarter 2006, thousand persons)**

Category	Number
I. Persons who conveyed registration by the labour offices	397.8
including:	
a) those who satisfy ILO conditions for inclusion among the unemployed	297.3
b) those not satisfy ILO conditions	100.4
due to:	
- they worked in reference week	40.3
- they did not seek a job during the last 4 weeks	43.0
- they are not available for work within 14 days	17.1
II. Unemployed meeting ILO conditions and not registered by the labour offices	69.5
III. All number of ILO unemployed (I.a + II.)	366.8
IV. Other persons not employed and not registered by the labour offices, who:	
- seek work or found it already but not available for work within 14 days	12.5
- not seek work but wish to work	229.6
of which: available for work within 14 days	54.7

In the period in question the number of job applicants actually registered by labour offices reached 477.4 thousand, which was a figure which differed by 79.6 thousand from what was found by the sample survey (the number of registered job-seekers). However, this difference has been significantly decreasing due to legislation allowing gainful activity of registered job applicants limited to a certain extent.

This discrepancy between LFS unemployed and job applicants kept by the Ministry of Labour and Social Affairs, CR has been appearing for a long time. One can assume that beside the different methodological definition of indicators it is also influenced by other factors:

- The CZSO included the question on so called main status (means usual economic status) already in 1993. This question preceded the questions relating to reference week and thus influenced the answers of respondents on their real economic activity in reference period to some extent. Eurostat inserted the question on main status into its standard in 1998 as coming after the questions relating to the reference week. From 1 January 2002 the LFS questionnaire was fully harmonised with Eurostat's standard including the order of asking the questions to the respondents. Now the priority is the question on **economic activity of respondent in the reference week**. If the respondent stated that **worked at least 1 hour** in the reference week, s/he is strictly classified as person in employment according to the ILO methodology. The current form of questionnaire authorizes to the assumption that positive answer on employment in the reference week influences following answers on the questions on main status and especially the registration in Labour Offices to some extent. Recently there is clearly an identical development of both unemployment rates.

Regarding the need of keeping the anonymous data and optionality of participation in the LFSS, the CZSO has no possibility to compare the surveyed data with other sources, e.g. with the evidence of Labour Offices. From the trend of difference between the number of persons registered by Labour Offices and the number of this persons measured by LFSS is possible to

judge that influence of change in questionnaire content proved in reduction of the unemployed persons in LFSS in range from 30 to 50 thousand.

- Relatively higher **rate of non-response** is caused by high share of empty flats in sample and mainly categorical refusals of cooperation. On the base of structure rejected answers during repeated visits one must assume that social structure of households, which refused the cooperation, can partly differ from the structure of interviewed households and the group of unemployed who refuse to communicate within the sample survey can be over-represented among them. Thanks to more intensive contact of LFS field-workers with respondents' households the total non-response decreased in last quarters.

The difference in data on unemployment between both sources is usual also in other Member States and Candidate Countries of EU. At the same time it is necessary to remark that some Member States of EU do not disseminate both unemployment rates officially.

The number of **economically inactive** aged 15 and more (in according to the methodology of sample survey it involves persons who neither had a job, nor sought a job in last 4 weeks nor fulfil all conditions for being included among unemployed) increased by 20.3 thousand year-on-year and reached 3572.6 thousand persons in 2nd quarter 2006. The frequency of this category is influenced primarily by the numbers of the retired and number of persons preparing themselves at school for future employment. While the number of attending the elementary school rose (8.6 thousand) and number of apprentices went up (16.4 thousand), the number of students on secondary schools decreased by 13.1 thousand to 377.3 thousand. The number of university students went up by 5.3 thousand to 254.7 thousand and the number of persons attending the other type of education or training (out of regular education system) decreased by 9.4 thousand to 1.5 thousand.

The number of not working persons in regular retirement who did not seek a job, fell by 1.1 thousand onto 1820.0 thousand and the number of early retired went down by 10.1 thousand onto 61.5 thousand. The number of persons retired due to disability decreased (by 36.0 thousand onto 273.0 thousand). These data cannot precisely correspond to both numbers of pupils and students by the statistics of Ministry of Education, Youth and Sport and numbers of retired by MLSA, since those pupils, students and retired persons who in reference week fulfilled the conditions for being included among the employed or the unemployed are not included in the economically inactive.

The decrease in the number of the unemployed and the rise of the employed and the economically inactive persons proved in the growth of **employment rate of persons aged 15 and more** (share of main-job holders in number of persons usually living aged to 15 and more years) year-on-year from 54.6 % onto 55.1 %. The **total employment rate of persons aged 15-64** grew year-on-year by 0.6 percentage points to 65.3 %. The increase in the employment of men at working age amounted to 0.3 percentage points to 73.6 %, this indicator went up in women by 0.8 percentage points to 56.8 %. On one hand this employment rate is reduced by the increase in persons studying on universities and pushed up by the employment of persons aged 30-44 and persons at pre-retirement age 55-64 on the other hand.

Compared internationally, the Czech Republic is among the countries with the above-the-average employment intensity in the EU. According to the latest complete data for 2nd quarter 2005 released by Eurostat, the employment rate of persons aged 15-64 in the Czech Republic was higher than the total for EU25 and not far from the level in the EU15 (however, we should take account of the fast growth of this indicator in the CR during the whole of the last year). Nevertheless, differences in employment rates are considerable, not only if we compare the whole age group 15-64, but also in the male and female components of employment. On the one hand, there is a high level of employment in the northern countries and the United Kingdom (e.g. in Denmark it was 76.8 % in 4th quarter 2005), on the other hand in many countries the level of employment was lower than 60 % (in Poland it reached only 53.7 %). Compared to our neighbour states, higher level of employment is in Austria and slightly higher also in Germany, level of employment in Poland and also in Slovakia is, however, significantly lower. In the following table, there are apart from data for 2nd quarter also data for 4th quarter 2005 (a qualified estimate was made for some of the countries for 4th quarter 2005).

Employment rate for the age group 15-64 in the EU member states in Q2 and Q4 2005

%

Country	Q2 2005			Q4 2005		
	Total	Men	Women	Total	Men	Women
EU-25	63.6	71.1	56.2	:	:	:
EU-15	65.0	72.7	57.4	:	:	:
Belgium	61.0	67.7	54.1	61.2	68.2	54.0
Czech Republic	64.7	73.3	56.0	65.2	73.6	56.7
Denmark	75.5	80.1	70.8	76.8	79.9	73.6
Estonia	64.9	66.5	63.5	65.0	68.0	62.2
Finland	69.2	71.0	67.4	68.0	70.2	65.9
France	63.4	69.0	57.9	62.8	68.5	57.2
Ireland	67.1	76.2	58.0	67.8	77.0	58.4
Italy	57.8	70.2	45.4	57.8	70.0	45.7
Cyprus	68.7	79.5	58.5	68.1	78.0	58.8
Lithuania	62.6	66.3	59.2	63.1	66.1	60.3
Latvia	63.0	66.9	59.4	63.9	67.3	60.7
Luxemburg	:	:	:	63.6	73.4	53.7
Hungary	56.8	63.0	50.9	57.1	63.4	51.2
Malta	53.6	73.5	33.6	53.8	74.5	32.8
Germany	65.3	71.1	59.3	65.9	71.8	60.0
Netherlands	73.2	79.9	66.4	73.6	80.1	67.0
Poland	52.2	58.2	46.4	53.7	59.8	47.6
Portugal	67.6	73.4	61.9	67.4	73.4	61.7
Austria	68.4	75.1	61.7	68.8	75.8	61.8
Greece	60.3	74.5	46.2	60.3	74.2	46.5
Slovakia	57.4	64.1	50.8	58.5	65.9	51.2
Slovenia	66.0	70.2	61.7	66.0	70.6	61.3
United Kingdom	71.5	77.3	65.8	71.6	77.6	65.7
Spain	63.2	75.0	51.2	64.0	75.6	52.1
Sweden	72.6	74.6	70.5	72.3	74.4	70.2

Source: New Cronos

Creation of favourable conditions and job opportunities for persons at the pre-retirement and young retirement age but also at the lower and middle working age should decisively influence the employment rate throughout the working age interval 15-64. One of the possibilities is a broader utilisation of part-time jobs, which are in the Czech Republic used by a substantially lower percentage of persons than on average in all the EU-25 states, particularly in the EU-15. Only two countries from the EU have the share of employees working part-time lower than in the Czech Republic. A very low share of part-time jobs is not only among the group of women but also the share of men working part-time is in the Czech Republic along with Slovakia much lower than in the other EU countries. At the same time, for example in the Netherlands there is more than a fifth of working men and three quarters of working women who take advantage of this opportunity.

Measured in the framework of full harmonization of the national LFSS questionnaire with the EU standard are also data on **persons who do not have any job and are not seeking a job in an active way and do not thus meet the ILO conditions for being considered as unemployed**, but declare their willingness to work. These economically inactive persons are a potential labour reserve. In the 2nd quarter of 2006, their number amounted to 248.5 thousand, which was by 34.7 thousand less year-on-year. A large number of these persons were found in age group up to 24 years

(83.8 thousand), predominantly among students or apprentices. The relatively high number of people in the age group 25-34 (50.3 thousand) results from a high number of women on another parental leave or housewives who take interest in being employed. The number of persons who cannot register as unemployed but seek a job through Labour Offices increases at the age of 50+: they were 16.7 thousand and 28.0 thousand in the age groups 50-54 and 55-59, respectively, in the age group 50-54 years it involves mainly the retired due to disability, in the age group 55-59 years the persons in regular and early retirement and persons retired due to disability. The age group 60+ was represented by 43.1 thousand, old-age pensioners largely prevailing among persons interested in job.

Since the 1st quarter 2006 a Table Nr. 109 has been attached, in which the activity status of respondents is compared between reference week and situation one year ago. Data of respondents' activity status before one year are not necessarily correspondent with data of activity status recorded and published a year ago. Reason for this is comparison of usual activity status a year ago with current activity status in reference week and furthermore some persons had indicated unemployment one year ago, but in reference week recalled their status as inactivity or working.