

III. Characteristic of results – 4th quarter 2003

Pulished 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 4th quarter of 2003 amounted to 4724.9 thousand persons, of which males and females accounted for 2683.5 thousand (56.8 %) and 2041.4 thousand (43.2 %), respectively. Year-on-year total employment was lower by 66.8 thousand. As a relative figure, the fall in the number of first job holders amounted to 1.4 %. At the same time the number of first job holders with the limited duration of working contract increased - it was 385.7 thousand in all in the 4th quarter of 2003 (of which 207.0 thousand females) - i.e. by 37.3 thousand more in total than in the 4th quarter of 2002.

The category of employees still dominates (82.2 %); the number of employees dropped by 75.7 thousand persons year-on-year. Members of producers' cooperatives went on dropping in number (by 7.1 thousand). Share of entrepreneur sphere sharply increased. The number of self-employed with employees decreased (12.0 thousand) though the number of contributing family members rose (by 0.6 thousand). Numbers of entrepreneurs without employees - i.e. of own-account workers - extensively increased by 27.6 thousand. All entrepreneurs, including family workers, totalled 814.9 thousand (17.2 % of all having the only or main job). From the 4th quarter of 2002 the share of these persons in the number of first job holders grew by 0.6 percentage point. The share of self-employed in total employment has already exceeded the average share in Member States (detail data are stated at the end of the capture III.A – Differences in the structure of professional status of employed in CR compared to MS's).

Numbers of first job holders: by professional status

Professional status	All		Males		Females	
	Thous.	%	Thous.	%	Thous.	%
Employees	3883.1	82.2	2085.7	77.7	1797.3	88.0
Members of producers' coop.	26.5	0.6	16.9	0.6	9.6	0.5
Self-employed without employees	590.5	12.5	423.9	15.8	166.6	8.2
Self-employed with employees	193.0	4.1	148.0	5.5	45.0	2.2
Contributing family workers	31.4	0.7	8.8	0.3	22.7	1.1
All	4724.9	100.0	2683.5	100.0	2041.4	100.0

Ten regions (NUTS 3) out of fourteen saw lower employment: most in Moravskoslezský (18.7 thousand), Královéhradecký (11.8 thousand) and Středočeský (9.7 thousand) Regions. On the other hand, employment increased in the Zlínský (2.5 thousand) and Ústecký (1.9 thousand) Regions. A certain more substantial growth of the number of employees was recorded only for the Ústecký (6.1 thousand) and Hl. m. Praha (4.0 thousand) Regions, while employees dropped in number in most in Moravskoslezský (-21.7 thousand), Královéhradecký (-14.2 thousand) and Olomoucký (-13.3 thousand) Regions.

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 101.2 thousand and reached 709.3 thousand.). And it is the category of employees where the high commuting balance occurs mainly exclusively (93.2 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 -67.4 thousand, largely in favour of Prague), for Ústecký Region (-14.1 thousand), Moravskoslezský Region (-13.2 thousand) and Vysočina Region (-12.0 thousand). Negative balance of commuting for other Regions varied from -2.1 thousand in Královéhradecký Region to -8.4 thousand in Jihočeský Region. Jihomoravský and Pardubický Regions present an exception as the numbers of commuting from and into were practically the same. The regional borders were crossed generally by employees (90% of interregional commuting).

**Increases/decreases in the number of first job holders: by professional status and region
(4th quarter 2002 to 4th quarter 2003, persons in thousand)**

CR total		Regions													
Thousands	%	Hl. m. Praha	Středočeský	Jihočeský	Plzeňský	Karlovarský	Ústecký	Liberecký	Královéhradecký	Pardubický	Vysočina	Jihomoravský	Olomoucký	Zlínský	Moravskoslezský
Total															
-66.8	-1.4	-4.2	-9.7	-4.7	-4.3	-1.4	1.9	-3.3	-11.8	-6.2	0.4	0.8	-8.3	2.5	-18.7
Employees, incl. members of producers´ cooperatives															
-82.8	-2.1	4.2	-5.1	-9.6	-1.1	-0.5	5.4	-4.6	-15.1	-5.7	-0.4	-11.1	-14.0	-3.5	-21.8
Self-employed															
15.6	2.0	-5.6	-5.9	4.9	-3.3	-1.0	-4.0	1.5	3.5	-1.3	0.8	11.2	5.5	5.3	3.9

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 85.3 % in the Ústecký and 86.2 % in the Moravskoslezský Regions. A relatively high proportion of

members of producers' cooperatives, mainly agricultural, is clearly in the Vysočina Region (2.2 %), it ranges from a statistically negligible figure in the Karlovarský, Ústecký and Hlavní město Praha Regions to 1.3 % in the Středočeský 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): 21.6 % 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 Liberecký (18.1 %), Středočeský (18.1 %) and Královéhradecký (17.6 %) Regions. The high percentage in the Středočeský Region may be accountable to the fact that the Praha-východ and Praha-západ Districts have a sharply active migration balance with Praha 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 (13.3 %), Ústecký and Plzeňský (both 13.7 %) Regions. The number of contributing family workers already exceeded the number of members of producers' cooperatives and their share on total employment in areas ranged from 0.3 % in Moravskoslezský Region to 1.1 % in Středočeský Region.

From the viewpoint of male and female employment, significant differences surface in the **industrial structure of employed persons**. The two sexes have the highest employment in manufacturing, but their shares in the other industries differ (see Annex table No. 303 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	4724.9	100.0	2683.5	100.0	2041.4	100.0
including:						
Agriculture, hunting and related service activities	172.6	3.7	116.9	4.4	55.7	2.7
Forestry, fishing and related service activities	41.4	0.9	33.3	1.2	8.1	0.4
Mining and quarrying	55.8	1.2	49.4	1.8	6.5	0.3
Manufacturing	1282.7	27.1	787.5	29.3	495.2	24.3
Electricity, gas and water supply	77.7	1.6	63.1	2.3	14.7	0.7
Construction	438.6	9.3	404.9	15.1	33.7	1.7
Trade, rep. of mot.vehicles, pers.and househ.goods	626.6	13.3	303.9	11.3	322.7	15.8
Hotels and restaurants	174.3	3.7	79.7	3.0	94.5	4.6
Transport, storage and communication	363.5	7.7	251.0	9.4	112.5	5.5
Financial intermediation	95.1	2.0	33.8	1.3	61.3	3.0
Real estate, renting and business activities	286.7	6.1	157.9	5.9	128.7	6.3
Public administration, defence, compul.soc.security	329.9	7.0	188.9	7.0	140.9	6.9
Education	278.4	5.9	64.8	2.4	213.6	10.5
Health and social work	308.9	6.5	62.8	2.3	246.1	12.1
Other community, social and personal services	186.2	3.9	84.3	3.1	102.0	5.0

In the structure of employment by sector, workers in services (CZ-NACE G-Q), where already worked 56.2 % of all employed, dominate sharply. On the other hand, the primary sector (CZ-NACE A,B) recorded only 4.5 % of persons; 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 4th quarter 2002 and 4th quarter 2003. The employment in primary sector (agriculture, forestry and fishing) kept declining year-on-year and came close to boundary of 200 thousand persons

(213.9 thousand). Decrease in employment in secondary sector (by 30.8 thousand down to 1854.8 thousand persons) was influenced above all by a decrease in number of the employed in manufacturing. The number of the employed dropped the most in manufacture of fabricated metal products, textiles and textile products, wood excl. furniture and in production of electric machineries and devices. Vice versa the employment climbed in the production of motor vehicles, furniture and rubber and plastic products. In contrast to the decrease in employed in manufacturing there was an increase in construction (by 3.0 thousand).

The total employment in service sector fell also although in its particular branches the number of the employed developed dividedly. From the bigger branches the employment rose in public administration and defence and in health and social work. Within the public administration the large increase in the number of employed occurred in public security, law and order activities and fire service activities (by 1.8 thousand in both branches) and in general (overall) public service activities. In health and social work largely grew the number of employed in social work activities (by 5.9 thousand).

In contrast the employment in education fell fundamentally year-on-year. Prevailingly the number of working decreased in preschool facilities and in elementary schools (by 18.7 thousand) and in secondary schools (by 10.3 thousand). The number of working in tertiary education slightly increased by 1.6 thousand to 29.9 thousand. Decrease in employment in education from level of preschool facilities to secondary education showed unequivocally in the drop of number of the full-time unlimited duration of working contracts. This fall was not compensated by the rose of the number of the limited duration of working contracts.

**Increases/decreases in numbers of first job holders: by industry
(4th quarter 2002 to 4th quarter 2003)**

Industries	Decrease		Industries	Increase	
	Thous.	%		Thous.	%
Manufacturing	-35.3	-2.7	Public administration, defence and compulsory social security	7.4	2.3
Education	-28.9	-9.4	Health and social work	6.2	2.0
Agriculture incl. hunting	-13.8	-7.4	Construction	3.0	0.7
Other community, social and personal service activities	-5.6	-2.9	Real estate, renting and business activities	2.6	0.9
Trade, repair of motor vehicles and personal and household goods	-1.6	-0.3	Financial intermediation	1.4	1.5
Forestry, fishing	-1.2	-2.8	Mining and quarrying	1.0	1.8
Transport, storage and communication	-0.4	-0.1	Electricity, gas and water supply	0.4	0.5
Hotels and restaurants	-0.3	-0.2			

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 state ministration.

**Employees and self-employed - first job holders: by industry
(4th quarter of 2003, persons in thousand)**

Industries	Total employment	Of which			
		Employees	Self-employed		
			Total	With employees	Without employees
TOTAL	4724.9	3883.1	783.5	193.0	590.5
Agriculture, hunting and related service activities	172.6	117.9	27.5	6.3	21.1
Forestry, fishing and related service activities	41.4	29.0	12.1	0.3	11.8
Mining and quarrying	55.8	54.9	0.9	0.6	0.2
Manufacturing	1282.7	1177.5	99.6	29.4	70.2
Electricity, gas and water supply	77.7	72.6	5.0	1.4	3.6
Construction	438.6	268.8	165.9	29.1	136.7
Trade, rep. of mot.vehicles, pers., househ.goods	626.6	447.8	168.3	48.0	120.3
Hotels and restaurants	174.3	135.5	35.7	19.4	16.4
Transport, storage and communication	363.5	317.5	44.5	11.4	33.1
Financial intermediation	95.1	73.9	21.3	1.2	20.1
Real estate, renting and business activities	286.7	177.7	106.0	17.0	88.9
Publ.administration, defence, comp.soc.security	329.9	325.1	4.5	1.4	3.1
Education	278.4	268.5	9.7	1.8	7.9
Health and social work	308.9	279.1	29.0	19.4	9.6
Other community, social and personal services	186.2	132.7	52.3	6.2	46.1

Only a few industries reported significant numbers of members of producers' cooperatives. Nevertheless, their frequency further decreased by 6.5 thousand to 22.7 thousand in agriculture. Their number dropped by 1.9 thousand in manufacturing. Number of contributing family workers is higher in industries of trade (9.2 thousand) and agriculture, hunting and related service activities (4.4 thousand).

The development in the number of employers (the self-employed with employees) went down in majority of industries, most of all in trade, repairs of motor vehicles and personal and household goods and in transport, storage and communication. Vice versa the number of these persons increased exclusively in branch of health and social work. The increase in own-account workers (the self-employed without employees) was mainly due to higher numbers of such persons in construction (13.0 thousand), in financial intermediation (7.5 thousand) and in real estate, renting and business activities (4.9 thousand). The overview on the following page shows absolute and relative increases/decreases in the self-employed without and with employees.

The share of the self-employed without contributing family workers already constituted 37.8 % of all first job holders in industry in construction, 37.0 % in real estate, renting and business activities, 29.3 % in forestry and fishing, 28.1 % in other community, social and personal service activities and 26.9 % in trade, repairs of motor vehicles and personal and household goods. Their shares were low in public administration and defence and social compulsory security (1.4 %) and in mining and quarrying (1.6 %).

**Increases/decreases in numbers of the self-employed: by CZ-NACE activity
(4th quarter 2002 to 4th quarter 2003)**

CZ-NACE activity	Self-employed			
	Without employees (own-account workers)		With employees (employers)	
	Thous.	%	Thous.	%
Agriculture, hunting and related service activities	1.9	10.1	-0.6	-9.0
Manufacturing	-1.5	-2.1	0.2	0.6
Construction	13.0	10.5	-1.9	-6.0
Trade, repair of motor vehicles, person., househ. goods	-0.8	-0.7	-6.5	-11.9
Hotels and restaurants	-2.9	-15.1	-0.9	-4.7
Transport, storage and communication	4.2	14.6	-2.3	-17.0
Financial intermediation	7.5	59.1	-1.1	-46.9
Real estate, renting and business activities	4.9	5.9	-1.2	-6.5
Education	1.2	18.1	-0.6	-25.3
Health and social work	0.1	1.2	4.8	32.8
Other community, social and personal service activities	-1.1	-2.3	-0.8	-10.9

The total number of first job male entrepreneurs exceeds the total number of first job female entrepreneurs 2.7 times (2.5 times in the group of self-employed without employees and 3.3 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 prevailing of male self-employed persons over female self-employed persons is distinct in most of the industries, particularly in construction, in trade, repairs of motor vehicles and personal and household goods and in manufacturing. 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

Industries	All Thous.	Male self-employed				Female self-employed			
		Without employees		With employees		Without employees		With employees	
		Thous.	%	Thous.	%	Thous.	%	Thous.	%
TOTAL including ¹⁾	783.5	423.9	100.0	148.0	100.0	166.6	100.0	45.0	100.0
Trade, repair of motor veh. and pers. and househ. goods	168.3	82.1	19.4	35.8	24.2	38.2	22.9	12.2	27.0
Construction	165.9	133.6	31.5	28.0	18.9	3.2	1.9	1.1	2.4
Real estate, renting and business activities	106.0	50.2	11.8	12.9	8.7	38.7	23.3	4.1	9.2
Manufacturing	99.6	52.0	12.3	25.2	17.0	18.2	10.9	4.3	9.5
Other community, social and personal service activities	52.3	17.9	4.2	3.4	2.3	28.2	16.9	2.8	6.2
Transport, storage, communication	44.5	29.2	6.9	10.8	7.3	3.9	2.3	0.6	1.3
Hotels and restaurants	35.7	8.5	2.0	13.8	9.4	7.8	4.7	5.5	12.3
Health and social work	29.0	4.7	1.1	7.2	4.9	4.9	2.9	12.2	27.2
Agriculture incl. hunting	27.5	17.2	4.1	5.3	3.5	4.0	2.4	1.1	2.4

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 238.6 thousand employed persons in their **part time employment**, 45.0 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 (69.1 %).

There were in total 121.0 thousand **second job holders** in the civil sector in the 4th quarter. Frequency of this category of employed did not practically change (increase by 0.4 thousand) year-on-year. The share of males made up 61.6 %. Unlike first job holders, working contracts with limited job tenure are much more represented here (21.9 %). The number of second job holders is high especially in Prague (24.1 thousand), in other regions overtops the level of 10 thousand in Moravskoslezský (12.5 thousand) and Středočeský (11.6 thousand) Regions.

Similarly, the structure of professional status of second job holders substantially differs from that of first job holders. Employees, who account for 38.7 % of all second job holders (46.8 thousand), decreased by 3.1 thousand when compared to 4th quarter 2002. The number self-employed (incl. family workers) second job holders increased (by 4.2 thousand), and their share in all second jobs is 61.2 %. The most numerous status group are the male self-employed: a total of 50.3 thousand (including family workers), i.e. 67.4 % of male second job holders.

Second jobs affect total employment notably in the industries of trade, repairs of motor vehicles and personal and household goods (17.1 thousand), other community, social and personal service activities (14.1 thousand), manufacturing (13.6 thousand), and especially real estate, renting and business activities (22.7 thousand), where they account for 7.9 % 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 42.0. 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 (37.9). First job holders working full time and part time worked usually 43.0 hours a week and 23.4 hours a week, respectively. The largest number of hours usually weekly worked of persons working full-time was showed in industries of construction (46.5 hours), also employed in hotels and restaurants (45.9 hours), in real estate, renting and business activities (44.9 hours) and in trade, repairs of motor vehicles and personal and household goods (44.6 hours) indicated an above-average number. Actual hours worked in second jobs stood at 12.7 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 (4th quarter 2003)**

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	4452.0	238.6	121.0
Employees	3653.2	196.1	46.8
Members of producers´ cooperatives	24.9	1.6	0.2
Self-employed (incl. family workers)	773.9	40.9	74.1
Average usually weekly worked hours			
The employed, all	43.0	23.4	12.7
Employees	41.3	23.9	12.2
Members of producers´ cooperatives	41.9	26.6	10.0
Self-employed (incl. family workers)	51.0	20.6	13.1

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 59.4 % (both sexes) and decreased in comparison with its level in the 4th quarter of 2002 by 0.6 percentage point. This rate is high in the group of persons aged 30-44, where the percentage of economically inactive males is extremely low (3.7 %) and the percentage of economically inactive females is 16.7 %. 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.

**Participation rate: by age and sex
(4th quarter 2003)**

Sex	All	Age group			
		15-29	30-44	45-59	60+
Males	68.6	62.4	96.3	88.1	14.3
Females	50.7	45.5	83.3	72.5	5.3

Among the employed in the civil sector, 117.8 thousand persons (including 64.7 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 – 71.1 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 (22.4 thousand). The activity of the employed in seeking different or another job was comparatively the highest in the Zlínský (3.6 %), Ústecký (3.2 %) and Hl. m. Praha (3.2 % of all first job holders in the civil sector) Regions.

Differences in the structure of professional status of employed persons in the Czech Republic and the EU Member States

The significant changes in the structure of professional status can be shown by comparing CZSO labour force sample survey data with methodologically comparable results for the EU Member States released by Eurostat for 2002 in mid-2003. Obviously, the percentage of the self-employed including contributing family workers in the total employment of the CR exceeded the average percentage of this category of employed persons in the EU Member States in the year 2002 already, the growth of this sphere in the CR accelerating even more in last year.

The following survey shows large differences in the structure of professional status also with regard to both sexes (methodological note: some EU Member States may classify certain categories of the self-employed to the category of the employers or that of own-account workers, which is why Eurostat releases results for the two categories together).

Structure of the employed in the EU Member States, EFTA countries (Iceland, Norway, Switzerland) and the CR: by professional status, 2002¹

Country	Self employed with and without employees			Employees			Contributing family workers		
	Total	Men	Women	Total	Men	Women	Total	Men	Women
EU – 15	14.0	17.8	8.9	84.4	81.2	88.6	1.6	1.0	2.5
EU – 12	14.8	18.5	9.7	83.2	80.3	87.2	1.9	1.1	3.0
Belgium	13.6	16.5	9.7	84.6	83.1	86.5	1.8	0.4	3.8
Denmark	8.0	11.8	3.7	91.1	87.9	94.8	0.8	0.3	1.5
Germany	10.0	12.9	6.4	88.9	86.7	91.7	1.1	0.4	1.9
Greece	32.0	38.0	22.3	60.2	58.2	63.5	7.8	3.9	14.2
Spain	17.5	20.5	12.5	80.7	78.4	84.6	1.8	1.1	2.9
France	9.7	12.9	5.7	89.2	86.7	92.3	1.1	0.4	2.0
Ireland	16.8	24.3	6.3	82.3	74.9	92.5	0.9	0.7	1.2
Italy	23.4	28.3	15.2	72.6	68.7	78.9	4.1	3.0	5.9
Luxembourg	7.4	9.5	4.1	92.1	90.4	94.6	0.6	.	1.3
Netherlands	11.1	13.2	8.4	88.3	86.6	90.5	0.6	0.2	1.1
Austria	10.9	13.1	8.3	86.5	85.4	88.0	2.5	1.5	3.7
Portugal	25.4	27.8	22.6	72.7	71.2	74.6	1.8	1.0	2.8
Finland	12.3	15.9	8.5	87.1	83.5	91.0	0.5	0.5	0.5
Sweden	10.2	14.8	5.2	89.3	84.7	94.3	0.5	0.5	0.4
United Kingdom	11.4	15.4	6.5	88.3	84.4	93.0	0.3	0.2	0.5
Iceland	16.9	23.8	9.1	82.8	76.0	90.5	.	.	.
Norway	6.9	9.8	3.7	92.7	89.9	95.8	0.4	.	0.5
Switzerland	14.4	17.3	10.8	83.1	80.8	85.8	2.6	1.9	3.4
CR Q2 2002	15.2	19.7	9.3	84.2 ²⁾	80.2 ²⁾	89.5 ²⁾	0.6	0.1	1.2
Q4 2003	16.6	21.3	10.4	82.8 ²⁾	78.3 ²⁾	88.5 ²⁾	0.7	0.3	1.1

¹⁾ The data refer to Q2 2002, provided the countries use a quarterly LFSS. The data for the other countries are annual data for 2002.

²⁾ Incl. members of producers' cooperatives.

The share of the self-employed in total employment considerably differs from one EU Member States to another. While in Luxembourg the self-employed including contributing family workers only accounted for 8.0% of total employment and in Germany and Austria for 11 % to 13 %, the share of the

entrepreneurial (self-employed) sphere in total employment was almost 40 % in Greece and over 27 % in Portugal and Italy. The Q2 2002 comparable indicator for the CR came close to 16 % (over 17 % in Q4 2003 already).

In comparison with the average for the EU 15, there are more men, and also women, in the Czech Republic who are classified as own-account workers or employers (the self-employed with employees). Also, relatively fewer women and men come under the category of contributing family workers. These, however, are not any rather numerous group of employed persons in any EU Member State or three EFTA countries, except for Greece and in part Italy.

The professional status differences are brought about to a large extent by the different economic activities structure of employed persons. The high share of the self-employed in Greece and Portugal is tied with the high share of persons employed in agriculture and fishing (NACE sections A and B). The latter share was as high as 15.7 % and 12.5 % in Greece and Portugal, respectively. There are an above-the-average number of persons working in trade, hotels and restaurants in the two countries. Similarly, a rather high share of persons engaged in these activities is reported by Italy and Spain, too, though the deviations of the shares of these economic activities from the EU 15 average are not that large as in the case of Greece and Portugal.

A rather high share of the secondary sector (industry and construction) is typical of employment in the CR (39.8 % in Q2 2002 compared to 28.0% of total employment in the EU Member States). On the other hand, the share of the tertiary sector is lower in the CR (55.3 %) than in the EU (67.4 %). Except for transport, storage and communication, relatively fewer people work in the CR in each branch of the services than in the EU, the largest difference being the group of 'other service activities'. In addition to education and health and social care, Eurostat includes in this group other public, social and personal services, as well as activities of households and extraterritorial organisations and bodies, i.e. activities that are not developed very much in the CR (Q2 2002 shares of the group 'other service activities' were 16.6 % in the CR and 22.4 % in the EU). There is also a substantially smaller percentage of employed people coming under NACE section K (real estate; renting and business activities). This section is most heterogeneous and includes, among other things, computer and related activities; research and development; legal, accounting book-keeping and auditing activities, engineering and other technical activities, advertising, labour recruitment and provision of personnel, and investigation and security activities. There are only 5.5 % of first job holders classified to this section in the CR as against 9.3 % in the whole of the EU.

III. B. *Unemployment and economic inactivity*

The number of **the unemployed** derived from LFSS results stood at 414.5 thousand in the 4th quarter 2003, including 230.0 thousand females (55.5 %), and increased by 39.6 thousand above their number in the 4th quarter 2002 (included are persons who have found their job but they are able to start a job in two weeks). The numbers of unemployed women are higher than those of men in almost all age groups of working age (with the exception of young people aged 15 to 24 year). The number of unemployed handicapped persons was estimated at 40.0 thousand (9.6 % of total unemployment).

The high growth of unemployment occurred especially in age group 15-39. Beside the seasonal growth of graduates it was caused by growth of the unemployed young mothers who wanted to return to the job after their childbirth or maternity/parental leave. Also problematic is the situation of men and women aged 55-59 while the number of the unemployed on the boundary of productive and postproductive age rose by 6.7 thousand persons year-on-year. Further a higher increase in unemployment was recorded in the age group 50-54. In the contrast to the mentioned age groups the number of the unemployed in oldest groups 60+ slightly decreased.

The number of persons with basic education amounted to 94.4 thousand (i.e. 22.8 % of total unemployment), and the number of unemployed leavers from secondary schools without the General Certificate of Secondary Education was also high (48.7 %). 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 21.7 % and 54.2 %, respectively (23.7 % and 44.3 %, respectively, among unemployed women), also persons with secondary education with GCE are strongly represented among unemployed women (28.9 % of unemployed women).

The number of unemployed with work experience, who finished their last job before less than 8 years, amounted to 316.1 thousand and increased compared to the 4th quarter 2002 by 33.1 thousand. According to the ascertained industrial breakdown the unemployed with experience of work had worked the most frequently in manufacturing (109.1 thousand); trade, repair of motor vehicles and personal and household goods (52.1 thousand); and in construction (26.6 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: elementary occupations (66.8 thousand - 21.1 % of all unemployed persons with experience of employment), service workers and shop and market sales workers (64.7 thousand - 20.5 %), craft and related trades workers (62.1 thousand - 19.6 %) and plant and machine operators and assemblers (46.5 thousand - 14.7 %).

The number of **persons unemployed for a long time** (i.e., by ILO definition, persons searching for job in an active manner for more than one year) reached 205.2 thousand and increased by 17.0 thousand per year. This group was strongly represented by persons with basic education (almost a third of cases).

**The unemployed: job seeking duration
(4th quarter 2003, persons in thousands)**

All	up to 3 months	3-6 months	6-12 months	1-2 years	2 years or more	Not identified
414.5	65.6	60.4	82.3	77.2	128.0	0.9

General unemployment rate (ILO) revealed by the LFSS was 8.1 %; it increased by 0.8 point (using the comparable methodology) compared to the 4th quarter 2002. **The rate of registered unemployment** based on **registration by labour offices** was higher in the same period - 10.0 %. We must bear in mind the different contents of the numerators and denominators of both indicators (see the Explanatory notes on methodology, pages 9 and 10).

Most of the unemployed (71.5 %) 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 for university graduates (2.2 %) and persons with secondary education with GCE (5.8 %). The highest unemployment rate is still observed for the group of persons with basic education (23.3 %).

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
(4th quarter 2003, thousand persons)**

Category	Number
I. Persons who conveyed registration by the labour offices	422.3
including:	
a) those who satisfy ILO conditions for inclusion among the unemployed	349.9
b) those not satisfy ILO conditions	72.4
due to:	
- they worked in reference week	1.1
- they did not seek a job during the last 4 weeks	51.5
- they are not available for work within 14 days	19.9
II. Unemployed meeting ILO conditions and not registered by the labour offices	64.2
III. All number of ILO unemployed (I.a + II.)	414.1
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	6.6
- not seek work but wish to work	253.1
of which: available for work within 14 days	59.7

In the period in question the number of job applicants actually registered by labour offices reached 526.4 thousand, which was a figure which differed by 104.1 thousand from what was found by the sample survey (the number of registered job-seekers). 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. Unlike the structure of questionnaire valid until 2001, the current arrangement 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. Regarding the 20% quarterly rotation of household sample, this change partly proved also in course of 2002 and significantly influences in comparison year-on-year.

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.

- unlike the last years, **according to LFSS the number of registered job seekers which did not look for job in active way went down**. The decrease in this category of persons, who are not considered as unemployed according to ILO and belong to the category of economic inactive persons in LFSS, amounted to 12.3 thousand in the 4th quarter 2003 compared to the same period of last year. These registered job seekers are the part of large group of persons who do not work, do not look for job in active way but state that would like to work (279.5 thousand persons in 4th quarter 2003). In spite of the subjective character of answers it is possible that this group partly includes also the persons previously classified as unemployed.
- from 2000 when the comparable data are at disposal, the number of unquestioned households permanently grew and the situation got worse notably after Household and Population Census 2001. Relatively higher **rate of non-response** is caused by high share of empty flats in sample and mainly categorical refusals of cooperation. It is possible to 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 although the total unemployment increased.

In the opposite to previous quarters the year-on-year trend of growth of the unemployed as measured by LFS was almost equal to the growth of job seekers registered by Labour Offices (by 39.6 thousand in LFS, by 33.1 thousand by Ministry of Labour and Social Affairs-MLSA). The difference in data on unemployment between both sources is usual also in Member States and other Candidate Countries of EU. At the same time it is necessary to remark that some Member States of EU do not disseminate both unemployment rate 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) rose by 75.7 thousand year-on-year and reached 3519.1 thousand persons in 4th quarter 2003. 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 dropped and number of apprentices stagnated, the number of students on secondary schools increased by 12.6 thousand up to 373.6 thousand. The number of university students rose by 12.7 thousand to 232.2 thousand and the number of persons attending the other type of education or training (out of regular education system) increased by 1.1 thousand to 14.1 thousand.

The number of not working persons in regular retirement who did not seek a job, rose only by 11.9 thousand onto 1816.0 thousand and the number of early retired declined by 6.9 thousand onto 75.8 thousand. On the other hand the number of persons retired due to disability kept increasing (by 30.4 thousand onto 306.0 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. For the other groups of economically inactive a significant increase proved in number of persons, almost only women who took care for family or were in household (by 14.2 thousand to 334.5 thousand).

The decrease in the number of employed and increasing number of unemployed and economically inactive proved in the decrease of **employment rate** (the share of first-job holders in number of living aged 15 years and more) from 55.7 % in 4th quarter 2002 to 54.6 % in 4th quarter 2003. The rate of employment has significantly decreased since 1995 when it reached 59.0 % in spite of the fact that strong age-groups from mid-70s entered the labour market. Large regional differences in this characteristic are given by volume and structure of job vacancies in particular regions. While in Hl. m. Praha Region almost sixty per cent (59.7 %) of living in productive and po-productive age worked, in Ústecký Region their share reached 52.2 % only, in Moravskoslezský Region even the half of persons aged 15 years and more did not work (48.7 %). In other regions the value of employment rate varied from 52.5 % in Olomoucký Region to 57.6 % in Karlovarský Region.

Within the full harmonization of national questionnaire with EU standard since 2002 the CZSO has surveyed data for **persons who don't have any job**, are not seeking job in active way (thus don't fulfill the ILO conditions for being considered as unemployed) but declared their **willingness to work**. In 4th quarter 2003 the number of these persons amounted to 279.5 thousand.

The high share of these persons is among people aged up to 24 years (89.5 thousand) and it concerns mainly the students and apprentices. Relatively high number in age group 25-34 (48.6 thousand) results from the high number of women on parental leave or housewives which are interested in their possibility to be employed. The number of these persons increases significantly in the age of 50 years and above. In the age group 50-54 years it was 19.1 thousand, in age group 55-59 it was 34.6 thousand and finally in group of 60 years and older it was 50.1 thousand; the crucial part of these persons comprises retired incl. retired due to disability.

Regarding the economic status of the persons willing to work but not fulfilling the conditions for being considered as unemployed, it is obvious that their active inclusion is implicated by fulfilling the specific demands on the job.