

### III. Characteristic of results – 4<sup>th</sup> quarter 2005

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 4<sup>th</sup> quarter of 2005 amounted to 4803.7 thousand persons, of which males and females accounted for 2726.0 thousand (56.7 %) and 2077.7 thousand (43.3 %), respectively. Year-on-year total employment was higher by 71.0 thousand. As a relative figure, the rise in the number of first job holders amounted to 1.5 %. At the same time the number of first job holders with the limited duration of working contract decreased - it was 354.2 thousand in all in the 4<sup>th</sup> quarter of 2005 (of which 190.5 thousand females) - i.e. by 4.3 thousand less in total than in the 4<sup>th</sup> quarter of 2004.

Prevailing in the number of employed persons were **employees** (4026.4 thousand); their number increased by 97.1 thousand year-on-year. The share of employees in total employment rose markedly by 0.8 percentage points to 83.8 %. The number of **members of producers' cooperatives** decreased by 5.8 thousand onto 18.3 thousand. The number of the **self-employed** reached 758.9 thousand, which was by 20.1 thousand less year-on-year. Compared to the 4<sup>th</sup> quarter of 2004, the percentage of the whole entrepreneurial sphere dropped by 0.7 percentage points to 15.8 % of total employment. Mainly the number of **self-employed without employees** fell by 12.0 thousand onto 547.8 thousand persons. The number of **self-employed with employees** decreased, too, by 10.5 thousand onto 176.7 thousand persons. On the other hand, the number of **contributing family workers** increased (by 2.4 thousand onto 34.3 thousand). The share of self-employed in total employment further 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	4026.4	83.8	2172.8	79.7	1853.6	89.2
Members of producers' coop.	18.3	0.4	13.8	0.5	4.4	0.2
Self-employed without employees	547.8	11.4	396.6	14.6	151.2	7.3
Self-employed with employees	176.7	3.7	134.6	4.9	42.1	2.0
Contributing family workers	34.3	0.7	7.9	0.3	26.4	1.3
All	4803.7	100.0	2726.0	100.0	2077.7	100.0

Two regions (NUTS 3) out of fourteen saw lower employment: most in the Liberecký Region (-3.5 thousand). On the other hand, employment increased notably in the Hlavní město Praha (24.2 thousand), Moravskoslezský (12.8 thousand), Pardubický (9.2 thousand) and Olomoucký (8.0 thousand) Regions. A higher growth of the number of employees was recorded for the Hlavní město Praha (25.1 thousand), Moravskoslezský (14.4 thousand), Středočeský (12.5 thousand), and Jihočeský (9.2 thousand) Regions, while employees dropped in number just in the Liberecký Region (-1.5 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 111.9 thousand and reached 735.6 thousand.). And it is the category of employees in Prague where the high commuting balance occurs mainly exclusively (105.5 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 -69.7 thousand, largely in favour of Prague), for Ústecký (-12.4 thousand), for Vysočina (-11.2 thousand), and for Moravskoslezský (-9.7 thousand) Regions. Negative balance of commuting for other regions varied from -1.2 thousand in Karlovarský Region to -7.8 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  
(4<sup>th</sup> quarter 2004 to 4<sup>th</sup> quarter 2005, persons in thousand)**

CR total		Regions														
Thousands	%	Hl. m. Praha	Středočeský	Jihočeský	Plzeňský	Karlovarský	Ústecký	Liberecký	Královéhradecký	Pardubický	Vysočina	Jihomoravský	Olomoucký	Zlínský	Moravskoslezský	
Total																
71.0	1.5	24.2	0.6	3.3	4.3	2.5	2.6	-3.5	1.7	9.2	-0.3	2.2	8.0	3.5	12.8	
Employees, incl. members of producers´ cooperatives																
91.3	2.3	25.1	11.1	8.8	1.7	2.5	5.3	-1.7	3.3	7.5	-0.9	2.7	7.4	4.7	13.9	
Self-employed																
-22.5	-3.0	0.1	-13.7	-5.2	1.2	-0.2	-0.7	-1.7	-1.4	2.6	0.6	-2.3	0.0	-0.4	-1.5	

There are still rather large regional differences in the structure of employed persons by professional status. The share of employees ranges from 79.8 % in Hlavní město Praha Region up to 86.0 % in the Pardubický and 87.8 % in the Moravskoslezský Regions. A relatively high proportion of members of producers' cooperatives, mainly agricultural ones, is in the Vysočina Region (2.7 %), it ranges from a statistically negligible figure in the Karlovarský, Zlínský, Liberecký and Hlavní město Praha Regions to 0.8 % in the Královéhradecký 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): 19.9 % 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 (17.0 %), Zlínský (16.5 %) and Královéhradecký (15.2 %) 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 (11.7 %), Ústecký (13.2 %) and Pardubický (13.5 %) Regions. The number of contributing family workers exceeds the number of members of producers' cooperatives and their share on total employment in areas ranges from 0.2 % in Pardubický Region to 1.5 % 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. 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	4803.7	100.0	2726.0	100.0	2077.7	100.0
including:						
Agriculture, hunting and related service activities	144.5	3.0	92.2	3.4	52.3	2.5
Forestry, fishing and related service activities	39.3	0.8	32.1	1.2	7.2	0.3
Mining and quarrying	52.2	1.1	44.8	1.6	7.4	0.4
Manufacturing	1319.1	27.5	828.6	30.4	490.5	23.6
Electricity, gas and water supply	73.5	1.5	56.6	2.1	16.9	0.8
Construction	457.5	9.5	419.7	15.4	37.8	1.8
Trade, rep. of mot.vehicles, pers.and househ.goods	612.1	12.7	290.1	10.6	321.9	15.5
Hotels and restaurants	181.1	3.8	84.8	3.1	96.3	4.6
Transport, storage and communication	356.8	7.4	253.4	9.3	103.4	5.0
Financial intermediation	98.2	2.0	40.2	1.5	58.1	2.8
Real estate, renting and business activities	304.1	6.3	173.9	6.4	130.2	6.3
Public administration, defence, compul.soc.security	339.7	7.1	179.7	6.6	160.0	7.7
Education	306.4	6.4	74.2	2.7	232.2	11.2
Health and social work	322.7	6.7	64.1	2.4	258.5	12.4
Other community, social and personal services	189.6	3.9	89.6	3.3	100.0	4.8

In the structure of employment by sector, workers in services (CZ-NACE G-Q), where already worked 56.5 % of all employed, dominate sharply. On the contrary in primary sector (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 4<sup>th</sup> quarter 2004 and 4<sup>th</sup> quarter 2005. Employment in the **primary sector** (agriculture, forestry, fishing) decreased to 183.8 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 39.4 thousand year-on-year to 1902.3 thousand (39.6 % of total employment). This growth was mainly affected by the year-on-year increase of 37.8 thousand in employment that occurred in manufacturing. The number of employed persons went up most in treatment and coating of metals and general mechanical engineering (+28.3 thousand), manufacture of machinery for production and use of mechanical power, except aircraft, vehicle and cycle engines (+12.9 thousand), manufacture of parts and accessories for motor vehicles and their engines (+10.7 thousand) and manufacture of other general purpose machinery (+6.4 thousand). Construction (+6.4 thousand in total) saw considerable increases in employment in the areas of building and civil engineering (+7.0 thousand).

Employment in the **tertiary sector** (all divisions of services including transport) increased by 46.0 thousand to 2715.8 thousand (56.5% of total employment), but it developed in the individual divisions in an opposing way. Employment increased most in real estate; renting and business activities (+27.0 thousand) education (+23.2 thousand), and public administration, defence and compulsory social security (+18.9 thousand). Within the industry of real estate, renting and business activities the growth showed mostly in industrial cleaning (+9.6 thousand). Within the industry of education, it grew most in primary education (17.8 thousand). Within the industry of public administration, defence and compulsory social security, the number of persons employed in provision of services to the community as a whole was up by 13.5 thousand. This increase was apparent in public security, law and order activities.

On the other hand, employment dropped most year-on-year in trade, repair of motor vehicles and personal and household goods (-21.9 thousand), primarily in retail sale in non-specialized stores (-29.6 thousand). Employment dropped also in health and social work (-13.6 thousand), most in human health activities (-24.2 thousand). The number of nurses and doctors decreased as well as particularly the number of other persons who do not directly belong to special medical staff.

**Increases/decreases in numbers of first job holders: by industry  
(4<sup>th</sup> quarter 2004 to 4<sup>th</sup> quarter 2005)**

Industries	Decrease		Industries	Increase	
	Thous.	%		Thous.	%
Trade, repair of motor vehicles and pers. and household goods	-21.9	-3.5	Manufacturing	37.8	3.0
Agriculture incl. hunting	-14.0	-8.8	Real estate, renting and business activities	27.0	9.8
Health and social work	-13.6	-4.1	Education	23.2	8.2
Mining and quarrying	-3.3	-6.0	Public administration, defence and compulsory social security	18.9	5.9
Electricity, gas and water supply	-1.6	-2.1	Hotels and restaurants	8.2	4.7
Transport, storage and communication	-1.0	-0.3	Construction	6.4	1.4
Forestry, fishing	-0.6	-1.5	Financial intermediation	3.4	3.5
			Other community, social and personal service activities	0.6	0.3

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**  
(4<sup>th</sup> quarter of 2005, persons in thousand)

Industries	Total employment	Of which			
		Employees	Self-employed		
			Total	With employees	Without employees
TOTAL	4803.7	4026.4	724.6	176.7	547.8
of which:					
Agriculture, hunting and related service activities	144.5	102.3	23.3	3.6	19.7
Forestry, fishing and related service activities	39.3	30.1	9.2	-	9.2
Mining and quarrying	52.2	50.7	1.5	.	1.2
Manufacturing	1319.1	1221.3	90.7	29.1	61.6
Electricity, gas and water supply	73.5	69.9	3.4	1.3	2.1
Construction	457.5	292.7	160.6	26.3	134.3
Trade, rep. of mot.vehicles, pers., househ.goods	612.1	461.9	141.4	43.3	98.1
Hotels and restaurants	181.1	144.5	31.9	18.3	13.6
Transport, storage and communication	356.8	310.9	43.5	10.3	33.2
Financial intermediation	98.2	77.6	20.7	1.7	18.9
Real estate, renting and business activities	304.1	198.2	102.1	17.7	84.4
Publ.administration, defence, comp.soc.security	339.7	334.9	4.7	1.2	3.5
Education	306.4	296.4	9.4	2.2	7.2
Health and social work	322.7	294.7	26.3	15.4	10.9
Other community, social and personal services	189.6	135.3	54.2	6.0	48.2

Only a few industries reported significant numbers of **members of producers' cooperatives**. Their frequency further decreased to 15.1 thousand in agriculture. Their number dropped to 1.4 thousand in manufacturing. Number of **contributing family workers** is higher in industries of trade (8.1 thousand) and manufacturing (5.8 thousand).

The development in the number of **employers (the self-employed with employees)** went down most of all in trade, repair of motor vehicles and personal and household goods and health and social work. The decrease in **own-account workers (the self-employed without employees)** was mainly due to lower numbers of such persons in trade, repair of motor vehicles and personal and household goods (-15.2 thousand), in hotels and restaurants (-5.6 thousand), and in forestry, fishing

and related service activities (-4.3 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 35.1 % of all first job holders in industry in construction, 33.6 % in real estate, renting and business activities, 29.6 % in extra-territorial organizations and bodies, 28.6 % in other community, social and personal service activities and 23.4 % in forestry and fishing. Their shares were low in public administration, defence and social compulsory security (1.4 %) and in mining and quarrying (2.9 %).

**Increases/decreases in numbers of the self-employed: by CZ-NACE activity  
(4<sup>th</sup> quarter 2004 to 4<sup>th</sup> quarter 2005)**

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 related service activities	1.6	8.8	-2.1	-36.7
Manufacturing	-2.5	-4.0	1.8	6.7
Construction	-2.3	-1.7	-1.9	-6.7
Trade, repair of motor vehicles, person., househ. goods	-15.2	-13.4	-7.8	-15.3
Hotels and restaurants	-5.6	-29.0	1.2	7.3
Transport, storage and communication	2.9	9.5	0.9	9.3
Financial intermediation	2.0	11.7	0.0	1.8
Real estate, renting and business activities	8.3	10.9	1.5	9.6
Education	-1.3	-15.3	-0.7	-24.4
Health and social work	0.2	1.9	-2.6	-14.5
Other community, social and personal service activities	3.1	7.0	-0.2	-3.8

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 3.2 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 <sup>1)</sup>	724.6	396.6	100.0	134.6	100.0	151.2	100.0	42.1	100.0
Construction	160.6	133.1	33.6	26.2	19.4	1.2	0.8	.	0.4
Trade, repair of motor veh. and pers. and househ. goods	141.4	63.5	16.0	31.4	23.3	34.6	22.9	11.9	28.3
Real estate, renting and business activities	102.1	47.9	12.1	13.5	10.1	36.4	24.1	4.2	9.9
Manufacturing	90.7	48.2	12.2	24.7	18.3	13.4	8.9	4.4	10.5
Other community, social and personal service activities	54.2	15.5	3.9	3.5	2.6	32.7	21.6	2.4	5.7
Transport, storage, communication	43.5	30.0	7.6	8.9	6.6	3.3	2.2	1.4	3.4
Hotels and restaurants	31.9	9.1	2.3	12.1	9.0	4.5	3.0	6.2	14.7
Health and social work	26.3	4.6	1.1	7.4	5.5	6.4	4.2	8.0	19.0
Agriculture incl. hunting	23.3	15.3	3.9	2.6	1.9	4.3	2.9	1.1	2.5

<sup>1)</sup> Sequence by the number of the self-employed of both sexes in the industries

In the **civil sector of the national economy**, there were 95.0 % of persons working **full time** in their first jobs. Of the total of 241.0 thousand employed persons in their **part time employment**, 48.9 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 (77.9 %).

There were in total 114.4 thousand **second job holders** in the civil sector in the 4<sup>th</sup> quarter. The frequency of these employed dropped year-on-year by 0.1 thousand. The share of males made up 57.6 %. Unlike first job holders, working contracts with limited job tenure are much more represented here (22.6 %). The number of second job holders is high especially in Prague (15.3 thousand), in other regions overtops the level of 10 thousand in the Moravskoslezský (15.1 thousand), Středočeský (13.5 thousand), and Jihomoravský (12.1 thousand) Regions.

Similarly, the structure of professional status of second job holders substantially differs from that of first job holders. Employees, who account for 39.8 % of all second job holders (45.5 thousand), increased by 2.5 thousand when compared to 4<sup>th</sup> quarter 2004. The number self-employed (incl. family workers) second job holders went down (by 2.5 thousand), but their share in all second jobs is still high (60.2 %). The most numerous status group are the male self-employed: a total of 43.1 thousand (including family workers), i.e. 65.4 % of male second job holders.

Second jobs affect total employment in the industries of education (14.3 thousand), manufacturing (12.5 thousand), trade, repair of motor vehicles and personal and household goods (11.7 thousand), and especially real estate, renting and business activities (26.1 thousand), where they account for 8.6 % 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 41.8. 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 (38.1). First job holders working full time and part time worked usually 42.8 hours a week and 23.2 hours a week, respectively. The largest number of hours usually weekly worked of persons working full-time was shown in industries of extra-territorial organizations and bodies (47.5 hours), where the employment is very low though. Employed in construction (46.0 hours), in hotels and restaurants (45.1 hours) and real estate, renting and business activities (44.4 hours) indicated an above-average number. Actual hours worked in second jobs stood at 11.9 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 (4<sup>th</sup> quarter 2005)**

Professional status excl. persons not working 4 weeks or more	First job		Second job <sup>1)</sup>
	Full-time	Part-time	
Thousands of persons			
The employed, all	4546.8	241.0	114.4
Employees	3811.4	199.4	45.5
Members of producers´ cooperatives	16.8	1.5	-
Self-employed (incl. family workers)	718.4	40.1	68.9
Average usually weekly worked hours			
The employed, all	42.8	23.2	11.9
Employees	41.3	23.7	11.0
Members of producers´ cooperatives	41.9	26.1	-
Self-employed (incl. family workers)	50.6	20.6	12.5

<sup>1)</sup> 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 59.6 % (both sexes) and increased by 0.3 percentage point in comparison with its level in the 4<sup>th</sup> quarter of 2004. This rate is high in the group of persons aged 30-44, where the percentage of economically inactive males is extremely low (3.2 %) and the percentage of economically inactive females is 17.0 %. 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  
(4<sup>th</sup> quarter 2005)**

Sex	All	Age group			
		15-29	30-44	45-59	60+
Males	68.7	60.2	96.8	89.1	16.6
Females	51.1	44.1	83.0	75.7	5.2

Among the employed in the civil sector, 92.8 thousand persons (including 48.2 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 – 57.5 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 (17.0 thousand). The activity of the employed in seeking different or another job was comparatively the highest in the Ústecký (3.6 %) and Zlínský (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 404.8 thousand in the 4<sup>th</sup> quarter 2005, including 229.3 thousand females (56.7 %), and decreased by 15.4 thousand above their number in the 4<sup>th</sup> quarter 2004 (included are persons who have found their job but they are able to start a job in two weeks). The unemployment increased the most in age group 45-59 by 7.7 thousand, 30-39 by 3.9 thousand and 15-19 by 2.9 thousand.

The decrease in unemployment proved in other groups of productive age. This decrease was caused above all by the drop in number of the unemployed who had worked before. 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 decreased by 20.4 thousand and fall of unemployed men proved mainly in age group 20-24 (by 13.4 thousand). The number of unemployed women increased vice versa in the same period totally by 5.0 thousand and this growth showed the most in age 45-49 (by 3.9 thousand).

The number of persons with basic education amounted to 97.5 thousand (i.e. 24.1 % of total unemployment), and the number of unemployed leavers from secondary schools without the General Certificate of Secondary Education was high (193.5 thousand, i.e. 47.8 % 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 25.6 % and 52.2 %, respectively (23.0 % and 44.5 %, respectively, among unemployed women), also persons with secondary education with GCE are strongly represented among unemployed women (28.1 % of unemployed women).

The number of unemployed with work experience, who finished their last job before less than 8 years, amounted to 299.5 thousand and decreased compared to the 4<sup>th</sup> quarter 2004 by 18.7 thousand. According to the ascertained industrial breakdown the unemployed with experience of work had worked the most frequently in manufacturing (94.6 thousand); trade, repair of motor vehicles and personal and household goods (47.6 thousand); and in hotels and restaurants (23.9 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 (70.3 thousand -

23.5 % of all unemployed persons with experience of employment), service workers and shop and market sales workers (62.4 thousand - 20.8 %), craft and related trades workers (52.8 thousand - 17.6 %) and plant and machine operators and assemblers (42.5 thousand - 14.2 %).

The number of **long-term unemployed** (one year and more) decreased to 216.1 thousand (-3.1 thousand), their share in the total unemployed exceeds one half (53.4 %). The drop of long-term unemployment proved mostly in age group 20-29 years, of 5.1 thousand men, of 6.3 thousand women respectively. The number of persons unemployed for more than four years went down by 3.5 thousand to 59.1 thousand (14.6 % of the total unemployed).

**The unemployed: job seeking duration  
(4<sup>th</sup> quarter 2005, persons in thousands)**

All	Up to 3 months	3-6 months	6-12 months	1-2 years	2 years or more	Not identified
404.8	56.4	49.9	82.2	85.7	130.4	.

According to the LFSS results, the **general unemployment rate according to ILO** (derived for the age group of 15+) was 7.8 % in 4<sup>th</sup> quarter 2005, decreasing by 0.4 percentage points year-on-year. The different methodology of the survey led to a difference between the general unemployment rate by ILO and the registered unemployment rate by the Ministry of Labour and Social Affairs of the CR (MLSA CR), which was 8.6 % - by 0.4 points lower than a year ago.

Most of the unemployed (71.9 %) 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 (2.6 %) and persons with secondary education with GCE (5.1 %). The high unemployment rate continued in the group of persons with elementary education (26.5 %). Above-average rate occurs also in the group of persons with secondary education without leaving exam, mostly apprentices (8.7 %).

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  
(4<sup>th</sup> quarter 2005, thousand persons)**

Category	Number
<b>I. Persons who conveyed registration by the labour offices</b>	<b>404.7</b>
including:	
a) those who satisfy ILO conditions for inclusion among the unemployed	338.7
b) those not satisfy ILO conditions	66.0
due to:	
- they worked in reference week	3.0
- they did not seek a job during the last 4 weeks	46.9
- they are not available for work within 14 days	16.1
<b>II. Unemployed meeting ILO conditions and not registered by the labour offices</b>	<b>66.1</b>
<b>III. All number of ILO unemployed (I.a + II.)</b>	<b>404.8</b>
<b>IV. Other persons not employed and not registered by the labour offices, who:</b>	
- seek work or found it already but not available for work within 14 days	7.6
- not seek work but wish to work	239.5
of which: available for work within 14 days	50.6

In the period in question the number of job applicants actually registered by labour offices reached 496.5 thousand, which was a figure which differed by 91.8 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. The current form of questionnaire authorizes 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) decreased by 0.6 thousand year-on-year and reached 3533.7 thousand persons in 4<sup>th</sup> quarter 2005. 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 (10.9 thousand) and number of apprentices dropped (-7.5 thousand), the number of students on secondary schools increased by 1.9 thousand up to 380.7 thousand. The number of university students went up rapidly by 11.0 thousand to 269.5 thousand and the number of persons attending the other type of education or training (out of regular education system) decreased by 0.4 thousand to 11.2 thousand.

The number of not working persons in regular retirement who did not seek a job, rose by 12.1 thousand onto 1832.4 thousand and the number of early retired went down by 5.3 thousand onto 69.4 thousand. The number of persons retired due to disability decreased (by 3.2 thousand onto 314.4 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 economically inactive and the rise of the employed 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 54.5 % onto 54.9 %. The **total employment rate of persons aged 15-64** grew year-on-year by 0.6 percentage points to 65.1 %. The increase in the employment of men at working age amounted to 0.7 percentage points to 73.6 %), this indicator went up in women by 0.6 percentage points to 56.7 %). On one hand this employment rate is reduced by the increase in persons studying on high schools and universities and pushed up by the employment of persons aged between 30 and pre-retirement age 55-64 (with exception of persons aged 45-54) 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 2<sup>nd</sup> quarter 2005 released by Eurostat, the employment rate of persons aged 15-64 in the Czech Republic was higher than the total for EU-25 and not far from the level in the EU-15 (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 (in 2<sup>nd</sup> quarter 2005 75.5 % in Denmark and only 52.2 % in Poland), but also in the male and female components of employment.

According to a decision of the European Council taken in Lisbon 2000 (the Lisbon Strategy) or in Stockholm 2001, the **EU member states should reach an employment rate of 70 % in the age group 15-64 up to 2010**. Four countries (Denmark, the Netherlands, the United Kingdom and Sweden) reached this level in 2<sup>nd</sup> quarter 2005, and some other EU member states are not far from reaching it. It is obvious, however, that some of the new member states (in particular Poland, Malta, Slovakia and Hungary) will have difficulty meeting this goal, and so will some of the EU-15 states (especially Greece, Italy and Luxembourg).

The following table shows employment rate for the age group 15-64 in the EU member states in 2<sup>nd</sup> quarter 2005 where complete data were available (for Luxembourg data of 4<sup>th</sup> quarter 2004 for the calculation of the EU total were used) and updated data for 3<sup>rd</sup> quarter 2005 are also given.

# Employment rate for the age group 15-64 in the EU member states in Q2 and Q3 2005

%

Country	Period					
	Q2 2005			Q3 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	69.0	53.4
<b>Czech Republic</b>	<b>64.7</b>	<b>73.3</b>	<b>56.0</b>	<b>65.2</b>	<b>73.8</b>	<b>56.5</b>
Denmark	75.5	80.1	70.8	76.1	80.2	72.1
Estonia	64.9	66.5	63.5	64.7	68.4	61.3
Finland	69.2	71.0	67.4	69.6	72.0	67.3
France	63.4	69.0	57.9	63.6	69.4	57.9
Ireland	67.1	76.2	58.0	68.8	78.2	59.3
Italy	57.8	70.2	45.4	57.4	70.0	44.8
Cyprus	68.7	79.5	58.5	68.7	79.9	58.2
Lithuania	62.6	66.3	59.2	63.4	67.4	59.6
Latvia	63.0	66.9	59.4	:	:	:
Luxembourg	:	:	:	:	:	:
Hungary	56.8	63.0	50.9	57.3	63.7	51.2
Malta	53.6	73.5	33.6	53.5	72.8	33.7
Germany	65.3	71.1	59.3	65.7	71.8	59.5
the Netherlands	73.2	79.9	66.4	73.7	80.4	66.8
Poland	52.2	58.2	46.4	53.7	59.9	47.6
Portugal	67.6	73.4	61.9	67.5	73.4	61.7
Austria	68.4	75.1	61.7	69.7	76.9	62.5
Greece	60.3	74.5	46.2	60.3	74.3	46.4
Slovakia	57.4	64.1	50.8	58.0	65.3	50.8
Slovenia	66.0	70.2	61.7	66.6	70.9	62.2
United Kingdom	71.5	77.3	65.8	71.9	77.9	66.0
Spain	63.2	75.0	51.2	63.9	76.0	51.6
Sweden	72.6	74.6	70.5	73.6	75.8	71.3

Source: New Cronos

Differences in the employment intensity are considerably affected by legislation in force in individual states, which specifies the age and conditions for normal or early retirement. On top of the aforementioned goal, the Lisbon Strategy supposes that an **employment rate of 50 % for the age group 55-64 should be reached up to 2010**. The CZSO analysis *Development of the economic activity of the population in the 3<sup>rd</sup> quarter of 2005* provided for detailed data on employment rate of men and women in higher working age and retirement age. While the employment rate of men aged 55-59 in the Czech Republic was the fourth highest in the whole EU, the employment rate of women was roughly in the middle of the interval of European Community countries. More complicated situation is of persons in the age group 60-64 where in the Czech Republic the employment rate of men as well as of women is lower.

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.

**Share of persons working part-time in total employment in the EU member states  
in Q2 and Q3 2005**

Country	Period						%
	Q2 2005			Q3 2005			
	Total	Men	Women	Total	Men	Women	
EU-25	18.0	6.7	32.2	:	:	:	
EU-15	19.8	7.0	36.1	:	:	:	
Belgium	21.7	6.7	40.6	21.6	7.4	40.0	
<b>Czech Republic</b>	<b>4.3</b>	<b>1.6</b>	<b>7.9</b>	<b>4.3</b>	<b>1.6</b>	<b>8.0</b>	
Denmark	21.5	12.0	32.4	21.8	11.9	33.0	
Estonia	6.8	4.1	9.4	5.4	3.9	7.0	
Finland	13.2	8.5	18.2	12.2	7.9	16.9	
France	17.2	5.5	30.9	16.8	5.3	30.3	
Ireland	12.7	4.7	24.3	12.9	4.9	24.6	
Italy	12.6	4.2	25.7	12.2	4.1	24.8	
Cyprus	7.5	3.2	13.1	7.2	2.8	13.0	
Lithuania	6.3	4.5	8.3	6.3	4.1	8.6	
Latvia	8.9	7.3	10.7	:	:	:	
Luxemburg	:	:	:	:	:	:	
Hungary	4.1	2.7	5.9	3.9	2.4	5.7	
Malta	8.8	4.2	19.0	9.6	4.5	20.9	
Germany	23.6	6.8	43.9	23.1	6.9	42.8	
the Netherlands	45.8	21.8	75.2	45.5	21.6	74.8	
Poland	9.7	6.8	13.2	9.8	6.5	13.8	
Portugal	8.4	3.9	13.6	8.0	3.8	13.0	
Austria	20.5	5.5	38.5	20.8	5.7	39.1	
Greece	4.6	2.0	8.9	4.8	2.2	9.0	
Slovakia	2.3	1.1	3.8	2.5	1.4	3.9	
Slovenia	7.8	6.0	9.9	7.6	6.1	9.3	
United Kingdom	24.8	9.3	42.4	24.3	9.0	41.9	
Spain	12.6	4.5	24.8	11.5	4.0	22.6	
Sweden	24.3	10.5	39.5	23.6	10.1	38.8	

Source: New Cronos

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 4<sup>th</sup> quarter of 2005, their number amounted to 262.6 thousand, which was by 27.1 thousand less year-on-year. A large number of these persons were found in age group up to 24 years (81.4 thousand), predominantly among students or apprentices. The relatively high number of people in the age group 25-34 (46.9 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 20.2 thousand and 31.9 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 49.5 thousand, old-age pensioners largely prevailing among persons interested in job.