

II. Characteristic of results – 2nd 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 2nd quarter of 2005 amounted to 4750.7 thousand persons, of which males and females accounted for 2701.4 thousand (56.9 %) and 2049.3 thousand (43.1 %), respectively. Year-on-year total employment was higher by 50.1 thousand. As a relative figure, the rise in the number of first job holders amounted to 1.1 %. At the same time the number of first job holders with the limited duration of working contract decreased - it was 342.8 thousand in all in the 2nd quarter of 2005 (of which 178.0 thousand females) - i.e. by 31.0 thousand less in total than in the 2nd quarter of 2004.

Prevailing in the number of employed persons were **employees** (3957.8 thousand); their number increased by 76.3 thousand year-on-year. The share of employees in total employment rose markedly by 0.7 percentage points to 83.3 %. The number of **members of producers' cooperatives** decreased as well by 1.4 thousand onto 24.3 thousand. The number of the **self-employed** reached 768.6 thousand, which was by 24.4 thousand less year-on-year. Compared to the 2nd quarter of 2004, the percentage of the whole entrepreneurial sphere dropped by 0.7 percentage points to 16.2 % of total employment. Mainly the number of **self-employed without employees** fell by 20.9 thousand onto 552.7 thousand persons. The number of **self-employed with employees** decreased, too, by 8.8 thousand onto 179.4 thousand persons. On the other hand, the number of **contributing family workers** increased (by 5.3 thousand onto 36.4 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	3957.8	83.3	2131.3	78.9	1826.5	89.1
Members of producers' coop.	24.3	0.5	16.4	0.6	7.9	0.4
Self-employed without employees	552.7	11.6	406.2	15.0	146.5	7.2
Self-employed with employees	179.4	3.8	137.8	5.1	41.6	2.0
Contributing family workers	36.4	0.8	9.7	0.4	26.7	1.3
All	4750.7	100.0	2701.4	100.0	2049.3	100.0

Four regions (NUTS 3) out of fourteen saw lower employment: most in Zlínský (-6.3 thousand) and Liberecký (-4.7 thousand) Regions. On the other hand, employment increased the most in the Moravskoslezský (17.1 thousand) and Hl. m. Praha (9.5 thousand) Regions. A higher growth of the number of employees was recorded for the Moravskoslezský (15.0 thousand), Jihomoravský (13.7 thousand), Hlavní město Praha (10.9 thousand) and Středočeský (10.8 thousand) Regions, while employees dropped in number in most in Ústecký (-5.8 thousand) and Vysočina (-4.5 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 109.8 thousand and reached 719.9 thousand.). And it is the category of employees in Prague where the high commuting balance occurs mainly exclusively (103.6 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 -67.3 thousand, largely in favour of Prague), for Vysočina (-12.3 thousand), for Ústecký (-12.1 thousand) and for Moravskoslezský (-11.6 thousand) Regions. Negative balance of commuting for other regions varied from -0.4 thousand in Pardubický Region to -7.4 thousand in Olomoucký Region. The regional borders were crossed generally by employees (90.7 % of interregional commuting).

**Increases/decreases in the number of first job holders: by professional status and region
(2nd quarter 2004 to 2nd 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															
50.1	1.1	9.5	2.7	3.1	8.6	1.3	-4.4	-4.7	6.4	5.2	-1.9	6.1	7.5	-6.3	17.1
Employees, incl. members of producers' cooperatives															
74.9	1.9	11.0	8.0	10.1	4.8	1.8	-5.3	-3.9	7.7	7.3	-2.9	13.7	5.3	2.2	15.0
Self-employed															
-29.7	-3.9	-1.8	-7.2	-6.7	3.4	-0.5	0.4	-1.0	-2.3	-0.9	0.8	-8.2	1.5	-7.9	0.7

There are still rather large regional differences in the structure of employed persons by professional status. The share of employees ranges from 78.8 % in Hlavní město Praha Region up to 86.5 % in the Pardubický and 87.5 % in the Moravskoslezský Regions. A relatively high proportion of members of producers' cooperatives, mainly agricultural ones, is in the Vysočina Region (3.8 %), it ranges from a statistically negligible figure in the Karlovarský, Zlínský, Liberecký and Hlavní město Praha Regions to 1.0 % 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): 20.5 % 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 (18.4 %), Liberecký (16.1 %) and Zlínský (15.6 %) 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 %), Pardubický (12.9 %) and Ústecký (13.0 %) 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 1.4 % in Ústecký 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	4750.7	100.0	2701.4	100.0	2049.3	100.0
including:						
Agriculture, hunting and related service activities	156.4	3.3	102.5	3.8	53.9	2.6
Forestry, fishing and related service activities	38.6	0.8	32.7	1.2	5.9	0.3
Mining and quarrying	46.1	1.0	41.3	1.5	4.8	0.2
Manufacturing	1287.8	27.1	807.7	29.9	480.1	23.4
Electricity, gas and water supply	77.1	1.6	61.1	2.3	16.0	0.8
Construction	462.7	9.7	422.4	15.6	40.4	2.0
Trade, rep. of mot.vehicles, pers.and househ.goods	613.9	12.9	291.4	10.8	322.4	15.7
Hotels and restaurants	184.7	3.9	85.4	3.2	99.4	4.8
Transport, storage and communication	354.5	7.5	245.0	9.1	109.5	5.3
Financial intermediation	96.7	2.0	37.6	1.4	59.1	2.9
Real estate, renting and business activities	281.0	5.9	157.0	5.8	124.0	6.0
Public administration, defence, compul.soc.security	332.8	7.0	180.9	6.7	151.8	7.4
Education	294.4	6.2	70.2	2.6	224.2	10.9
Health and social work	328.1	6.9	70.0	2.6	258.1	12.6
Other community, social and personal services	192.0	4.0	95.4	3.5	96.6	4.7

In the structure of employment by sector, workers in services (CZ-NACE G-Q), where already worked 56.4 % of all employed, dominate sharply. On the other hand, the primary sector (CZ-NACE A,B) recorded only 4.1 % 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 2nd quarter 2004 and 2nd quarter 2005. Employment in the **primary sector** (agriculture, forestry, fishing) decreased to 195.0 thousand persons and accounted for only 4.1% of the total number of first (main) job holders. The number of persons employed in the **secondary sector**

(industry, construction) increased by 33.9 thousand year-on-year to 1873.7 thousand (39.4% of total employment). This growth is mainly attributed to the increase of 35.3 thousand in employment that occurred in construction. The number of employed persons went up most in building and civil engineering (25.1 thousand) and building installations (9.7 thousand). Manufacturing recorded a total increase of 12.8 thousand, most in treatment and coating of metals, general mechanical engineering (12.7 thousand), followed by manufacture of machinery for production and use of mechanical power, except aircraft, vehicle and cycle engines (6.0 thousand), manufacture of electric motors, generators and transformers (5.8 thousand), and manufacture of parts and accessories for motor vehicles and their engines (5.2 thousand). The decrease in the employment in mining and quarrying (-15.3 thousand) was a result of a decrease in the number of workers in mining and agglomeration of hard coal in particular (-9.3 thousand).

Employment in the **tertiary sector** (all branches of services, including transport) increased by 28.6 thousand to 2680.5 thousand (56.4 % of total employment), developing in the individual branches in an opposing way. It increased most in education (13.5 thousand), public administration and defence, compulsory social security (13.2 thousand) and health and social work (12.3 thousand). Within the industry of education, it grew most in primary education (8.9 thousand), especially in Prague (6.2 thousand) and within the industry of public administration and defence, compulsory social security, the number of people employed in administration of the State and the economic and social policy of the community increased by 12.5 thousand. In this area, general activities of the administration of the State intensified, especially at the level of regional and local authorities, mainly in the Středočeský, Jihomoravský and Moravskoslezský Regions. And in these regions the number of persons included in this group was smaller in 2004 than in 2003 or 2002 as indicated by LFSS results. Within the industry of health and social work, the growth was seen especially in human health activities (8.8 thousand).

On the other hand, the employment dropped most year-on-year in trade, repair of motor vehicles and personal and household goods (-15.3 thousand; primarily in retail sale in non-specialized stores: -18.7 thousand). It dropped in transport, storage and communications (-7.3 thousand; most in transport via railways: -4.8 thousand). A considerable decrease in the number of employed people was recorded for real estate, renting and business activities (-3.5 thousand; most in letting of own property: -5.4 thousand).

Increases/decreases in numbers of first job holders: by industry
(2nd quarter 2004 to 2nd quarter 2005)

Industries	Decrease		Industries	Increase	
	Thous.	%		Thous.	%
Trade, repair of motor vehicles and pers. and household goods	-15.3	-2.4	Construction	35.3	8.3
Mining and quarrying	-15.3	-24.9	Education	13.5	4.8
Agriculture incl. hunting	-11.7	-7.0	Public administration, defence and compulsory social security	13.2	4.1
Transport, storage and communication	-7.3	-2.0	Manufacturing	12.8	1.0
Real estate, renting and business activities	-3.5	-1.2	Health and social work	12.3	3.9
Forestry, fishing	-1.5	-3.8	Other community, social and personal service activities	8.6	4.7
			Hotels and restaurants	6.3	3.5
			Financial intermediation	2.6	2.8
			Electricity, gas and water supply	1.1	1.5

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 2005, persons in thousand)

Industries	Total employment	Of which			
		Employees	Self-employed		
			Total	With employees	Without employees
TOTAL	4750.7	3957.8	732.2	179.4	552.7
of which:					
Agriculture, hunting and related service activities	156.4	109.9	22.8	4.3	18.5
Forestry, fishing and related service activities	38.6	27.7	10.9	-	10.9
Mining and quarrying	46.1	45.1	1.0	.	.
Manufacturing	1287.8	1188.6	92.1	26.8	65.3
Electricity, gas and water supply	77.1	72.7	4.2	1.5	2.6
Construction	462.7	293.6	163.8	26.3	137.4
Trade, rep. of mot.vehicles, pers., househ.goods	613.9	455.8	146.6	45.2	101.5
Hotels and restaurants	184.7	144.5	35.2	18.8	16.4
Transport, storage and communication	354.5	312.0	40.6	9.1	31.5
Financial intermediation	96.7	77.4	19.4	1.3	18.1
Real estate, renting and business activities	281.0	179.1	98.7	17.2	81.5
Publ.administration, defence, comp.soc.security	332.8	327.4	5.2	1.6	3.7
Education	294.4	284.6	9.5	2.9	6.6
Health and social work	328.1	297.6	28.5	17.8	10.7
Other community, social and personal services	192.0	138.7	53.0	6.2	46.8

Only a few industries reported significant numbers of **members of producers' cooperatives**. Nevertheless, their frequency further a little decreased to 20.0 thousand in agriculture. Their number dropped to 2.2 thousand in manufacturing. Number of **contributing family workers** is higher in industries of trade (10.4 thousand) and construction (5.1 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 agriculture, hunting and related service activities. Vice versa the number of these persons increased in branch of

education. 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 (-17.3 thousand), in real estate, renting and business activities (-3.0 thousand), and in transport, storage and communication (-2.2 thousand). The following overview shows absolute and relative increases/decreases in the self-employed without and with employees.

The share of the self-employed without contributing family workers constituted 35.4 % of all first job holders in industry in construction, 35.1 % in real estate, renting and business activities, 28.2 % in forestry and fishing, 27.6 % in other community, social and personal service activities and 23.9 % in trade, repair of motor vehicles and personal and household goods. Their shares were low in public administration and defence and social compulsory security (1.6 %) and in mining and quarrying (2.2 %).

**Increases/decreases in numbers of the self-employed: by CZ-NACE activity
(2nd quarter 2004 to 2nd 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	-0.6	-3.2	-1.9	.
Manufacturing	-0.2	-0.4	-0.2	-0.9
Construction	4.3	3.2	0.3	1.0
Trade, repair of motor vehicles, person., househ. goods	-17.3	-14.6	-6.5	-12.6
Hotels and restaurants	-1.1	-6.1	0.9	4.9
Transport, storage and communication	-2.2	-6.4	-1.5	-13.8
Financial intermediation	-0.6	-3.0	0.5	.
Real estate, renting and business activities	-3.0	-3.6	-1.5	-7.9
Education	-1.4	-17.7	1.1	.
Health and social work	0.5	4.8	-0.1	-0.4
Other community, social and personal service activities	1.4	3.1	-0.3	-4.9

The total number of first job male entrepreneurs exceeds the total number of first job female entrepreneurs 2.9 times (2.8 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 higher number of male self-employed persons over female self-employed persons is distinct in most of the industries, particularly in construction, in trade, repair 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

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⁾	732.2	406.2	100.0	137.8	100.0	146.5	100.0	41.6	100.0
Construction	163.8	136.4	33.6	26.1	18.9	1.0	0.7	.	.
Trade, repair of motor veh. and pers. and househ. goods	146.6	70.1	17.3	33.9	24.6	31.4	21.4	11.3	27.1
Real estate, renting and business activities	98.7	43.8	10.8	12.3	8.9	37.8	25.8	4.9	11.8
Manufacturing	92.1	52.5	12.9	24.0	17.4	12.7	8.7	2.8	6.7
Other community, social and personal service activities	53.0	16.8	4.1	4.5	3.3	29.9	20.4	1.7	4.1
Transport, storage, communication	40.6	27.7	6.8	8.0	5.8	3.8	2.6	1.1	2.5
Hotels and restaurants	35.2	10.2	2.5	11.7	8.5	6.2	4.2	7.1	17.0
Health and social work	28.5	4.4	1.1	7.8	5.7	6.3	4.3	10.0	24.0
Agriculture incl. hunting	22.8	14.9	3.7	3.4	2.4	3.6	2.4	0.9	2.2

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 95.2 % of persons working **full time** in their first jobs. Of the total of 228.4 thousand employed persons in their **part time employment**, 46.1 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 (77.8 %).

There were in total 114.7 thousand **second job holders** in the civil sector in the 2nd quarter. Frequency of this category of employed decreased by 3.5 thousand year-on-year. The share of males made up 60.5 %. Unlike first job holders, working contracts with limited job tenure are much more represented here (23.7 %). The number of second job holders is high especially in Prague (19.0 thousand), in other regions overtops the level of 10 thousand in Moravskoslezský (12.4 thousand), Středočeský (12.1 thousand) and Jihomoravský (11.5 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 (45.7 thousand), increased by 4.2 thousand when compared to 2nd quarter 2004. The number self-employed (incl. family workers) second job holders went down (by 7.8 thousand), but their share in all second jobs is still high (59.9 %). The most numerous status group are the male self-employed: a total of 45.4 thousand (including family workers), i.e. 65.4 % of male second job holders.

Second jobs affect total employment in the industries of trade, repair of motor vehicles and personal and household goods (14.7 thousand), education (13.7 thousand), other community, social and personal service activities (12.2 thousand), and especially real estate, renting and business activities (21.4 thousand), where they account for 7.6 % 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 41.9. 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 (40.6). First job holders working full time and part time worked usually

42.8 hours a week and 23.4 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 (47.7 hours), where the employment is very low though. Employed in construction (46.0 hours), in hotels and restaurants (45.6 hours), and in real estate, renting and business activities (44.6 hours) indicated an above-average number. Actual hours worked in second jobs stood at 12.6 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 2005)

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	4506.7	228.4	114.7
Employees	3754.8	187.8	45.7
Members of producers' cooperatives	22.4	1.9	.
Self-employed (incl. family workers)	729.6	38.8	68.7
Average usually weekly worked hours			
The employed, all	42.8	23.4	12.6
Employees	41.3	23.7	11.5
Members of producers' cooperatives	42.2	28.1	5.7
Self-employed (incl. family workers)	50.4	21.4	13.3

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 increased by 0.1 percentage point in comparison with its level in the 2nd 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 17.3 %. 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 2005)**

Sex	All	Age group			
		15-29	30-44	45-59	60+
Males	68.5	59.6	96.8	89.4	15.4
Females	50.5	42.6	82.7	75.0	5.0

Among the employed in the civil sector, 93.4 thousand persons (including 50.2 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 – 55.0 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 (17.3 thousand). The activity of the employed in seeking different or another job was comparatively the highest in the Zlínský (3.2 %) and Olomoucký (2.7 % 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 402.1 thousand in the 2nd quarter 2005, including 221.9 thousand females (55.2 %), and decreased by 17.0 thousand above their number in the 2nd quarter 2004 (included are persons who have found their job but they are able to start a job in two weeks). The unemployment increased in border groups of productive age – for persons aged to 15-19 by 0.3 thousand and for persons aged to 55-64 by 1.1 thousand. It rose also in age group 30-34 (by 0.9 thousand) and 40-44 (by 0.8 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. Despite the fact that number of unemployed men remains lower than number of unemployed women there is an obvious opposite trend for these categories. Simultaneously with the total year-on-year decrease of total unemployment the unemployment of men decreased by 20.0 thousand and fall of unemployed men proved mainly in age group 20-24 (by 10.9 thousand). The number of unemployed women increased in the same period totally by 3.0 thousand and this growth showed the most in age 25-29 (by 2.5 thousand).

The number of persons with basic education amounted to 100.0 thousand (i.e. 24.9 % of total unemployment), and the number of unemployed leavers from secondary schools without the General Certificate of Secondary Education was high (191.5 thousand, i.e. 47.6 % 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 24.8 % and 53.0 %, respectively (24.9 % and 43.3 %, respectively, among unemployed women), also persons with secondary education with GCE are strongly represented among unemployed women (28.6 % of unemployed women).

The number of unemployed with work experience, who finished their last job before less than 8 years, amounted to 312.4 thousand and decreased compared to the 2nd quarter 2004 by 18.5 thousand. According to the ascertained industrial breakdown the unemployed with experience of work had worked the most frequently in manufacturing (97.8 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 (73.2 thousand - 23.4 % of all unemployed persons with experience of employment), service workers and shop and market sales workers (59.4 thousand - 19.0 %), craft and related trades workers (53.7 thousand - 17.2 %) and plant and machine operators and assemblers (44.7 thousand - 14.3 %).

The number of **long-term unemployed** (one year and more) decreased to 214.3 thousand (-3.3 thousand), their share in the total unemployed exceeds one half (53.3 %). The decrease of long-term unemployment was highly apparent among men in the age groups 20-29 (-2.9 thousand) and 50-59 (-2.8 thousand). The number of persons unemployed for more than four years went down just by 0.8 thousand to 62.2 thousand (15.5 % of the total unemployed).

**The unemployed: job seeking duration
(2nd 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
402.1	47.8	60.2	79.6	81.7	132.5	.

According to the LFSS results, the **general unemployment rate according to ILO** (derived for the age group of 15+) was 7.8 % in 2nd 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). Pursuant to the original methodology in force by June 2004, the quarterly registered unemployment rate by the MLSA CR reached 9.7 % and decreased by 0.5 percentage points on 2nd quarter 2004. According to the new methodology, based on the quantification of available job applicants, the 2nd quarter 2005 registered unemployment rate by the MLSA CR was 8.8 % - by 0.2 points lower than a year ago.

Most of the unemployed (72.5 %) 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 (2.1 %) and persons with secondary education with GCE (5.1 %). The high unemployment rate continued in the group of persons with elementary education (26.9 %). Above-average rate occurs also in the group of persons with secondary education without leaving exam, mostly apprentices (8.6 %).

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 2005, thousand persons)**

Category	Number
I. Persons who conveyed registration by the labour offices	403.9
including:	
a) those who satisfy ILO conditions for inclusion among the unemployed	339.8
b) those not satisfy ILO conditions	64.2
due to:	
- they worked in reference week	2.2
- they did not seek a job during the last 4 weeks	44.2
- they are not available for work within 14 days	17.8
II. Unemployed meeting ILO conditions and not registered by the labour offices	62.3
III. All number of ILO unemployed (I.a + II.)	402.1
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	12.3
- not seek work but wish to work	259.8
of which: available for work within 14 days	50.5

In the period in question the number of job applicants actually registered by labour offices reached 507.4 thousand, which was a figure which differed by 103.5 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 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.

- 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.

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) rose by 4.5 thousand year-on-year and reached 3552.3 thousand persons in 2nd 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 went down (-8.2 thousand) and number of apprentices dropped (-5.4 thousand), the number of students on secondary schools increased by 14.2 thousand up to 390.5 thousand. The number of university students rose rapidly by 22.2 thousand to 249.4 thousand and the number of persons attending the other type of education or training (out of regular education system) decreased by 1.5 thousand to 10.9 thousand.

The number of not working persons in regular retirement who did not seek a job, rose by 1.9 thousand onto 1821.2 thousand and the number of early retired went down by 3.3 thousand onto 71.6 thousand. The number of persons retired due to disability grew (by 6.2 thousand onto 309.0 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 both the economically inactive and 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 54.2 % onto 54.6 %. The **total employment rate of persons aged 15-64** grew year-on-year by 0.5 percentage points to 64.7 %. The relative increase in the employment of men at working age was especially high (1.1 percentage points to 73.3 %), while in women it remained virtually at the level recorded a year ago (an increase to 56.0 %). This employment rate is pushed down by a fast growth of the number of students at secondary schools on the one hand and pushed up by the employment of persons aged between 25 and retirement age 55-64 on the other hand.

In this very group of persons aged 55-64, the employment rate rose year-on-year more than in any other age group of person throughout the whole working age interval (compared to 2nd quarter 2004 by 1.7 points to 44.2 %). Compared internationally, the employment rate of these older employed persons keeps increasing in the total of all the 25 member states of the EU. It increased in the EU-25 from 35.8 % in 1998 to 40.5 % in 2004. Employment in EU-15 is relatively higher - it went up by 5.3 percentage points to 41.9 % over the same period.

Differences among individual states are considerable: on the one hand, there are nine countries where the employment in this age group does not reach even a third of the number of these persons - Austria, Belgium, Hungary, Italy, Luxembourg, Malta, Poland, Slovenia, and Slovakia - and, on the other hand, more than half of the persons of this age worked in seven countries in 2004 - Cyprus, Denmark, Estonia, Finland, Portugal, Sweden (69.1 %!), and the UK.

The employment rate in the CR is above-average and is higher than in Germany and substantially higher than in the other three neighbouring countries. However, the higher rate of employment is affected by the employment of men, while the employment of women of this age is below the average for both the EU-15 and the EU-25.

In the long run, the growth of the employment rate in the CR was faster than in the EU-25 or the EU-15 (5.6 percentage points as against 4.7 percentage points in the EU-25 or 5.3 percentage points in the EU-15 between 1998-2004). In some countries, however, the increment in the unemployment rate was considerably higher than in the CR (e.g. by 14.7 percentage points in Finland and by 13.8 percentage points in Hungary).

Employment rate for persons aged 55-64 in the EU member states between 1998 and 2004 (%)

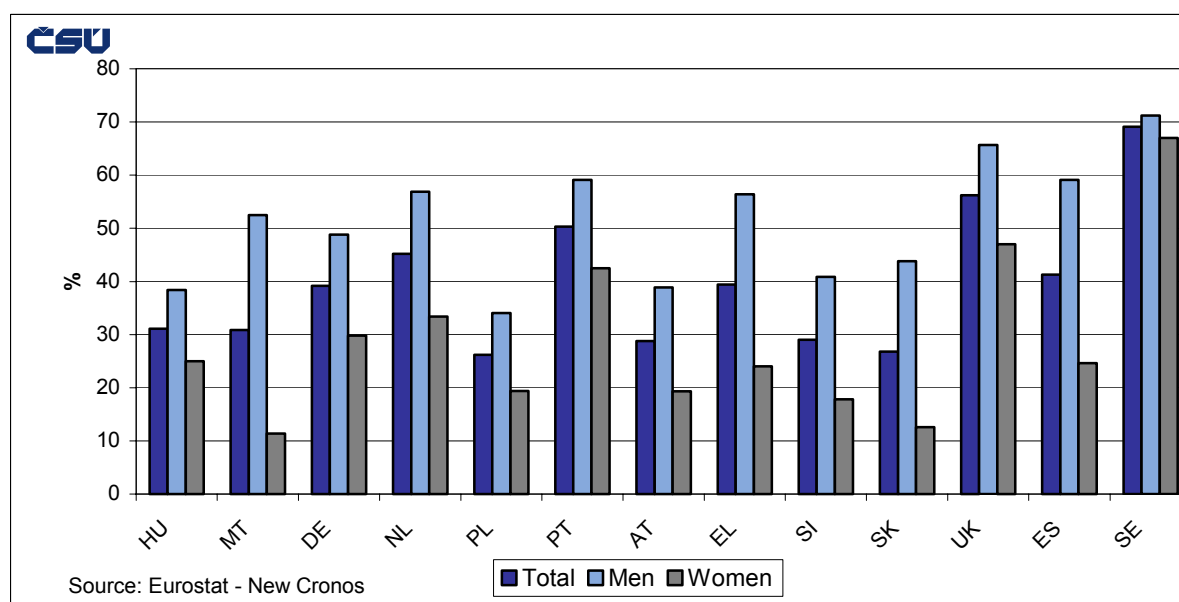
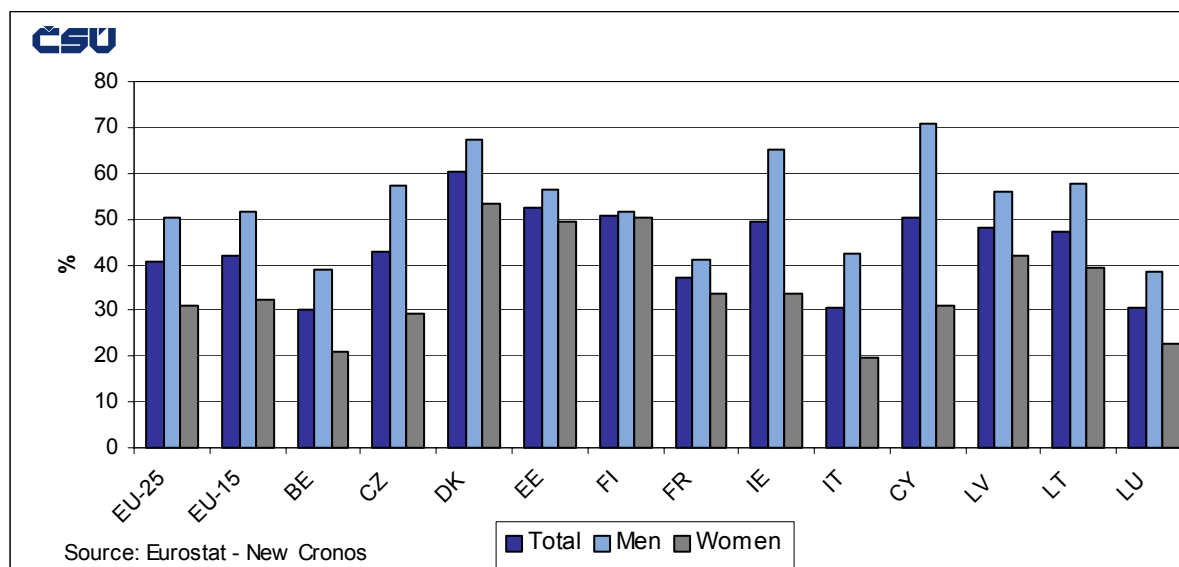
Country	1998	2004	2004-1998 difference	Country	1998	2004	2004-1998 difference
EU-25	35.8	40.5	4.7	Luxembourg	25.1	30.8	5.7
EU-15	36.6	41.9	5.3	Hungary	17.3	31.1	13.8
Eurozone	:	:	:	Malta	:	30.9	:
Belgium	22.9	30.0	7.1	Germany	37.7	39.2	1.5
Czech Republic	37.1	42.7	5.6	Netherlands	33.9	45.2	11.3
Denmark	52.0	60.3	8.3	Poland	32.1	26.2	-5.9
Estonia	50.2	52.4	2.2	Portugal	49.6	50.3	0.7
Finland	36.2	50.9	14.7	Austria	28.4	28.8	0.4
France	28.3	37.3	9.0	Greece	39.0	39.4	0.4
Ireland	41.7	49.5	7.8	Slovakia	22.8	26.8	4.0
Italy	27.7	30.5	2.8	Slovenia	23.9	29.0	5.1
Cyprus	:	50.4	:	United Kingdom	49.0	56.2	7.2
Lithuania	39.5	47.1	7.6	Spain	35.1	41.3	6.2
Latvia	36.3	47.9	11.6	Sweden	63.0	69.1	6.1

Source: Eurostat - New Cronos

The employment rate of men and women aged 55-64 was steadily rising in the CR between 1998 and 2004, except for 2000, that of women growing faster in relative terms.

Nevertheless, the Czech Republic still belongs to the countries where the employment rate of men in this age group is notably higher than that of women of the same age. In 2004, the difference between the two employment rates in the CR was 27.8 percentage points (57.2 % for men and 29.4 % for women; in 2nd quarter 2005 it was 59.1 % and 30.6 %, respectively). The CR thus ranked among seven EU member states with the biggest differentiation of the rate by gender. This difference is primarily brought about by the different retirement age. Only the Mediterranean countries Greece, Spain, Cyprus and Malta and then Slovakia and Ireland report a bigger gender difference in these rates.

Employment rate for men and women aged 55-64 in the EU member states in 2004



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 2005, their number amounted to 283.2 thousand, which was by 6.4 thousand less year-on-year. A large number of these persons were found in age group up to 24 years (102.9 thousand), predominantly among students or apprentices. The relatively high number of people in the age group 25-34 (47.7 thousand) results from a high number of women on 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 19.9 thousand and 31.6 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 46.9 thousand, old-age pensioners largely prevailing among persons interested in job.