

## II. Characteristic of results – 2nd quarter 2004

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 2004 amounted to 4700.6 thousand persons, of which males and females accounted for 2654.3 thousand (56.5 %) and 2046.3 thousand (43.5 %), respectively. Year-on-year total employment was lower by 39.4 thousand. As a relative figure, the fall in the number of first job holders amounted to 0.8 %. At the same time the number of first job holders with the limited duration of working contract increased - it was 373.8 thousand in all in the 2nd quarter of 2004 (of which 205.3 thousand females) - i.e. by 6.2 thousand more in total than in the 2nd quarter of 2003.

Prevailing in the number of employed persons were **employees** (3881.6 thousand); their number decreased by 10.7 thousand year-on-year. In spite of this decrease, the share of employees in total employment rose by 0.5 percentage points to 82.6 %. The number of the **self-employed** reached 793.0 thousand, which was by 25.7 thousand less year-on-year. Compared to the 2nd quarter of 2003, the percentage of the whole entrepreneurial sphere dropped by 0.4 percentage points to 16.9 % of total employment. The number of the self-employed with employees decreased by 9.9 thousand to 188.3 thousand and that of contributing family workers fell by 3.5 thousand to 31.1 thousand. After ten years of growth, the number of the self-employed without employees decreased by 12.3 thousand and reached 573.6 thousand; one of the reasons was the introduction of compulsory insurance premium. The share of self-employed in total employment has already exceeded the average share in EU Member States.

**Numbers of first job holders: by professional status**

| Professional status             | All    |       | Males  |       | Females |       |
|---------------------------------|--------|-------|--------|-------|---------|-------|
|                                 | Thous. | %     | Thous. | %     | Thous.  | %     |
| Employees                       | 3881.6 | 82.6  | 2071.2 | 78.0  | 1810.3  | 88.5  |
| Members of producers' coop.     | 25.7   | 0.5   | 16.1   | 0.6   | 9.6     | 0.5   |
| Self-employed without employees | 573.6  | 12.2  | 412.5  | 15.5  | 161.1   | 7.9   |
| Self-employed with employees    | 188.3  | 4.0   | 145.7  | 5.5   | 42.5    | 2.1   |
| Contributing family workers     | 31.1   | 0.7   | 8.7    | 0.3   | 22.4    | 1.1   |
| A l l                           | 4700.6 | 100.0 | 2654.3 | 100.0 | 2046.3  | 100.0 |

Ten regions (NUTS 3) out of fourteen saw lower employment: most in Královéhradecký (11.8 thousand), Olomoucký (11.7 thousand) and Moravskoslezský (6.2 thousand) Regions. On the other hand, employment increased the most in the Ústecký (10.8 thousand) and Liberecký (2.9 thousand) Regions. A higher growth of the number of employees was recorded only for the Ústecký (18.5 thousand) and Pardubický (6.1 thousand) Regions, while employees dropped in number in most in Zlínský (-10.3 thousand), Olomoucký (-9.1 thousand) and Středočeský (-7.5 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 93.2 thousand and reached 692.9 thousand.). And it is the category of employees where the high commuting balance occurs mainly exclusively (87.1 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 -60.1 thousand, largely in favour of Prague), for Moravskoslezský (-10.7 thousand) for Ústecký (-9.1 thousand) and Vysočina (-8.3 thousand) Regions. Negative balance of commuting for other regions varied from -0.4 thousand in Plzeňský Region to -7.2 thousand in Jihočeský Region. 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  
(2nd quarter 2003 to 2nd quarter 2004, persons in thousand)**

| CR total  |      | Regions      |             |           |          |             |         |           |                 |            |          |              |           |         |                 |
|---|------|--------------|-------------|-----------|----------|-------------|---------|-----------|-----------------|------------|----------|--------------|-----------|---------|-----------------|
| Thousands   | %    | Hl. m. Praha | Středočeský | Jihočeský | Plzeňský | Karlovarský | Ústecký | Liberecký | Královéhradecký | Pardubický | Vysočina | Jihomoravský | Olomoucký | Zlínský | Moravskoslezský |
| Total   |      |              |             |           |          |             |         |           |                 |            |          |              |           |         |                 |
| -39.4   | -0.8 | -5.1         | -4.6        | -1.8      | 0.6      | -4.4        | 10.8    | 2.9       | -11.8           | -3.4       | 1.7      | -3.7         | -11.7     | -2.6    | -6.2            |
| Employees, incl. members of producers' cooperatives |      |              |             |           |          |             |         |           |                 |            |          |              |           |         |                 |
| -13.9   | -0.4 | 0.9          | -10.9       | -6.6      | -0.5     | -1.3        | 18.7    | 5.0       | -6.1            | 6.3        | 3.2      | -2.7         | -8.8      | -10.0   | -1.1            |
| Self-employed                                       |      |              |             |           |          |             |         |           |                 |            |          |              |           |         |                 |
| -22.2   | -2.8 | -4.5         | 6.1         | 4.4       | 0.4      | -2.5        | -8.4    | -2.9      | -3.9            | -9.5       | -1.2     | 0.5          | -3.0      | 6.8     | -4.6            |

There are still rather large regional differences in the structure of employed persons by professional status. The share of employees ranges from 78.2 % in Hlavní město Praha Region up to 85.9 % in the Ústecký and 87.5 % in the Moravskoslezský Regions. A relatively high proportion of members of producers' cooperatives, mainly agricultural ones, is clearly in the Vysočina Region (3.1 %), it ranges from a statistically negligible figure in the Karlovarský, Ústecký and Hlavní město Praha Regions to 1.0 % in the Pardubický 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): 21.1 % 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 (19.8 %), Zlínský (18.1 %) and Jihočeský (17.1 %) 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 (12.0 %), Ústecký (12.7 %) and Vysočina (13.3 %) 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 Karlovarský Region to 1.3 % in Ústecký 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   | 4700.6 | 100.0 | 2654.3 | 100.0 | 2046.3  | 100.0 |
| including:  |        |       |        |       |         |       |
| Agriculture, hunting and related service activities | 168.0  | 3.6   | 110.8  | 4.2   | 57.2    | 2.8   |
| Forestry, fishing and related service activities    | 40.1   | 0.9   | 32.0   | 1.2   | 8.1     | 0.4   |
| Mining and quarrying                                | 61.4   | 1.3   | 53.5   | 2.0   | 7.9     | 0.4   |
| Manufacturing                                       | 1275.0 | 27.1  | 781.3  | 29.4  | 493.6   | 24.1  |
| Electricity, gas and water supply                   | 75.9   | 1.6   | 61.8   | 2.3   | 14.2    | 0.7   |
| Construction  | 427.5  | 9.1   | 395.1  | 14.9  | 32.4    | 1.6   |
| Trade, rep. of mot.vehicles, pers.and househ.goods  | 629.2  | 13.4  | 306.6  | 11.6  | 322.6   | 15.8  |
| Hotels and restaurants                              | 178.4  | 3.8   | 82.6   | 3.1   | 95.9    | 4.7   |
| Transport, storage and communication                | 361.8  | 7.7   | 245.5  | 9.3   | 116.2   | 5.7   |
| Financial intermediation                            | 94.1   | 2.0   | 32.5   | 1.2   | 61.6    | 3.0   |
| Real estate, renting and business activities        | 284.5  | 6.1   | 161.5  | 6.1   | 123.0   | 6.0   |
| Public administration, defence, compul.soc.security | 319.6  | 6.8   | 179.9  | 6.8   | 139.6   | 6.8   |
| Education   | 281.0  | 6.0   | 65.2   | 2.5   | 215.7   | 10.5  |
| Health and social work                              | 315.8  | 6.7   | 59.4   | 2.2   | 256.3   | 12.5  |
| Other community, social and personal services       | 183.3  | 3.9   | 85.6   | 3.2   | 97.7    | 4.8   |

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 4.4 % 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 2003 and 2nd quarter 2004. Employment in the primary sector (agriculture, forestry, fishing) dropped below 210 thousand persons (208.2 thousand). The decrease in the number of persons employed in the secondary sector (by 36.1 thousand to 1839.8 thousand compared to Q2 2003) primarily resulted from a 30.9 thousand decrease in the employment in manufacturing where manufacture of wearing apparel (-10.7 thousand), manufacture of machinery and equipment (-10.2 thousand) and manufacture of fabricated metal products except machinery and equipment (-8.4

thousand) decreased their employment most. On the other hand, employment went up in manufacture of motor vehicles (15.1 thousand), manufacture of chemicals and chemical products (6.3 thousand) and manufacture of furniture (4.2 thousand). The higher increase in the employment in mining and quarrying is attributed to the increase in the number of workers engaged in mining and agglomeration of hard coal (7.5 thousand).

Employment in the sector of services remained unchanged in total, but the individual branches of the sector developed differently: The employment grew most in hotels and restaurants (7.8 thousand in restaurants, 3.6 thousand in hotels and similar accommodation establishments), health and social care (7.4 thousand in social care) and transport (6.9 thousand in land transport except for transport via railways).

On the other hand, employment dropped most year-on-year in public administration and defence and compulsory social security in total, -13.1 thousand (primarily in provision of services to the community as a whole: -19.4 thousand). Employment in education also decreased considerably (-10.9 thousand), of which the number of persons working in pre-school facilities and basic education decreased by 4.5 thousand and in secondary education by 8.2 thousand. The number of persons employed at universities increased slightly, by 1.1 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 rise of the number of the limited duration of working contracts.

**Increases/decreases in numbers of first job holders: by industry  
(2nd quarter 2003 to 2nd quarter 2004)**

| Industries   | Decrease |      | Industries                           | Increase |      |
|--|----------|------|--------------------------------------|----------|------|
|  | Thous.   | %    |                                      | Thous.   | %    |
| Manufacturing  | -30.9    | -2.4 | Hotels and restaurants               | 13.6     | 8.2  |
| Construction   | -13.5    | -3.1 | Health and social work               | 11.7     | 3.8  |
| Public administration, defence and compulsory social security  | -13.1    | -3.9 | Transport, storage and communication | 10.9     | 3.1  |
| Education  | -10.9    | -3.7 | Mining and quarrying                 | 8.7      | 16.6 |
| Financial intermediation                                       | -3.9     | -4.0 |                                      |          |      |
| Other community, social and personal service activities        | -3.6     | -1.9 |                                      |          |      |
| Real estate, renting and business activities                   | -3.4     | -1.2 |                                      |          |      |
| Forestry, fishing  | -2.2     | -5.1 |                                      |          |      |
| Agriculture incl. hunting                                      | -1.9     | -1.1 |                                      |          |      |
| Electricity, gas and water supply                              | -0.4     | -0.5 |                                      |          |      |
| Trade, repair of motor vehicles and pers. and household. goods | -0.2     | 0.0  |                                      |          |      |

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 2004, persons in thousand)

| Industries  | Total employment | Of which  |               |                |                   |
|---|------------------|-----------|---------------|----------------|-------------------|
|   |                  | Employees | Self-employed |                |                   |
|   |                  |           | Total         | With employees | Without employees |
| TOTAL   | 4700.6           | 3881.6    | 761.9         | 188.3          | 573.6             |
| Agriculture, hunting and related service activities | 168.0            | 118.3     | 25.3          | 6.2            | 19.1              |
| Forestry, fishing and related service activities    | 40.1             | 27.2      | 12.9          | 0.3            | 12.7              |
| Mining and quarrying                                | 61.4             | 60.3      | 1.1           | 0.5            | 0.6               |
| Manufacturing                                       | 1275.0           | 1176.9    | 92.5          | 27.0           | 65.5              |
| Electricity, gas and water supply                   | 75.9             | 72.3      | 3.5           | 0.7            | 2.7               |
| Construction  | 427.5            | 264.3     | 159.2         | 26.1           | 133.2             |
| Trade, rep. of mot.vehicles, pers., househ.goods    | 629.2            | 446.8     | 170.5         | 51.6           | 118.8             |
| Hotels and restaurants                              | 178.4            | 139.9     | 35.4          | 17.9           | 17.4              |
| Transport, storage and communication                | 361.8            | 315.7     | 44.2          | 10.5           | 33.6              |
| Financial intermediation                            | 94.1             | 74.7      | 19.5          | 0.8            | 18.7              |
| Real estate, renting and business activities        | 284.5            | 178.2     | 103.2         | 18.7           | 84.6              |
| Publ.administration, defence, comp.soc.security     | 319.6            | 315.2     | 4.4           | 1.3            | 3.1               |
| Education   | 281.0            | 271.1     | 9.8           | 1.8            | 8.0               |
| Health and social work                              | 315.8            | 286.1     | 28.1          | 17.9           | 10.2              |
| Other community, social and personal services       | 183.3            | 130.8     | 51.9          | 6.6            | 45.4              |

Only a few industries reported significant numbers of members of producers' cooperatives. Nevertheless, their frequency further decreased by 3.1 thousand to 21.4 thousand in agriculture. Their number grew to 2.5 thousand in manufacturing. Number of contributing family workers is higher in industries of trade (10.5 thousand) and construction (3.9 thousand).

The development in the number of employers (the self-employed with employees) went down almost in all of industries, most of all in manufacturing and in construction. The number of these persons markedly increased just in branch of trade, repairs of motor vehicles and personal and household goods. The decrease in own-account workers (the self-employed without employees) was mainly due to lower numbers of such persons in trade, repairs of motor vehicles and personal and household goods (-5.2 thousand), in construction (-4.5 thousand) and in other community, social and personal service activities (-3.8 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 37.2 % of all first job holders in industry in construction, 36.3 % in real estate, renting and business activities,

32.3 % in forestry and fishing, 28.3 % in other community, social and personal service activities and 27.1 % 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 (1.8 %).

**Increases/decreases in numbers of the self-employed: by CZ-NACE activity  
(2nd quarter 2003 to 2nd quarter 2004)**

| CZ-NACE activity  | Self-employed                              |      |                               |       |
|---|--|------|-------------------------------|-------|
|   | Without employees<br>(own-account workers) |      | With employees<br>(employers) |       |
|   | Thous.                                     | %    | Thous.                        | %     |
| Agriculture, hunting and related service activities     | -0.4                                       | -1.8 | -0.4                          | -5.6  |
| Manufacturing   | -2.6                                       | -3.8 | -5.8                          | -17.7 |
| Construction  | -4.5                                       | -3.3 | -2.6                          | -9.2  |
| Trade, repair of motor vehicles, person., househ. goods | -5.2                                       | -4.2 | 3.2                           | 6.6   |
| Hotels and restaurants                                  | 2.3  | 15.0 | 0.5                           | 2.6   |
| Transport, storage and communication                    | 2.7  | 8.8  | -1.6                          | -13.0 |
| Financial intermediation                                | 2.2  | 13.6 | -1.1                          | -58.1 |
| Real estate, renting and business activities            | -3.5                                       | -4.0 | 0.7                           | 4.2   |
| Education   | 0.6  | 8.6  | 0.0                           | -2.0  |
| Health and social work                                  | 0.9  | 9.2  | -0.4                          | -2.1  |
| Other community, social and personal service activities | -3.8                                       | -7.6 | -1.5                          | -19.1 |

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 3.4 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<br>Thous. | Male self-employed |       |                |       | Female self-employed |       |                |       |
|---|---------------|--------------------|-------|----------------|-------|----------------------|-------|----------------|-------|
|   |               | Without employees  |       | With employees |       | Without employees    |       | With employees |       |
|   |               | Thous.             | %     | Thous.         | %     | Thous.               | %     | Thous.         | %     |
| TOTAL including <sup>1)</sup>                           | 761.9         | 412.5              | 100.0 | 145.7          | 100.0 | 161.1                | 100.0 | 42.5           | 100.0 |
| Trade, repair of motor veh. and pers. and househ. goods | 170.5         | 78.4               | 19.0  | 40.0           | 27.4  | 40.4                 | 25.1  | 11.6           | 27.4  |
| Construction  | 159.2         | 130.7              | 31.7  | 25.5           | 17.5  | 2.5                  | 1.5   | 0.5            | 1.2   |
| Real estate, renting and business activities            | 103.2         | 50.8               | 12.3  | 15.4           | 10.6  | 33.8                 | 21.0  | 3.3            | 7.7   |
| Manufacturing   | 92.5          | 49.6               | 12.0  | 22.7           | 15.6  | 15.9                 | 9.9   | 4.3            | 10.1  |
| Other community, social and personal service activities | 51.9          | 17.5               | 4.3   | 3.9            | 2.7   | 27.8                 | 17.3  | 2.7            | 6.3   |
| Transport, storage, communication                       | 44.2          | 29.1               | 7.1   | 10.1           | 6.9   | 4.5                  | 2.8   | 0.4            | 1.0   |
| Hotels and restaurants                                  | 35.4          | 10.5               | 2.5   | 11.4           | 7.8   | 7.0                  | 4.3   | 6.6            | 15.5  |

|                           |      |      |     |     |     |     |     |      |      |
|---------------------------|------|------|-----|-----|-----|-----|-----|------|------|
| Health and social work    | 28.1 | 4.9  | 1.2 | 6.6 | 4.5 | 5.4 | 3.3 | 11.3 | 26.6 |
| Agriculture incl. hunting | 25.3 | 14.9 | 3.6 | 5.4 | 3.7 | 4.3 | 2.6 | 0.8  | 1.8  |

<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 235.0 thousand employed persons in their **part time employment**, 46.6 thousand were classified as **underemployed** (1.0 % of the total first job holders in the civil sector). Three quarters of part-time employed persons are females; and females are sharply prevailing in the group of the underemployed (74.9 %).

There were in total 118.2 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 65.9 %. Unlike first job holders, working contracts with limited job tenure are much more represented here (21.1 %). The number of second job holders is high especially in Prague (20.4 thousand), in other regions overtops the level of 10 thousand in Středočeský (11.1 thousand), Moravskoslezský (11.0 thousand) and Jihomoravský (10.3 thousand) Regions.

Similarly, the structure of professional status of second job holders substantially differs from that of first job holders. Employees, who account for 35.1 % of all second job holders (41.5 thousand), decreased by 5.6 thousand when compared to 2nd quarter 2003. The number self-employed (incl. family workers) second job holders increased (by 1.8 thousand), and their share in all second jobs is 64.7 %. The most numerous status group are the male self-employed: a total of 54.8 thousand (including family workers), i.e. 70.4 % of male second job holders.

Second jobs affect total employment in the industries of trade, repairs of motor vehicles and personal and household goods (16.0 thousand), manufacturing (13.5 thousand), other community, social and personal service activities (13.0 thousand), and especially real estate, renting and business activities (21.9 thousand), where they account for 7.7 % 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 (40.0). First job holders working full time and part time worked usually 42.9 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 construction (46.3 hours), also employed in hotels and restaurants (45.4 hours), in real estate, renting and business activities (44.9 hours) and in trade, repairs of motor vehicles and personal and household goods (44.5 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 (2nd quarter 2004)**

| Professional status<br>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  | 4440.8    | 235.0     | 118.2                    |
| Employees  | 3667.9    | 189.2     | 41.5                     |
| Members of producers´ cooperatives                               | 24.3      | 1.4       | 0.2                      |
| Self-employed (incl. family workers)                             | 748.6     | 44.4      | 76.5                     |
| Average usually weekly worked hours                              |           |           |                          |
| The employed, all  | 42.9      | 23.4      | 12.7                     |
| Employees  | 41.3      | 24.0      | 12.7                     |
| Members of producers´ cooperatives                               | 41.6      | 22.9      | 15.0                     |
| Self-employed (incl. family workers)                             | 50.8      | 21.1      | 12.8                     |

<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 59.1 % (both sexes) and decreased in comparison with its level in the 2nd quarter of 2003 by 0.4 percentage point. This rate is high in the group of persons aged 30-44, where the percentage of economically inactive males is extremely low (3.2 %) and the percentage of economically inactive females is 17.1 %. 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  
(2nd quarter 2004)**

| Sex     | All  | Age group |       |       |      |
|---------|------|-----------|-------|-------|------|
|         |      | 15-29     | 30-44 | 45-59 | 60+  |
| Males   | 68.3 | 60.4      | 96.8  | 88.4  | 14.0 |
| Females | 50.5 | 43.9      | 82.9  | 73.7  | 5.1  |

Among the employed in the civil sector, 102.6 thousand persons (including 53.3 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 – 58.7 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 (21.5 thousand). The activity of the employed in seeking different or another job was comparatively the highest in the Pardubický (2.9 %), Olomoucký (2.8 %) and Plzeňský (2.6 % of all first job holders in the civil sector) Regions.

### III. B. *Unemployment and economic inactivity* " **UNEMPLOYMENT AND GENERAL UNEMPLOYMENT RATE" \ 2}**

The number of **the unemployed** derived from LFSS results stood at 419.1 thousand in the 2nd quarter 2004, including 218.9 thousand females (52.2 %), and increased by 34.4 thousand above their number in the 2nd quarter 2003 (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 41.2 thousand (9.8 % of total unemployment).

The high growth of unemployment occurred especially in age group 15-54. This increase was caused above all by the increase in number of the unemployed who had worked before and besides that, also by the rise in the number of unemployed graduates, increase of the unemployed young mothers who intend to return to employment after birth of child or maternity leave and the general increase in unemployment in middle age. 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 6.9 thousand persons year-on-year. In the contrast to the all productive age groups the number of the unemployed in oldest groups 60+ slightly decreased.

The number of persons with basic education amounted to 105.1 thousand (i.e. 25.1 % of total unemployment), and the number of unemployed leavers from secondary schools without the General Certificate of Secondary Education was also high (49.5 %). 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 23.1 % and 54.3 %, respectively (26.9 % and 45.1 %, respectively, among unemployed women), also persons with secondary education with GCE are strongly represented among unemployed women (25.4 % of unemployed women).

The number of unemployed with work experience, who finished their last job before less than 8 years, amounted to 330.9 thousand and increased compared to the 2nd quarter 2003 by 28.5 thousand. According to the ascertained industrial breakdown the unemployed with experience of work had worked the most frequently in manufacturing (109.7 thousand); trade, repair of motor vehicles and personal and household goods (52.1 thousand); and in construction (32.1 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 (72.9 thousand - 22.0 % of all unemployed persons with experience of employment), craft and related trades workers (70.8 thousand - 21.4 %), service workers and shop and market sales workers (58.5 thousand - 17.7 %) and plant and machine operators and assemblers (46.5 thousand - 14.1 %).

The rise in total unemployment was primarily due to a rise in the number of persons **unemployed for a long time** (one year or more) to 217.6 thousand (+25.0 thousand), their share in the total unemployed being 51.9 %. The growth of long-term unemployment was highly apparent among men in the age groups 20-29 (+10.8 thousand) and 50-59 (+5.8 thousand). The number of persons unemployed for more than four years rose by 9.9 thousand to 63.1 thousand (15.0 % of the total unemployed).

**The unemployed: job seeking duration  
(2nd quarter 2004, persons in thousands)**

| All   | up to 3 months | 3-6 months | 6-12 months | 1-2 years | 2 years or more | Not identified |
|-------|----------------|------------|-------------|-----------|-----------------|----------------|
| 419.1 | 51.0           | 69.1       | 80.9        | 83.3      | 134.3           | 0.5            |

**General unemployment rate (ILO)** revealed by the LFSS was 8.2 %; it increased by 0.7 point (using the comparable methodology) compared to the 2nd quarter 2003. **The rate of registered unemployment** based on **registration by labour offices** was higher in the same period - 10.1 %. One 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 (74.6 %) 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 (5.2 %). The highest unemployment rate is still observed for the group of persons with basic education (25.9 %).

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 2004, thousand persons)**

| Category  | Number       |
|---|--------------|
| <b>I. Persons who conveyed registration by the labour offices</b>                     | <b>419.4</b> |
| including:  |              |
| a) those who satisfy ILO conditions for inclusion among the unemployed                | 353.4        |
| b) those not satisfy ILO conditions   | 66.0         |
| due to:   |              |
| - they worked in reference week   | 1.3          |
| - they did not seek a job during the last 4 weeks                                     | 42.0         |
| - they are not available for work within 14 days                                      | 22.7         |
| <b>II. Unemployed meeting ILO conditions and not registered by the labour offices</b> | <b>65.7</b>  |
| <b>III. All number of ILO unemployed (I.a + II.)</b>                                  | <b>419.1</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             | 9.6          |
| - not seek work but wish to work  | 269.1        |
| of which: available for work within 14 days   | 57.5         |

In the period in question the number of job applicants actually registered by labour offices reached 531.4 thousand, which was a figure which differed by 112.0 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. Nowadays, there is an obvious trend of both rates to get closer.

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 although the total unemployment increases.

In the opposite to previous quarters the year-on-year trend of growth of the unemployed as measured by LFS was higher than growth of job seekers registered by Labour Offices (by 34.4 thousand in LFS, by 24.5 thousand by Ministry of Labour and Social Affairs - MLSA). 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 48.0 thousand year-on-year and reached 3547.7 thousand persons in 2nd quarter 2004. 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 stagnated and number of apprentices dropped, the number of students on secondary schools increased by 14.1 thousand up to 376.3 thousand. The number of university students rose by 19.7 thousand to 227.2 thousand and the number of persons attending the other type of education or training (out of regular education system) decreased by 7.3 thousand to 12.4 thousand.

The number of not working persons in regular retirement who did not seek a job, rose by 23.1 thousand onto 1819.3 thousand and the number of early retired declined by 3.6 thousand onto