

### III. Characteristic of results – 3<sup>rd</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 3<sup>rd</sup> quarter of 2005 amounted to 4797.2 thousand persons, of which males and females accounted for 2729.2 thousand (56.9 %) and 2068.0 thousand (43.1 %), respectively. Year-on-year total employment was higher by 79.9 thousand. As a relative figure, the rise in the number of first job holders amounted to 1.7 %. At the same time the number of first job holders with the limited duration of working contract decreased - it was 353.8 thousand in all in the 3<sup>rd</sup> quarter of 2005 (of which 184.4 thousand females) - i.e. by 0.2 thousand less in total than in the 3<sup>rd</sup> quarter of 2004.

Prevailing in the number of employed persons were **employees** (4020.3 thousand); their number increased by 118.1 thousand year-on-year. The share of employees in total employment rose markedly by 1.1 percentage points to 83.8 %. The number of **members of producers' cooperatives** decreased as well by 6.0 thousand onto 18.6 thousand. The number of the **self-employed** reached 758.2 thousand, which was by 31.9 thousand less year-on-year. Compared to the 3<sup>rd</sup> quarter of 2004, the percentage of the whole entrepreneurial sphere dropped by 0.9 percentage points to 15.8 % of total employment. Mainly the number of **self-employed without employees** fell by 21.9 thousand onto 549.0 thousand persons. The number of **self-employed with employees** decreased, too, by 13.7 thousand onto 174.2 thousand persons. On the other hand, the number of **contributing family workers** increased (by 3.7 thousand onto 35.0 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	4020.3	83.8	2170.4	79.5	1849.9	89.5
Members of producers' coop.	18.6	0.4	13.7	0.5	4.9	0.2
Self-employed without employees	549.0	11.4	403.3	14.8	145.7	7.0
Self-employed with employees	174.2	3.6	133.1	4.9	41.1	2.0
Contributing family workers	35.0	0.7	8.5	0.3	26.5	1.3
All	4797.2	100.0	2729.2	100.0	2068.0	100.0

Three regions (NUTS 3) out of fourteen saw lower employment: most in the Zlínský Region (-7.9 thousand). On the other hand, employment increased notably in the Hlavní město Praha (20.1 thousand), Olomoucký (12.6 thousand), Moravskoslezský (10.7 thousand) and Královéhradecký (10.1 thousand) Regions. A higher growth of the number of employees was recorded for the Hlavní město Praha (20.5 thousand), Moravskoslezský (14.5 thousand), Královéhradecký (14.0 thousand), and Středočeský (13.8 thousand) Regions, while employees dropped in number in most in the Zlínský (-2.1 thousand) and Vysočina (-1.5 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 116.6 thousand and reached 736.6 thousand.). And it is the category of employees in Prague where the high commuting balance occurs mainly exclusively (109.3 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 -70.9 thousand, largely in favour of Prague), for Ústecký (-11.6 thousand), for Vysočina (-11.2 thousand), and for Moravskoslezský (-10.9 thousand) Regions. Negative balance of commuting for other regions varied from -0.7 thousand in Karlovarský Region to -7.9 thousand in Olomoucký Region. The regional borders were crossed generally by employees (91.8 % of interregional commuting).

**Increases/decreases in the number of first job holders: by professional status and region  
(3<sup>rd</sup> quarter 2004 to 3<sup>rd</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															
79.9	1.7	20.1	4.5	4.9	8.3	1.8	0.3	-2.0	10.1	8.0	-0.2	8.7	12.6	-7.9	10.7
Employees, incl. members of producers' cooperatives															
112.0	2.9	20.2	12.0	11.7	7.8	0.9	5.5	0.5	12.9	6.2	-3.3	12.0	13.6	-2.5	14.5
Self-employed															
-35.6	-4.7	0.7	-10.0	-6.4	-0.3	0.5	-3.3	-2.4	-3.3	2.5	2.7	-5.1	-1.7	-4.3	-5.3

There are still rather large regional differences in the structure of employed persons by professional status. The share of employees ranges from 79.2 % in Hlavní město Praha Region up to 86.2 % in the Ústecký and 88.0 % in the Moravskoslezský Regions. A relatively high proportion of members of producers' cooperatives, mainly agricultural ones, is in the Vysočina Region (2.8 %), it ranges from a statistically negligible figure in the Karlovarský, Zlínský, Liberecký and Hlavní město Praha Regions to 0.7 % in the Olomoucký 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): 20.3 % of all first job holders living on the territory of the capital city. As for the other regions, the percentage is rather high in the Středočeský (17.0 %), Zlínský (16.3 %) and Liberecký (15.3 %) Regions. In case of middle Bohemia there proves a fact that former districts of Praha-východ and Praha-západ have a significant active migration balance with Prague and a certain part of the Praha self-employed reside in these districts. The lowest shares of the self-employed are reported for the Moravskoslezský (11.3 %), Ústecký (12.7 %) and Olomoucký (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 1.3 % 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	4797.2	100.0	2729.2	100.0	2068.0	100.0
including:						
Agriculture, hunting and related service activities	150.0	3.1	97.9	3.6	52.1	2.5
Forestry, fishing and related service activities	40.8	0.9	34.4	1.3	6.4	0.3
Mining and quarrying	46.7	1.0	41.7	1.5	5.0	0.2
Manufacturing	1307.1	27.2	823.2	30.2	484.0	23.4
Electricity, gas and water supply	76.9	1.6	58.7	2.1	18.2	0.9
Construction	464.7	9.7	426.4	15.6	38.3	1.9
Trade, rep. of mot.vehicles, pers.and househ.goods	612.4	12.8	291.2	10.7	321.2	15.5
Hotels and restaurants	183.8	3.8	82.2	3.0	101.6	4.9
Transport, storage and communication	365.0	7.6	254.0	9.3	111.0	5.4
Financial intermediation	95.4	2.0	38.4	1.4	57.0	2.8
Real estate, renting and business activities	295.7	6.2	165.2	6.1	130.5	6.3
Public administration, defence, compul.soc.security	337.5	7.0	179.3	6.6	158.2	7.6
Education	291.4	6.1	70.3	2.6	221.1	10.7
Health and social work	335.1	7.0	70.7	2.6	264.4	12.8
Other community, social and personal services	188.6	3.9	93.4	3.4	95.2	4.6

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 3<sup>rd</sup> quarter 2004 and 3<sup>rd</sup> quarter 2005. Employment in the **primary sector** (agriculture, forestry, fishing) decreased to 190.8 thousand persons and accounted for only 4.0 % of the total number of first (main) job holders. The number of persons employed in the **secondary sector** (industry, construction) increased by 41.9 thousand year-on-year to 1895.4 thousand (39.5 % of total

employment). This growth was mainly affected by the year-on-year increase of 28.2 thousand in employment that occurred in manufacturing. The number of employed persons went up most in treatment and coating of metals; general mechanical engineering (21.9 thousand), manufacture of other general purpose machinery (8.3 thousand), manufacture of machinery for production and use of mechanical power, except aircraft, vehicle and cycle engines (7.3 thousand) and manufacture of other fabricated metal products (5.7 thousand). The decrease in the employment in mining and quarrying (-12.1 thousand) was a result of a decrease in the number of workers in mining and agglomeration of hard coal in particular (-8.5 thousand). Construction (+24.3 thousand in total) saw considerable increases in employment in the areas of building and civil engineering (18.0 thousand) and building installations (7.2 thousand).

Employment in the **tertiary sector** (all divisions of services including transport) increased by 54.2 thousand to 2709.4 thousand (56.5 % of total employment), but it developed in the individual divisions in an opposing way. Employment increased most in education (20.4 thousand), real estate, renting and business activities (19.9 thousand) and public administration, defence and compulsory social security (13.4 thousand). Within the section education, it grew most in secondary education (10.0 thousand). Within the section real estate, renting and business activities, the increase showed itself mainly in architectural and engineering activities and related technical consultancy and real estate activities on a fee or contract basis (both 7.3 thousand). Within the section public administration, defence and compulsory social security, the number of persons employed in public security, law and order activities was up (10.5 thousand) and the higher number of persons employed in these activities was apparent in a large majority of the regions of the Czech Republic.

On the other hand, employment dropped most year-on-year in trade, repair of motor vehicles and personal and household goods (-18.5 thousand), primarily in retail sale in non-specialized stores (-21.5 thousand). Employment dropped also in transport, storage and communications (-1.4 thousand), most in transport via railways (-4.4 thousand).

**Increases/decreases in numbers of first job holders: by industry  
(3<sup>rd</sup> quarter 2004 to 3<sup>rd</sup> quarter 2005)**

Industries	Decrease		Industries	Increase	
	Thous.	%		Thous.	%
Trade, repair of motor vehicles and pers. and household goods	-18.5	-2.9	Manufacturing	28.2	2.2
Agriculture incl. hunting	-15.7	-9.5	Construction	24.3	5.5
Mining and quarrying	-12.1	-20.5	Education	20.4	7.5
Transport, storage and communication	-1.4	-0.4	Real estate, renting and business activities	19.9	7.2
Forestry, fishing	-1.0	-2.4	Public administration, defence and compulsory social security	13.4	4.1
			Health and social work	8.0	2.5
			Financial intermediation	4.5	4.9
			Other community, social and personal service activities	4.0	2.2
			Hotels and restaurants	3.2	1.7
			Electricity, gas and water supply	1.5	1.9

The ranking of industries according to an increase/decrease in the number of persons carrying out the activity changes from one quarter to another. With this in mind one should stress the fact that an increase/decrease in employment may strongly differ from values derived from other sources. This is apparent, e.g., in the case of employment trends in public administration, where the differences compared to figures of business statistics stem among others from the fact that the LFSS idea of employment is more general in nature (see Introduction) and is not directly related to the so-called registered numbers of persons.

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

**Employees and self-employed - first job holders: by industry  
(3<sup>rd</sup> quarter of 2005, persons in thousand)**

Industries	Total employment	Of which			
		Employees	Self-employed		
			Total	With employees	Without employees
TOTAL	4797.2	4020.3	723.2	174.2	549.0
of which:					
Agriculture, hunting and related service activities	150.0	107.4	24.2	3.5	20.7
Forestry, fishing and related service activities	40.8	31.3	9.5	-	9.5
Mining and quarrying	46.7	45.4	1.3	.	1.1
Manufacturing	1307.1	1206.6	92.6	29.3	63.3
Electricity, gas and water supply	76.9	73.1	3.5	1.1	2.4
Construction	464.7	296.8	163.2	27.8	135.4
Trade, rep. of mot.vehicles, pers., househ.goods	612.4	463.0	139.8	41.7	98.1
Hotels and restaurants	183.8	148.1	31.6	17.4	14.2
Transport, storage and communication	365.0	320.2	42.1	9.6	32.5
Financial intermediation	95.4	74.9	20.5	1.6	18.8
Real estate, renting and business activities	295.7	191.3	101.1	16.5	84.6
Publ.administration, defence, comp.soc.security	337.5	331.8	5.5	1.2	4.3
Education	291.4	282.5	8.5	2.6	5.9
Health and social work	335.1	304.7	28.7	16.4	12.3
Other community, social and personal services	188.6	138.8	49.5	5.2	44.3

Only a few industries reported significant numbers of **members of producers' cooperatives**. Their frequency further decreased to 14.6 thousand in agriculture. Their number dropped to 2.1 thousand in manufacturing. Number of **contributing family workers** is higher in industries of trade (8.8 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 agriculture, hunting and related service activities. 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 (-21.0 thousand), in forestry, fishing and related service activities (-4.8 thousand), and in hotels and restaurants (-4.6 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, 34.2 % in real estate, renting and business activities, 26.2 % in other community, social and personal service activities, 23.2 % in forestry and fishing and 22.8 % in trade, repair of motor vehicles and personal and household goods. Their shares were low in public administration, defence and social compulsory security (1.6 %) and in mining and quarrying (2.8 %).

**Increases/decreases in numbers of the self-employed: by CZ-NACE activity  
(3<sup>rd</sup> quarter 2004 to 3<sup>rd</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	1.5	7.7	-2.8	-44.6
Manufacturing	-3.5	-5.2	0.2	0.6
Construction	4.0	3.0	0.5	1.8
Trade, repair of motor vehicles, person., househ. goods	-21.0	-17.7	-10.7	-20.5
Hotels and restaurants	-4.6	-24.5	-0.5	-2.8
Transport, storage and communication	-2.9	-8.1	1.2	13.9
Financial intermediation	1.8	10.7	0.5	44.1
Real estate, renting and business activities	5.5	7.0	-0.4	-2.2
Education	-0.8	-12.2	0.4	15.5
Health and social work	2.6	26.9	-1.2	-6.6
Other community, social and personal service activities	-2.3	-4.9	0.5	10.3

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 3.2 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>	723.2	403.3	100.0	133.1	100.0	145.7	100.0	41.1	100.0
Construction	163.2	134.8	33.4	27.6	20.8	.	.	.	.
Trade, repair of motor veh. and pers. and househ. goods	139.8	67.8	16.8	29.9	22.5	30.3	20.8	11.8	28.6
Real estate, renting and business activities	101.1	46.5	11.5	11.3	8.5	38.2	26.2	5.2	12.6
Manufacturing	92.6	51.0	12.7	25.5	19.1	12.2	8.4	3.9	9.4
Other community, social and personal service activities	49.5	14.8	3.7	3.3	2.5	29.5	20.2	1.9	4.7
Transport, storage, communication	42.1	28.8	7.1	8.7	6.5	3.6	2.5	0.9	2.3
Hotels and restaurants	31.6	8.8	2.2	12.0	9.0	5.5	3.8	5.4	13.2
Health and social work	28.7	5.5	1.4	7.5	5.7	6.8	4.7	8.8	21.5
Agriculture incl. hunting	24.2	16.7	4.1	2.6	2.0	4.0	2.7	0.9	2.1

<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 95.1 % of persons working **full time** in their first jobs. Of the total of 235.0 thousand employed persons in their **part time employment**, 47.8 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 (77.1 %).

There were in total 118.4 thousand **second job holders** in the civil sector in the 3<sup>rd</sup> quarter. After longer time the frequency of these employed rose year-on-year by 4.7 thousand. The share of males made up 57.0 %. Unlike first job holders, working contracts with limited job tenure are much more represented here (21.7 %). The number of second job holders is high especially in Prague (17.6 thousand), in other regions overtops the level of 10 thousand in the Moravskoslezský (14.1 thousand), Středočeský (13.3 thousand), Jihomoravský (11.3 thousand) and Královéhradecký (10.8 thousand) Regions.

Similarly, the structure of professional status of second job holders substantially differs from that of first job holders. Employees, who account for 39.2 % of all second job holders (46.4 thousand), increased by 5.4 thousand when compared to 3<sup>rd</sup> quarter 2004. The number self-employed (incl. family workers) second job holders went down (by 0.4 thousand), but their share in all second jobs is still high (60.8 %). The most numerous status group are the male self-employed: a total of 44.9 thousand (including family workers), i.e. 66.5 % of male second job holders.

Second jobs affect total employment in the industries of education (14.3 thousand), trade, repair of motor vehicles and personal and household goods (14.1 thousand), manufacturing (12.9 thousand), and especially real estate, renting and business activities (24.0 thousand), where they account for 8.1 % of first job holders in industry. One should respect the big difference in the average hours of work in the first and second jobs.

Average **usual hours of work per week of first job holders** in the civil sector stood at 41.9. 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 (36.1). First job holders working full time and part time worked usually 42.9 hours a week and 23.3 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 (48.1 hours), where the employment is very low though. Employed in construction (46.5 hours), in agriculture, hunting and related service activities (45.5 hours) and hotels and restaurants (45.3 hours) indicated an above-average number. Actual hours worked in second jobs stood at 12.4 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 (3<sup>rd</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	4546.3	235.0	118.4
Employees	3810.5	194.5	46.4
Members of producers' cooperatives	16.8	1.8	-
Self-employed (incl. family workers)	718.9	38.8	71.9
Average usually weekly worked hours			
The employed, all	42.9	23.3	12.4
Employees	41.4	23.8	10.2
Members of producers' cooperatives	44.7	26.2	-
Self-employed (incl. family workers)	50.9	21.0	13.8

<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 59.6 % (both sexes) and increased by 0.4 percentage point in comparison with its level in the 3<sup>rd</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 17.1 %. 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. The detailed data on the trend of economic activity by age groups are shown in table no. 508.

**Participation rate: by age and sex  
(3<sup>rd</sup> quarter 2005)**

Sex	All	Age group			
		15-29	30-44	45-59	60+
Males	69.0	60.4	96.8	89.6	16.3
Females	50.9	43.1	82.9	76.0	5.1

Among the employed in the civil sector, 94.5 thousand persons (including 48.8 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 – 56.0 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 (18.1 thousand). The activity of the employed in seeking different or another job was comparatively the highest in the Zlínský (3.3 %) and Olomoucký (3.0 % 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 404.6 thousand in the 3<sup>rd</sup> quarter 2005, including 225.7 thousand females (55.8 %), and decreased by 15.8 thousand above their number in the 3<sup>rd</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 40-60 by 7.7 thousand and 30-34 by 2.6 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 19.1 thousand and fall of unemployed men proved mainly in age group 20-24 (by 13.6 thousand). The number of unemployed women increased in the same period totally by 3.3 thousand and this growth showed the most in age 45-49 (by 3.1 thousand).

The number of persons with basic education amounted to 94.2 thousand (i.e. 23.3 % of total unemployment), and the number of unemployed leavers from secondary schools without the General Certificate of Secondary Education was high (194.6 thousand, i.e. 48.1 % 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 24.4 % and 50.9 %, respectively (22.4 % and 45.9 %, respectively, among unemployed women), also persons with secondary education with GCE are strongly represented among unemployed women (27.6 % of unemployed women).

The number of unemployed with work experience, who finished their last job before less than 8 years, amounted to 300.1 thousand and decreased compared to the 3<sup>rd</sup> quarter 2004 by 21.5 thousand. According to the ascertained industrial breakdown the unemployed with experience of work had worked the most frequently in manufacturing (94.4 thousand); trade, repair of motor vehicles and personal and household goods (50.5 thousand); and in hotels and restaurants (23.3 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 (71.2 thousand - 23.7 % of all unemployed persons with experience of employment), service workers and shop and market sales workers (63.5 thousand - 21.2 %), craft and related trades workers (51.2 thousand - 17.1 %) and plant and machine operators and assemblers (40.8 thousand - 13.6 %).

The number of **long-term unemployed** (one year and more) decreased to 214.1 thousand (-2.0 thousand), their share in the total unemployed exceeds one half (52.9 %). The drop of long-term unemployment proved mostly in age group 20-29 years, of 3.9 thousand men, of 5.2 thousand women respectively. The number of persons unemployed for more than four years went up vice versa by 0.8 thousand to 64.3 thousand (15.9 % of the total unemployed).

**The unemployed: job seeking duration  
(3<sup>rd</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
404.6	59.1	46.7	84.5	82.6	131.5	.

According to the LFSS results, the **general unemployment rate according to ILO** (derived for the age group of 15+) was 7.8 % in 3<sup>rd</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 8.8 % - by 0.4 points lower than a year ago.

Most of the unemployed (71.4 %) 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 (2.6 %) and persons with secondary education with GCE (5.2 %). The high unemployment rate continued in the group of persons with elementary education (25.6 %). 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  
(3<sup>rd</sup> quarter 2005, thousand persons)**

Category	Number
<b>I. Persons who conveyed registration by the labour offices</b>	<b>400.7</b>
including:	
a) those who satisfy ILO conditions for inclusion among the unemployed	336.9
b) those not satisfy ILO conditions	63.8
due to:	
- they worked in reference week	2.8
- they did not seek a job during the last 4 weeks	42.6
- they are not available for work within 14 days	18.4
<b>II. Unemployed meeting ILO conditions and not registered by the labour offices</b>	<b>67.7</b>
<b>III. All number of ILO unemployed (I.a + II.)</b>	<b>404.6</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	11.2
- not seek work but wish to work	251.4
of which: available for work within 14 days	52.6

In the period in question the number of job applicants actually registered by labour offices reached 500.7 thousand, which was a figure which differed by 100.0 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. The current form of questionnaire authorizes to the assumption that positive answer on employment in the reference week influences following answers on the questions on main status and especially the registration in Labour Offices to some extent. Recently there is clearly an identical development of both unemployment rates.

Regarding the need of keeping the anonymous data and optionality of participation in the LFSS, the CZSO has no possibility to compare the surveyed data with other sources, e.g. with the evidence of Labour Offices. From the trend of difference between the number of persons registered by Labour Offices and the number of this persons measured by LFSS is possible to judge that influence of change in questionnaire content proved in reduction of the unemployed persons in LFSS in range from 30 to 50 thousand.

- Relatively higher **rate of non-response** is caused by high share of empty flats in sample and mainly categorical refusals of cooperation. On the base of structure rejected answers during

repeated visits one must assume that social structure of households, which refused the cooperation, can partly differ from the structure of interviewed households and the group of unemployed who refuse to communicate within the sample survey can be over-represented among them. Thanks to more intensive contact of LFS field-workers with respondents' households the total non-response decreased in last quarters.

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

The number of **economically inactive** aged 15 and more (in according to the methodology of sample survey it involves persons who neither had a job, nor sought a job in last 4 weeks nor fulfil all conditions for being included among unemployed) decreased by 16.5 thousand year-on-year and reached 3522.6 thousand persons in 3<sup>rd</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 (1.7 thousand) and number of apprentices dropped (-2.8 thousand), the number of students on secondary schools increased by 5.6 thousand up to 384.9 thousand. The number of university students went up rapidly by 17.4 thousand to 260.9 thousand and the number of persons attending the other type of education or training (out of regular education system) increased by 0.5 thousand to 12.1 thousand.

The number of not working persons in regular retirement who did not seek a job, dropped by 9.4 thousand onto 1818.6 thousand and the number of early retired went down by 6.5 thousand onto 67.4 thousand. The number of persons retired due to disability decreased (by 2.3 thousand onto 306.9 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 54.4 % onto 55.0 %. The **total employment rate of persons aged 15-64** grew year-on-year by 0.8 percentage points to 65.2 %. The relative increase in the employment of men at working age was high (1.0 percentage points to 73.8 %), in women it increased by 0.5 percentage points to 56.5 %). On one hand this employment rate is reduced by the fast increase in persons studying on high schools and universities and pushed up by the employment of persons aged between 30 and retirement age 55-64 on the other hand.

Compared internationally, the Czech Republic is among the countries with the above-the-average employment intensity in the EU. According to the latest complete data for 2<sup>nd</sup> quarter 2004 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 2005). Nevertheless, differences in employment rates are considerable, not only if we compare the whole age group 15-64 (in 2<sup>nd</sup> quarter 2004 76.0 % in Denmark and only 51.4 % in Poland), but also if specific age groups or employment rates of men and women are compared.

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 1<sup>st</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 and also for the age group 25-54, which leaves aside the young people preparing for their future occupation and a prevailing part of pensioners. Employment rate is given for five-year age groups 55-59 and 60-64. These groups

significantly influence the employment level in individual member states. Besides the complete data for 2<sup>nd</sup> quarter 2004, also updated data for 1<sup>st</sup> quarter 2005 are given.

### Employment rate for selected age groups in the EU member states in Q2 2004 and Q1 2005

%

State	Age group							
	15-64		25-54		55-59		60-64	
	Q2 2004	Q1 2005	Q2 2004	Q1 2005	Q2 2004	Q1 2005	Q2 2004	Q1 2005
EU25	63.0	.	76.6	.	54.2	.	25.4	.
EU15	64.5	.	77.4	.	56.3	.	26.5	.
Belgium	60.5	60.9	77.3	78.2	43.0	41.7	13.3	15.7
<b>Czech Republic</b>	<b>64.1</b>	<b>64.1</b>	<b>81.4</b>	<b>81.2</b>	<b>58.7</b>	<b>61.0</b>	<b>20.8</b>	<b>21.8</b>
Denmark	76.0	75.2	84.0	83.4	78.1	77.3	40.6	37.5
Estonia	62.9	63.2	78.6	78.5	67.6	66.8	37.4	44.0
Finland	68.3	66.7	80.9	81.1	65.3	64.3	30.2	31.3
France	63.2	62.8	79.9	79.5	54.0	54.5	13.5	13.0
Ireland	65.5	66.8	76.7	77.6	57.6	58.2	39.1	41.0
Italy	57.7	57.3	72.4	72.0	40.8	42.0	18.7	18.4
Cyprus	69.4	68.4	82.9	81.6	59.3	59.2	41.9	37.2
Lithuania	61.4	61.4	79.8	80.3	61.4	57.6	31.6	33.8
Latvia	62.2	62.5	78.6	77.6	59.3	64.4	33.8	33.4
Luxembourg	61.6	.	78.7	.	45.6	.	11.9	.
Hungary	56.6	56.4	73.7	73.0	46.0	47.6	13.1	14.6
Malta	53.8	54.6	60.6	62.9	41.1	44.2	5.9	14.9
Germany	64.3	64.9	77.2	77.0	61.3	63.2	25.3	27.6
Netherlands	73.1	72.6	82.5	82.3	60.0	61.3	23.6	24.8
Poland	51.4	51.5	68.0	68.4	32.3	30.8	17.7	17.2
Portugal	68.0	67.3	81.3	80.6	57.3	58.5	41.8	41.4
Austria	67.7	67.6	82.7	81.7	47.5	48.0	12.0	13.7
Greece	59.6	59.5	73.7	73.4	47.8	48.5	29.7	31.0
Slovakia	56.7	56.9	74.4	74.5	40.2	42.1	9.0	11.6
Slovenia	65.6	65.2	84.0	83.5	43.9	40.5	16.1	14.7
United kingdom	71.5	71.8	80.7	81.1	67.7	68.3	41.3	42.3
Spain	60.9	62.1	72.5	73.4	49.8	51.9	30.6	31.4
Sweden	72.4	70.7	83.4	82.0	78.0	78.6	57.8	58.5

Source: Eurostat New Cronos database

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 2<sup>nd</sup> quarter of 2005* provided for 2<sup>nd</sup> quarter 2004 detailed data on employment rate of this group of people at the pre-retirement and retirement age for all the EU member states. These data showed that some countries, mainly the Scandinavian ones, but also e.g. the United Kingdom, already met this goal in 2004 and a number of countries were able to raise the employment rate of this age category by more than 10 percentage points in 1998-2004 (for example Finland, Hungary, Latvia and the Netherlands). The Czech Republic is among the countries with the above-the-average growth rate of employment among 55-64-year-old persons not only in the comparable period of 1998-2004, but according to the LFSS results also in the hitherto quarters of 2005. It was just the age group 55-64 where the employment rate in the Czech Republic grew more

year-on-year than in any other age group throughout the working age interval (+2.3 percentage points on 3<sup>rd</sup> quarter 2004 to 45.2%).

The effect of different retirement age is documented by data on the employment rate of the age groups 55-59 and 60-64 broken down by sex. Whereas the employment rate of men aged 55-59 was in the Czech Republic in 1<sup>st</sup> quarter 2005 the fourth highest among all the EU member states, employment rate of women was somewhere in the middle of the EU interval. A more difficult situation is in the age group 60-64 where the employment rate in the Czech Republic is rather low among both men and women.

Creation of favourable conditions and job opportunities for persons at the pre-retirement and young retirement age and anticipated changes in legislation should, under the high employment intensity at young and medium working age, 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 EU15.

#### Employment rate for men and women aged 55-59 and 60-64 in the EU member states in Q2 2004 and Q1 2005

State	Age group							
	55-59				60-64			
	Q2 2004		Q1 2005		Q2 2004		Q1 2005	
	Men	Women	Men	Women	Men	Women	Men	Women
EU25	64.8	43.9	.	.	34.0	17.5	.	.
EU15	66.7	46.2	.	.	35.2	18.3	.	.
Belgium	54.4	31.6	53.4	29.9	19.1	7.8	23.6	8.2
<b>Czech Republic</b>	<b>76.1</b>	<b>42.4</b>	<b>78.4</b>	<b>44.7</b>	<b>29.9</b>	<b>12.8</b>	<b>32.6</b>	<b>12.3</b>
Denmark	83.7	72.5	80.8	73.8	51.0	29.7	46.8	28.2
Estonia	63.2	71.1	66.2	67.2	44.6	32.2	50.7	39.2
Finland	64.3	66.3	62.7	65.8	33.1	27.6	34.0	28.6
France	59.5	48.8	58.8	50.4	14.6	12.4	13.6	12.4
Ireland	73.2	41.5	72.4	43.8	53.5	24.4	56.3	25.6
Italy	53.6	28.6	54.5	30.1	29.6	8.6	27.8	9.8
Cyprus	79.9	39.6	81.9	37.6	60.3	24.5	56.9	18.7
Lithuania	65.9	57.8	63.0	53.5	45.5	21.5	51.2	21.3
Latvia	66.5	53.8	70.7	59.5	40.4	29.0	42.2	27.2
Luxembourg	57.1	33.9	.	.	14.9	8.8	.	.
Hungary	53.9	39.2	55.8	40.7	18.9	8.6	20.8	9.8
Malta	68.5	15.6	68.9	21.8	10.8	1.6	30.1	0.7
Germany	69.5	52.8	71.2	55.5	33.2	17.6	35.4	20.2
Netherlands	74.7	45.0	75.0	47.4	31.4	15.7	31.8	17.7
Poland	41.5	24.1	40.9	21.8	24.1	12.2	23.4	12.1
Portugal	66.0	49.5	67.6	50.3	50.5	34.2	48.0	35.7
Austria	64.1	31.7	60.9	35.6	17.5	6.9	20.3	7.6
Greece	69.1	28.3	69.1	29.0	41.6	19.0	44.4	19.3
Slovakia	64.8	19.0	66.5	20.8	15.0	4.3	18.6	5.9
Slovenia	59.8	27.7	57.8	22.3	20.8	11.9	21.6	8.3
United kingdom	74.6	61.1	75.0	61.8	53.4	29.8	54.6	30.6
Spain	70.1	30.5	70.8	33.8	44.5	17.5	45.6	18.1
Sweden	79.4	76.7	80.2	77.1	60.9	54.6	62.2	54.7

Source: Eurostat New Cronos database

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 3<sup>rd</sup> quarter of 2005, their number amounted to 272.7 thousand, which was by 23.3 thousand less year-on-year. A large number of these persons were found in age group up to 24 years (90.2 thousand), predominantly among students or apprentices. The relatively high number of people in the age group 25-34 (47.8 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 18.7 thousand and 32.9 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 48.8 thousand, old-age pensioners largely prevailing among persons interested in job.