

### III. Characteristic of results – 3rd 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 3rd quarter of 2004 amounted to 4717.4 thousand persons, of which males and females accounted for 2673.9 thousand (56.7 %) and 2043.4 thousand (43.3 %), respectively. Year-on-year total employment was lower by 10.5 thousand. As a relative figure, the fall in the number of first job holders amounted to 0.2 %. At the same time the number of first job holders with the limited duration of working contract decreased - it was 353.9 thousand in all in the 3rd quarter of 2004 (of which 184.7 thousand females) - i.e. by 22.5 thousand less in total than in the 3rd quarter of 2003.

Prevailing in the number of employed persons were **employees** (3902.3 thousand); their number increased by 7.7 thousand year-on-year. The share of employees in total employment rose by 0.3 percentage points to 82.7 %. The number of the **self-employed** reached 790.1 thousand, which was by 14.9 thousand less year-on-year. Compared to the 3rd quarter of 2003, the percentage of the whole entrepreneurial sphere dropped by 0.3 percentage points to 16.7 % of total employment. The number of the self-employed with employees decreased by 5.5 thousand to 187.9 thousand and that of contributing family workers fell by 1.8 thousand to 31.3 thousand. The number of the self-employed without employees decreased too by 7.6 thousand and reached 570.9 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	3902.3	82.7	2087.8	78.1	1814.4	88.8
Members of producers' coop.	24.6	0.5	15.4	0.6	9.2	0.4
Self-employed without employees	570.9	12.1	415.3	15.5	155.6	7.6
Self-employed with employees	187.9	4.0	147.1	5.5	40.8	2.0
Contributing family workers	31.3	0.7	7.8	0.3	23.5	1.1
All	4717.4	100.0	2673.9	100.0	2043.4	100.0

Eight regions (NUTS 3) out of fourteen saw lower employment: most in Olomoucký (11.5 thousand), Hl. m. Praha (7.8 thousand) and Pardubický (4.5 thousand) Regions. On the other hand, employment increased the most in the Ústecký (5.8 thousand) and Moravskoslezský (5.2 thousand) Regions. A higher growth of the number of employees was recorded only for the Moravskoslezský (8.2 thousand) and Liberecký (6.9 thousand) Regions, while employees dropped in number in most in Olomoucký (-9.3 thousand), Hl. m. Praha (-4.9 thousand) and Jihočeský (-3.7 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 95.3 thousand and reached 695.2 thousand.). And it is the category of employees in Prague where the high commuting balance occurs mainly exclusively (90.6 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 -60.4 thousand, largely in favour of Prague), for Moravskoslezský (-10.7 thousand), for Ústecký (-8.4 thousand) and Vysočina (-8.1 thousand) Regions. Negative balance of commuting for other regions varied from -1.7 thousand in Zlínský Region to -8.0 thousand in Jihočeský Region. The regional borders were crossed generally by employees (90.8 % of interregional commuting).

**Increases/decreases in the number of first job holders: by professional status and region  
(3rd quarter 2003 to 3rd 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																
-10.5	-0.2	-7.8	4.9	0.7	-0.4	-2.3	5.8	3.9	-3.8	-4.5	-0.7	-0.5	-11.5	0.7	5.2	
Employees, incl. members of producers' cooperatives																
4.5	0.1	-4.6	-4.7	-3.7	-2.0	1.8	3.4	6.6	2.2	3.7	0.4	6.0	-9.6	-2.8	7.8	
Self-employed																
-13.1	-1.7	-3.0	10.7	4.0	1.3	-3.5	1.2	-3.7	-4.8	-7.8	-0.9	-4.6	-2.1	2.9	-2.8	

There are still rather large regional differences in the structure of employed persons by professional status. The share of employees ranges from 78.4 % in Hlavní město Praha Region up to 85.6 % in the Pardubický and 87.0 % in the Moravskoslezský Regions. A relatively high proportion of members of producers' cooperatives, mainly agricultural ones, is clearly in the Vysočina Region (3.5 %), it ranges from a statistically negligible figure in the Karlovarský, Ústecký 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): 20.9 % of all first job holders living on the territory of the capital city. As for the other regions, the percentage is rather high in the Středočeský (19.0 %), Zlínský (17.4 %) and Královéhradecký (17.0 %) 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 (12.5 %), Pardubický (12.9 %) and Vysočina (13.2 %) Regions. The number of contributing family workers exceeded the number of members of producers' cooperatives and their share on total employment in areas ranged from 0.1 % in Karlovarský Region to 1.5 % 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	4717.4	100.0	2673.9	100.0	2043.4	100.0
including:						
Agriculture, hunting and related service activities	165.7	3.5	109.9	4.1	55.8	2.7
Forestry, fishing and related service activities	41.8	0.9	34.5	1.3	7.3	0.4
Mining and quarrying	58.8	1.2	52.1	1.9	6.7	0.3
Manufacturing	1279.0	27.1	794.1	29.7	484.9	23.7
Electricity, gas and water supply	75.4	1.6	60.5	2.3	14.9	0.7
Construction	440.4	9.3	405.6	15.2	34.8	1.7
Trade, rep. of mot.vehicles, pers.and househ.goods	631.0	13.4	308.3	11.5	322.7	15.8
Hotels and restaurants	180.7	3.8	86.1	3.2	94.6	4.6
Transport, storage and communication	366.3	7.8	246.9	9.2	119.4	5.8
Financial intermediation	90.9	1.9	30.9	1.2	60.0	2.9
Real estate, renting and business activities	275.8	5.8	155.1	5.8	120.7	5.9
Public administration, defence, compul.soc.security	324.1	6.9	179.4	6.7	144.7	7.1
Education	270.9	5.7	59.7	2.2	211.2	10.3
Health and social work	327.1	6.9	60.2	2.3	266.8	13.1
Other community, social and personal services	184.5	3.9	89.7	3.4	94.8	4.6

In the structure of employment by sector, workers in services (CZ-NACE G-Q), where already worked 56.3 % 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 3rd quarter 2003 and 3rd quarter 2004. The employment in **primary sector** (agriculture, forestry, fishing) has already declined under level of 210 thousand persons (207.5 thousand). The decrease in the number of persons employed in the **secondary sector** (by 6.1 thousand to 1853.6 thousand compared to 3rd quarter 2003) primarily resulted from a 13.3 thousand fall in the employment in manufacturing where manufacture of other non-metallic mineral products

(-11.0 thousand), manufacture of wearing apparel (-10.8 thousand) and manufacture of machinery and equipment (-8.8 thousand) decreased their employment most. On the other hand, employment went up in manufacture of motor vehicles (18.3 thousand), manufacture of chemicals and chemical products (5.7 thousand) and manufacture of medical, precision and optical instruments, watches and clocks (4.4 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 (6.3 thousand).

Employment in the **sector of services** stagnated in total, but the individual branches of the sector developed differently: The employment grew most in health and social care (21.1 thousand), hotels and restaurants (9.2 thousand) and transport (4.8 thousand). In the branch of health and social work the employment increased most in human health activities (17.1 thousand), in the branch of hotels and restaurants it raised mostly in restaurants (3.7 thousand) and canteens and catering (3.6 thousand). In the branch of transport it grew up mainly in land transport excepting for transport via railways (6.4 thousand).

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: -19.5 thousand). The number of employed considerably decreased in the industry of real estate, renting and business activities (-10.4 thousand) and in education (-7.5 thousand).

**Increases/decreases in numbers of first job holders: by industry  
(3rd quarter 2003 to 3rd quarter 2004)**

Industries	Decrease		Industries	Increase	
	Thous.	%		Thous.	%
Manufacturing	-13.3	-1.0	Health and social work	21.1	6.9
Public administration, defence and compulsory social security	-13.1	-3.9	Hotels and restaurants	9.2	5.4
Real estate, renting and business activities	-10.4	-3.6	Mining and quarrying	7.5	14.7
Education	-7.5	-2.7	Transport, storage and communication	4.8	1.3
Financial intermediation	-6.9	-7.1	Trade, repair of motor vehicles and pers. and household. goods	3.3	0.5
Agriculture incl. hunting	-3.1	-1.8	Construction	1.7	0.4
Electricity, gas and water supply	-2.1	-2.7	Other community, social and personal service activities	0.3	0.2
Forestry, fishing	-0.7	-1.7			

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  
(3rd quarter of 2004, persons in thousand)**

Industries	Total employment	Of which			
		Employees	Self-employed		
			Total	With employees	Without employees
TOTAL	4717.4	3902.3	758.8	187.9	570.9
Agriculture, hunting and related service activities	165.7	116.7	25.5	6.3	19.2
Forestry, fishing and related service activities	41.8	27.3	14.5	0.3	14.2
Mining and quarrying	58.8	57.8	1.0	0.5	0.6
Manufacturing	1279.0	1176.9	95.9	29.1	66.7
Electricity, gas and water supply	75.4	72.0	3.3	0.8	2.5
Construction	440.4	277.9	158.7	27.3	131.4
Trade, rep. of mot.vehicles, pers., househ.goods	631.0	448.1	171.5	52.4	119.1
Hotels and restaurants	180.7	140.7	36.7	17.9	18.8
Transport, storage and communication	366.3	319.8	43.8	8.5	35.3
Financial intermediation	90.9	72.8	18.2	1.1	17.0
Real estate, renting and business activities	275.8	177.6	96.0	16.8	79.1
Publ.administration, defence, comp.soc.security	324.1	318.6	5.5	2.0	3.5
Education	270.9	261.7	9.0	2.3	6.7
Health and social work	327.1	298.2	27.2	17.5	9.7
Other community, social and personal services	184.5	132.5	51.3	4.7	46.6

Only a few industries reported significant numbers of members of producers' cooperatives. Nevertheless, their frequency further decreased by 2.6 thousand to 20.7 thousand in agriculture. Their number grew slightly to 2.7 thousand in manufacturing. Number of contributing family workers is higher in industries of trade (10.4 thousand) and construction (3.7 thousand).

The development in the number of employers (the self-employed with employees) went down almost in all of industries, most of all in real estate, renting and business activities and transport, storage and communication. 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 construction (-3.8 thousand), in real estate, renting and business activities (-2.9 thousand) and in other community, social and personal service activities (-2.4 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 36.0 % of all first job holders in industry in construction, 34.8 % in real estate, renting and business activities, 34.7 % in forestry and fishing, 27.8 % in other community, social and personal service activities and 27.2 % in trade, repairs of motor vehicles and personal and household goods. Their shares were low in public administration and defence and social compulsory security (1.7 %) and in mining and quarrying (1.7 %).

**Increases/decreases in numbers of the self-employed: by CZ-NACE activity  
(3rd quarter 2003 to 3rd quarter 2004)**

CZ-NACE activity	Self-employed			
	Without employees (own-account workers)		With employees (employers)	
	Thous.	%	Thous.	%
Agriculture, hunting and related service activities	-2.2	-10.3	0.2	2.7
Manufacturing	-1.8	-2.6	-1.5	-5.0
Construction	-3.8	-2.8	0.9	3.2
Trade, repair of motor vehicles, person., househ. goods	-0.5	-0.4	3.5	7.2
Hotels and restaurants	1.7	10.0	-0.4	-2.0
Transport, storage and communication	3.0	9.3	-2.2	-20.7
Financial intermediation	0.4	2.7	-0.6	-34.8
Real estate, renting and business activities	-2.9	-3.6	-2.2	-11.6
Education	-0.2	-3.5	0.7	44.8
Health and social work	0.1	1.1	-2.1	-10.7
Other community, social and personal service activities	-2.4	-5.0	-2.2	-31.5

The total number of first job male entrepreneurs exceeds the total number of first job female entrepreneurs 2.9 times (2.7 times in the group of self-employed without employees and 3.6 times in the group of self-employed with employees). In addition to the general prevalence of the number of the male self-employed over that of the female self-employed, there are differences in the industrial structure of this category between both sexes. The prevailing of male self-employed persons over female self-employed persons is distinct in most of the industries, particularly in construction, in trade, repairs of motor vehicles and personal and household goods and in manufacturing. On the other hand, there are more female entrepreneurs than male ones in other community, social and personal service activities and in health and social work.

**Self-employed: by CZ-NACE activity, by sex**

Industries	All Thous.	Male self-employed				Female self-employed			
		Without employees		With employees		Without employees		With employees	
		Thous.	%	Thous.	%	Thous.	%	Thous.	%
TOTAL including <sup>1)</sup>	758.8	415.3	100.0	147.1	100.0	155.6	100.0	40.8	100.0
Trade, repair of motor veh. and pers. and househ. goods	171.5	79.0	19.0	40.9	27.8	40.2	25.8	11.5	28.3
Construction	158.7	129.1	31.1	26.9	18.3	2.3	1.5	0.4	0.9
Real estate, renting and business activities	96.0	46.1	11.1	14.2	9.7	33.0	21.2	2.6	6.5
Manufacturing	95.9	52.7	12.7	24.9	16.9	14.1	9.0	4.3	10.5
Other community, social and personal service activities	51.3	18.6	4.5	3.0	2.0	28.0	18.0	1.8	4.3
Transport, storage, communication	43.8	30.5	7.3	7.8	5.3	4.9	3.1	0.7	1.6
Hotels and restaurants	36.7	11.3	2.7	12.1	8.2	7.5	4.8	5.8	14.2
Health and social work	27.2	4.2	1.0	6.4	4.3	5.5	3.5	11.1	27.3
Agriculture incl. hunting	25.5	15.6	3.8	5.7	3.9	3.6	2.3	0.6	1.5

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

In the **civil sector of the national economy**, there were 95.3 % of persons working **full time** in their first jobs. Of the total of 222.2 thousand employed persons in their **part time employment**, 44.4 thousand were classified as **underemployed** (0.9 % 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 113.7 thousand **second job holders** in the civil sector in the 3rd quarter. Frequency of this category of employed decreased by 9.0 thousand year-on-year. The share of males made up 64.3 %. Unlike first job holders, working contracts with limited job tenure are much more represented here (20.4 %). The number of second job holders is high especially in Prague (20.1 thousand), in other regions overtops the level of 9 thousand in Moravskoslezský (11.2 thousand) and Jihomoravský (9.8 thousand) Regions.

Similarly, the structure of professional status of second job holders substantially differs from that of first job holders. Employees, who account for 36.1 % of all second job holders (41.0 thousand), decreased by 6.3 thousand when compared to 3rd quarter 2003. The number self-employed (incl. family workers) second job holders went down (by 3.0 thousand), and their share in all second jobs is 63.7 %. The most numerous status group are the male self-employed: a total of 51.3 thousand (including family workers), i.e. 70.2 % of male second job holders.

Second jobs affect total employment in the industries of trade, repairs of motor vehicles and personal and household goods (15.3 thousand), manufacturing (14.4 thousand), other community, social and personal service activities (13.2 thousand), and especially real estate, renting and business activities (19.2 thousand), where they account for 7.0 % of first job holders in industry. One should respect the big difference in the average hours of work in the first and second jobs.

Average **usual hours of work per week** of **first job holders** in the civil sector stood at 42.0. The number of these hours represents an average number of hours normally worked by a person in week including the regular overtime disregarding whether they are paid but do not cover the time spent on commuting from home to work and back and recess. **Hours actually worked** in the reference period were fewer (35.9). First job holders working full time and part time worked usually 42.9 hours a week and 23.5 hours a week, respectively. The largest number of hours usually weekly worked of persons working full-time was shown in industries of construction (46.5 hours), also employed in hotels and restaurants (45.8 hours), in agriculture, hunting and related service activities (45.4 hours) and in real estate, renting and business activities (44.7 hours) indicated an above-average number. The extent of usually worked hours compared to actually worked hours are influenced mainly by the fact that the survey took a place in summer months when on one hand the employed took a holidays and on the other hand the summer season claimed a heightened activity in many jobs and companies. Actual hours worked in second jobs stood at 11.9 hours in the reference week.

When responding to the survey, the self-employed mention that their activity consumes a considerable amount of time. On average, their hours worked per week exceeds those of employees working full time by more than a fifth.

The share of second jobs in the total scope of work executed is shown in the following table, where also the numbers of persons are given on top of average usual hours of work a week.

**Average usually weekly worked hours and numbers of persons employed in civil sector  
of national economy: by professional status (3rd quarter 2004)**

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	4473.7	222.2	113.7
Employees	3703.6	177.8	41.0
Members of producers´ cooperatives	22.7	1.9	0.3
Self-employed (incl. family workers)	747.3	42.6	72.4
Average usually weekly worked hours			
The employed, all	42.9	23.5	11.9
Employees	41.3	24.1	11.6
Members of producers´ cooperatives	42.5	23.3	2.9
Self-employed (incl. family workers)	51.1	20.7	12.1

<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 59.2 % (both sexes) and decreased in comparison with its level in the 3rd quarter of 2003 by 0.2 percentage point. This rate is high in the group of persons aged 30-44, where the percentage of economically inactive males is extremely low (3.1 %) and the percentage of economically inactive females is 17.4 %. 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  
(3rd quarter 2004)**

Sex	All	Age group			
		15-29	30-44	45-59	60+
Males	68.6	61.3	96.9	88.9	13.8
Females	50.5	44.6	82.6	73.6	4.7

Among the employed in the civil sector, 92.7 thousand persons (including 46.9 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 – 56.7 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 (18.2 thousand). The activity of the employed in seeking different or another job was comparatively the highest in the Pardubický (2.6 %), Zlínský (2.4 %) and Hl. m. Praha (2.2 % of all first job holders in the civil sector) Regions.



### III. B. *Unemployment and economic inactivity*

The number of **the unemployed** derived from LFSS results stood at 420.4 thousand in the 3rd quarter 2004, including 222.5 thousand females (52.9 %), and increased by 11.3 thousand above their number in the 3rd quarter 2003 (included are persons who have found their job but they are able to start a job in two weeks). In majority of age groups of productive age the number of unemployed women exceeds the number of unemployed men with an exception of the youth aged to 15-24 years and persons in pre-retiring and retiring age of 55-64 years. However, the total year-on-year increase in unemployment proved exclusively in the male component of population. The number of unemployed handicapped persons was estimated at 40.0 thousand (9.5 % of total unemployment).

The high growth of unemployment occurred especially in age group 15-64. This increase was caused above all by the growth 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 parental leave. Also problematic is the situation of men and women aged 55-59 while the number of the unemployed on the boundary of productive and postproductive age rose by 4.8 thousand persons year-on-year. The number of the unemployed in oldest groups 60+ slightly increased.

The number of persons with basic education amounted to 103.6 thousand (i.e. 24.7 % of total unemployment), and the number of unemployed leavers from secondary schools without the General Certificate of Secondary Education was also high (49.3 %). 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 23.7 % and 53.2 %, respectively (25.5 % and 45.7 %, 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 321.5 thousand and increased compared to the 3rd quarter 2003 by 6.0 thousand. According to the ascertained industrial breakdown the unemployed with experience of work had worked the most frequently in manufacturing (107.0 thousand); trade, repair of motor vehicles and personal and household goods (53.0 thousand); and in construction (27.3 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 (70.4 thousand - 21.9 % of all unemployed persons with experience of employment), craft and related trades workers (65.2 thousand - 20.3 %), service workers and shop and market sales workers (57.5 thousand - 17.9 %) and plant and machine operators and assemblers (45.3 thousand - 14.1 %).

The rise in total unemployment was primarily due to a growth in the number of persons **unemployed for a long time** (one year or more) to 216.1 thousand (+11.7 thousand), their share in the total unemployed being 51.4 %. The increase of long-term unemployment was highly apparent among men in the age groups 20-29 (+8.4 thousand) and 50-59 (+3.6 thousand) and among women aged to 20-29 (3.2 thousand). The number of persons unemployed for more than four years rose by 12.0 thousand to 63.5 thousand (15.1 % of the total unemployed).

#### **The unemployed: job seeking duration (3rd 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
420.4	60.7	49.8	92.9	81.8	134.3	0.9

**General unemployment rate (ILO)** revealed by the LFSS was 8.2 %; it increased by 0.2 point (using the comparable methodology) compared to the 3rd quarter 2003. The different methodology of surveying immediately proved into the difference between the level of general unemployment rate (ILO) and rate of registered unemployment by MLSA. **According to initial methodology** that was valid till June 2004 the **quarterly rate of registered unemployment by MLSA** increased year-on-year by 0.2 percentage point onto 10.1%. That was similar development as of general unemployment rate. **According to new methodology** that is based on quantification of available unplaced job-seekers the **rate of registered unemployment by MLSA** reached 9.3% in the 3rd quarter 2004. 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 (73.9 %) were graduates from secondary schools without GCE or people with basic education. This fact also resulted in considerable differentiation of the rate of unemployment calculated for individual levels of education; the lowest level of unemployment is recorded for university graduates (2.5 %) and persons with secondary education with GCE (5.1 %). 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  
(3rd quarter 2004, thousand persons)**

Category	Number
<b>I. Persons who conveyed registration by the labour offices</b>	<b>419.0</b>
including:	
a) those who satisfy ILO conditions for inclusion among the unemployed	357.6
b) those not satisfy ILO conditions	61.4
due to:	
- they worked in reference week	0.3
- they did not seek a job during the last 4 weeks	39.2
- they are not available for work within 14 days	21.8
<b>II. Unemployed meeting ILO conditions and not registered by the labour offices</b>	<b>62.8</b>
<b>III. All number of ILO unemployed (I.a + II.)</b>	<b>420.4</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	9.5
- not seek work but wish to work	276.0
of which: available for work within 14 days	58.4

In the period in question the number of job applicants actually registered by labour offices reached 530.7 thousand, which was a figure which differed by 111.7 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. 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.

The year-on-year trend of growth of the unemployed as measured by LFS corresponded to growth of job seekers registered by Labour Offices (by 11.3 thousand in LFS, by 10.5 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 28.6 thousand year-on-year and reached 3539.1 thousand persons in 3rd 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 (-15.9 thousand), the number of students on secondary schools increased by 16.4 thousand up to 379.3 thousand. The number of university students rose by 28.3 thousand to 243.5 thousand and the number of persons attending the other type of education or training (out of regular education system) decreased by 2.4 thousand to 11.6 thousand.

The number of not working persons in regular retirement who did not seek a job, rose by 15.7 thousand onto 1828.0 thousand and the number of early retired went up by 1.7 thousand onto 73.8 thousand. The number of persons retired due to disability kept increasing too (by 11.3 thousand onto 309.2 thousand). These data cannot precisely correspond to both numbers of pupils and students by the statistics of Ministry of Education, Youth and Sport and numbers of retired by MLSA, since those pupils, students and retired persons who in reference week fulfilled the conditions for being included among the employed or the unemployed are not included in the economically inactive. For the other groups of economically inactive a significant decrease proved in number of women who took care for family or were in household (by 7.6 thousand to 323.5 thousand).

The decrease in the number of the employed and increasing number of both the unemployed and the economically inactive proved in the fall of **employment rate of persons aged to 15+** (share of main-job holders in number of persons usually living aged to 15 and more years) year-on-year from 54.7 % onto 54.4 %. For better comparability with EU Member States we declare also the **employment rate of persons aged to 15-64 years** that decreased from 64.7 % in 3rd quarter 2003 onto 64.4 % in the 3rd quarter 2004. Nowadays within the edition Statistics in Focus Eurostat prepares an information on development of labour market in the 1st quarter 2004 that will include among others the data on employment rates for all EU Member States, some Candidate Countries and other countries such as Iceland, Norway and Switzerland. From draft it is obvious that the unemployment rate in the CZ reached in the 1st quarter 2004 merely lower value than is the average rate for EU-15. Nevertheless, the more serious fact is that trend of this fall in our population is the strongest. Similar speed is monitored in Austria and Hungary.

**Changes in employment rates of persons aged to 15-64 in EU Member states, Candidate Countries and other European countries (1st quarter 2004)**

Country	Total		Men		Women	
	Q1 2003	Q1 2004	Q1 2003	Q1 2004	Q1 2003	Q1 2004
EU-25	62.4	62.5	70.2	70.0	54.6	55.1
EU-15	63.9	64.1	72.1	71.9	55.7	56.3
Belgium	59.0	59.9	66.3	67.6	51.6	52.0
Czech Republic	65.0	63.7	73.3	71.7	56.7	55.8
Denmark	74.4	74.5	79.5	79.0	69.2	69.9
Estonia	61.2	62.5	64.5	64.9	58.2	60.2
Finland	66.4	65.9	67.5	67.6	65.3	64.2
France	63.2	62.8	69.2	68.8	57.3	56.9
Ireland	64.8	65.7	74.4	75.4	55.0	55.9
Italy	55.5	55.9	69.0	69.4	42.0	42.5
Cyprus	69.2 <sup>1)</sup>	.	78.8 <sup>1)</sup>	.	60.2 <sup>1)</sup>	.
Lithuania	59.0	60.2	61.4	63.2	56.7	57.4
Latvia	61.1	61.4	66.0	64.8	56.7	58.3
Luxemburg	62.7 <sup>1)</sup>	.	73.3 <sup>1)</sup>	.	52.0 <sup>1)</sup>	.
Hungary	56.1	54.6	62.3	60.9	50.2	48.6
Malta	54.7	54.4	74.8	75.9	34.3	32.8
Germany <sup>3)</sup>	64.3	64.1	70.0	69.4	58.5	58.8
The Netherlands	73.6	72.8	80.8	80.1	66.1	65.3
Poland	50.4	50.5	55.2	55.7	45.6	45.5
Portugal	68.1	67.8	74.9	74.5	61.5	61.2
Austria	68.2	66.5	75.3	73.0	61.2	60.1
Greece	57.2	.	72.1	.	42.9	.
Slovakia	56.9	56.1	61.9	61.6	51.9	50.7
Slovenia	62.0	63.8	66.6	68.5	57.4	59.0
United Kingdom	71.6	71.6	77.8	77.7	65.2	65.7
Spain	58.8	60.1	72.5	73.1	45.0	47.0
Sweden	72.0	71.0	73.0	72.4	70.9	69.7
Bulgaria	50.2	51.6	53.3	55.4	47.1	48.0
Romania	55.2	55.4	61.6	61.6	49.0	49.3
Iceland <sup>2)</sup>	85.0 <sup>2)</sup>	.	88.0 <sup>2)</sup>	.	81.9 <sup>2)</sup>	.
Norway	75.0	74.2	78.0	76.9	71.8	71.3
Switzerland	77.8 <sup>1)</sup>	.	84.9 <sup>1)</sup>	.	70.6 <sup>1)</sup>	.

Source: Eurostat

Note: Number of the employed excludes conscripts on military and community service

<sup>1)</sup> annual average 2003

<sup>2)</sup> data for spring months 2002

<sup>3)</sup> data from sources out of LFS

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 3rd quarter of 2004, their number amounted to 296.0 thousand, which was by 1.7 thousand more year-on-year. A large number of these persons were found among people up to 24 years (103.7 thousand) who are mainly students or apprentices. The relatively high number of people in the age group 25-34 (51.6 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 17.4 thousand and 31.4 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. The age group 60+ was represented by 54.6 thousand, old-age pensioners largely prevailing among persons interested in job.