

## II. Characteristic of results – 4th 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 4th quarter of 2004 amounted to 4732.7 thousand persons, of which males and females accounted for 2682.0 thousand (56.7 %) and 2050.7 thousand (43.3 %), respectively. Year-on-year total employment was higher by 7.7 thousand. As a relative figure, the rise 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 358.5 thousand in all in the 4th quarter of 2004 (of which 190.7 thousand females) - i.e. by 27.2 thousand less in total than in the 4th quarter of 2003.

Prevailing in the number of employed persons were **employees** (3929.3 thousand); their number increased by 46.3 thousand year-on-year. The share of employees in total employment rose by 0.8 percentage points to 83.0 %. The number of the **self-employed** reached 779.0 thousand, which was by 35.9 thousand less year-on-year. Compared to the 4th quarter of 2003, the percentage of the whole entrepreneurial sphere dropped by 0.8 percentage points to 16.5 % of total employment. Mainly the number of self-employed without employees fell by 30.7 thousand onto 559.8 thousand persons. The number of self-employed with employees decreased, too, by 5.8 thousand onto 187.3 thousand persons. The number of family contributing members increased minimally (by 0.5 thousand onto 31.9 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	3929.3	83.0	2105.0	78.5	1824.4	89.0
Members of producers' coop.	24.1	0.5	15.4	0.6	8.7	0.4
Self-employed without employees	559.8	11.8	408.4	15.2	151.4	7.4
Self-employed with employees	187.3	4.0	145.9	5.4	41.4	2.0
Contributing family workers	31.9	0.7	7.1	0.3	24.8	1.2
All	4732.7	100.0	2682.0	100.0	2050.7	100.0

Seven regions (NUTS 3) out of fourteen saw lower employment: most in Hl. m. Praha (-8.6 thousand), Olomoucký (-6.0 thousand) and Ústecký (-3.5 thousand) Regions. On the other hand, employment increased the most in the Moravskoslezský (10.7 thousand) and Středočeský (7.6 thousand) Regions. A higher growth of the number of employees was recorded only for the Moravskoslezský (14.5 thousand), Jihomoravský (14.3 thousand), Liberecký (9.6 thousand) and Pardubický (7.9 thousand) Regions, while employees dropped in number in most in Ústecký (-4.6 thousand), Olomoucký (-3.6 thousand) and Vysočina (-2.9 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 95.1 thousand and reached 694.7 thousand.). And it is the category of employees in Prague where the high commuting balance occurs mainly exclusively (91.9 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 -55.6 thousand, largely in favour of Prague), for Vysočina (-11.2 thousand), for Moravskoslezský (-11.0 thousand) and Ústecký (-9.4 thousand) Regions. Negative balance of commuting for other regions varied from -2.4 thousand in Karlovarský Region to -8.2 thousand in Jihočeský Region. The regional borders were crossed generally by employees (90.9 % of interregional commuting).

**Increases/decreases in the number of first job holders: by professional status and region  
(4th quarter 2003 to 4th 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															
7.7	0.2	-8.6	7.6	2.2	1.6	-3.4	-3.5	4.6	2.0	-1.2	-1.2	5.1	-6.0	-2.3	10.7
Employees, incl. members of producers' cooperatives															
43.8	1.1	-1.3	-0.5	4.4	-0.7	0.7	-4.2	9.1	6.5	7.2	1.0	14.1	-4.5	-2.6	14.5
Self-employed															
-36.4	-4.7	-7.3	9.0	-2.6	2.8	-3.6	-1.0	-5.2	-4.3	-7.6	-2.3	-8.6	-1.9	0.3	-4.3

There are still rather large regional differences in the structure of employed persons by professional status. The share of employees ranges from 78.8 % in Hlavní město Praha Region up to 85.8 % in the Pardubický and 87.2 % in the Moravskoslezský Regions. A relatively high proportion of members of producers' cooperatives, mainly agricultural ones, is clearly in the Vysočina Region (3.8 %), it ranges from a statistically negligible figure in the Karlovarský, Liberecký and Hlavní město Praha Regions to 0.9 % 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): 20.7 % 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 (19.4 %), Zlínský (16.9 %) and Královéhradecký (15.8 %) 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 (12.2 %), Pardubický (12.9 %) and Ústecký (13.5 %) Regions. The number of contributing family workers exceeds the number of members of producers' cooperatives and their share on total employment in areas ranges from 0.1 % in Karlovarský Region to 1.4 % in Ústecký Region.

In terms of employment of men and women there still remain the high differences in **industry structure of employed**. The two sexes have the highest employment in manufacturing, but their shares in the other industries differ (see Annex table No. 303 for a rather detailed breakdown of sections of CZ-NACE, which is compatible with NACE, Rev. 1.1; the table provides greater detail on manufacturing and trade branches).

#### Structure of first job holders in the Czech Republic: by CZ-NACE category, by sex

Industries	All		Males		Females	
	Thous.	%	Thous.	%	Thous.	%
TOTAL	4732.7	100.0	2682.0	100.0	2050.7	100.0
including:						
Agriculture, hunting and related service activities	158.5	3.3	104.9	3.9	53.5	2.6
Forestry, fishing and related service activities	39.9	0.8	33.8	1.3	6.1	0.3
Mining and quarrying	55.5	1.2	49.7	1.9	5.8	0.3
Manufacturing	1281.3	27.1	795.8	29.7	485.4	23.7
Electricity, gas and water supply	75.1	1.6	60.0	2.2	15.0	0.7
Construction	451.1	9.5	414.1	15.4	37.0	1.8
Trade, rep. of mot.vehicles, pers.and househ.goods	634.0	13.4	307.9	11.5	326.1	15.9
Hotels and restaurants	172.9	3.7	83.0	3.1	89.9	4.4
Transport, storage and communication	357.8	7.6	242.2	9.0	115.6	5.6
Financial intermediation	94.9	2.0	35.7	1.3	59.2	2.9
Real estate, renting and business activities	277.1	5.9	155.2	5.8	121.9	5.9
Public administration, defence, compul.soc.security	320.8	6.8	176.7	6.6	144.1	7.0
Education	283.2	6.0	64.2	2.4	218.9	10.7
Health and social work	336.3	7.1	66.3	2.5	270.0	13.2
Other community, social and personal services	189.0	4.0	91.2	3.4	97.8	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 4.2 % 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 4th quarter 2003 and 4th quarter 2004. The employment in **primary sector** (agriculture, forestry, fishing) has already declined under level of 200 thousand persons (198.4 thousand). The increase in the number of persons employed in the **secondary sector** (by 8.1 thousand to 1863.0 thousand compared to 4th quarter 2003) primarily resulted from a 12.5 thousand rise in the employment in construction where building installation (13.8 thousand), site preparation (3.8 thousand) and building of complete constructions or parts thereof and civil engineering (3.4 thousand) increased

their employment most. On the other hand, employment went down in building completion (-5.3 thousand).

Employment in the **sector of services** increased in total (by 15.2 thousand), but the individual branches of the sector developed differently: The employment grew most in health and social care (27.4 thousand), trade, repairs of motor vehicles and personal and household goods (7.4 thousand) and education (4.8 thousand). In the branch of health and social work the employment increased most in human health activities (27.6 thousand), in the branch of trade it raised mostly in wholesale of non-agricultural intermediate products, waste and scrap (3.6 thousand) and in sale of motor vehicles (3.6 thousand). In the branch of education it grew up mainly in adult and other education (2.6 thousand).

On the other hand, employment dropped most year-on-year in real estate, renting and business activities in total, -9.6 thousand (primarily in miscellaneous business activities: -11.5 thousand). The number of employed considerably decreased in the industry of public administration and defence and compulsory social security (-9.1 thousand), mainly in provision of services to the community as a whole (-21.9 thousand) and in industry of transport, storage and communication (-5.7 thousand), of which in telecommunications by -3.8 thousand.

**Increases/decreases in numbers of first job holders: by industry  
(4th quarter 2003 to 4th quarter 2004)**

Industries	Decrease		Industries	Increase	
	Thous.	%		Thous.	%
Agriculture incl. hunting	-14.1	-8.2	Health and social work	27.4	8.9
Real estate, renting and business activities	-9.6	-3.3	Construction	12.5	2.9
Public administration, defence and compulsory social security	-9.1	-2.7	Trade, repair of motor vehicles and pers. and household. goods	7.4	1.2
Transport, storage and communication	-5.7	-1.6	Education	4.8	1.7
Electricity, gas and water supply	-2.7	-3.4	Other community, social and personal service activities	2.7	1.5
Manufacturing	-1.5	-0.1			
Forestry, fishing	-1.5	-3.5			
Hotels and restaurants	-1.4	-0.8			
Mining and quarrying	-0.3	-0.5			
Financial intermediation	-0.2	-0.3			

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

The number of **employees** represents a decisive part of occupied persons in all industries of the national economy. However, the proportion of this category is variable when viewed in general, which results from the nature and concentration of activities carried out in the industries, from the

requested level and branch of education of employed persons, and from a variety of other aspects. An extraordinary proportion of employees is found for classical industrial branches with an above-the-average size of companies and also for some industries of tertiary sphere (primarily education and health service), where specific professional qualifications are also called for. The share of employees is naturally big in the organizations which concentrate on function of the public administration.

**Employees and self-employed - first job holders: by industry**  
(4th quarter of 2004, persons in thousand)

Industries	Total employment	Of which			
		Employees	Self-employed		
			Total	With employees	Without employees
TOTAL	4732.7	3929.3	747.1	187.3	559.8
Agriculture, hunting and related service activities	158.5	112.8	23.8	5.8	18.1
Forestry, fishing and related service activities	39.9	26.4	13.5	-	13.5
Mining and quarrying	55.5	54.2	1.0	0.5	0.5
Manufacturing	1281.3	1183.9	91.4	27.2	64.1
Electricity, gas and water supply	75.1	70.7	4.2	0.9	3.3
Construction	451.1	281.5	164.9	28.2	136.7
Trade, rep. of mot.vehicles, pers., househ.goods	634.0	459.0	164.4	51.1	113.3
Hotels and restaurants	172.9	132.8	36.2	17.1	19.2
Transport, storage and communication	357.8	315.9	39.8	9.4	30.3
Financial intermediation	94.9	76.2	18.7	1.7	16.9
Real estate, renting and business activities	277.1	181.9	92.2	16.2	76.1
Publ.administration, defence, comp.soc.security	320.8	315.8	4.9	1.6	3.2
Education	283.2	271.4	11.4	2.9	8.5
Health and social work	336.3	305.5	28.7	18.0	10.7
Other community, social and personal services	189.0	137.0	51.3	6.2	45.1

Only a few industries reported significant numbers of members of producers' cooperatives. Nevertheless, their frequency further decreased by 3.4 thousand to 19.4 thousand in agriculture. Their number grew slightly to 2.5 thousand in manufacturing. Number of contributing family workers is higher in industries of trade (9.3 thousand) and construction (4.5 thousand).

The development in the number of employers (the self-employed with employees) went down in majority of industries, most of all in hotels and restaurants and manufacturing. 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 real estate, renting and business activities (-12.9 thousand), in trade, repairs of motor vehicles and personal and household goods (-7.0 thousand) and in manufacturing (-6.0 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 36.5 % of all first job holders in industry in construction, 33.9 % in forestry and fishing, 33.3 % in real estate, renting and business activities, 27.1 % in other community, social and personal service activities and 25.9 % in trade, repairs of motor vehicles and personal and household goods. Their shares were low in public administration and defence and social compulsory security (1.5 %) and in mining and quarrying (1.9 %).

**Increases/decreases in numbers of the self-employed: by CZ-NACE activity  
(4th quarter 2003 to 4th quarter 2004)**

Selected CZ-NACE activities	Self-employed			
	Without employees (own-account workers)		With employees (employers)	
	Thous.	%	Thous.	%
Agriculture, hunting and related service activities	-3.1	-14.6	-0.6	-9.2
Manufacturing	-6.0	-8.6	-2.2	-7.5
Construction	-0.1	0.0	-0.9	-3.2
Trade, repair of motor vehicles, person., househ. goods	-7.0	-5.8	3.2	6.6
Hotels and restaurants	2.8	17.0	-2.3	-11.9
Transport, storage and communication	-2.8	-8.3	-2.0	-17.2
Financial intermediation	-3.1	-15.6	0.5	42.3
Real estate, renting and business activities	-12.9	-14.5	-0.8	-4.9
Education	0.6	7.3	1.1	60.1
Health and social work	1.1	11.6	-1.4	-7.3
Other community, social and personal service activities	-1.0	-2.2	0.0	-0.2

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 3.5 times in the group of self-employed with employees). In addition to the general prevalence of the number of the male self-employed over that of the female self-employed, there are differences in the industrial structure of this category between both sexes. The higher number of male self-employed persons over female self-employed persons is distinct in most of the industries, particularly in construction, in trade, 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**

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>	747.1	408.4	100.0	145.9	100.0	151.4	100.0	41.4	100.0
Construction	164.9	134.5	32.9	28.2	19.3	2.2	1.4	-	-
Trade, repair of motor veh. and pers. and househ. goods	164.4	76.0	18.6	39.4	27.0	37.3	24.6	11.7	28.2
Real estate, renting and business activities	92.2	43.9	10.7	11.9	8.2	32.2	21.3	4.3	10.3
Manufacturing	91.4	50.4	12.3	23.4	16.1	13.7	9.1	3.8	9.2
Other community, social and personal service activities	51.3	17.6	4.3	4.1	2.8	27.5	18.1	2.1	5.1
Transport, storage, communication	39.8	26.3	6.4	8.5	5.9	4.1	2.7	0.9	2.2
Hotels and restaurants	36.2	11.8	2.9	11.2	7.7	7.3	4.8	5.8	14.1
Health and social work	28.7	4.3	1.1	7.3	5.0	6.4	4.2	10.7	25.9
Agriculture incl. hunting	23.8	14.4	3.5	5.1	3.5	3.6	2.4	0.7	1.6

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

Eurostat data suggest that despite the lower share of the self-employed in total employment, **the share of the business sphere in the Czech Republic** still remains **above the average** in comparison with the other EU member states and Norway. The latest complete data for all the countries are available for 2nd quarter 2003, and for information, the following table also lists the latest available data for 2nd quarter 2004 which were provided by most of the countries.

#### Share of the self-employed in the employment in the EU Member States and Norway

Country	Period		Country	Period	
	Q2 2003	Q2 2004		Q2 2003	Q2 2004
<b>EU 25</b>	<b>14.7</b>	<b>.</b>	Malta	13.4	14.4
<b>EU 15</b>	<b>14.2</b>	<b>.</b>	Germany	10.4	.
Belgium	13.5	13.0	the Netherlands	10.9	11.6
<b>Czech Republic</b>	<b>16.7</b>	<b>16.3</b>	Poland	21.7	21.1
Denmark	8.4	7.9	Portugal	25.6	24.4
Estonia	8.1	9.2	Austria	10.9	11.5
Finland	12.3	12.0	Greece	32.4	.
France	10.3	9.6	Slovakia	9.4	11.9
Ireland	16.4	17.2	Slovenia	9.8	10.1
Italia	23.2	.	United Kingdom	12.0	12.8
Cyprus	20.2	20.2	Spain	16.8	17.1
Lithuania	17.1	15.8	Sweden	10.0	10.1
Latvia	9.6	9.9			
Luxembourg	7.4	.	Norway	7.0	7.2
Hungary	12.8	14.0			

Source: Eurostat New Cronos database

Note: Eurostat does not include conscripts on military and community service into total employment. The Category of self-employed does not include contributing family members.

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 229.3 thousand employed persons in their **part time employment**, 43.5 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 (82.0 %).

There were in total 114.4 thousand **second job holders** in the civil sector in the 4th quarter. Frequency of this category of employed decreased by 6.6 thousand year-on-year. The share of males made up 64.5 %. Unlike first job holders, working contracts with limited job tenure are much more represented here (20.3 %). The number of second job holders is high especially in Prague (21.3 thousand), in other regions overtops the level of 10 thousand in Jihomoravský (10.4 thousand) and Moravskoslezský (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 37.6 % of all second job holders (43.0 thousand), decreased by 3.8 thousand when compared to 4th quarter 2003. The number self-employed (incl. family workers) second job holders went down (by 2.8 thousand), and their share in all second jobs is 62.3 %. The most numerous status group are the male self-employed: a total of 50.0 thousand (including family workers), i.e. 67.7 % of male second job holders.

Second jobs affect total employment in the industries of other community, social and personal service activities (13.4 thousand), trade, repairs of motor vehicles and personal and household goods (13.0 thousand), education (11.4 thousand), and especially real estate, renting and business activities (21.5 thousand), where they account for 7.8 % 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 (38.6). First job holders working full time and part time worked usually 42.8 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 activities of households (47.5 hours), also employed in construction (46.0 hours), in hotels and restaurants (45.9 hours) and in real estate, renting and business activities (44.7 hours) indicated an above-average number. Actual hours worked in second jobs stood at 12.3 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 (4th 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	4486.0	229.3	114.4
Employees	3724.7	187.8	43.0
Members of producers´ cooperatives	22.2	1.9	0.1
Self-employed (incl. family workers)	739.1	39.6	71.3
Average usually weekly worked hours			
The employed, all	42.8	23.5	12.3
Employees	41.3	23.9	12.6
Members of producers´ cooperatives	41.3	24.4	12.0
Self-employed (incl. family workers)	50.5	21.2	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 59.3 % (both sexes) and decreased in comparison with its level in the 4th quarter of 2003 by 0.1 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 16.9 %. 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  
(4th quarter 2004)**

Sex	All	Age group			
		15-29	30-44	45-59	60+
Males	68.6	61.3	96.8	88.8	14.2
Females	50.6	44.4	83.1	73.7	5.0

Among the employed in the civil sector, 92.9 thousand persons (including 48.0 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 – 54.9 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 (19.2 thousand). The activity of the employed in seeking different or another job was comparatively the highest in the Zlínský (2.9 %), Olomoucký (2.5 %) and Pardubický (2.4 % 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 420.2 thousand in the 4th quarter 2004, including 224.3 thousand females (53.4 %), and increased by 5.7 thousand above their number in the 4th 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 39.9 thousand (9.5 % of total unemployment).

The high increase in unemployment proved in whole age group 20-64. This increase was caused above all by the growth in number of the unemployed who had worked before and besides that, also by the rose 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 4.2 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 105.7 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 (202.4 thousand, i.e. 48.2 % 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 24.1 % and 52.2 %, respectively (26.1 % and 44.7 %, respectively, among unemployed women), also persons with secondary education with GCE are strongly represented among unemployed women (26.7 % of unemployed women).

The number of unemployed with work experience, who finished their last job before less than 8 years, amounted to 318.2 thousand and increased compared to the 4th quarter 2003 by 2.1 thousand. According to the ascertained industrial breakdown the unemployed with experience of work had worked the most frequently in manufacturing (103.6 thousand); trade, repair of motor vehicles and personal and household goods (50.1 thousand); and in construction (25.4 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 (74.0 thousand - 23.3 % of all unemployed persons with experience of employment), craft and related trades workers (63.4 thousand - 19.9 %), service workers and shop and market sales workers (56.8 thousand - 17.8 %) and plant and machine operators and assemblers (45.8 thousand - 14.4 %).

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 219.2 thousand (+14.0 thousand), their share in the total unemployed being 52.2 %. The increase of long-term unemployment was highly apparent among men in the age groups 20-29 (+8.1 thousand) and 40-49 (+3.4 thousand) and among women aged to 20-29 (+6.2 thousand) and 50-59 (+4.2 thousand). The number of persons unemployed for more than four years rose by 10.0 thousand to 62.6 thousand (14.9 % of the total unemployed).

**The unemployed: job seeking duration  
(4th 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
420.2	59.0	54.0	87.8	81.0	138.2	0.3

**General unemployment rate (ILO)** revealed by the LFSS was 8.2 %; it increased by 0.1 point (using the comparable methodology) compared to the 4th 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** stagnated on the level of 4th quarter 2003 and reached 10.0 %. **According to new methodology** that is based on quantification of available unplaced job-seekers the **rate of registered unemployment by MLSA** reached 9.0 % in the 4th 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 (73.3 %) 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 (2.2 %) and persons with secondary education with GCE (5.3 %). The high unemployment rate continued in the group of persons with elementary education (26.8%). Above-average rate occurs also in the group of persons with secondary education without leaving exam, mostly apprentices (9.1%).

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  
(4th quarter 2004, thousand persons)**

Category	Number
<b>I. Persons who conveyed registration by the labour offices</b>	<b>425.5</b>
including:	
a) those who satisfy ILO conditions for inclusion among the unemployed	363.0
b) those not satisfy ILO conditions	62.5
due to:	
- they worked in reference week	1.2
- they did not seek a job during the last 4 weeks	40.9
- they are not available for work within 14 days	20.4
<b>II. Unemployed meeting ILO conditions and not registered by the labour offices</b>	<b>57.1</b>
<b>III. All number of ILO unemployed (I.a + II.)</b>	<b>420.2</b>
<b>IV. Other persons not employed and not registered by the labour offices, who:</b>	
- seek work or found it already but not available for work within 14 days	7.2
- not seek work but wish to work	266.8
of which: available for work within 14 days	52.4

In the period in question the number of job applicants actually registered by labour offices reached 523.8 thousand, which was a figure which differed by 98.3 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. On 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 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 15.2 thousand year-on-year and reached 3534.3 thousand persons in 4th 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 went down (-0.8 thousand) and number of apprentices dropped (-7.2 thousand), the number of students on secondary schools increased by 5.1 thousand up to 378.7 thousand. The number of university students rose by 26.4 thousand to 258.5 thousand and the number of persons attending the other type of education or training (out of regular education system) decreased by 2.5 thousand to 11.6 thousand.

The number of not working persons in regular retirement who did not seek a job, rose by 4.4 thousand onto 1820.4 thousand and the number of early retired went down by 1.1 thousand onto 74.7 thousand. The number of persons retired due to disability kept increasing (by 11.5 thousand onto 317.5 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 8.6 thousand to 322.3 thousand).

The increase in the number of both the unemployed and the economically active persons was faster than the increase in number of the employed and proved in the fall 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 54.6 % onto 54.5 %. For better comparability with EU Member States we declare also the **employment rate of persons aged to 15-64 years** that did not change compared to the 4th quarter 2003 and reached 64.5 % in the 4th quarter 2004.

Measured in the framework of full harmonization of the national LFSS questionnaire with the EU standard are also data on **persons who do not have any job and are not seeking a job in an active way and do not thus meet the ILO conditions for being considered as unemployed**, but declare their willingness to work. These economically inactive persons are a potential labour reserve. In the 4th quarter of 2004, their number amounted to 289.7 thousand, which was by 10.2 thousand more year-on-year. A large number of these persons were found in age group up to 24 years (101.3 thousand), predominantly among students or apprentices. The relatively high number of people in the age group 25-34 (50.8 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 18.0 thousand and 30.0 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 50.9 thousand, old-age pensioners largely prevailing among persons interested in job.