

### III. Characteristic of results – 1st 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 1st quarter of 2004 amounted to 4675.9 thousand persons, of which males and females accounted for 2642.2 thousand (56.5 %) and 2033.7 thousand (43.5 %), respectively. Year-on-year total employment was lower by 64.1 thousand. As a relative figure, the fall in the number of first job holders amounted to 1.4 %. At the same time the number of first job holders with the limited duration of working contract increased - it was 350.3 thousand in all in the 1st quarter of 2004 (of which 197.6 thousand females) - i.e. by 21.4 thousand more in total than in the 1st quarter of 2003.

The category of employees still dominates (82.3 %); the number of employees dropped by 57.5 thousand persons year-on-year. Furthermore the share of the enterprising sphere grew up. The number of self-employed with employees decreased by 15.8 thousand and the number of family contributing members declined by 3.0 thousand. The number of self-employed without employees, i.e. own-account workers, significantly increased by 18.3 thousand. All entrepreneurs, including family workers, totalled 805.2 thousand (17.2 % of all having the only or main job). From the 1st quarter of 2003 the share of these persons in the number of first job holders grew by 0.2 percentage point. The share of self-employed in total employment has already exceeded the average share in Member States.

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

| Professional status             | All    |       | Males  |       | Females |       |
|---------------------------------|--------|-------|--------|-------|---------|-------|
|                                 | Thous. | %     | Thous. | %     | Thous.  | %     |
| Employees                       | 3847.4 | 82.3  | 2050.5 | 77.6  | 1797.0  | 88.4  |
| Members of producers' coop.     | 22.9   | 0.5   | 14.8   | 0.6   | 8.1     | 0.4   |
| Self-employed without employees | 588.5  | 12.6  | 423.6  | 16.0  | 164.9   | 8.1   |
| Self-employed with employees    | 186.8  | 4.0   | 144.2  | 5.5   | 42.5    | 2.1   |
| Contributing family workers     | 30.0   | 0.6   | 8.9    | 0.3   | 21.0    | 1.0   |
| All                             | 4675.9 | 100.0 | 2642.2 | 100.0 | 2033.7  | 100.0 |

Twelve regions (NUTS 3) out of fourteen saw lower employment: most in Moravskoslezský (15.9 thousand), Olomoucký (14.3 thousand) and Královéhradecký (12.1 thousand) Regions. On the other hand, employment increased in the Ústecký (6.9 thousand) and Vysočina (0.6 thousand) Regions. A certain more substantial growth of the number of employees was recorded only for the Ústecký (7.7 thousand) and Plzeňský (3.3 thousand) Regions, while employees dropped in number in most in Olomoucký (-14.8 thousand), Moravskoslezský (-13.2 thousand) and Jihomoravský (-9.9 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 97.1 thousand and reached 702.3 thousand.). And it is the category of employees where the high commuting balance occurs mainly exclusively (89.8 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 -62.8 thousand, largely in favour of Prague), for Vysočina Region (-10.7 thousand) for Ústecký Region (-10.9 thousand) and Moravskoslezský Region (-13.4 thousand). Negative balance of commuting for other Regions varied from -1.2 thousand in Plzeňský Region to -7.0 thousand in Jihočeský Region. Jihomoravský and Pardubický Regions present an exception as the numbers of commuting from and into were practically the same. The regional borders were crossed generally by employees (almost 90% of interregional commuting).

**Increases/decreases in the number of first job holders: by professional status and region  
(1st quarter 2003 to 1st 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   |      |              |             |           |          |             |         |           |                 |            |          |              |           |         |                 |
| -64.1   | -1.4 | -5.2         | -7.2        | -2.2      | -1.7     | -6.4        | 6.9     | -0.4      | -12.1           | -4.1       | 0.6      | -1.0         | -14.3     | -1.2    | -15.9           |
| Employees, incl. members of producers' cooperatives |      |              |             |           |          |             |         |           |                 |            |          |              |           |         |                 |
| -63.5   | -1.6 | 2.5          | -6.3        | -8.3      | 2.3      | -3.8        | 7.9     | -0.5      | -9.2            | -1.8       | 1.0      | -10.6        | -15.3     | -8.1    | -13.3           |
| Self-employed                                       |      |              |             |           |          |             |         |           |                 |            |          |              |           |         |                 |
| 2.6   | 0.3  | -5.3         | -1.3        | 5.6       | -4.1     | -2.4        | -1.6    | -0.4      | -2.1            | -2.4       | 0.0      | 9.8          | 1.4       | 6.6     | -1.3            |

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 85.7 % in the Plzeňský and 86.7 % in the Moravskoslezský Regions. A relatively high proportion of

members of producers' cooperatives, mainly agricultural, is clearly in the Vysočina Region (2.4 %), it ranges from a statistically negligible figure in the Karlovarský, Ústecký and Hlavní město Praha Regions to 1.1 % in the Středočeský Region.

Large differences exist in the category of the self-employed. The Hlavní město Praha Region has a high percentage of the self-employed (excl. family workers): 21.2 % 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 %), Jihomoravský (17.9 %) and Jihočeský (17.7 %) 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 (12.9 %), Olomoucký (13.4 %) and Plzeňský (13.5 %) Regions. The number of contributing family workers already exceeded the number of members of producers' cooperatives and their share on total employment in areas ranged from 0.3 % in Karlovarský Region to 1.1 % in Středočeský 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   | 4675.9 | 100.0 | 2642.2 | 100.0 | 2033.7  | 100.0 |
| including:  |        |       |        |       |         |       |
| Agriculture, hunting and related service activities | 159.3  | 3.4   | 105.8  | 4.0   | 53.6    | 2.6   |
| Forestry, fishing and related service activities    | 35.7   | 0.8   | 29.6   | 1.1   | 6.2     | 0.3   |
| Mining and quarrying                                | 58.8   | 1.3   | 51.8   | 2.0   | 7.0     | 0.3   |
| Manufacturing                                       | 1261.7 | 27.0  | 774.0  | 29.3  | 487.8   | 24.0  |
| Electricity, gas and water supply                   | 78.3   | 1.7   | 62.7   | 2.4   | 15.6    | 0.8   |
| Construction  | 423.5  | 9.1   | 393.5  | 14.9  | 30.0    | 1.5   |
| Trade, rep. of mot.vehicles, pers.and househ.goods  | 629.3  | 13.5  | 307.8  | 11.7  | 321.4   | 15.8  |
| Hotels and restaurants                              | 167.2  | 3.6   | 76.1   | 2.9   | 91.1    | 4.5   |
| Transport, storage and communication                | 370.3  | 7.9   | 249.5  | 9.4   | 120.7   | 5.9   |
| Financial intermediation                            | 94.5   | 2.0   | 32.0   | 1.2   | 62.5    | 3.1   |
| Real estate, renting and business activities        | 288.7  | 6.2   | 164.3  | 6.2   | 124.4   | 6.1   |
| Public administration, defence, compul.soc.security | 325.5  | 7.0   | 182.4  | 6.9   | 143.1   | 7.0   |
| Education   | 280.8  | 6.0   | 64.9   | 2.5   | 215.9   | 10.6  |
| Health and social work                              | 315.3  | 6.7   | 62.5   | 2.4   | 252.8   | 12.4  |
| Other community, social and personal services       | 180.7  | 3.9   | 84.0   | 3.2   | 96.7    | 4.8   |

In the structure of employment by sector, workers in services (CZ-NACE G-Q), where already worked 56.8 % 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 1st quarter 2003 and 1st quarter 2004. The employment in primary sector (agriculture, forestry and fishing) kept declining year-on-year and came under boundary of 200 thousand persons

(195.0 thousand). Decrease in the employed in secondary sector (by 40.9 thousand to 1822.2 thousand persons) was influenced prevalingly by reduction of employment in manufacturing (by 34.4 thousand). The number of the employed dropped the most in production of electric machineries and devices, in manufacture of wearing apparel, dressing and dyeing of fur, in production of fabricated metal products and in manufacture of other non-metallic mineral products. Vice versa the employment climbed in the production of motor vehicles, furniture and other transport equipment. In contrast to the decrease in employed in manufacturing there was an increase in mining and quarrying (by 5.5 thousand).

The total employment in service sector fell also although in its particular branches the number of the employed developed dividedly. From the bigger branches the employment rose most of all in transport, storage and communication and in real estate, renting and business activities. Within the transport large increase in the number of employed occurred in cargo handling and storage and scheduled air transport. In real estate largely grew the number of employed in other services n.e.c. (by 4.2 thousand) and software consultancy and supply (by 3.8 thousand).

In contrast the employment in education fell fundamentally year-on-year. Prevalingly the number of working decreased in preschool facilities and in elementary schools (by 15.7 thousand) and in secondary schools (by 7.6 thousand). The number of working in tertiary education increased by 5.3 thousand to 31.6 thousand. Decrease in employment in education from level of preschool facilities to secondary education showed unequivocally in the drop of number of the full-time unlimited duration of working contracts. This fall was not compensated by the rose of the number of the limited duration of working contracts.

**Increases/decreases in numbers of first job holders: by industry  
(1st quarter 2003 to 1st quarter 2004)**

| Industries  | Decrease |       | Industries   | Increase |      |
|---|----------|-------|--|----------|------|
|   | Thous.   | %     |  | Thous.   | %    |
| Manufacturing   | -34.4    | -2.7  | Transport, storage and communication                             | 10.8     | 3.0  |
| Education   | -21.7    | -7.2  | Real estate, renting and business activities                     | 9.9      | 3.6  |
| Agriculture incl. hunting                                     | -17.7    | -10.0 | Health and social work   | 6.5      | 2.1  |
| Construction  | -13.2    | -3.0  | Mining and quarrying   | 5.5      | 10.2 |
| Hotels and restaurants  | -4.9     | -2.9  | Trade, repair of motor vehicles and personal and household goods | 1.8      | 0.3  |
| Other community, social and personal service activities       | -2.4     | -1.3  | Electricity, gas and water supply                                | 1.3      | 1.7  |
| Forestry, fishing   | -2.4     | -6.3  | Financial intermediation   | 0.2      | 0.2  |
| Public administration, defence and compulsory social security | -2.3     | -0.7  |  |          |      |

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 state ministration.

**Employees and self-employed - first job holders: by industry  
(1st quarter of 2004, persons in thousand)**

| Industries  | Total employment | Of which  |               |                |                   |
|---|------------------|-----------|---------------|----------------|-------------------|
|   |                  | Employees | Self-employed |                |                   |
|   |                  |           | Total         | With employees | Without employees |
| TOTAL   | 4675.9           | 3847.4    | 775.3         | 186.8          | 588.5             |
| Agriculture, hunting and related service activities | 159.3            | 111.4     | 24.8          | 5.9            | 18.9              |
| Forestry, fishing and related service activities    | 35.7             | 23.7      | 12.0          | 0.3            | 11.8              |
| Mining and quarrying                                | 58.8             | 57.8      | 1.0           | 0.5            | 0.5               |
| Manufacturing                                       | 1261.7           | 1160.6    | 95.9          | 29.5           | 66.4              |
| Electricity, gas and water supply                   | 78.3             | 73.3      | 4.8           | 0.8            | 4.0               |
| Construction  | 423.5            | 254.2     | 165.9         | 27.9           | 138.0             |
| Trade, rep. of mot.vehicles, pers., househ.goods    | 629.3            | 444.4     | 174.1         | 49.2           | 124.9             |
| Hotels and restaurants                              | 167.2            | 131.1     | 33.1          | 16.9           | 16.2              |
| Transport, storage and communication                | 370.3            | 323.4     | 45.2          | 11.2           | 34.0              |
| Financial intermediation                            | 94.5             | 74.1      | 20.2          | 0.9            | 19.2              |
| Real estate, renting and business activities        | 288.7            | 183.2     | 103.2         | 17.7           | 85.5              |
| Publ.administration, defence, comp.soc.security     | 325.5            | 321.3     | 4.2           | 1.2            | 3.0               |
| Education   | 280.8            | 271.3     | 9.5           | 1.7            | 7.9               |
| Health and social work                              | 315.3            | 285.5     | 28.4          | 17.9           | 10.5              |
| Other community, social and personal services       | 180.7            | 127.0     | 52.4          | 5.0            | 47.4              |

Only a few industries reported significant numbers of members of producers' cooperatives. Nevertheless, their frequency further decreased by 5.8 thousand to 19.3 thousand in agriculture. Their number dropped to 1.9 thousand in manufacturing. Number of contributing family workers is higher in industries of trade (9.4 thousand) and agriculture, hunting and related service activities (3.8 thousand).

The development in the number of employers (the self-employed with employees) went down almost in all of industries, most of all in trade, repairs of motor vehicles and personal and household goods and in construction. The number of these persons increased just in branch of health and social work. The increase in own-account workers (the self-employed without employees) was mainly due to higher numbers of such persons in construction (7.5 thousand), in trade, repairs of motor vehicles and personal and household goods (6.1 thousand) and in financial intermediation (5.5 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 39.2 % of all first job holders in industry in construction, 35.7 % in real estate, renting and business activities, 33.7 % in forestry and fishing, 29.0 % in other community, social and personal service activities and 27.7 % in trade, repairs of motor vehicles and personal and household goods. Their shares were low in public administration and defence and social compulsory security (1.3 %) and in mining and quarrying (1.7 %).

**Increases/decreases in numbers of the self-employed: by CZ-NACE activity  
(1st quarter 2003 to 1st quarter 2004)**

| CZ-NACE activity  | Self-employed                              |      |                               |       |
|---|--|------|-------------------------------|-------|
|   | Without employees<br>(own-account workers) |      | With employees<br>(employers) |       |
|   | Thous.                                     | %    | Thous.                        | %     |
| Agriculture, hunting and related service activities     | -1.3                                       | -6.3 | -0.9                          | -13.3 |
| Manufacturing   | -3.1                                       | -4.5 | -1.2                          | -4.1  |
| Construction  | 7.5  | 5.7  | -2.2                          | -7.4  |
| Trade, repair of motor vehicles, person., househ. goods | 6.1  | 5.1  | -4.1                          | -7.7  |
| Hotels and restaurants                                  | -1.6                                       | -9.0 | -1.9                          | -10.3 |
| Transport, storage and communication                    | 3.1  | 10.0 | -1.9                          | -14.2 |
| Financial intermediation                                | 5.5  | 40.1 | -1.4                          | -60.0 |
| Real estate, renting and business activities            | 3.2  | 3.9  | -0.6                          | -3.3  |
| Education   | -0.1                                       | -0.9 | -0.6                          | -25.6 |
| Health and social work                                  | 0.6  | 6.6  | 2.3                           | 14.4  |
| Other community, social and personal service activities | -1.3                                       | -2.7 | -1.1                          | -17.9 |

The total number of first job male entrepreneurs exceeds the total number of first job female entrepreneurs 2.7 times (2.6 times in the group of self-employed without employees and 3.4 times in the group of self-employed with employees). In addition to the general prevalence of the number of the male self-employed over that of the female self-employed, there are differences in the industrial structure of this category between both sexes. The prevailing of male self-employed persons over female self-employed persons is distinct in most of the industries, particularly in construction, in trade, repairs of motor vehicles and personal and household goods and in manufacturing. On the other hand, there are more female entrepreneurs than male ones in other community, social and personal service activities and in health and social work.

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

| Industries  | All<br>Thous. | Male self-employed |       |                |       | Female self-employed |       |                |       |
|---|---------------|--------------------|-------|----------------|-------|----------------------|-------|----------------|-------|
|   |               | Without employees  |       | With employees |       | Without employees    |       | With employees |       |
|   |               | Thous.             | %     | Thous.         | %     | Thous.               | %     | Thous.         | %     |
| TOTAL including <sup>1)</sup>                           | 775.3         | 423.6              | 100.0 | 144.2          | 100.0 | 164.9                | 100.0 | 42.5           | 100.0 |
| Trade, repair of motor veh. and pers. and househ. goods | 174.1         | 83.2               | 19.6  | 37.3           | 25.9  | 41.7                 | 25.3  | 11.9           | 27.9  |
| Construction  | 165.9         | 135.1              | 31.9  | 27.2           | 18.8  | 2.9                  | 1.7   | 0.7            | 1.7   |
| Real estate, renting and business activities            | 103.2         | 51.1               | 12.1  | 14.3           | 9.9   | 34.4                 | 20.9  | 3.4            | 7.9   |
| Manufacturing   | 95.9          | 49.2               | 11.6  | 25.1           | 17.4  | 17.2                 | 10.4  | 4.4            | 10.4  |
| Other community, social and personal service activities | 52.4          | 18.9               | 4.5   | 2.7            | 1.8   | 28.5                 | 17.3  | 2.3            | 5.5   |
| Transport, storage, communication                       | 45.2          | 28.8               | 6.8   | 10.5           | 7.3   | 5.2                  | 3.1   | 0.7            | 1.7   |
| Hotels and restaurants                                  | 33.1          | 9.5                | 2.2   | 11.4           | 7.9   | 6.7                  | 4.1   | 5.5            | 12.9  |
| Health and social work                                  | 28.4          | 5.9                | 1.4   | 6.2            | 4.3   | 4.6                  | 2.8   | 11.7           | 27.5  |
| Agriculture incl. hunting                               | 24.8          | 15.0               | 3.6   | 4.9            | 3.4   | 3.9                  | 2.4   | 0.9            | 2.2   |

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

In the **civil sector of the national economy**, there were 95.0 % of persons working **full time** in their first jobs. Of the total of 233.6 thousand employed persons in their **part time employment**, 46.3 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 (69.1 %).

There were in total 119.9 thousand **second job holders** in the civil sector in the 1st quarter. Frequency of this category of employed decreased by 2.4 thousand) year-on-year. The share of males made up 63.7 %. Unlike first job holders, working contracts with limited job tenure are much more represented here (19.8 %). The number of second job holders is high especially in Prague (22.2 thousand), in other regions overtops the level of 10 thousand in Středočeský (11.6 thousand) and Moravskoslezský (11.5 thousand) Regions.

Similarly, the structure of professional status of second job holders substantially differs from that of first job holders. Employees, who account for 36.5 % of all second job holders (43.8 thousand), decreased by 8.4 thousand when compared to 1st quarter 2003. The number self-employed (incl. family workers) second job holders increased (by 6.3 thousand), and their share in all second jobs is 63.3 %. The most numerous status group are the male self-employed: a total of 53.1 thousand (including family workers), i.e. 69.4 % of male second job holders.

Second jobs affect total employment notably in the industries of trade, repairs of motor vehicles and personal and household goods (16.6 thousand), manufacturing (14.3 thousand), other community, social and personal service activities (13.4 thousand), and especially real estate, renting and business activities (21.2 thousand), where they account for 7.4 % 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 41.8. 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 (38.3). 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 showed in industries of construction (46.0 hours), also employed in hotels and restaurants (45.5 hours), in real estate, renting and business activities (44.8 hours) and in trade, repairs of motor vehicles and personal and household goods (44.5 hours) indicated an above-average number. Actual hours worked in second jobs stood at 12.5 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 (1st quarter 2004)**

| Professional status<br>excl. persons not working 4 weeks or more | First job |           | Second job <sup>1)</sup> |
|--|-----------|-----------|--------------------------|
|  | Full-time | Part-time |                          |
| Thousands of persons   |           |           |                          |
| The employed, all  | 4412.1    | 233.6     | 119.9                    |
| Employees  | 3625.5    | 192.1     | 43.8                     |
| Members of producers´ cooperatives                               | 22.2      | 0.7       | 0.1                      |
| Self-employed (incl. family workers)                             | 764.5     | 40.8      | 76.0                     |
| Average usually weekly worked hours                              |           |           |                          |
| The employed, all  | 42.8      | 23.5      | 12.5                     |
| Employees  | 41.2      | 24.1      | 12.4                     |
| Members of producers´ cooperatives                               | 41.4      | 20.8      | .                        |
| Self-employed (incl. family workers)                             | 50.2      | 20.8      | 12.5                     |

<sup>1)</sup> Hours actually worked

**Participation rate** (rate of economic activity), which is the ratio of the employed plus the unemployed to all persons aged 15+ stood at 59.1 % (both sexes) and decreased in comparison with its level in the 1st quarter of 2003 by 0.4 percentage point. This rate is high in the group of persons aged 30-44, where the percentage of economically inactive males is extremely low (3.7 %) and the percentage of economically inactive females is 17.2 %. 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  
(1st quarter 2004)**

| Sex     | All  | Age group |       |       |      |
|---------|------|-----------|-------|-------|------|
|         |      | 15-29     | 30-44 | 45-59 | 60+  |
| Males   | 68.3 | 61.1      | 96.3  | 88.0  | 14.2 |
| Females | 50.6 | 44.5      | 82.8  | 73.3  | 5.4  |

Among the employed in the civil sector, 101.9 thousand persons (including 53.0 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 – 61.4 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 (18.0 thousand). The activity of the employed in seeking different or another job was comparatively the highest in the Olomoucký (2.9 %), Zlínský (2.8 %) and Pardubický (2.6 % 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 443.8 thousand in the 1st quarter 2004, including 232.9 thousand females (52.5 %), and increased by 55.5 thousand above their number in the 1st quarter 2003 (included are persons who have found their job but they are able to start a job in two weeks). The numbers of unemployed women are higher than those of men in almost all age groups of working age (with the exception of young people aged 15 to 29 year). The number of unemployed handicapped persons was estimated at 41.3 thousand (9.3 % of total unemployment).

The high growth of unemployment occurred especially in age group 15-54. This increase was caused by the increase in the unemployed graduates, increase of the unemployed young mothers who intend to return to employment after birth of child or maternity leave and the general increase in unemployment in middle age. Also problematic is the situation of men and women aged 55-59 while the number of the unemployed on the boundary of productive and postproductive age rose by 10.7 thousand persons year-on-year. In the contrast to the all productive age groups the number of the unemployed in oldest groups 60+ slightly decreased.

The number of persons with basic education amounted to 104.0 thousand (i.e. 23.4 % of total unemployment), and the number of unemployed leavers from secondary schools without the General Certificate of Secondary Education was also high (51.2 %). 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 22.3 % and 55.2 %, respectively (24.5 % and 47.5 %, respectively, among unemployed women), also persons with secondary education with GCE are strongly represented among unemployed women (25.3 % of unemployed women).

The number of unemployed with work experience, who finished their last job before less than 8 years, amounted to 346.8 thousand and increased compared to the 1st quarter 2003 by 45.9 thousand. According to the ascertained industrial breakdown the unemployed with experience of work had worked the most frequently in manufacturing (118.2 thousand); trade, repair of motor vehicles and personal and household goods (52.9 thousand); and in construction (36.7 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 (81.6 thousand - 23.5 % of all unemployed persons with experience of employment), craft and related trades workers (72.3 thousand - 20.8 %), service workers and shop and market sales workers (63.6 thousand - 18.3 %) and plant and machine operators and assemblers (50.0 thousand - 14.4 %).

The number of **persons unemployed for a long time** (i.e., by ILO definition, persons searching for job in an active manner for more than one year) reached 228.4 thousand and increased by 35.4 thousand per year. This group was strongly represented by persons with basic education (almost a third of cases).

**The unemployed: job seeking duration  
(1st 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 |
|-------|----------------|------------|-------------|-----------|-----------------|----------------|
| 443.8 | 74.9           | 64.0       | 75.1        | 90.6      | 137.8           | 1.3            |

**General unemployment rate (ILO)** revealed by the LFSS was 8.7 %; it increased by 1.1 point (using the comparable methodology) compared to the 1st quarter 2003. **The rate of registered unemployment** based on **registration by labour offices** was higher in the same period - 10.7 %. We must bear in mind the different contents of the numerators and denominators of both indicators (see the Explanatory notes on methodology, pages 9 and 10).

Most of the unemployed (74.6 %) were graduates from secondary schools without GCE or people with basic education. This fact also resulted in considerable differentiation of the rate of unemployment calculated for individual levels of education; the lowest level of unemployment is recorded for university graduates (2.3 %) and persons with secondary education with GCE (5.5 %). The highest unemployment rate is still observed for the group of persons with basic education (25.8 %).

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  
(1st quarter 2004, thousand persons)**

| Category  | Number       |
|---|--------------|
| <b>I. Persons who conveyed registration by the labour offices</b>                     | <b>456.5</b> |
| including:  |              |
| a) those who satisfy ILO conditions for inclusion among the unemployed                | 381.2        |
| b) those not satisfy ILO conditions   | 75.4         |
| due to:   |              |
| - they worked in reference week   | 1.0          |
| - they did not seek a job during the last 4 weeks                                     | 51.7         |
| - they are not available for work within 14 days                                      | 22.7         |
| <b>II. Unemployed meeting ILO conditions and not registered by the labour offices</b> | <b>62.6</b>  |
| <b>III. All number of ILO unemployed (I.a + II.)</b>                                  | <b>443.8</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             | 9.8          |
| - not seek work but wish to work  | 265.1        |
| of which: available for work within 14 days   | 59.1         |

In the period in question the number of job applicants actually registered by labour offices reached 563.8 thousand, which was a figure which differed by 107.3 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. One can assume that beside the different methodological definition of indicators it is also influenced by other factors:

- The CZSO included the question on so called main status (means usual economic status) already in 1993. This question preceded the questions relating to reference week and thus influenced the answers of respondents on their real economic activity in reference period to some extent. Eurostat inserted the question on main status into its standard in 1998 as coming after the questions relating to the reference week. From 1 January 2002 the LFS questionnaire was fully harmonised with Eurostat's standard including the order of asking the questions to the respondents. Now the priority is the question on **economic activity of respondent in the reference week**. If the respondent stated that **worked at least 1 hour** in the reference week, s/he is strictly classified as person in employment according to the ILO methodology. Unlike the structure of questionnaire valid until 2001, the current arrangement authorizes to the assumption that positive answer on employment in the reference week influences following answers on the questions on main status and especially the registration in Labour Offices to some extent. Nowadays, there is an obvious trend of both rates to get closer.

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

- from 2000 when the comparable data are at disposal, the number of unquestioned households permanently grew and the situation got worse notably after Household and Population Census 2001. Relatively higher **rate of non-response** is caused by high share of empty flats in sample and mainly categorical refusals of cooperation. It is possible to assume that social structure of households, which refused the cooperation, can partly differ from the structure of interviewed households and the group of unemployed who refuse to communicate within the sample survey can be over-represented among them. Thanks to more intensive contact of LFS field-workers with respondents' households the total non-response decreased in last quarters although the total unemployment increases.

In the opposite to previous quarters the year-on-year trend of growth of the unemployed as measured by LFS was higher than growth of job seekers registered by Labour Offices (by 55.5 thousand in LFS, by 31.0 thousand by Ministry of Labour and Social Affairs-MLSA). The difference in data on unemployment between both sources is usual also in Member States and other Candidate Countries of EU. At the same time it is necessary to remark that some Member States of EU do not disseminate both unemployment rate 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 53.1 thousand year-on-year and reached 3542.1 thousand persons in 1st 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 up and number of apprentices dropped, the number of students on secondary schools increased by 15.3 thousand up to 379.7 thousand. The number of university students rose by 15.0 thousand to 227.0 thousand and the number of persons attending the other type of education or training (out of regular education system) decreased by 2.0 thousand to 13.0 thousand.

The number of not working persons in regular retirement who did not seek a job, rose only by 14.0 thousand onto 1807.4 thousand and the number of early retired declined by 10.4 thousand onto 74.6 thousand. On the other hand the number of persons retired due to disability kept increasing (by 14.0 thousand onto 303.0 thousand). These data cannot precisely correspond to both numbers of pupils and students by the statistics of Ministry of Education, Youth and Sport and numbers of retired by MLSA, since those pupils, students and retired persons who in reference week fulfilled the conditions for being included among the employed or the unemployed are not included in the economically inactive. For the other groups of economically inactive a significant increase proved in number of persons, almost only women who took care for family or were in household (by 9.5 thousand to 328.0 thousand).

The decrease in the number of employed and increasing number of unemployed and economically inactive proved in the decrease of **employment rate** (the share of first-job holders in number of living aged 15 years and more) from 55.0 % in 1st quarter 2003 to 54.0 % in 1st quarter 2004. The rate of employment has significantly decreased since 1995 when it reached 59.0 % in spite of the fact that strong age-groups from mid-70s entered the labour market. Large regional differences in this characteristic are given by volume and structure of job vacancies in particular regions. While in Hl. m. Praha Region almost sixty per cent (59.4 %) of living in productive and po-productive age worked, in Olomoucký Region their share reached 50.8 % only, in Moravskoslezský Region even the half of persons aged 15 years and more did not work (48.4 %). In other regions the value of employment rate varied from 51.6 % in Ústecký Region to 56.2 % in Středočeský Region.

Within the full harmonization of national questionnaire with EU standard since 2002 the CZSO has surveyed data for **persons who don't have any job**, are not seeking job in active way (thus don't fulfill the ILO conditions for being considered as unemployed) but declared their **willingness to work**. In 1st quarter 2004 the number of these persons amounted to 291.6 thousand.

The high share of these persons is among people aged up to 24 years (90.3 thousand) and it concerns mainly the students and apprentices. Relatively high number in age group 25-34 (53.8 thousand) results from the high number of women on parental leave or housewives which are interested in their possibility to be employed. The number of these persons increases significantly in the age of 50 years and above. In the age group 50-54 years it was 18.0 thousand, in age group 55-59 it was 34.5 thousand and finally in group of 60 years and older it was 53.1 thousand; the crucial part of these persons comprises retired incl. retired due to disability.

Regarding the economic status of the persons willing to work but not fulfilling the conditions for being considered as unemployed, it is obvious that their active inclusion is implicated by fulfilling the specific demands on the job.