5 August 2016

Number of Working Persons under 40 Years of Age Declining, Number of Elder Working Persons Growing

Employment and Unemployment in the Czech Republic according to the LFSS Results – Q2 2016

**Total employment in Q2 2016 increased by 84.2 thousand persons, year-on-year (y-o-y) and reached 5 128.5 thousand persons. The employment rate of the aged 15-64 years was 71.7% which is the highest value ever since 1993. The number of the unemployed according to the ILO methodology dropped by 52.1 thousand persons, y-o-y. The general unemployment rate of the aged 15-64 years declined by 1.0 percentage point (p.p.), y-o-y, compared to Q2 2015, and was 4.0%.**

### Employment

In Q2 2016 the seasonally adjusted **average number of employed persons** increased by 6.9 thousand persons, compared to Q1 2016.

The **number of persons** **in the main job** increased by 84.2 thousand persons (i.e. by 1.7%), y‑o-y, to reach 5 128.5 thousand persons. While the number of working persons aged under 40 years declined by 22.6 thousand persons, the number of working persons aged 40+ years increased. In the age group 40-44 years their number grew by 46.6 thousand persons. The number of working persons aged 60+ years increased markedly by 41.6 thousand persons, which is almost a half of the total increase in employment. More detailed information on development in the number of elder working persons can be found in the analysis enclosed.

The number of the **self-employed in the main job, including contributing family workers,** virtually stagnated, increased by mere 1.4 thousand persons to 884.4 thousand persons, compared to Q2 2015. While the number of the self-employed with employees declined by 21.3 thousand persons to attain 161.1 thousand persons and the number of contributing family workers decreased by 6.8 thousand persons to 25.7 thousand persons, the number of the self-employed without employees, i.e. the own-account workers, grew substantially by 29.5 thousand persons and at present is at the level of seven hundred thousand persons (697.6 thousand persons).

Employment in the **secondary sector** increased by 13.6 thousand persons. Trends in this sector were, however, counter current. On one hand, the number of working persons in construction decreased by 23.3 thousand persons, yet, on the contrary, the number of working persons in manufacturing grew substantially by 39.6 thousand persons, y-o-y.

The number of working persons in the **tertiary sector** of services was growing fast (by 72.3 thousand persons). Employment increased especially in the economic activities sections of education (by 24.3 thousand persons), human health and social work activities (by 15.1 thousand persons), transportation and storage (by 14.9 thousand persons), public administration and defence; compulsory social security (by 14.4 thousand persons), and of arts, entertainment and recreation (by 14.0 thousand persons). The number of working persons in the **primary sector** section of agriculture and forestry remained almost unchanged (decrease by 1.7 thousand persons).

The **employment rate** (percentage of working persons in the age group 15-64 years) reached 71.7% and grew by 1.6 p.p. compared to Q2 2015. That means it has the highest value ever in history of the independent Czech Republic. The male employment rate increased by 1.2 p.p. to reach 79.0%. Improved labour market conditions projected in a faster growth in the female employment rate that increased by 1.9 p.p. to attain 64.2%.

### Unemployment

The seasonally adjusted **average number of unemployed persons according to the International Labour Organisation (ILO)** **methodology**[[1]](#footnote-1) decreased by 7.9 thousand persons compared to that in Q1 2016.

The total number of the unemployed declined by 52.1 thousand persons, y-o-y, and reached 209.7 thousand persons. Both the number of the unemployed females dropped by 31.1 thousand persons to 108.1 thousand persons and the number of the unemployed males fell by 21.0 thousand persons to 101.7 thousand persons. The positive fact is the **number of persons unemployed for one year and longer** declined by 31.0 thousand, y-o-y, and the total number of them reached 91.2 thousand persons.

The **general unemployment rate according to the ILO definition** in the age group 15-64 years (the share of the unemployed in the labour force, i.e. the sum of the employed and the unemployed) decreased by 1.0 p.p. compared to Q2 2015 and dropped to 4.0% in Q2 2016. According to Eurostat data for June 2016 the seasonally adjusted unemployment rate of the aged 15-74 years in the Czech Republic was the second lowest in the whole European Union (Malta 4.0%, Czech Republic 4.1%, Germany 4.2%, Spain 19.9%, Greece 23.3%, and the EU average unemployment rate was 8.6%).

The unemployment rate declined year-on-year in all levels of **educational attainment**. University graduates permanently show a low unemployment rate (1.7%) and the same can be seen for the persons having secondary education with A-level examination (2.8%). The unemployment rate substantially declined year-on-year in the large group of those having secondary education without A-level examination, including persons with apprenticeship certificates (by 1.5 p.p. to give 4.2%). A high unemployment rate, on the contrary, pertains in the group of persons with primary education (20.9%).

### Inactivity

In the sample survey, data are collected also on **persons, who do not work and do not seek a job in an active manner, and thus do not comply with the ILO conditions for the unemployed**, yet they state they would like to be working. In Q2 2016 the number of such persons was 126.4 thousand persons, i.e. by 14.9 thousand less than in the same period of 2015. Majority of persons willing to work, however, is not able to start in a potential job immediately. Actually, there are mere 44.6 thousand persons able to start in a job within a fortnight, at the latest.

Notes:

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Data source: CZSO, Labour Force Sample Survey (LFSS) conducted in selected dwelling households; collective accommodation establishments are not included in the survey. The LFSS results have been grossed up to the total population of the Czech Republic using data of the population statistics as at 1 January 2016 and the prediction of the population development in the middle of 2016. The results grossed up to the total population of the Czech Republic are based on results of the 2011 Population and Housing Census.

End of data collection /

End of preliminary data processing: 21 July 2016 / 25 July 2016

*Related Internet-published document*: *250128-16 - “Employment and Unemployment in the Czech Republic as Measured by the Labour Force Sample Survey – Quarterly Data” with the finalised survey results will be available on the CZSO website by the end of Q3 2016. (*[Home](https://www.czso.cz/csu/czso/home) - [We publish](https://www.czso.cz/csu/czso/we-publish) - [Catalogue of Products](https://www.czso.cz/csu/czso/catalogue-of-products) - Employment and Unemployment*)*

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Annexes:

Table 1 Employed persons (status in the main job, absolute numbers, shares, year-on-year increments, and indices)

Graph 1 The employed and the unemployed (absolute numbers)

1. *1) The ILO methodology defines* ***the unemployed*** *as all persons above a specified age who during the reference period were without a job, did not work an hour for pay, and were in an active manner seeking job they would be able to join within two weeks at the latest. This methodology is uniform for all EU Member States and produces internationally comparable data. It should be noted that the definition of “the unemployed” by the ILO differs from the definition of “job applicants” kept in the register of the labour offices of the Ministry of Labour and Social Affairs of the CR.* [↑](#footnote-ref-1)