

10. LABOUR MARKET

A. Employees, job applicants, wages, and labour costs in the national economy

(according to data taken from records of businesses and from administrative data sources)

The data come from a survey at businesses and/or from administrative data sources. Depending on the number of employees, the survey is either a 100% survey or a sample survey. Results of the latter are grossed up to the universe to cover all active units kept in the Statistical Business Register, administered by the CZSO, unless otherwise stated.

The information on the number of employees, average gross monthly wages, and on labour costs in the Tables 10A-1 to 10A-3 and 10A-6 has been taken from results obtained by the processing of the CZSO's annual statistical questionnaires.

Employment measured by the survey at businesses or taken from administrative data sources refers to the number of working persons, i.e. employees in the registered numbers of employees of businesses, self-employed persons, and contributing family workers (only those, for whom work in the company is their main job). The Tables 10A-1 to 10A-6 give information on employees, their wages, and on labour costs per employee.

The **registered number of employees** includes persons with employment, service, or membership relation (where the membership also includes an employment contract) to the employer (hereinafter as the "employment contract" for all the aforementioned types).

The **average registered number of employees per year** (headcount) is the arithmetic mean of twelve average monthly headcount numbers of employees, which are calculated as a sum of daily headcount numbers divided by calendar days of the month concerned. The average registered number of **full-time equivalent** (FTE) employees is the average registered number of employees as headcount converted by their hours of work in relation to full-time working hours as determined by the employer. The data on employees, wages, and on labour costs in the Tables 10A-1 to 10A-3 and 10A-6 are given for FTE employees.

Wages (excluding other personnel costs/expenses) include basic wages and salaries, payments additional to wage or salary, bonuses, compensation for wages and salaries, bonuses for standby duty, and other wage or salary components charged to be paid to employees in a given period. The wages do not include compensation of wages or salaries for temporary incapacity to work and quarantine paid by the employer. They are gross wages, i.e. before premiums for public health insurance and social security, income tax advances of natural persons, and other statutory deductions or deductions agreed with the employee.

Other personnel costs (expenses) are remuneration (for work) provided based on other relationship than under an employment contract and money provided to employees in relation to (upon) termination of their employment. Other personnel costs (expenses) comprise mainly remuneration for work based on various contracts for work (agreements on work performed outside an employment contract, i.e. Czech "dohoda o provedení práce (DPP)" translated as "an agreement on work performance" and "dohoda o pracovní činnosti (DPC)" translated as "an agreement on work activity" type of contract), remuneration for members of bodies of a company (an enterprise) and a cooperative, remuneration for apprentices, salaries of judges, remuneration for members of (elected) councils of all levels, redundancy payments, severance payments, pay-offs.

The **average gross monthly wage** in the Tables 10A-1 to 10A-3 and 10A-6 is the proportion of wages, excluding other personnel costs, per registered employee per month. The gross monthly median wages and the average gross monthly wages in the Tables 10A-4 and 10A-5 were calculated by relating the employee's wage in a given year to the total number of months, in which the employee actually received their wages. This implies that the time of illnesses and other unpaid absences from work in the year is deducted.

The data on the number of employees, the average gross monthly wages and monthly labour costs exclude persons performing public office (as, for instance, deputies, senators, full-time councillors at all levels of public administration), judges, women on maternity leave, persons on parental leave (unless they have employment contracts at the same time), apprentices, persons working for companies under contracts of work carried out outside their employment contracts), and employees of businesses not statistically measured.

The data in tables on employees, average gross monthly wages, and monthly labour costs refer to all businesses, i.e. also to organisational units of the state, semi-budgetary organisations partially financed from the state budget or local government budgets, and non-profit institutions and therefore they differ from data on employees and wages in chapters on respective industries as these refer to the business sphere only. The data are broken down by the national version of the Classification of Economic Activities (CZ-NACE) valid since 1 January 2008, which fully corresponds to the international classification NACE Rev. 2 at the given level.

The data in the Table 10A-3 are broken down by the Classification of Institutional Sectors and Subsectors. The public sector comprises public non-financial corporations, public financial corporations, and general government. The private sector comprises private non-financial corporations (national and foreign controlled), private financial corporations (national and foreign controlled), households (natural persons not incorporated in the Commercial Register), and non-profit institutions serving households.

Monthly labour costs are costs incurred by the employer to recruit and educate/train employees, remunerate them for work, and cover their social needs. The costs are measured in businesses in all industries irrespective of their number of employees. Data were taken from results obtained by the processing of the CZSO's annual statistical questionnaires.

Job applicants kept in the labour office register are natural persons who personally asked a regional labour office, responsible for the area of their permanent residence, for suitable job intermediation. On condition that they have complied with requirements specified by law, the regional labour office enters them into the job applicant register.

Available job applicants kept in the labour office register are registered job applicants (including citizens of the EU and the EEA) who can immediately take a job, when a suitable job position is offered, because no objective obstacle prevents them from doing so.

The **share of unemployed persons** expresses the share of available job applicants aged 15–64 years kept in the labour office register in the whole population of the same age.

The following indicators in this part of the chapter do not fully correspond to ILO definitions and recommendations:

- average gross monthly wage;
- job applicants kept in the labour office register;
- share of unemployed persons.

The minimum wage in the Czech Republic according to the Labour Code:

| Effective since | Minimum monthly wage in CSK/CZK |
|-----------------|---------------------------------|
| 1 January 1992 | 2 200 |
| 1 January 1996 | 2 500 |
| 1 January 1998 | 2 650 |
| 1 January 1999 | 3 250 |
| 1 July 1999 | 3 600 |
| 1 January 2000 | 4 000 |
| 1 July 2000 | 4 500 |
| 1 January 2001 | 5 000 |
| 1 January 2002 | 5 700 |
| 1 January 2003 | 6 200 |
| 1 January 2004 | 6 700 |
| 1 January 2005 | 7 185 |

| Effective since | Minimum monthly wage in CZK |
|-----------------|-----------------------------|
| 1 January 2006 | 7 570 |
| 1 July 2006 | 7 955 |
| 1 January 2007 | 8 000 |
| 1 August 2013 | 8 500 |
| 1 January 2015 | 9 200 |
| 1 January 2016 | 9 900 |
| 1 January 2017 | 11 000 |
| 1 January 2018 | 12 200 |
| 1 January 2019 | 13 350 |
| 1 January 2020 | 14 600 |
| 1 January 2021 | 15 200 |

Notes on Tables

Tables 10A-4 and 10A-5 Gross monthly median wages and average gross monthly wages by CZ-ISCO-08 major group and by age group

The data in tables were generated by merging of databases of the sample survey of the **Information System on Average Earnings (ISAE)** of the Ministry of Labour and Social Affairs, which covers the **wage sphere**, and of the administrative data source of the **Salary Information System (ISP)** of the Ministry of Finance, which exhaustively covers the **salary sphere**. The average wage from these sources is not identical with the average wage obtained by means of the CZSO's business surveys (Tables 10A-1 to 10A-3 and 10A-6). The ISAE and the ISP give information on individual employees, whereas the business surveys are focused on the registered numbers of employees and the volume of wages for whole businesses. The ISAE and ISP average wage is calculated in relation to the employee's paid hours (it is free of any unpaid absence of the employee from work – e.g. due to illness, etc.). It also excludes employees whose number of contracted hours of work is less than 30 hours a week. The average wage obtained by means of the CZSO's business survey is derived in relation to the registered number of employees (employees with a short unpaid absence are included) and the number of contracted hours of work per week is disregarded.

The **median wage** is the value of the employee's wage in the middle of the wage distribution; it means that one half of wage values is below the median wage, while the other half is above it. The indicator gives a better picture of the wage level in a given category than the simple average wage.

The breakdown by occupation was processed according to the national version of the Classification of Occupations (CZ-ISCO-08), which has been implemented with effect from 1 January 2011.

Parts A and B of this chapter give numbers of employees or employed persons obtained from two different sources and by means of two different survey methods; from business reporting systems and from the Labour Force Sample Survey (LFSS) carried out in households. Given the fact that the results do not always show identical numbers of persons, structures, and trends, the table below gives substantial differences in the survey's coverage of the universe.

| Group | BUSINESS STATISTICS (10A) | LABOUR FORCE SAMPLE SURVEY (10B) | |
|--|--|----------------------------------|-------------------------|
| | Employees | Employees | The self-employed |
| Population 15+ employed | / | - | - |
| Population 15+ usually living in dwellings (flats) | - | / | / |
| Females on maternity leave | - | / | / |
| Persons on parental leave (persons on parental leave - included in the survey, but not considered as employed) | - | - | - |
| Contracts for work carried out outside employment contracts | - | / | x |
| Foreign nationals | / | - | - |
| Foreign nationals usually residing in the CR | / | / | / |
| Persons working outside the CR | with the enterprise registered office in the CR only | / | / |
| Armed forces, professional soldiers | / | / | x |
| Armed forces, conscripts serving compulsory military service before 2005 | - | / | x |
| Compulsory community service before 2005 | - | / | x |
| Full-time councillors at all levels of public administration | - | / | x |
| Free professions | - | / | x |
| Home personnel | - | / | x |
| Multiple job holders | multiple job holders | second job holders only | second job holders only |

/ - covered

- - not covered

x - the figure cannot be recorded for logical reasons

* * *

Further information can be found on the website of the Czech Statistical Office at:

- www.czso.cz/csu/czso/labour_and_earnings_ekon
- www.czso.cz/csu/czso/employment_unemployment_ekon

or on the website of the Ministry of Labour and Social Affairs at:

- www.mpsv.cz/web/en