

9 LABOUR MARKET

The source of information on the labour market (Tables 9-1 to 9-7 and 9-101, 9-102) surveyed in the households of respondents is the **Labour Force Sample Survey (LFSS)**. The methodology of indicators measured by the LFSS is in line with the definitions and recommendations of the International Labour Organisation (ILO). Therefore, the data may serve as a basis for direct international comparability of labour market characteristics in various countries. At the same time, the implementing methodology of Eurostat, which explains the contents of particular labour market characteristics, is adhered to.

In every quarter of 2022, the sample included 23 thousand **randomly selected dwellings** on average in the whole territory of the Czech Republic (over 0.6% of all permanently occupied dwellings). All persons usually living in the sampled dwellings, irrespective of the type of their residence, are included in the LFSS. The set of chosen dwellings varies during the survey. Each quarter, 20% of newly chosen dwellings are incorporated into the panel and after five quarters they are eliminated from it.

The decisive criterion for surveyed characteristics of every respondent is the respondent's actual activity on the labour market in the reference week. If a respondent stated that he/she had worked at least one hour in the reference week for wage, salary, or for other remuneration, he/she is strictly classified as a person in employment according to the ILO methodology. The **number of employed persons (the employed)** includes all persons aged 15+ years who belonged to employees during the reference week, including members of producer cooperatives, own-account workers, employers, or unpaid contributing family workers. Persons who reported that they were temporarily absent from work during the reference week are considered to be employed if their absence for other (personal, family, etc.) reasons was shorter than 3 months. Persons employed as professional members of the armed forces and persons on maternity leave who worked before taking maternity leave are included in the employed. All tables give average annual data for respective years.

Reliability of data collected by the sample survey declines as the sample size decreases. The annual averages lower than 3 000 persons are considered as low reliability data and annual data for a number lower than 500 persons are not published at all as their relative standard deviation is higher than 50% (a dot is shown in tables instead of them). For all data obtained from the sample survey the 95% confidence interval can be constructed, i.e. the interval, in which the real value of the estimated indicator lies with the 95% probability. The interval size is influenced by both frequency of the surveyed characteristic in individual Regions and the sample size in the Region.

The data on the **number of employees (as headcount) and on average gross monthly wages in 2019 through 2021** (Tables 9-8, 9-9, 9-103, and 9-104) come from results of the processing of **annual statistical questionnaires**. They cover all businesses regardless their number of employees. The territorial breakdown of the data by Region is obtained directly from the reporting units and is carried out depending on the location of actual workplaces of employees, by the so-called **workplace method**. However, a more detailed territorial breakdown, for example, by District, is impossible. The data breakdown by industry (economic activity) has been **processed according to the national version of the Statistical Classification of Economic Activities in the European Community (CZ-NACE)**. Data are classified to industries (economic activities) by principal (prevailing) activity of the whole business.

Information on **numbers of employees and average wages in 2021** (Table 9-105) are drawn from the results of the processing of **quarterly statistical questionnaires** and are published **by workplace location**. Data are given for all enterprises with the numbers of employees as headcount and also converted to the **full-time equivalent persons**, which reflects the length of worked hours. The data are preliminary.

The data on numbers of employees and on average gross monthly wages do not cover persons at public offices (e.g. deputies, senators, full-time members of assemblies at all levels), judges, women on maternity leave, persons on parental leave (unless they simultaneously work in a main (one) job), trainees of voluntary training, persons working for companies on the basis of the agreement on work performed out of the employment contract.

The data on **wages by sex and by classification of occupations** (Tables 9-10, 9-106, and 9-107) were obtained from the **structural employee wage statistics**, which is currently generated by merging of resulting databases of the sample survey of the Information System on Average Earnings (ISAE; ISPV in Czech) 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 in Czech) of the Ministry of Finance, which exhaustively covers the salary sphere.

Since 2011, the results cover the whole population of employees in the Czech Republic using a sampling method, because previously non-surveyed employees of enterprises with less than 10 employees and also employees of non-profit institutions and employees of the self-employed have newly been included.

The **breakdown by occupation** has been processed **according to the national version of the International Standard Classification of Occupations (CZ-ISCO)**, effective since 1 January 2011.

Nevertheless, the **average wage calculated from data of structural (employee) wage statistics** is not and cannot be identical with the average wage obtained by means of the CZSO's business surveys (Tables 9-8 and 9-9 or Tables 9-103 through 9-105), in which the total wage bill (payroll) is measured against the registered number of employees of the business, in which, however, sick employees or those with unpaid absence from work shorter than 4 weeks are also included. Further differences in the wage level in comparison to other statistical sources can result (besides the influence of unpaid absence from work and a different population of the survey) from the fact that the results of structural statistics do not include employees with contracted hours of work below 30 hours per week.

The **median wage** is the value of the employee's wage in the middle of the wage distribution. It means that a half of wage values is lower than the median wage, whereas the other half is higher than the median wage.

The data on the number and structure of unemployed **job applicants kept in the labour office register** and on the job vacancies kept in the labour office register are obtained from the information system of the Ministry of Labour and Social Affairs.

Job applicants kept in the labour office register are natural persons who have asked in person for an arrangement of a suitable job at a regional office of the Labour Office of the CR in the Region where they have residence; after they have complied with conditions established by law, the regional office of the Labour Office of the CR have entered them into the register of job applicants.

Available job applicants kept in the labour office register are registered job applicants (including the EU nationals and the EEA citizens) ready to take a job immediately, when an appropriate one is offered, because there is no objective obstacle for them to become employed.

The **partly unemployed** are registered job applicants with additional earnings (coming from an activity based on employment or service relationship, or under contracts for work carried out outside contracts of employment provided that their monthly earnings or remunerations per month do not exceed a half of the minimum wage).

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

Since 1 January 2012, there has been effective an amendment to the Act No 435/2004 Sb, on Employment, which in the Section 35 cancels the so far applied obligations of employers to report **job vacancies**. The employer **may** report job vacancies and their characteristics to a regional labour office (Section 37). Job vacancies kept in the labour office register mean newly created or vacated jobs, for which the employer intends to acquire employees or to occupy them with temporary employees from an **employment agency** (Section 35).

Data on **employed foreigners** are based on two separate registers as follows:

- the register kept by the **Ministry of Labour and Social Affairs**, exactly by the **Administration of Employment Services**, which collects data from registers of labour offices as follows:
 - the number of valid work permits of third-country nationals (i.e. citizens from non-EU countries);
 - the number of pieces of information on citizens of the EU/EEA and Switzerland starting to perform work in employment (these citizens and their family members do not need a work permit; however, their employers are obliged to inform the competent labour office in writing on the day they started to perform work in employment, at the latest);
 - the number of granted employee cards (they are only issued to third-country nationals; they have property of both a residence permit and a work permit);
 - the number of granted blue cards (a residence permit and a work permit for highly qualified third-country nationals for the performance of highly qualified employment that is demanded in the Czech Republic);
 - the number of pieces of information on commencement of the performance of work of foreigners from third countries (third-country nationals) who do not need a work permit to enter the labour market in the Czech Republic, however, who have a duty to inform (categories of those foreigners are enumerated in the Employment Act; it applies, inter alia, to foreigners with permanent residence or to foreigners who have been granted asylum status or subsidiary protection);
- the register kept by the **Ministry of Industry and Trade**, which collects data on foreigners having valid trade licence (they can do business in the territory of the Czech Republic provided that they comply with conditions specified by the Act No 455/1991 Sb, on Trade Licences).

The data on the number of residing foreigners and on the number of employed foreigners cannot be directly compared. In some cases (in some citizenships), the number of employed foreigners may be higher than the number of residing foreigners, i.e. those registered by the Foreign Police. It mainly applies to the numbers of foreigners – EU nationals who do not register for temporary residence in the Czech Republic (the law defines the duty of those citizens to register for residence, however, it does not set any sanctions for cases when a foreigner – EU national does not do so); however, they are registered by labour offices as employees.