

16 August 2023

Number of young working persons increased

Employment and unemployment in the Czech Republic as measured by the Labour Force Sample Survey – 2nd quarter of 2023

The total employment increased by 87.4 thousand persons, year-on-year (y-o-y). The number of the unemployed, according to the methodology of the International Labour Organization (ILO), increased by 25.6 thousand persons. The number of the economically inactive aged 15+ years decreased by 26.0 thousand.

Employment

In the Q2 2023, the seasonally adjusted **average number of employed persons** increased by 25.8 thousand persons, compared to the Q1 2023.

The **number of working persons** aged 15+ years increased by 87.4 thousand, y-o-y, i.e. by 1.7% to 5 063.9 thousand. The increase is mainly caused by an increment in the number of working females. Their number is by 47.0 thousand higher, y-o-y. The number of working persons aged 45+ years considerably increased, by 68.6 thousand; what was also inconsiderable was an increase of working persons aged 15-29 years whose number grew by 27.3 thousand, year-on-year.

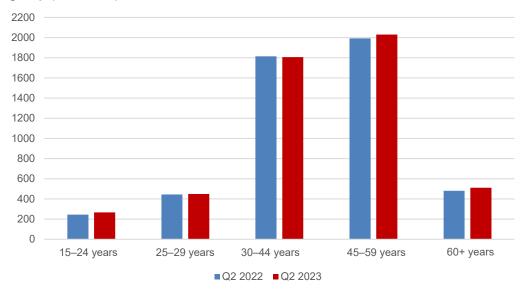


Chart 1: The number of working persons in the national economy and their structure by age group (thousand)

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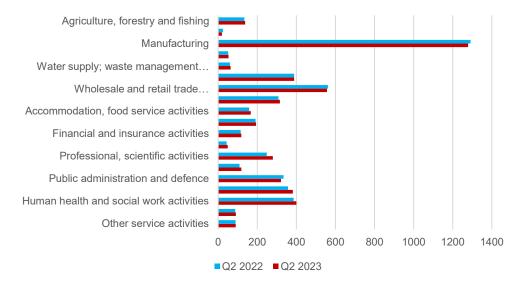
Source: CZSO, LFSS



The number of **employees** increased by 40.0 thousand persons. The **number of the self-employed** (without unpaid contributing family workers) increased by 63.2 thousand persons. This overall increase is owing to an increase in the **number of the self-employed without employees** (own-account workers), namely by 63.1 thousand. An increase in the **number of the self-employed with employees** (employers) by 0.1 thousand was not significant.

According to data for the Q2 2023, the development of employment in individual economic activities (CZ-NACE sections) in the Czech Republic was different¹⁾. In the **primary sector** of agriculture, forestry and fishing, the number of working persons increased by 4.6 thousand to 138.2 thousand. In the **secondary sector** of industry and construction, the number of the working persons has not changed in a considerable way, their number decreased by 13.0 thousand to 1 802.8 thousand. In the **tertiary sector** of services, the total employment increased by 95.8 thousand to 3 123.0 thousand, y-o-y. In this sector, the number of working persons especially increased in the section of 'professional, scientific and technical activities' by 31.0 thousand and also in the section, on the other hand, recorded a decrease in the number of working persons; in the 'public administration and defence; compulsory social security' the number of working persons.

Chart 2: The number of working persons in the national economy by economic activity (thousand)



Source: CZSO, LFSS

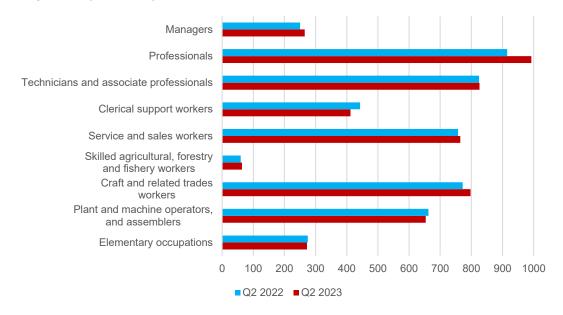
¹⁾ Data for the economic activities (CZ-NACE sections) may be influenced by the employed methodology of the Labour Force Sample Survey (LFSS). The survey only covers persons living in dwellings (flats), i.e. private households. Data on persons living in collective accommodation establishments are not measured; these establishments often give accommodation to foreign nationals.

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Along with changes in the structure by economic activity (CZ-NACE section), changes in the structure of working persons by occupation also occurred. **According to the Classification of Occupations (CZ-ISCO)**, the number of working persons increased the most in the major group of professionals (by 77.6 thousand) and in craft and related trades workers (by 25.4 thousand). On the other hand, the biggest decrease occurred in the major group of clerical support workers (by 30.8 thousand).

Chart 3: The number of working persons in the national economy by Classification of Occupations (thousand)



Source: CZSO, LFSS

The development trend in the number of working persons according to the educational attainment is also related to those changes in the employment structure. The highest increase was among working persons with **tertiary education**, by 55.4 thousand to 1 381.4 thousand. The number of working persons with **secondary education with A-level examination** decreased by 11.0 thousand to 1 840.1 thousand persons. The number of the employed with **secondary education** increased by 19.5 thousand to 1 606.8 thousand and the number of working persons with **primary education** increased by 25.1 thousand to 234.8 thousand persons.

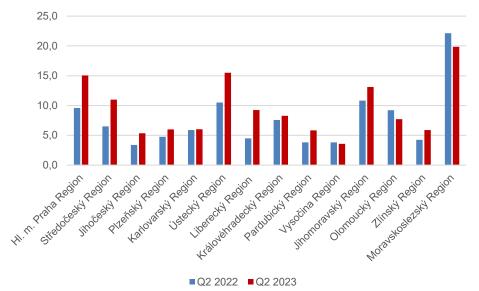
The **employment rate** (the percentage of working persons in the age group of 15–64 years old) increased in the Q2 2023 compared to the corresponding period of the previous year by 0.3 percentage point (p. p.) to 75.2%. The male employment rate decreased by 0.4 p. p. to 81.8%; the female employment rate increased by 1.0 p. p. to 68.2%.

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Unemployment

The seasonally adjusted **average number of unemployed persons according to the ILO methodology**²⁾ increased in the Q2 2023 by 6.0 thousand persons, compared to that in the Q1 2023.





Source: CZSO, LFSS

The total **number of the unemployed** aged 15+ years increased, year-on-year. The number of the unemployed increased by 25.6 thousand to 132.3 thousand persons. Specifically, it was mainly and increase in the number of the unemployed males by 16.6 thousand to 64.5 thousand. The number of the unemployed females increased by 9.0 thousand to 67.9 thousand.

The number of the unemployed increased the most in Prague (by 5.5 thousand) and in the Ústecký Region (by 5.0 thousand).

The **number of persons unemployed for one year and longer** also increased; their number increased by 9.5 thousand persons, y-o-y, and reached 37.5 thousand persons. What is considerable, however, is the difference between males and females. While the number of the long-term unemployed males increased, y-o-y, the number of the long-term unemployed females in the Q2 2023 was almost the same compared to the corresponding period of 2022.

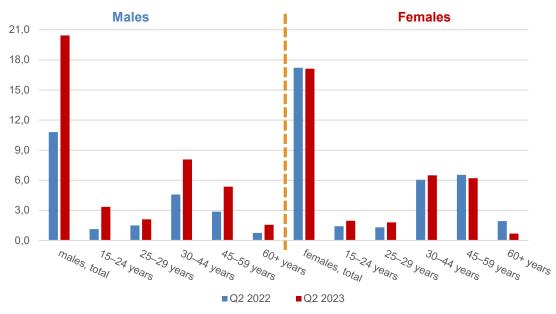
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²⁾ The ILO methodology defines **the unemployed** as persons who during the reference period were without a job, did not work an hour for pay or remuneration, and were in an active manner seeking job they would be able to join within fortnight at the latest. This methodology is uniform for all EU Member States and provides internationally comparable data. It has to be taken into consideration 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.

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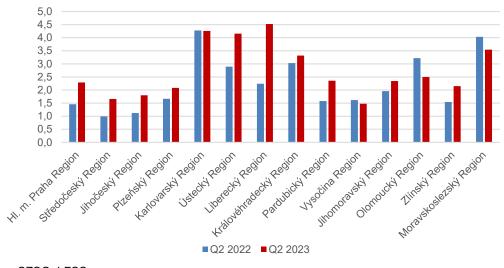




Source: CZSO, LFSS

The **general unemployment rate according to the ILO definition** in the age group of 15–64 years old (the percentage of the unemployed in the labour force, i.e. in the sum of the employed and the unemployed) increased by 0.5 p. p., year-on-year. The unemployment rate was 2.6% in the Q2 2023 and in the corresponding period of the previous year it was 2.1%.

Chart 6: Unemployment rate of the 15–64 years old in Regions of the Czech Republic (%)



Source: CZSO, LFSS

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In terms of a **regional comparison**, the general unemployment rate of the 15–64 years old was the highest in the *Karlovarský* Region (4.3%), in the *Liberecký* Region (4.5%), and in the *Ústecký* Region (4.2%). The biggest decrease in the unemployment rate was in the *Olomoucký* Region (by 0.7 p. p. to 2.5%). The *Vysočina* Region had the lowest unemployment rate in Czechia (1.5%).

Economic inactivity

The number of economically inactive persons aged 15+ years was by 26.0 thousand lower, year-on-year, and amounted to 3 468.9 thousand. The number of economically inactive females decreased by 20.4 thousand; the number of economically inactive males decreased by 5.7 thousand compared to the situation a year ago. The number of all the economically inactive including children up to 15 years of age increased by 26.7 thousand to 5 204.9 thousand.

In the sample survey, data are also collected on **persons who do not work and do not seek a job in an active manner and therefore do not comply with the ILO conditions for the unemployed**, yet they state that they would like to work. In the Q2 2023, the number of such persons was 87.4 thousand persons, i.e. by 33.3 thousand persons more than in the corresponding period of 2022. The number of persons who are willing to work, however, they are not able to start in a potential job immediately, is relatively high. Only 16.5 thousand of the persons are able to start in a job within a fortnight, at the latest.

Methodological change in the LFSS

As of the 2rd quarter of 2023, <u>as announced in advance, the methodology of the weighting</u> <u>scheme and grossing up will be changed</u> (*Czech only*). The employment rate of persons aged 15–64 years would be 76.3% in the Q2 2023 after having used the old weights. The unemployment rate of persons aged 15–64 years would be 2.6% with the old weights; the number of the economically inactive aged 15+ years would be 3 453.1 thousand.

Note:

Recalculation to the same population structure

The Labour Force Sample Survey (LFSS) is carried out in selected dwelling households. Collective accommodation establishments are not included in the survey. Results are weighted and grossed up to data of demographic statistics. For recalculation of data for the Q2 2022 and for the year 2023, demographic weights based on the 2021 Population and Housing Census results were used (Population of Municipalities - 1 January 2021 | CZSO).

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