

10. LABOUR MARKET

A. Employment, unemployment, wages and labour costs in the national economy

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

The data presented in this part of the Chapter (Tables 10-1 to 10-9) were obtained by a survey taken in businesses or from administrative sources. Depending on the number of employees the survey taken in businesses is of either 100% or sample type. Results of the latter are grossed up to universe to cover all active units incorporated in the CZSO Business Register (unless indicated otherwise).

The information on the number of employees and average monthly gross wages have been drawn from the results obtained by the processing of the CZSO's annual statistical questionnaires (incl. businesses of the business sphere up to 19 employees), except for Table 10-4 whose figures are based on the processing of the CZSO's quarterly statistical questionnaires.

To establish the activity and size of businesses, available administrative sources have been employed since 2002 for annual statistical surveys and since 2003 for quarterly surveys, which changed the values of the indicators published before. The same method was applied to refine the results obtained by the processing of annual questionnaires for 2000 and 2001.

Registered number of employees includes persons under employment contracts (both main and second jobs) and members of cooperatives having employment contract with the employer.

Average registered number of employees per year is the arithmetic mean of twelve average monthly numbers of employees (calculated as the sum of daily numbers divided by calendar days falling on the month concerned).

Wages 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. They are gross wages, i.e. before premiums for general health insurance and social security, income tax advances of natural persons, and other statutory deductions or deductions agreed with the employee.

The **average monthly gross wage** in Tables 10-1 to 10-4 and 10-7 is the ratio of wages excluding other personnel expenses per registered employee per month. The medians of gross monthly wages and the average monthly gross wages in Tables 10-5 and 10-6 have been calculated by relating the employee's wage in a given year to the total time paid—i.e. to the number of months over 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 monthly gross wages and monthly labour costs exclude persons performing public office (deputies, senators, full-time councillors at all levels), 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 contracts of employment), and employees of businesses not statistically measured.

The tabulated data on employees, average monthly gross wages and monthly labour costs broken down by industry correspond to the Branch Classification of Economic Activities - OKEČ (CZ-NACE). They refer to businesses classified to the business and non-business spheres (i.e. government departments, organisations semi-subsidised from state or local budgets, and non-profit institutions). They differ from data on employees and wages in the chapters on individual industries as these refer to the business sphere only). The data in Table 10-3 are broken down according to the Nomenclature of Institutional Sectors and Sub-sectors. The public sector comprises public non-financial corporations, public financial institutions and general government. The private sector comprises private non-financial corporations (national and foreign controlled), private financial institutions (national and foreign controlled), households (unincorporated natural persons), and non-profit institutions serving households. The data on average monthly gross wages and medians in Tables 10-5 and 10-6 are broken down by sex, age and major group of the CZ-ISCO-88 classification.

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; employees of unincorporated natural persons are excluded. They were drawn from results obtained by the processing of the CZSO's annual statistical questionnaires.

Unemployed job applicants are citizens permanently residing in respective areas, who have no formal job or similar attachment to any employer, are not gainfully self-employed, and have asked a labour office to find a job for them.

Available unemployed job applicants are applicants for job (incl. EU and EEA citizens) ready to immediately take up a job, when an appropriate one is offered, because no objective obstacle prevents them from doing that.

Before July 2004, **registered unemployment rate** was calculated as the ratio of unemployed job applicants to available labour force—i.e. employed persons as found by the LFSS plus unemployed job applicants (original methodology).

Starting from July 2004, the Ministry of Labour and Social Affairs of the CR releases its unemployment rate according to a new methodology. The rate is defined as the ratio of the number of available unemployed job applicants in the numerator and, in the denominator, the sum of the number of the employed measured by the LFSS plus the number of working foreigners registered by the labour offices or foreigners with work permit or trade licence plus the number of available unemployed job applicants.

The following indicators do not correspond to ILO definitions and recommendations:

- average monthly gross wage;
- unemployed job applicants;
- registered unemployment rate.

Minimum wage in the CR

According to Article 111 (4) of Act No 65/1965 Sb., on Labour Code, as amended.

Entry into force on													
1 Jan 1992	1 Jan 1996	1 Jan 1998	1 Jan 1999	1 July 1999	1 Jan 2000	1 July 2000	1 Jan 2001	1 Jan 2002	1 Jan 2003	1 Jan 2004	1 Jan 2005	1 Jan 2006	1 July 2006
Minimum monthly wage, CSK/CZK													
2 200	2 500	2 650	3 250	3 600	4 000	4 500	5 000	5 700	6 200	6 700	7 185	7 570	7 955

Notes on tables

Table 10-4. Employees and their average monthly gross wages in the national economy (excl. businesses with fewer than 20 employees): by CZ-NACE and size group of businesses

The figures in this table were taken over from results obtained by the processing of quarterly statistical questionnaires and include all employees registered by businesses classified to:

- a) the business sphere—i.e. employees of businesses with 20+ employees, including employees of unincorporated self-employed persons (irrespective of the number of employees in financial intermediation);
- b) the non-business sphere—i.e. employees of government departments, organisations semi-subsidized from state or local budgets, and non-profit institutions (e.g. publicly beneficial companies, health insurance companies, etc.).

Tables 10-5 and 10-6. **Medians of gross monthly wages and average monthly gross wages: by CZ-ISCO-88 major group and age**

The data on the business sphere are taken from the Information System on Average Earnings of the Ministry of Labour and Social Affairs of the CR (ISAE). They are obtained by a sample survey in businesses with 10+ employees who are remunerated pursuant to Act No. 1/1992 Sb., on Wage, Bonus for Standby Duty and Average Earnings. The data on the non-business sphere are taken over from the Information System on Pay (ISP) of the Ministry of Finance of the CR, which is an administrative source covering all employees remunerated pursuant to Act No. 143/1992 Sb., on Pay and Bonus for Standby Duty in Budgetary and Some Other Organizations and Bodies. The average wage from these sources is at variance with the average wage obtained via CZSO business surveys (Tables 10-1 to 10-4 and 10-7). 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). It also excludes employees whose number of contracted hours of work is less than 30 a week. The average wage obtained via the CZSO business surveys 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.

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

The data shown in Part 10A. Labour Market are comparable with those listed in Chapter 1. Key National Economy Indicators of this Yearbook as well as with the data given in the Statistical Yearbook 2005.

Parts A and B of this chapter give numbers of employees or employed persons obtained from two different sources and survey methods, from business reporting systems and the labour force sample survey (LFSS) taken in households. Given the fact that the results do not always show identical numbers of persons, structures and trends, the following table is given here to show the substantial differences in the coverage of the basic population.

Group	BUSINESS STATISTICS (10A)	LFSS (10B)	
	Employees	Employees	Self-employed
Population 15+ employed	/	-	-
Population 15+ usually living in dwellings	-	/	/
Females on maternity leave	-	/	/
Persons on parental leave (persons on child care leave – included in the survey, but not considered as employed)	-	-	-
Contracts for work carried out outside contracts of employment	-	/	X
Foreign nationals	/	-	-
Foreign nationals usually residing in the CR	/	/	/
Persons working outside the CR	With head office of enterprise in the CR only	/	/
Regular members of the armed forces	/	/	X
Temporary members of the armed forces	-	/	X
Compulsory community service	-	/	X
Full-time councillors at all levels	-	/	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 is not applicable

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Detailed information is available in the following CZSO publications brought out according to the CZSO Catalogue of Publications 2006 (thematic group 3 - LABOUR, SOCIAL STATISTICS, subgroup 31 - Labour and Wages):

- „Evidenční počet zaměstnanců a jejich mzdy v ČR“ – June, September and December 2006, March 2007
- „Časové řady základních ukazatelů statistiky práce“ – July 2006
- „Struktura mezd zaměstnanců za rok 2005“ – July 2006
- „Analýza trhu práce 1993 až 2005“ – 3rd quarter of 2006
- „Úplné náklady práce za rok 2005“ – 4th quarter of 2006
- „Vývoj úplných nákladů práce (1994 až 2005)“ – 4th quarter of 2006
- „Evidenční počet zaměstnanců a jejich mzdy v ČR za 1. až 4. čtvrtletí 2004 (definitivní údaje)“ – June 2006

Further data are published on the following web pages of the Czech Statistical Office:

- http://www.czso.cz/eng/redakce.nsf/i/employment_unemployment_ekon
- http://www.czso.cz/eng/redakce.nsf/i/labour_and_earnings_ekon
- <http://www.czso.cz/eng/edicniplan.nsf/aktual/ep-3?opendocument#31>

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and of the Ministry and Social Affairs of the CR:

- <http://www.mpsv.cz/en/>