

## **B. Labour force, the employed and the unemployed** (as measured by the labour force sample survey)

The labour force sample survey (LFSS) used by the CZSO is a source of information on the labour market. The survey provides information collected in households of respondents. The methodology of indicators measured by the LFSS is in line with the definitions and recommendations of the International Labour Organisation (ILO) adopted by the 13th International Conference of Labour Statisticians held in October 1982 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 market characteristics, is respected.

The tables show average figures for respective years. The differences between the total and the sum of individual figures in these tables are due to the fact that the total is rounded off (it does not equal the sum of rounded-off individual figures concerned).

The sample includes about 25 thousand dwellings in the Czech Republic (over 0.6% of all permanently occupied dwellings), in which over 62 thousand respondents of all age groups are surveyed. Approximately 53 thousand of them are aged 15+. Included in the LFSS are all persons usually living in the sampled dwellings, irrespective of the type of their residence. The LFSS is a continuous survey, whose results are evaluated and published every quarter.

Before 2001, all LFSS data were weighted by the age distribution of the population obtained from common demographic statistics, the last known development of natural increase and migration balance being taken into consideration. The LFSS data for 2001 and 2002 were weighted to correspond to the age distribution of the population interpolated for individual mid-quarters, on the basis of the Population and Housing Census 2001 and then according to the final demographic statistics as at 1 January 2001 and the end of the years 2001 and 2002. Besides, starting from 2003, the migration balance during the previous year was taken account of in the population projections for mid-quarters. This calculation approach corresponds best to the circuit of persons included in the survey (permanently residing population, foreigners with the long-stay over 90 days).

The comparison of the labour force structure in the time series is affected to some extent by the last methodological changes applying to the LFSS. Since 1 January 2002, the LFSS questionnaire fully harmonized with the EU standard has been in use (including the order of questions for respondents). The question about the economic activity of respondents in the reference week is of priority. If a respondent stated that he/she had worked at least one hour in the reference week, he/she is strictly classified, according to the ILO methodology, as a person in employment. Compared to the structure of the questionnaire used before 2002, when the main status was of primary concern, the existing questionnaire entitles us to assume that the number of positive answers to the question about the employment in the reference week is higher. Due to the necessity to maintain anonymous and voluntary participation of citizens in the LFSS, the CZSO cannot directly compare the established data with other sources such as records of the labour offices. The development of the difference between numbers of job applicants registered by the labour offices and of job applicants measured by the LFSS suggests that the impact of the change in the questionnaire decreased the number of the unemployed in the LFSS by 30 to 50 thousand persons.

The **labour force** includes all persons who are aged 15+ and meet the criteria for being classified to the category of employed or unemployed persons.

**Economically inactive persons** are children up to 15 and persons aged 15+ who do not meet the criteria for inclusion in the labour force.

The **employed** are all persons who are aged 15+ and were in paid employment or self-employment in the reference week. Whether their working activity is permanent, temporary, seasonal or occasional, or their job is the only (main) or second (additional), or whether they are single or multiple jobholders, makes no difference. For the purpose of the survey, the concept of the work is interpreted as the work performed for at least one hour in the reference week. Included among the employed are also apprentices who receive wages, salaries or other remuneration according to the same principle as other persons. Similarly, students, homemakers and other persons primarily engaged in non-economic activities, who were in employment in the reference week, are also classified to the employed. On the other hand, the group of the employed does not include persons on parental leave, whose position is of a different character according to ILO methodology. Distinguished between are all employed persons in the national economy and persons employed in the civilian sector (excluding members of the armed forces). The employed are classified to industries according

to the economic activities of their workplaces, which is why the numbers here differ from the numbers of the employed presented in the other chapters of the Yearbook because the latter are measured by the enterprise method.

Employees and members of producer cooperatives are considered as the paid employed, in accordance with the ILO methodology.

**Employees** are all persons with a formal job attachment irrespective of whether or not they worked in the reference week. The formal job attachment refers to employment contracts (work contract, appointment or election under current legislation), various contracts for work and, as the case may be, other contractual relations outside the domain of the labour law. According to ILO, the category of the paid employed also embraces regular and temporary members of the armed forces, and this group of persons is included in total employment in the national economy.

The **self-employed** with employees (employers) and without employees (own-account workers) are persons employed in own enterprises. Considered as employed in own enterprises are also family workers, irrespective of hours they worked in the reference week.

The **underemployed** are all persons in paid employment or self-employment, whether or not at work in the reference week, who work part-time or usually less than 40 hours a week and wish to work more hours. Persons not working for more than four weeks are excluded.

One (main) employment (jobholders) refers to the total number of actual persons employed in the national economy or in the civilian sector.

Second (additional) employment (jobholders) refers to an additional working activity of persons who have two or more jobs. Such persons are included among persons who have a one (main) job.

The **unemployed** are all persons who are aged 15+ and concurrently met all of the three following conditions in the reference period:

- were out of work, i.e. they were neither employed for pay nor self-employed;
- were actively seeking employment. "Actively" implies seeking work through a labour office or a private employment agency, seeking employment by applying to the employer directly, seeking employment through relatives or friends, studying job advertisements, taking steps to establish one's own business, applying for work permit or license, or any other active seeking of employment;
- were ready to take up a job, i.e. they were available to carry out paid employment or self-employment immediately or within two weeks.

Besides, persons who are not seeking employment because they have already found one and can start the work within 14 days at the latest are also classified as unemployed by Eurostat definition.

Persons **not meeting at least one of the three conditions above** are classified as **employed** or **economically inactive** (depending on other particular characteristics). The table below shows the methodological differences between unemployed persons measured by the LFSS and registered by the labour offices.

Registered job applicants not meeting ILO conditions for incorporation into the unemployed	Registered job applicants meeting ILO conditions for incorporation into the unemployed	Non-registered unemployed persons meeting ILO conditions for incorporation into the unemployed
Registered by labour offices (Ministry of Labour and Social Affairs)		
Unemployed according to ILO (LFSS)		

The **unemployed** with experience of work are persons who have already had employment, i.e. persons who do not seek their first job after completing their process of education/training. The structure shown in the respective table excludes persons who completed their education more than 8 years ago.

A **general unemployment rate (ILO)** is an indicator calculated from LFSS results and complying with international definitions and recommendations. It is derived as the proportion of the number of unemployed persons to the total labour force in per cent.

**Specific unemployment rates** refer to indicators showing unemployment broken down by age or another structure of the population. The numerator includes the unemployed, whereas

the denominator includes the total labour force for a given population group (e.g. aged 25-29) for which the specific unemployment rate is calculated.

A **participation rate**, derived according to ILO and Eurostat methodology, is the proportion of the total labour force in the total number of working-age and post-working-age persons (i.e. population aged 15+).

An **employment rate** is the proportion of employed persons in the number of all persons aged 15+.

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The data for 2001 differ from the data for 2001 published in the Statistical Yearbook of the Czech Republic 2002 because the LFSS results were adjusted retroactively with reference to the demographic data provided by the final results of the Population and Housing Census 2001.

The data in the tables are fully comparable with those given in the statistical yearbooks of previous years.

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Information on the Czech labour market broken down in detail in accordance with the new territorial setup of the country is released quarterly 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):

- "Employment and Unemployment in the Czech Republic as Measured by the Labour Force Sample Survey" (Czech; English version available only on the web) – June, September and December 2006, March 2007
- "Employment and Unemployment in the Czech Republic as Measured by the Labour Force Sample Survey – Annual Averages" (Czech; English version available only on the web) – June 2006.
- "Labour Market in the Czech Republic 1993-2005" (Czech; English version available only on the web) – 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/employment_unemployment_ekon)
- <http://www.czso.cz/eng/edicniplan.nsf/aktual/ep-3?opendocument#31>