

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 come from a survey among businesses and from administrative 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 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 in Tables 10-1 to 10-3 have been drawn from the results obtained by the processing of the CZSO's annual statistical questionnaires. Starting from 2008, the CZSO introduced the new International Classification NACE Rev. 2 (CZ-NACE in the CR) in accordance with other EU countries. Changes in some branches were significant and it was impossible to use the previously published data only with renumbered activities. The CZSO developed a method of retroactive conversion of time series at the micro-data level taking into account the newly discovered wrong classification of some businesses in 2005–2007. Available administrative sources were newly used to gross up the whole time series from 2005. Due to time and methodological demands, the conversion process had not been finally completed at the closing date of the Statistical Yearbook. Therefore, the data in mentioned Tables are presented as preliminary and may be subsequently revised. The data in mentioned Tables are not comparable with data published in Yearbooks from previous years.

Employment measured by the survey among businesses or taken from administrative sources refers to the number of workers, i.e. registered employees of businesses, self-employed persons and family workers (only those for which work in the company is their main job). Tables 10-1 to 10-6 give information on employees and their wages.

Registered number of employees includes persons under employment contracts and members of cooperatives having employment contract with the employer.

Average registered number of employees per year (natural persons) 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). The average registered number of employees (full-time equivalent) is the average registered number of employees (headcount) by their hours of workload in relation to working hours as determined by the employer (full-time hours). Compared to the previous years the data on employees and wages in Tables 10-1 to 10-3 are FTE.

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 10-3 and 10-6 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 10-4 and 10-5 have been calculated by relating the employee's wage in a given year to the total 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 data on employees, average monthly gross wages and monthly labour costs broken down by industry refer to businesses classified to the business and non-business spheres, i.e. government departments, organisations semi-subsidised from state or territorial budgets, and non-profit institutions and they differ from data on employees and wages in the chapters on individual industries as these refer to the business sphere only. Data are classified to the Classification of Economic Activities (CZ-

NACE) valid from 1 January 2008, which, at the given level, fully corresponds with the International Classification NACE Rev. 2.

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.

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 publishes the registered 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. Table 10-7 contains graphical representation of time series discontinuation.

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

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

Minimum wage in the CR

According to the Labour Code:

Entry into force on	Minimum monthly wage, CSK/CZK	Entry into force on	Minimum monthly wage, CZK
1 Jan 1992	2 200	1 Jan 2002	5 700
1 Jan 1996	2 500	1 Jan 2003	6 200
1 Jan 1998	2 650	1 Jan 2004	6 700
1 Jan 1999	3 250	1 Jan 2005	7 185
1 July 1999	3 600	1 Jan 2006	7 570
1 Jan 2000	4 000	1 July 2006	7 955
1 July 2000	4 500	1 Jan 2007	8 000
1 Jan 2001	5 000		

Notes on tables

Tables 10-4 and 10-5. Medians of monthly gross wages and average monthly gross wages: by CZ-ISCO-88 major group and age group

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. The data on the non-business sphere are taken from the Salary Information System (ISP) of the Ministry of Finance of the CR, which is an administrative source covering all employees 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 10-3 and 10-6). 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). 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. The data on the average wage in Table 10-5 for the year 2008 were converted pursuant to updated weighting scheme based on the new Classification of Economic Activities CZ-NACE. Therefore, they differ from data published in the previous year.

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.

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 up to and incl. 2004	–	/	X
Compulsory community service up to and incl. 2004	–	/	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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Other labour market statistics are available in the CZSO publication published in accordance with the Catalogue of Publications 2010 in thematic group 3 – LABOUR, SOCIAL STATISTICS, subgroup 31 – Labour and Wages:

– 3111-10 „Ročenka statistiky trhu práce 2010“ – November 2010

More detailed data can be found on the website of the Czech Statistical Office at:

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

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

- <http://www.mpsv.cz/en/>
- <http://portal.mpsv.cz/sprava/multilang>