

## **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 labour market characteristics, is respected in full.

Tables show average figures for respective years. Differences between data on the total figures and on the sum of partial figures in the tables follow from the fact the total is rounded total data; it is not equal to the sum of rounded partial figures concerned.

In each quarter of 2012 the sample contained almost 25 thousand dwellings on average on the territory of the whole Czech Republic (over 0.6% of all permanently occupied dwellings), in which more than 57 thousand respondents of all age groups are surveyed. Almost 50 thousand of them are aged 15+ years. All persons usually living in the sampled dwellings, irrespective of the type of their residence, are subject of the LFSS. The LFSS is a continuous survey, results of which are evaluated and published quarterly.

Before 2001 all LFSS data were weighted by the age distribution of the population obtained from current demographic statistics, while the last known development of natural increase and migration balance was taken into consideration. Since 2001 data have been based on the final results of the 2001 Population and Housing Census and then on the final demographic data. Population movement and natural increase according to the latest available data have been taken into account in the population projections for mid-quarters since 2003. Since 2011 the data are based on the final results of the 2011 Population and Housing Census and then on the final demographic data. This calculation approach corresponds best to the group of persons included in the survey.

The comparison of the labour force structure in the time series is affected by methodological changes to the LFSS. Since 1 January 2002 the LFSS questionnaire has been fully harmonized with the EU standard, including the order of questions for respondents. Economic status of respondents, i.e. their classification as the employed, the unemployed, or the economically inactive, is principally related to the reference week, not to their so-called main status. 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 questionnaire structure 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 employment in the reference week is higher.

Since 1 January 2011 a new version of the Classification of Occupations of the CZ-ISCO, which replaced previously applied KZAM, has been in force. Results for previous years were retroactively converted to match the CZ-ISCO Classification.

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

**Economically inactive persons** are all children up to 15 years of age and persons aged 15+ years who do not meet the criteria for being included in the labour force.

The **employed** are all persons who are aged 15+ years and were among the paid employed or the self-employed in the reference week. And it makes no difference whether their work activity was of permanent, temporary, seasonal, or occasional nature, or they had the only (main) job or multiple jobs simultaneously. 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. Apprentices, who receive wages, salaries, or other remuneration according to the same principle as other persons, are also included into the employed. Similarly students, homemakers, and other persons primarily engaged in non-economic activities, who were active in employment in the reference week, are also classified as 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 the ILO methodology, from the position of other persons with a formal job attachment. 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 other chapters of the Yearbook because in other chapters the number of the employed is measured by the enterprise method.

**Employees** are all persons with a formal job attachment irrespective of whether or not they actually worked in the reference week. The formal job attachment refers to, first of all, an employment contract, then a contract for work and contract on works and, as the case may be, other contractual relations outside the domain of the labour law. According to the ILO, the category of employees also embraces members of the armed forces (regular professionals, and before 2005 also temporary conscripts serving compulsory military service). Since 2012 members of producer cooperatives have not been measured separately in the survey but they have been included among the employees. This step was retroactively reflected in time series.

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

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 longer hours. Persons, who have not worked for more than four weeks, are excluded.

One (main) employment (jobholders) refers to the total number of persons (headcount) employed in the national economy.

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

The **unemployed** are all persons who are aged 15+ years and concurrently meet 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 seeking employment in an active manner. "In active manner" shall mean the seeking of work through a labour office or a private employment agency, direct contact with and at companies, consulting relatives or friends, placing or answering job advertisements, taking steps to establish own business, applying for work permit or license, or any other active way of seeking employment; and
- were ready to take a job, i.e. they were available to work in paid employment or self-employment immediately or within two weeks at the latest.

Besides these persons, persons who are not seeking employment, because they have already found one, but their commencement of work is fixed for some later date (within 3 months, at the latest), are also classified as the unemployed according to the Eurostat definition.

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

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

The **unemployed** with former work experience 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 appropriate table excludes persons who finished their employment more than 8 years ago.

The **general unemployment rate** (ILO) is an indicator calculated from LFSS results and complying with international definitions and recommendations. It is constructed as the percentage of the number of unemployed persons to the total labour force.

**Specific unemployment rates** refer to indicators showing unemployment broken down by age or other structure of the population. The numerator includes the unemployed, whereas the denominator includes the total labour force in a given population group (e.g. aged 25–29 years), which the specific unemployment rate is calculated for.

The **participation rate** is built according to the ILO and Eurostat methodology as the share of the total labour force in the total number of working-age persons and post-working-age persons (i.e. the population aged 15+ years).

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

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Information on the labour market in the Czech Republic can be found published on the website of the Czech Statistical Office at:

- [www.czso.cz/eng/redakce.nsf/i/labour\\_and\\_earnings\\_ekon](http://www.czso.cz/eng/redakce.nsf/i/labour_and_earnings_ekon)
- [www.czso.cz/eng/redakce.nsf/i/employment\\_unemployment\\_ekon](http://www.czso.cz/eng/redakce.nsf/i/employment_unemployment_ekon)