

4. LABOUR AND EARNINGS

The **Labour Force Sample Survey (LFSS)** is a source of information on the labour market. The information is obtained by surveys among respondents' households. The methodology of indicators measured by the LFSS is in line with the definitions and recommendations of the International Labour Office (ILO) and enables international comparability of labour market characteristics.

The **labour force** includes all persons aged 15+ who are employed or unemployed.

The **employed** include all persons aged 15+ (usually living on the surveyed territory), who worked at least 1 hour during the reference week for a wage, salary or other remuneration, or who had a formal job attachment while not being at work. 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, or whether they are studying at the same time or receiving some pension makes no difference.

According to the international methodology, the employed include:

- persons working in their own or family company,
- regular and temporary members of the armed forces including those on compulsory community service,
- persons on maternity leave, who were working before.

According to the international methodology, the employed exclude:

- persons on maternity leave, who were not working before and persons on additional child-care (parental) leave – they are classified as the unemployed or economically inactive according to whether they fulfil the ILO conditions or not.

According to the above-mentioned definition, e.g. apprentices, students, homemakers and other persons engaged above all in other than economic activities and were working in the reference period for at least 1 hour for salary or remuneration or had a formal job attachment are taken for the employed.

The **paid employed** are all persons with a formal job attachment, irrespective of whether they worked in the reference week or not. The formal job attachment is an employment contract (work contract, appointment or election by the current legislation), contract for work and contract on works and, as the case may be, other contractual relations outside the domain of the labour law (e.g., contracts over copyright). Since 2012 employees include members of producers' cooperatives. Time series are recalculated.

Working pensioners are persons the usual status of whom corresponds to the situation of persons receiving a pension and at the same time fulfilling the criterion for inclusion in the employed in the reference period.

The **unemployed** are all persons aged 15+ (without the upper age limit) who concurrently met all of the three following conditions in the reference period:

- were out of work - i.e. during the reference week they did not work even for a single hour for a salary or other remuneration or had no job attachment while not being at work.
- were seeking employment in an active manner. "In an active manner" means the seeking of work through a labour office or a private employment agency, direct contact with and at companies, 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;
- 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 them, persons who are not seeking employment, because they have already found one, but they should start work later (within three months at the latest), are classified as unemployed by Eurostat definition.

Persons not fulfilling at least one of the three conditions above are classified to the category of the employed or the economically inactive (according to other concrete characteristics).

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.

The **long-term unemployed** are persons, who were in the reference week unemployed for more than one year.

Long-term unemployment rate – it is the share of the long-term unemployed in the sum of the employed and long-term unemployed.

Employment rate is the share of the employed in the total number of persons aged 15+.

Participation rate is derived according to the ILO and Eurostat methodology; i.e. as the share of the total labour force in the total number of persons aged 15+.

Distinction of territories to **towns** and **countryside** was made on the basis of the number of permanently inhabited dwellings in a municipality. Municipalities with the number of permanently inhabited dwellings higher than 800 are considered to be towns.

Results in Tables 4-35 to 4-36 are taken over from the CZSO data publication *Structure of Earnings Survey 2015* (code of the publication is 110026-16) based on the Average Earnings Information System, which is made as a survey by the Ministry of Labour and Social Affairs and the Salary Information System, which is administered by the Ministry of Finance.

Since 2011 results has been covering the whole population of employees in the Czech Republic, by a sampling method, because, as a novelty, employees of enterprises with less than 10 employees and also employees of non-profit institutions and those of the self-employed are involved. This change means the statistical data representativeness has been improved. Results for the previous years were not grossed-up to the whole national economy, they did not cover namely enterprises with less than 10 employees and thus the results are not fully comparable throughout the whole time series. Data for 2010 were recalculated according to the new methodology.

In 2016, an occasional revision of results for the reference years 2012 to 2014 was carried out. The reason was to replace the 2010 modelled data on the wage sphere micro-businesses by a new survey for the reference year of 2014 and to implement legislative changes concerning the minimum wage in micro-businesses.

Micro-businesses are businesses with the size of 1 to 9 employees. Wage distribution of micro-businesses is distinctively different from wage distribution of businesses with the size of 10+ employees and it markedly influences mainly the beginning of wage distribution in the CR.

The survey on micro-businesses, unlike a standard survey on businesses with 10+ employees, is carried out only once in four years and therefore there is some calculation data bias mainly in the time close to a new survey. The revision also solves the issue of legislative changes in the area of the minimum wage in micro-businesses by reflecting in a systematic way the updates of legislation for each period.

Registered job applicants are citizens permanently residing in the respective area, who have no formal job or similar attachment to an employer, who are not self-employed, and who have asked a labour office to find a suitable job for them.

The **share of unemployed persons** – it is the ratio of available job seekers aged 15 to 64 years in the population of the same age (in percentage). The Ministry of Labour and Social Affairs started to publish the new indicator monthly since November 2012. The indicator replaced the registered unemployment published before, which measures all available job applicants only in comparison to economically active persons. Since January 2013, data are published only according to the new calculation.

Data on economic activities are broken down by section of the Classification of Economic Activities (**CZ-NACE**) valid from 1 January 2008. It corresponds to the international NACE Rev. 2 classification.

The breakdown by occupation was made according to the **CZ-ISCO** classification (effective since 1 January 2011), which is a Czech version of the ISCO classification.

Since 2014, the EU Member States use the ISCED 2011 classification for reporting of statistics on education. **CZ-ISCED 2011** classification corresponds to the International Standard Classification of Education (ISCED 2011). It is a translation, which uses terminology commonly used in the Czech Republic. The ISCED classification is a tool for collection and production of statistics in the domain of education both on the national and international levels.

Status in employment – it is classified by the CZ-ICSE, which corresponds to the ICSE-93 (International Classification of Status in Employment).

Non-formal education – a form of education, in which a respondent participates in courses, in which he or she obtains new knowledge and skills. A necessary condition for inclusion in these courses is always participation of a professional lecturer or a teacher.

Commuting to and from work – data on the amount of commuting cannot be directly compared to the Population and Housing Census results, because data obtained from the LFSS apply only to persons usually living in dwellings and not in accommodation establishments.

GPG – Gender Pay Gap: Relative difference in the average or median wage for men and women (related to the median wage for men). It is expressed in percent. The size of GPG in some of the categories does not necessarily mean discrimination on the labour market. In most cases the difference can be explained by the influence of other factors, which have a different structure for men and women (apart from education this involves, for example, sectors, occupations, number of hours worked, etc.).

Numbers are given in thousands. Differences between the data for a whole and a sum of partial data in the annexed tables result from the fact that the total is not a sum of rounded off partial data but the rounded total data. Both numbers and percentages in all tables within the text, annexed tables, and in the text are calculated from non-rounded numbers.

"Not identified" in the tables comprises refused answers, answers "I do not know" and any other case of an unidentified answer of the respondent. Where more answers to the question asked are possible, the data are classified, in principle, according to the main variant of the answer.

It should be borne in mind in using the tables that sample methods were employed to acquire the information and, therefore, the accuracy decreases as the sample diminishes.

Note: In the LFSS publications (Labour Market in the CR, Employment and Unemployment in the CR as Measured by the Labour Force Sample Survey – quarterly data, annual averages) data provided are structured in more details - by age, education, region, etc. You can find these publications on the CZSO website at:

www.czso.cz/csu/edicniplan.nsf/aktual/ep-3#31.