

#### 4. LABOUR AND EARNINGS

The **Labour Force Sample Survey (LFSS)** is a source of information on the labour market acquired by means of questioning right 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) and thus enables labour market characteristics can be compared internationally.

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

The **employed** include all persons aged 15+ years with usual residence on the surveyed territory, who performed some work for at least one hour for wage or salary in cash or in kind during the reference week, or who were not at work yet had a formal attachment to their job during the reference period. The main criterion for a person to be included into the employed is therefore they perform any remunerated work activity. Therefore it does not matter whether their working activity was permanent, temporary, seasonal, or occasional, or had one job or multiple jobs performed in parallel, or whether they were studying or receiving some type of pension at the same time.

According to the international methodology, the employed include:

- persons working in their own or family company;
- professional soldiers and conscripts of the armed forces, including persons serving compulsory community service; and
- persons on maternity leave, who were jobholders before the leave.

According to the international methodology, the employed exclude:

- persons on maternity leave, who were not jobholders before the leave and persons on prolonged maternal (parental) leave who are classified as the unemployed or economically inactive persons depending on they comply with the ILO conditions or not.

According to the aforementioned definition, e.g. apprentices, students, persons maintaining household, and other persons engaged, first of all, in other-than-economic activities who however have worked for at least one hour for wage or salary or had a formal attachment to their job in the reference period are considered the employed.

**Employees** (the paid employed) are all persons with a formal attachment to their job, irrespective they have worked in the reference week or not. The formal attachment to a job shall mean, first of all, an employment contract (employment contract, appointment or delegation, 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 were recalculated backward.

**Working pensioners** are persons the usual status of whom corresponds to the situation of persons receiving an old-age pension and, at the same time, complying with the criterion to be included into the employed in the reference period.

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

- were jobless, i.e. during the reference week they did not work even for a single hour for wage or salary, or had no job which they would have been temporarily absent from;
- were seeking employment in an active manner. "In an active manner" shall mean the seeking of work by means of a labour office or a private employment agency, direct contacts with and at companies, placing or answering job advertisements, taking steps to establish their own business, applying for work permit or license, or any other active way of seeking employment; and
- were ready to start to work immediately or within two weeks, at the latest. Besides these persons, persons who are not seeking a job, because they have already found one, but they should start to work later, within three months at the latest, are classified as the unemployed according to the Eurostat definition.

Persons, which do not comply with one of the three aforementioned conditions, at least, are classified as the employed or the economically inactive, depending on other concrete characteristics.

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

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

The **long-term unemployment rate** is the share of the long-term unemployed in the sum of the employed and the long-term unemployed.

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

The **participation rate** is constructed according to the ILO and Eurostat methodology as the share of the total labour force in the number of persons aged 15+ years.

The definition and breakdown of territories to **urban areas** and **countryside** was carried out on the basis of the number of permanently inhabited dwellings in a municipality. Municipalities having the number of permanently inhabited dwellings higher than 800 are considered towns.

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

Since 2011 the results cover the whole population of employees in the Czech Republic using 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 changes to legislation concerning the minimum wage in micro-businesses.

Micro-businesses are businesses with the size from 1 to 9 employees. The wage distribution of micro-businesses is significantly different from the wage distribution of businesses with the size of 10+ employees and has important influence on mainly the beginning of the wage distribution in the CR.

The survey on micro-businesses, unlike the 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 changes to legislation in the field of the minimum wage in micro-businesses by reflecting amendments to legislation for each period in a systematic way.

**Job applicants kept in the labour office register** are citizens having permanent residence in the respective area, who neither have a formal job or similar attachment to an employer, nor are the self-employed, and who have asked a labour office to facilitate a suitable job for them.

The **share of unemployed persons** is the percentage of available job applicants kept in the labour office register aged 15 to 64 years in the population of the same age. The Ministry of Labour and Social Affairs started to publish the new indicator monthly since November 2012. The indicator replaced the registered unemployment rate published before, which measures all available job applicants only 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**), the version valid since 1 January 2008. The Classification corresponds to the international Statistical Classification of Economic Activities in the European Community (NACE Rev. 2).

The breakdown by occupation is made according to the classification of **CZ-ISCO**, effective since 1 January 2011, which is the Czech version of the International Standard Classification of Occupations 2008 (ISCO-08).

Since 2014 the EU Member States use the International Standard Classification of Education (ISCED 2011) for the education statistics. The classification of **CZ-ISCED 2011** corresponds to the ISCED 2011. It is the translation of the international standard, which applies terminology which is established and in common use in the Czech Republic. The ISCED serves as a tool for the data collection and production of statistics on education, both on the national and international levels.

The **status in employment** is classified according to the CZ-ICSE, which in full corresponds to the International Classification of Status in Employment (ICSE-93).

**Non-formal education** is a form of education, in which the respondent participates in courses, in which he or she obtains new knowledge and skills. The necessary prerequisite to be included into these courses is always participation of a professional lecturer or a teacher.

Data on the extent of **commuting to work** cannot be directly compared to the Population and Housing Census results, because data obtained from the LFSS apply only to persons with usual residence in dwellings and not in accommodation establishments.

The **GPG** means Gender Pay Gap, which is the relative difference in the average wage or median wage for males and for females related to the median wage for males and expressed as percentage. A higher value of the GPG 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 males and females. These are, besides education, for example, economic activities, occupations, number of hours worked, etc.

Absolute numbers are given in thousands. Differences between the data for the whole and the sum of partial data in tables enclosed result from the fact that the total is not a sum of rounded partial data, but the rounded total of non-rounded partial data. Both absolute and relative numbers in all tables in the text and in enclosed tables, and in the text are calculated from non-rounded numbers.

"Not identified" in the tables stays for 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 broken down, in principle, according to the main variant of the answer.

Working with tables it is necessary to keep in mind that data were acquired applying sampling methods and therefore their 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 a greater detail as by age, educational attainment, region, etc. You can find these publications on the CZSO website at:

<https://www.czso.cz/csu/czso/employment-and-unemployment>.