

9. LABOUR MARKET

The source of information on the labour market surveyed in the households of respondents is the **Labour Force Sample Survey (LFSS)**. The methodology of indicators measured by the LFSS is in line with the definitions and recommendations of the International Labour Organisation (ILO). Thus the data may serve 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 adhered to.

The sample includes over 24 thousand **random selected dwellings** on the entire territory of the Czech Republic (over 0.6% of all permanently occupied dwellings). All persons usually living in the sampled dwellings, irrespective of the type of their residence, are included in the LFSS. The set of chosen dwellings varies during the survey. Each quarter 20% of newly chosen dwellings are incorporated into the panel and after five quarters being on the panel they are dismissed from.

The decisive criterion for surveyed characteristics of every respondent is the respondent's actual activity on the labour market in the reference week. If a respondent stated that he/she had worked at least one hour in the reference week for wage, salary, or for other remuneration, he/she is strictly classified, according to the ILO methodology, as a person in employment.

All tables give average annual data for respective years.

Reliability of data collected by sample methods declines as the sample size decreases. The annual averages lower than 3 000 persons are considered as low reliability data and annual data for a number less than 500 persons are not published at all as their relative standard deviation is higher than 50% (represented by dots in tables). For all data obtained from the sample survey the 95% confidence interval can be constructed, i.e. the interval, in which the real value of the estimated indicator lies with the 95% probability. The interval size is affected by both frequency of the characteristic surveyed in respective region and the sample size in the region.

Data on the **number of employees** (as headcount) and on **average gross monthly wages in 2015 to 2017** (Tables 9-8., 9-9., 9-103., and 9-104.) are drawn from results of the processing of annual statistical questionnaires. They cover all economic entities with no regard of their number of employees. The territorial breakdown of the data by region is obtained directly from the reporting units and is carried out depending on the location of actual workplaces of employees, by the so-called **workplace method**. However, a more detailed territorial breakdown, for example, by districts, is impossible. The data breakdown by industry has been **processed according to the national version of the Statistical classification of economic activities in the European Community (CZ-NACE)**. Data are classified to industries by principal activity of the whole enterprise.

In 2018 data on numbers of employees and average wages (Table 9-105.) are drawn from the results of the processing of quarterly statistical questionnaires and are published **by workplace location**. Data are given for all enterprises with the numbers of employees as headcount and also converted to the full-time equivalent persons which reflects the length of worked hours. The data are preliminary.

The data on numbers of employees and on average gross monthly wages do not cover persons at public offices (as, for instance, deputies, senators, full-time members of assemblies at all levels), judges, women on maternity leave, persons on parental leave (unless they simultaneously work in a main (one) job), trainees of voluntary training, persons working for companies on the basis of the agreement on work performed out of the employment contract, employees of businesses, which are not statistically measured.

The data on **wages by sex and by classification of occupations** (Tables 9-10., 9-106., and 9-107.) were obtained from the wage structure statistics of employees sources of which are the **Information System on Average Earnings (ISAE)** of the Ministry of Labour and Social Affairs and the **Information System on Salaries (ISS)** of the Ministry of Finance. Data on wages are calculated by different methodology and are incomparable to results of a common statistical survey (Tables 9-8. and 9-9. or Tables 9-103. to 9-105.). They relate to the sample of employees with the number of paid hours of 1 700 and more, which roughly corresponds to full-time employees who worked in the reporting unit for the most of the year and were not long-term ill, for instance.

Since 2011 the **Structural Earnings Survey** has cover **the whole employee population of the Czech Republic** because newly employees of businesses with less than 10 employees and also employees of non-profit organizations and employees of the self-employed have been included (Tables 9-10., 9-106., and 9-107.). This change means the statistical data are more representative. Results for previous years were not grossed up to the whole national economy, namely did not cover businesses with less than 10 employees, and therefore data in the time series are not comparable in full. The **breakdown by occupation** has been processed **according to the national version of the International Standard Classification of Occupations (CZ-ISCO)**, effective since 1 January 2011.

The **median wage** is the value of the employee's wage in the middle of the wage distribution. This means that one half of wages lies below the median wage, while the other half is above it.

The data on the number and structure of unemployed **job applicants kept in the labour office register** and on the job vacancies kept in the labour office register are taken from the Information System of the Ministry of Labour and Social Affairs.

Job applicants kept in the labour office register are natural persons, who have asked in person for an arrangement of a suitable job at a regional office of the Labour Office of the CR, in the region where they have residence and while they

have complied with conditions established by law and the regional office of the Labour Office of the CR have entered them into the register of job applicants.

Available job applicants kept in the labour office register are registered job applicants (including the EU and EEA citizens), ready to take a job immediately, when an appropriate one is offered, because there is no objective obstacle for them to become employed.

The **partly unemployed** are registered job applicants with additional earnings (coming from an activity based on employment or service relationship, or under contracts for work carried out outside contracts of employment provided that their monthly earnings or remunerations per month do not exceed a half of the minimum wage).

The **share of unemployed persons** expresses the share of available job applicants kept in the labour office register aged 15–64 years in the whole population of the same age.

Since 1 January 2012 there has been effective an amendment to the Act No 435/2004 Sb on employment, which in Section 35 cancels the so far applied obligations of the employers to report **job vacancies**. The employer **may** report job vacancies and their characteristics to a regional labour office (Section 37). Job vacancies kept in the labour office register shall mean newly created or vacated jobs, which the employer intends to acquire employees or to occupy them with temporary employees from a **labour agency** (Section 35).

Data on **employed foreigners** are based on two separate registers as follows:

- the register kept by the **Ministry of Labour and Social Affairs**, exactly by the **Administration of Employment Services**, which collects data from registers of labour offices as follows:
 - number of valid work permits issued for foreigners;
 - number of pieces of information on citizens of the EU/EEA and Switzerland starting to perform work in employment. These citizens and their family members does not need a work permit, yet their employers are obliged to inform the competent labour office in writing on the day they started to perform work in employment, at the latest;
 - number of granted employee cards, which are issued solely to citizens from non-member countries of the European Union. The employee card is a long-term residence permit for the purpose of employment in the Czech Republic;
 - number of granted blue cards, which constitute a long-term stay permit for the purpose of employment in the Czech Republic for foreigners having higher qualification, which is in demand in the Czech Republic, from non-member countries of the European Union;
 - number of pieces of information on foreigners from other countries having permanent residence in the Czech Republic, who do not need a work permit yet have the duty to inform on.
- the register kept by the **Ministry of Industry and Trade**, which gather data on foreigners having valid trade licence and therefore are able to do business on the territory of the Czech Republic on the conditions that they comply with conditions established in the Act No 455/1991 Sb on trade licences.

The data on the number of foreigners with long-term residence and those with employment may not be directly compared. In certain cases, of certain citizenships, the number of employed foreigners may be higher than the number of foreigners with long-term residence, i.e. those registered by the Alien Police Departments. This holds especially on the number of foreigners from the EU Member States, who, in accordance with valid legislation, do not need to register for residence in the Czech Republic, yet are registered as employees at labour offices.