4. LABOUR AND EARNINGS

A. Employment and unemployment

The Czech Statistical Office carries out the **Labour Force Sample Survey** (LFSS), which serves as a source of information on the labour market acquired, by means of personal interviews 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 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, etc. at the same time.

  According to the international methodology, the employed include:
  - persons running their own business or working in a 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, housepersons, 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.

- The **unemployed** are all persons aged 15+ years (without the upper age limit) who in the reference period simultaneously met the three conditions 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 either as the employed, or as the **economically inactive**.

Employment status or **status in employment** is determined and classified according to the national version ICSE-CZ of the International Classification of Status in Employment (ICSE-93), which the national version is fully compatible with.

- **Employees** 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 according to 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. copyright contracts). Members of

armed forces as professional soldiers and also conscripts of compulsory military service till 2004, are taken as employees according to the ILO as well. Since 2012 employees include members of producers´ cooperatives. Time series were retrospectively recalculated.

- *The **self-employed** shall mean the group of employers which is in the LFSS subdivided into two subgroups of the **self-employed with employees** and the own-account workers, that is the **self-employed without employees**. The self-employed also include family workers no matter how many hours they worked in the reference week.*

*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 **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, the persons employed and the persons unemployed, in the number of persons aged 15+ years, i.e. working age population.*

*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.*

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

***Non-formal education** is institutionalised, intentional and planned by an education provider and is not terminated by completion of a certain level of education. It may, however, be completed by granting a certificate. Unlike formal education it is usually shorter and more flexible in terms of its content.*

Notes

1. ***Figures on absolute numbers** are given in thousands. Differences between the data for the total 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 figures in all tables in the text and in enclosed tables, and in the text are calculated from non-rounded numbers.*

2. *"**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.*

3. *In the **publications based on the LFSS results** (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 broken down in a greater detail 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 .*

B. Wages and labour costs

*Results in Tables 4-35 to 4-36 are taken over from the CZSO data publication of **Structure of Earnings Survey** 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.*

The publication, including the methodology applied, is available at https://www.czso.cz/csu/czso/struktura-mezd-zamestnancu-2018 .

*The **GPG** means the gender pay gap, which is the relative difference in the average wage or median wage of males and of females related to the median wage of 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.*

***Job applicants kept in the labour office register** are natural persons having permanent residence in the area of a labour office regional branch, who have asked in person the labour office to facilitate a suitable job for them. In case they comply with conditions stipulated by law the regional branch of the labour office put them into the job applicants register.*

*The **share of unemployed persons** is the percentage of available job applicants kept in the labour office register aged 15–64 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.*

Classifications used

- *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 is a national version that fully 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 national 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 Czech national classification of **CZ-ISCED 2011** fully 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.*

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.