6 May 2016

Employment Rate the Highest since The Independent Czech Republic Was Established

Employment and Unemployment in the Czech Republic according to the LFS Results – Q1 2016

**Total employment in Q1 2016 increased by 99.5 thousand persons, year-on-year (y-o-y) and reached 5 086.7 thousand persons. The employment rate of the aged 15-64 years was 71.0% which is the highest value ever since 1993. The number of the unemployed according to the ILO methodology dropped by 85.0 thousand persons, y-o-y. The general unemployment rate of the aged 15-64 years declined by 1.6 percentage point (p.p.), y-o-y, compared to Q1 2015, and was 4.4%.**

### Employment

In Q1 2016 the seasonally adjusted **average number of employed persons** increased by 51.6 thousand persons, compared to Q4 2015.

The **number of employed persons** increased by 99.5 thousand (i.e. by 2.0%), y-o-y, to reach 5 086.7 thousand persons. The number of the **self-employed in the main job, including contributing family workers,** in total fell by 15.8 thousand to 855.4 thousand persons compared to Q1 2015 and their share was 16.8%. Both the number of the self-employed with employees declined by 14.6 thousand persons to attain 163.6 thousand persons and the number of the self-employed without employees, i.e. the own-account workers, decreased by 1.7 thousand persons to 662.3 thousand persons. Both the number of the self-employed without employees in the group up to 35 years of age and that of the self-employed with employees of the middle and elder productive age declined. The number of contributing family workers (29.5 thousand persons) remained almost unchanged compared to that in the last year. On the contrary, compared to Q1 2015, the number of the **employees, including members of producers’ cooperatives**, significantly increased by 115.3 thousand to reach 4 231.3 thousand and their share was 83.2% of total employment.

A growth in employment was significant in the **secondary sector** (by 43.7 thousand persons). Trends in the secondary sector were, however, counter current. On one hand, the number of working persons in construction decreased by 21.8 thousand persons, yet, on the contrary, the number of working persons in manufacturing grew substantially by 74.2 thousand persons, year-on-year.

The number of working persons in the **tertiary sector** of services was growing fast (by 55.4 thousand persons). Employment increased especially in the economic activities sections of professional, scientific and technical activities (by 14.8 thousand persons), transportation and storage (by 15.6 thousand persons), and of public administration and defence; compulsory social security (by 18.9 thousand persons). The number of working persons in the **primary sector** section of agriculture and forestry stagnated.

The **employment rate** (percentage of working persons in the age group 15‑64 years) reached 71.0% and grew by 1.6 p.p. compared to Q1 2015. That means it reaches the highest value ever in history of the independent Czech Republic. The male employment rate increased by 1.6 p.p. to reach 78.5%. Improved labour market conditions projected in a faster growth in the female employment rate that increased by 1.7 p.p. to attain 63.3%.

### Unemployment

The seasonally adjusted **average number of unemployed persons according to the International Labour Organisation (ILO)** **methodology**[[1]](#footnote-1) decreased by 15.9 thousand persons compared to that in Q4 2015.

The total number of the unemployed declined by 85.0 thousand persons, y-o-y, and reached 231.2 thousand persons. Both the number of the unemployed females dropped by 42.6 thousand persons to 118.8 thousand persons and the number of the unemployed males fell by 42.4 thousand persons to 112.5 thousand persons. The **number of persons unemployed for one year and longer** declined by 39.0 thousand, y-o-y, and the total number of them reached 105.7 thousand persons.

The **general unemployment rate according to the ILO definition** in the age group 15-64 years (the share of the unemployed in the labour force, i.e. the sum of the employed and the unemployed) decreased by 1.6 p.p. compared to Q1 2015 and thus dropped deep below the five-percent level to reach 4.4% in Q1 2016. According to Eurostat data for March 2016 the seasonally adjusted unemployment rate in the Czech Republic was the lowest in the whole European Union (Czech Republic 4.1%, Germany 4.2%, Spain 20.4%, Greece 24.4%, and the EU average unemployment rate was 8.8%).

If broken down **by educational attainment**, university graduates permanently show a low unemployment rate (2.0%) and the same can be seen for the persons having secondary education with A-level examination (3.0%). A high unemployment rate pertains in the group of persons with primary education (22.2%). The unemployment rate substantially declined year-on-year in the large group of those having secondary education without A-level examination, including persons with apprenticeship certificates (by 2.4 p.p. to give 4.9%).

### Inactivity

In the sample survey, data are collected also on **persons, who do not work and do not seek a job in an active manner, and thus do not comply with the ILO conditions for the unemployed**, yet they state they would like to be working. In Q1 2016 the number of such persons was 141.0 thousand persons, i.e. by 2.6 thousand more than in the same period of 2015. Majority of persons willing to work, however, is not able to start in a potential job immediately. Actually, there are mere 47.3 thousand persons able to start in a job within a fortnight, at the latest.

Notes:

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Data source: CZSO, Labour Force Sample Survey (LFSS) conducted in selected dwelling households; collective accommodation establishments are not included in the survey. The LFSS results have been grossed up to the total population of the Czech Republic using data of the population statistics as at 1 January 2016 and the prediction of the population development in Q1 2016. The results grossed up to the total population of the Czech Republic are based on results of the 2011 Population and Housing Census.

End of data collection /

End of preliminary data processing: 21 April 2016 / 25 April 2016

*Related Internet-published document*: *250128-16 - “Employment and Unemployment in the Czech Republic as Measured by the Labour Force Sample Survey – Quarterly Data” with the finalised survey results will be available on the CZSO website by the end of Q2 2016. (*[Home](https://www.czso.cz/csu/czso/home) - [We publish](https://www.czso.cz/csu/czso/we-publish) - [Catalogue of Products](https://www.czso.cz/csu/czso/catalogue-of-products) - Employment and Unemployment*)*

Next News Release shall be published on: 5 August 2016

Annexes:

Table 1 Employed persons (status in the main job, absolute numbers, shares, year-on-year increments, and indices)

Graph 1 The employed and the unemployed (absolute numbers)

1. *1) The ILO methodology defines* ***the unemployed*** *as all persons above a specified age who during the reference period were without a job, did not work an hour for pay, and were in an active manner seeking job they would be able to join within two weeks at the latest. This methodology is uniform for all EU Member States and produces internationally comparable data. It should be noted that the definition of “the unemployed” by the ILO differs from the definition of “job applicants” kept in the register of the labour offices of the Ministry of Labour and Social Affairs of the CR.* [↑](#footnote-ref-1)