3 November 2016

Numbers of Employees and of the Own-Account Workers Growing Fast

Employment and Unemployment in the Czech Republic according to the LFSS Results – Q3 2016

**Total employment in Q3 2016 increased by 91.4 thousand persons, year-on-year (y-o-y) and reached 5 151.7 thousand persons. The employment rate of the aged 15-64 years was 72.2%, which is the highest value ever since the survey beginning in 1993. The number of the unemployed according to the ILO methodology dropped by 44.2 thousand persons, y-o-y. The general unemployment rate of the aged 15-64 years slightly declined by 0.9 percentage point (p.p.), y-o-y, compared to Q3 2015, and was 4.0%.**

### Employment

In Q3 2016 the seasonally adjusted **average number of employed persons** increased by 19.4 thousand persons, compared to Q2 2016.

The **number of persons** **in the main job** increased by 91.4 thousand persons (i.e. by 1.8%), y‑o-y, to reach 5 151.7 thousand persons. While the number of working persons aged under 40 years declined by 7.5 thousand persons, the number of working persons aged 40+ years substantially increased by 98.9 thousand persons. In the age group 40-44 years their number grew by 38.0 thousand persons. The number of working persons aged 60+ years increased markedly by 37.2 thousand persons, which is 40% of the total increase in employment.

Working persons are dominated by **employees**. Their number increased by mere 79.6 thousand persons to 4 268.3 thousand persons, year-on-year. Therefore the share of employees in total employment grew by 0.6 p.p. to 82.8 thousand persons, y-o-y. At the same time the number of employees having indefinite employment contract also grew (by 81.8%, y‑o‑y). The number of the **self-employed in the main job, including contributing family workers,** did not see any significant change, increased by less than 12.0 thousand persons to 883.3 thousand persons, compared to Q3 2015. While the number of the self-employed with employees declined by 19.4 thousand persons to attain 158.8 thousand persons and the number of contributing family workers decreased by 4.3 thousand persons to 24.5 thousand persons, the number of the self-employed without employees, i.e. the own-account workers, grew substantially by 35.4 thousand persons and at present attained the level of 700 thousand persons.

Employment in the **secondary sector** increased by 57.0 thousand persons. The employment growth in this sector is caused by a rapid increase in the number of working persons in manufacturing, by 55.1 thousand persons.

The number of working persons in the **tertiary sector** of services grew by 30.7 thousand persons. Employment year-on-year increased in numerous economic activities sections, most in transportation and storage and in education. Employment increased also in arts, entertainment and recreation, information and communication, human health and social work activities, and in public administration and defence; compulsory social security. On the other hand, the number of working persons declined in trade organisations and in accommodation and food service activities. The number of working persons in the **primary sector** section of agriculture and forestry did not changed in a significant manner (increase by 3.4 thousand persons).

What increased most was the number of working persons with higher education (by 4.2%); the numbers of working persons in the largest groups of those with secondary education without A‑level examination and with A-level examination were growing at a slower pace (by 0.9%). More detailed data on changes in the structure of the population education can be found in the analyses enclosed.

The **employment rate** (percentage of working persons in the age group 15-64 years) reached 72.2% and grew by 1.7 p.p. compared to Q3 2015. That means it has the highest value ever in history of the independent Czech Republic. The male employment rate increased by 1.5 p.p. to reach 79.7%. Good labour market conditions projected in a faster growth in the female employment rate that increased by 1.9 p.p. to attain 64.5%.

### Unemployment

The seasonally adjusted **average number of unemployed persons according to the International Labour Organisation (ILO)** **methodology**[[1]](#footnote-1) decreased by 2.5 thousand persons compared to that in Q2 2016.

The total number of the unemployed declined by 44.2 thousand persons, y-o-y, and reached 213.0 thousand persons. Both the number of the unemployed females dropped by 25.9 thousand persons to 115.1 thousand persons and the number of the unemployed males fell by 18.2 thousand persons to 98.0 thousand persons. The positive development is a result of a great decline in the **number of persons unemployed for one year and longer** by 41.1 thousand, y-o-y, and so the total number of them reached 83.8 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 0.9 p.p. compared to Q3 2015 and dropped to 4.0% in Q3 2016.

The unemployment rate declined year-on-year in all levels of **educational attainment**. University graduates permanently show a low unemployment rate (2.1%) and the same can be seen for the persons having secondary education with A-level examination (2.9%). 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 1.4 p.p. to give 4.1%). A high unemployment rate, on the contrary, pertains in the group of persons with primary education (20.3%).

### 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 Q3 2016 the number of such persons was 129.7 thousand persons, i.e. by 7.4 thousand less 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 39.7 thousand persons able to start in a job within a fortnight, at the latest.

Notes:

Responsible head at the CZSO: Dalibor Holý, phone: +420 274052694,
e-mail: dalibor.holy@czso.cz

Contact person: Dalibor Holý, phone: +420 274052694,
e-mail: dalibor.holy@czso.cz

Authors of the analysis: Bohuslav Mejstřík, Marta Petráňová

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 three quarters of 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: 24 October 2016 / 26 October 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 Q3 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: 2 February 2017

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)