2 February 2018

Last Quarter of 2017 Confirmed Record-Breaking Employment

Employment and Unemployment in the Czech Republic according to the LFSS Results – Q4 2017

**Total employment in Q4 2017 increased by 75.3 thousand persons, year-on-year (y-o-y) and reached 5 262.7 thousand persons. That was the highest value since the independent Czech Republic was established. The employment rate of the aged
15**–**64 years was 74.3%. The number of the unemployed, according to the ILO methodology, dropped by 63.1 thousand persons, y-o-y. The general unemployment rate of the aged 15**–**64 years declined by 1.2 percentage point (p.p.), y-o-y, compared to Q4 2016, and was 2.4%.**

### Employment

In Q4 2017 the seasonally adjusted **average number of employed persons** increased by 3.5 thousand persons, compared to Q3 2017.

The **number of persons** **in the main job** increased by 75.3 thousand persons (by 1.5%), y-o-y, to reach 5 262.7 thousand persons. Both the number of employed males and the number of employed females grew by 40.4 thousand and 34.9 thousand, respectively. While the number of working persons aged up to 40 years declined by 38.0 thousand persons, the number of working persons aged 40–54 years increased by 77.1 thousand persons. The number of working persons aged 60+ years also increased markedly by 35.4 thousand persons.

The overall increase in the number of the employed was caused, first of all, by the growth in the number of persons with employment status of **employees**. Their number increased by 91.3 thousand persons to reach 4 374.8 thousand persons, year-on-year. The number of the **self-employed in the main job, including contributing family workers,** saw a decline by 16.2 thousand persons, compared to Q4 2016, to attain 887.7 thousand persons. While the number of the self-employed with employees remained almost unchanged, the number of the self-employed without employees, i.e. the own-account workers, fell by 11.7 thousand persons.

As in the past quarters the continuing growth in employment was significant namely in the **tertiary sector** of services. Employment in the **secondary sector** of industry and construction increased by 13.2 thousand persons and the growth was dominated by an increase in manufacturing by 15.8 thousand persons. The number of working persons in the **primary sector** section of agriculture and forestry was, on the contrary, reduced by 9.6 thousand persons.

The changes to the structure of economic activities are simultaneously accompanied with changes in the structure of occupations of the working persons according to the national version of the International Standard Classification of Occupations 2008 (CZ-ISCO-08). The numbers of clerical support workers, service and sales workers, and technicians and associate professionals grew year-on-year by 30.9, 24.7, and 24.0 thousand persons, respectively. Conversely, the numbers of elementary occupations and of skilled agricultural, fishery, and forestry workers fell by 15.7 thousand persons and by 12.4 thousand persons, respectively.

The **number of working persons with tertiary educational attainment** increased by 51.9 thousand persons. Development in the numbers of working persons in the largest groups of those with secondary education without A-level examination and with A-level examination was still contradictory. While the number of working persons with secondary education without A-level examination fell by 37.0 thousand persons, the number of working persons with secondary education with A-level examination grew by 48.5 thousand persons.

The **employment rate** (percentage of working persons in the age group 15–64 years) reached 74.3% and grew by 1.4 p.p. compared to Q4 2016. The male employment rate increased by 1.5 p.p. and the female employment rate increased by 1.3 p.p.

### Unemployment

The seasonally adjusted **average number of unemployed persons according to the International Labour Organisation (ILO)** **methodology**[[1]](#footnote-1) decreased by 19.4 thousand persons in Q4 2017 compared to that in Q3 2017.

The total number of the unemployed declined by 63.1 thousand persons, y-o-y, and reached 128.7 thousand persons. Both the number of the unemployed females dropped by 32.2 thousand persons to reach 69.4 thousand persons and the number of the unemployed males fell by 30.9 thousand persons to reach 59.3 thousand persons. The positive development is a result of a great decline in the **number of persons unemployed for one year and longer** by 34.2 thousand, y-o-y, and so the total number of them reached 40.5 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 1.2 p.p., compared to Q4 2016, and dropped to 2.4% in Q4 2017.

If viewed by region the unemployment rate, compared year-on-year, significantly decreased in three regions. The highest drop was recorded for the Karlovarský Region (by 3.1 p. p. to 2.6%), followed by the Moravskoslezský Region (by 2.1 p. b. to 3.8%), and the Zlínský Region (by 1.9 p. b. to 2.0%). The Capital City of Prague featured the lowest unemployment rate in the Czech Republic which showed a decline by 0.8 to 1.4% in Q4 2017.

The unemployment rate declined year-on-year in all levels of **educational attainment**. University graduates permanently show a low unemployment rate (1.3%) and the same can be seen for the persons having secondary education with A-level examination (1.6%). The unemployment rate also declined year-on-year in the large group of those having secondary education without A-level examination, including persons with apprenticeship certificates (by 0.9 p.p. to give 3.0%). A high unemployment rate (10.1%), although it significantly decreased by 8.4 p.p. y-o-y, pertains in the group of persons with primary education.

### 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 Q4 2017 the number of such persons was 119.1 thousand persons, i.e. by 8.0 thousand less than in the same period of 2016. Majority of persons willing to work, however, is not able to start in a potential job immediately. Actually, there are mere 34.2 thousand persons able to start in a job within a fortnight, at the latest. These issues are discussed more in detail in a separate analysis.

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 2017 and the prediction of the population development in Q4 2017.

End of data collection /

End of preliminary data processing: 26 January 2018 / 29 January 2018

*Related Internet-published document*: *250128-17 - “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 Q4 2017. (*[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: 4 May 2018

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.* [↑](#footnote-ref-1)