4 February 2019

Number of Working Pensioners Grows

Employment and Unemployment in the Czech Republic according to the Labour Force Sample Survey Results – Q4 2018

**Total employment in Q4 2018 increased by 63.6 thousand persons, year-on-year (y-o-y) and reached 5 326.3 thousand persons. On the contrary, the number of the unemployed, according to the International Labour Organisation (ILO) methodology, dropped by 17.7 thousand persons, y-o-y. The general unemployment rate of the aged 15**–**64 years declined by 0.4 percentage point (p.p.), y-o-y, to attain 2.1%.**

### Employment

In Q4 2018 the seasonally adjusted **average number of employed persons** increased by 26.5 thousand persons, compared to Q3 2018.

The **number of persons** **in the main job** increased by 63.6 thousand persons (by 1.2%), y-o-y, to reach 5 326.3 thousand persons. Both the number of employed males and the number of employed females grew by 25.4 thousand and 38.2 thousand, respectively. While the number of working persons aged up to 40 years declined by 28.9 thousand persons, the number of working persons aged 40–54 years increased by 54.2 thousand persons. The number of working persons aged 60+ years also increased markedly by 21.8 thousand persons.

Changes to the age structure of working persons are, first of all, affected by demographic factors and by prolonged time of preparations for future jobs. A decline in the number of younger working persons was mostly compensated by an increase (+47.1 thousand persons) in the number of working persons aged 45–49 years. Moreover, the latter age group features absolutely highest employment rate of all five-year age groups in the population of working age. The number of working persons aged 55–59 years also increased in a significant manner by 16.6 thousand persons, majority of which were females.

The gradually advancing life expectancy and improved health of persons elder than working age have brought an increase in the number of working pensioners aged 65+ years. Their number has grown by 17.1 thousand persons over a year, which means it is more than a quarter of the annual increase in total employment.

The total increase in the number of working persons was caused mainly by a growth in the **number of persons with the status of employee**. The number of employees grew by 56.7 thousand persons, y-o-y, to reach 4 431.1 thousand persons. The number of **the self-employed with employees** saw also an increase by 4.7 thousand persons. On the contrary, the number of own-account workers (the self-employed without employees) remained virtually unchanged at the level of Q4 2017.

The annual growth in employment was shown most in the **tertiary sector** of services, by an increase of 43.6 thousand persons. Employment grew most, in terms of the number of working persons, in the economic activities section of ‘information and communication’. According to preliminary results the number of working persons in the sections of ‘accommodation and food service activities‘ and ‘arts, entertainment and recreation‘ grew in an important way as well. Employment in the **secondary sector** of industry and construction grew by 18.5 thousand persons. The number of working persons increased by 31.2 thousand persons in manufacturing, yet in construction employment conversely declined by 13.5 thousand persons.[[1]](#footnote-1) The number of working persons in the **primary sector** remained virtually unchanged, increased by 2.2 thousand persons.

The extent of participation of persons aged 65+ years in concrete economic activities is, first of all, affected by how physically demanding respective jobs are. The share of this age group working persons in the secondary sector in total employment of the elderly is relatively low. Conversely, the share of the elderly working in numerous economic activities sections of the tertiary sector is high. The sections are mostly those in which rather large share of occupations require a higher educational attainment. In the last quarter of 2018 every ninth senior citizen worked in ‘human health and social work activities‘. Similarly, every tenth senior citizen found their job in the section of ‘education’. Over 9% of persons aged 65+ years were employed in ‘professional, scientific and technical activities‘. The aforementioned values are substantially higher than the values in the population of all working persons of working age.

The **employment rate** (percentage of working persons in the age group 15–64 years) reached 75.4% and grew by 1.0 p.p. compared to Q4 2017. This is the highest value ever in history of the Czech Republic. The male employment rate increased by 0.7 p.p. to reach 82.2%, and the female employment rate increased by 1.4 p.p. to attain 68.3%.

### Unemployment

The seasonally adjusted **average number of unemployed persons according to the ILO** **methodology**[[2]](#footnote-2) decreased by 13.2 thousand persons in Q4 2018, compared to that in Q3 2018.

The total **number of the unemployed** declined by 17.7 thousand persons, y-o-y, and reached 111.0 thousand persons. Both the number of the unemployed females dropped by 6.4 thousand persons to reach 63.0 thousand persons and the number of the unemployed males fell by 11.3 thousand persons to attain 48.0 thousand persons. The positive development relates, first of all, to a decline in the **number of persons unemployed for one year and longer** by 5.6 thousand persons, y-o-y, and so the total number of them reached 34.9 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 0.4 p.p., compared to Q4 2017, and attained 2.1% in Q4 2018.

### 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 2018 the number of such persons was 101.7 thousand persons, i.e. by 17.4 thousand less than in the same period of 2017. Majority of persons willing to work, however, is not able to start in a potential job immediately. Actually, there is almost one third of the 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 private 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 2018 and the prediction of the natural increase of population and net migration in 2018.

End of data collection /

End of preliminary data processing: 21 January 2019 / 23 January 2019

*Related Internet-published document*: *250128-18 - “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 Q1 2019. (*[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: 6 May 2019

Annexes:

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

Graph 1 The employed and the unemployed (absolute numbers)

1. *Data for the aforementioned economic activities sections may be affected by the applied methodology of the Labour Force Sample Survey. The survey covers merely persons living in private households. Data for persons living in collective accommodation establishments are not measured. These establishments, however, often give accommodation to aliens, who find their place on the labour market namely in the secondary sector of the national economy.* [↑](#footnote-ref-1)
2. *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-2)