

Labour market developments in the Czech Republic

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Abbreviations used (Czech version in brackets)

ALMP (APZ)	Active Labour Market Policy
CR (ČR)	Czech Republic
CSO (ČSÚ)	Czech Statistical Office
CSSA (ČSSZ)	Czech Social Security Administration
DLO (ÚP)	District Labour Office
ESA (SSZ)	Employment Services Administration
EU	European Union
LFS (VŠPS)	Labour Force Survey
LLL	Life Long Learning
LTU	Long term Unemployment
LRP	Lisbon Reform Programme
MEYS (MŠMT)	Ministry of Education, Youth and Sport
MoL (MPSV)	Ministry of Labour and Social Affairs
MF (MF ČR)	Ministry of Finance
RILSA (VÚPSV)	Research Institute for Labour and Social Affairs at the MoL

EXECUTIVE SUMMMARY

- Over half a year after the parliamentary election, the second attempt to form a viable government based on a center-right coalition is in progress. Currently, the Czech Republic is governed by a government which does not have majority support in the Chamber of Deputies (lower house) of the Czech Parliament, and which survived the vote of confidence in the Chamber of Deputies thanks to two MPs of the opposition Social Democratic party leaving their mother party.
- During the second half of 2006, there has been little policy action taken by both the departing government and the first post-election government which failed to secure the vote of confidence. The current government of Prime Minister Topolánek has recently announced its policy (reform) plans. However, it is not clear to what extent it will be able to push its agenda through the evenly divided lower house. The government claims that should it fail to carry out reforms, it will somehow lead the country toward early elections.
- The new Labour Code, championed by trade unions and the Social Democratic party, survived the harsh criticism by employer associations and right-wing parties and became effective in January 2007. The newly introduced ceilings on emergency duty over-time led to increased demand for certain professions, e.g., medical doctors.
- The economy continues to grow at a decreased but still healthy rate of about 5%. The sustained strong economic performance leads to gradual reductions in the short-term unemployment rate.

1 Introduction

This report covers the developments in the Czech Republic since the end of October 2006. It is atypical in that it reports somewhat nebulous and dispersed information on the proposed policy agenda of the new Czech government, which was established in mid January following seven months of post-election negotiations. The new coalition consists of the Civic Democratic Party, which campaigned under flat-tax slogans, and two small partners, the Christian Democrats and the Greens.² The coalition holds 100 seats in the 200-seat lower house of the Czech Parliament.

The current government defined itself as pro-reform and promised to tie its survival to the passage of a set of thorough reform steps in the lower house of the Czech Parliament. However, it is not clear whether the government will be able to carry out any substantial reforms given that its majority in the Parliament appears to ‘hinge’ on only two votes from formerly Social-Democratic opposition MPs, who claim to hold Social-Democratic anti-reform policy views despite having left their mother party.³

As we reported earlier, almost all of the high-spending policies adopted during the pre-election months survived the post-election negotiations of the second half of 2006 and became effective in 2007. One minimal benchmark against which one may measure the proposed policies of the new government is therefore its ability to reduce or reverse these recent spending excesses.⁴ The government is likely to face fierce opposition from Social Democrats in the key reform area of lowering mandatory expenditures.

2 Update on Economic and Labour Market Trends⁵

Aggregate Developments

The Czech economy’s real GDP growth in 2005, at 6.1 percent, was the strongest in recent history. While the GDP data for 2006 are not released yet, it is clear that growth slowed down in 2006, but not by much.⁶ Looking ahead, GDP growth forecasts by the CNB for 2008 range between 3.1 and 6.5 %, while the OECD forecasts a growth rate of 4.6%.

² The Czech Greens are less of a leftist party compared to their counterparts in EU-15 countries.

³ Furthermore, if recent Czech history is any guide, a government that balances on the margin of the vote of no confidence is easy to hijack by a small group of its own MPs and their particular interests.

⁴ The only piece of legislation that was affected by post-election negotiations is the new sickness insurance scheme, which transferred the responsibility for the first few days of employees’ sickness to employers. The introduction of the scheme will be postponed by a year.

⁵ A table providing key economic and labour market indicators is attached at the end of the report.

⁶ Third quarter growth stood at 5.8%, down from 6.4% of the first quarter.

The Czech economy's growth is propelled by consumer spending and by strong export performance, driven mainly by recent foreign direct investments, which occurred mainly in manufacturing.⁷ The Czech Republic has the highest share of employment in manufacturing in the EU, followed by Slovakia. This perhaps corresponds to a very high share of workers with apprenticeship education.

Despite several years of strong growth, the Czech Republic persistently reports high public finance deficits. The approved state budget for 2007 again calls for exceeding the Euro convergence spending limit of 3.3 percent of GDP, approved in 2005.

Public spending is the key problematic macroeconomic indicator because inflation remains low. It defied expectations and did not accelerate in September 2006 despite the increase in excise duty and the increasing price of natural gas. As a result, 2006 inflation remained at 2.5%. The MF predicts a 3 % inflation rate for 2007.

Overall confidence in the Czech economy grew to a new record high in January 2007. The summary indicator increased by 0.6 points against December 2006, thanks to the business confidence indicator putting on 0.5 points, while consumer confidence grew by 0.7 points.

Wage and Income Developments

Wage growth continues to be moderate in the Czech Republic. Year-to-year real (nominal) wage growth measured in the third quarter of 2006 was only somewhat above 3% (6%), and such that wage growth remains below the 4.3% productivity growth rate. Given the strong GDP growth, it is not surprising that average nominal wages grew faster in the first three quarters of 2006 than in 2005, thanks mainly to the business sector.

One of the factors that may have kept Czech wages under control is the employment of foreign workers who are willing to work for very low wages. It remains to be seen whether the potential addition of Bulgarian and Romanian workers, who now face fewer administrative hurdles of working in the Czech Republic compared to the currently large group of Ukrainian workers, helps to exert a downward pressure on Czech wage level (more on this below). This question is particularly important because productivity growth slowed down during 2006 in most sectors (except manufacturing), while wage demands by trade unions for 2007 seem to be on an upward trajectory.

For example, a January 2007 survey of trade unions currently engaged in collective bargaining in the automobile industry suggests that these trade unions request on average

⁷ A recent example is the major investment of Hyundai, the automobile maker. However, there are also examples of 'knowledge economy' FDI. CzechInvest, the government agency supporting FDI, recently announced the decision of the Swiss biotechnology firm Lonza to invest almost CZK 1 billion to upgrade its plant in Kourim, Central Bohemia. The firm already invested about CZK 4 billion in the region.

wage increases of over 7% for 2007. While this is a moderate bargaining position, one highly visible case stands out. In January 2007, the trade union at VW-Skoda, the car producer, which is estimated to account for about 3% of the Czech GDP and which employs 20,000 workers, asked for a 17% wage rise, much above the company offer of 6.1% and much above the typical wage-growth request in the industry. Combined with other demands, the VW-Skoda trade union effectively asks for a growth of the total wage costs by 24%. The negotiations are scheduled to conclude in March.

The evolution of Czech income inequality is less dramatic. Effective on 1 January 2007, the government has (again) increased the statutory minimum wage level from 7955 CZK (set in July 2006) to 8000 CZK.⁸ In the absence of work-fare-type measures, it is not clear that recent minimum wage increases have been effective in making unemployed workers accept low-wage jobs. Furthermore, for families with children, effective wage floor continues to be set not by the statutory minimum wage, but by the guaranteed family-level income in government transfers. This minimum welfare income level is relatively generous in international comparisons. A recent survey by the CSO confirms earlier findings that the Czech Republic shows one of the lowest rates of relative poverty in the EU.⁹ Low relative poverty rates are achieved thanks to both the generous Czech welfare scheme and to the PAYG pension scheme, which guarantees living standards above poverty line for a much greater proportion of elderly population than in any other EU country. Not surprisingly, such pension scheme is also extremely egalitarian; pension levels are similar across different worker groups even though there are no ceilings on the relatively high Czech payroll contributions.

Income inequality remains moderate thanks also the upper tail of the income distribution. A recent survey¹⁰ suggests that Czech managers still lag behind their foreign counterparts in terms of wages, although the gap between the wages of Czech managers and the average Czech wage is growing. In 2006, the national average wage, which also includes wages of company directors, was four times higher in Germany than in the Czech Republic, while wages of German managers were only three times higher than those of Czech managers.

Employment and Unemployment

Czech unemployment continues to fall. During 2006, it decreased by about 1 percentage point. About a half of this drop showed up in the growing employment rate, while the other half supported the growth of the inactivity rate.

⁸ The proportion of employees who work for hourly wages within 10% of the minimum wage level is about 7%. There are no studies of the employment effects of the recent series of minimum wage increases.

⁹ Only 8% of Czechs fall below a poverty line, defined as 60% of the average income in the country.

¹⁰ The survey was conducted by the German consulting company Keinbaum.

The registered unemployment rate was 7.7% in December 2006, implying an annual drop of about 1.2 percentage points. The fourth-quarter ILO unemployment rate (for age group 15-64, comparable to Eurostat figures) dropped year-to-year by 1.3 percentage points and stands at 6.6%—an eight-year low. According to the same source, the Czech LFS, the employment rate grew by 0.5 percentage points, reaching 65.5% in the fourth quarter, while the inactivity rate rose by a similar magnitude. Although the corresponding data broken down by demographic groups are not available yet, it seems that the main driving force behind the declining activity rate is the growing participation of young people in education (both tertiary and upper-secondary). In this respect, the decline in the activity rate should not be viewed as negative development.

Looking at the changing structure of registered unemployed people between the last quarters of 2006 and 2005, it is clear that the disabled and those over 55 years of age benefited little from the improving labour market conditions. Correspondingly, the proportion of long-term unemployed amongst the all unemployed people declined only slightly and stands at 41.2%.

The number of foreigners working legally in the Czech Republic is rising. According to newly released figures by the MoL, about 185,000 foreigners worked in the Czech Republic legally at the end of 2006, about 13,000 more than in December 2005. This corresponds to less than 4% of total employment.¹¹ The largest groups come from the Ukraine (43,000) and Slovakia (91,355). From 2007, citizens of Bulgaria and Romania do not need a work permit. As of the end of 2006, there was only a negligible number of Bulgarians or Romanians working in the Czech Republic.

Most of the foreign labour consists of workers with low level of education employed in basic occupations, typically in construction. The Czech MoL is notoriously unable to implement any sizeable programs for attracting highly educated foreigners (see our previous reports). Meanwhile, Czech professionals, particularly medical doctors, started migrating to countries of the EU-15.

3 Labour Market Policy Developments

3.1.1. Introduction to broad policy and/or institutional changes or plans

There was almost no policy action taken during the six months of post-election negotiations of political parties. This becomes particularly clear when looking at the web site of the ESA at the MoL, which now provides only rather outdated documents. In this report, we therefore review the mosaic of policy plans and intentions as presented in the new government's declarations and various public appearances of new ministers.

¹¹ The total number of foreigners living in the country is above 300,000 and remains under 3% of the total population.

3.1.2. Implementing employment policies aimed at achieving full employment, improving quality and productivity at work, and strengthening social and territorial cohesion.

Effective from 1 January 2007, the parental benefit more than doubled from CZK 3,635 to CZK 7,400. This result of the pre-election spending excess represents a potential threat to the relatively high employment rate of Czech mothers. The caring parent is eligible for parental benefits for over 3 years per child.¹² For two children, the total length of maternity leaves combined with periods of parental benefit collection can add up to 9 years. According to the new Minister of Labour, this parental benefit scheme will be redesigned to allow for more flexible arrangements reflecting parents' plans.

3.1.3. Attracting and retaining more people in employment, increasing labour supply and modernising social protection systems

- *Promoting a lifecycle approach to work (Guideline No.18)*

According to recent statements in the media, there is some chance that the opposition Social Democrats will not block some changes of the Czech PAYG pension system, including a minor increase in the statutory retirement age.

- *Ensuring inclusive labour markets, enhancing work attractiveness, and making work pay for jobseekers, including disadvantaged and inactive people (Guideline No.19)*

A new sickness insurance scheme, reviewed in detail in our previous quarterly reports, was expected to come into effect in 2007. Employers, not the state, were supposed to pay benefits to employees for the first two weeks of illness. In return, the health insurance contribution rate was supposed to decrease from 3.3% to 1.4%. The new scheme was designed with the aim to prevent the abuse of sickness benefits by both workers and employers. However, the introduction of the scheme has been delayed by one year due mainly to worries about its fiscal consequences. According to the amended legislation, employers will start paying sickness benefits according to the originally proposed scheme in 2008, when the payroll contribution rate will drop to 2.3% and when the state will reimburse half of the employers' expenditures on benefits. Later on, in 2009, the contribution rate will finally drop to 1.4% and there will be no reimbursements by the state.

Quite on the margin of this discussion, the CSSA reported that although the sickness rate in the Czech Republic has fallen by 18% during the past ten years, the average length of illness has increased by 12 days to reach the current average of 37 days. As a result, total absence from work due to illness increased from 88 million days in 1996 to 105 million

¹² More details can be found in Mysíková (2006) or in a brief summary at [http://zpravodaj.feminismus.cz/clanek.shtml?x=1963120&als\[nm\]=1963086](http://zpravodaj.feminismus.cz/clanek.shtml?x=1963120&als[nm]=1963086).

days in 2006. The length of sickness is influenced by the regional level of wages as well as unemployment, which may be related to abuse of the scheme.

At the start of 2007, a revised welfare scheme was put into effect. More details on the scheme were provided in our previous reports. There is anecdotal evidence of implementation problems having to do with new administrative procedures, IT systems, funding flows, and the new division of responsibilities between local, regional and central administration. There is also indication that serious effort is being devoted to overcome these implementation problems. It is definitely too early to make any assessment of the actual impact of the scheme on work incentives.

The MoL released new statistics on its programme for attracting highly educated immigrants, which so far attracted 530 foreigners. To provide perspective on the importance of this government effort, there is currently 185,000 foreign workers employed in the country. The failure to attract educated foreign labour represents a major policy error because of the low tertiary education attainment rate of the Czech population and its rapid ageing. On a positive note, the Ministry recently approved a plan to create Czech language schools for foreigners.

The rapid ageing of Czech population became more visible this year as the number of new pensioners doubled compared to a year ago due to the large post-war cohorts reaching the statutory retirement age. The dire fiscal consequences of this irreversible trend have been reviewed in previous reports. Yet, Czech political parties continue to ignore it. Not only have there been no steps taken thus far to adjust the PAYG scheme, it is not even clear that mandatory expenditures of this year will be covered within the approved 2007 state budget because MPs recently raided the budget when asking for additional expenditure in their home districts.

- *Improving the matching of labour market needs (Guideline No.20)*

The research institute RILSA at the MoL recently released its new study (see the reference section of this report), which represents the first serious assessment of ALMPs in the Czech Republic. The study reviews in detail the degree of targeting of ALMP programmes and estimates their gross effects. It stops short of evaluating their net impact and hence their cost effectiveness.

The study pays much of its attention to retraining programmes. It finds that these programs rarely target older and disabled unemployed people, a finding similar to that reached in other EU countries. It appears likely that programme administrators selectively pick those unemployed who have a high chance of succeeding in job finding even in absence of retraining. Somewhat surprisingly in our view, given the absence of a cost-benefit analysis, the study recommends expanding the scope of ALMP measures. On the other hand, we fully agree with the proposal to improve ALMP targeting, with particular focus on long-term unemployed, and to improve staffing of these programmes.

3.1.4. Improving adaptability of workers and enterprises

- *Promoting flexibility combined with employment security and reducing labour market segmentation, having due regard to the role of the social partners (Guideline No.21)*

The new Labour Code proposed by the previous Social Democratic government in close cooperation with trade unions became effective in January 2007, after surviving recent attempts by employer associations and the new government coalition to delay or derail the legislation.¹³ The first visible binding feature of the new Code is that it counts time on emergency duty into regular working time so that over-time ceilings become binding for emergency duty. This caused serious problems in, e.g., hospitals or police force. Initial anecdotal evidence suggests that employers have already started devising creative solutions that allow them to avoid some of the stipulations of the Code, such as the avoidance of over-time limits through signing multiple work contracts with a single worker. We believe that the most important effects of the new legislation will appear in longer term. The increased powers of trade unions will likely become important during the next aggregate economic slowdown.

In our previous Sysdem reports and NRP evaluations, we pointed to the shortage of pre-school child-care facilities and the likely adverse impact on female employment. In December 2006, the statistical department of MEYS reported that only one third of kindergartens admit all applicants, while about a half of public kindergartens admits at most 40% of applicants aged 3-5. The childcare situation is even more difficult for children under 3.

- *Ensuring employment-friendly labour cost developments and wage setting mechanisms (Guideline No.22)*

The Ministry of Finance released a study of its working group on taxing income and property in the Czech Republic. The study provides a detailed overview of economic and institutional practices, but gives no explicit summary or conclusions.

Employer associations recently voiced their opposition to further increases in the statutory minimum wage. Unfortunately, there is no credible economic analysis of the employment effects of the recent streak of minimum wage increases. In general, little effort is made to finance serious policy-oriented research.

3.1.5. Increasing investment in human capital through better education and skills

- *Expanding and improving investment in human capital (Guideline No.23)*

¹³ A detailed review of the disputed parts of the new Code was provided in our previous quarterly report and also in the Autumn Review article on flexicurity.

- *Adapting education and training systems in response to new competence requirements (Guideline No.24)*

A government proposal to delay the implementation of state Maturita exams has entered the lower house of the parliament. The Maturita exam is taken by students at the end of higher secondary programmes. It roughly corresponds to the German Abitur or British GCSE. Currently, each school designs its own test, which is to be replaced by a state unified exam. The delay is caused by implementation problems and inconsistencies with the ongoing curriculum reforms.

Information on the quality of IT skills in the population is scarce. According to a recent survey cited by the media, the Czech Republic ranks below EU average in most IT skill categories.¹⁴ While about 85 percent of Czech employees can use electronic e-mail or a text processor, Czechs considerably lag behind the rest of the EU in advanced IT knowledge necessary for business development.

3.2. Report against the Assessment of Implementation Reports

In this section we reflect the Commission's Assessment of the Czech National Reform Programme and discuss issues against which the Commission would like to see progress in the Czech Republic. Given that the only information on policy reaction to the Assessment can come from the rather 'fresh' January declaration of the newly formed government,¹⁵ we mostly refer to its relevant sections.

Improving the long-term sustainability of public finances

Fiscal reforms do indeed form the key core of the new government's agenda. The importance and fiscal consequences of a pension reform, new (un)employment policies, and of a tax/welfare scheme modernisation are clearly spelled out. The new government considers a reform of the institutional structure of expenditures to be critical; a tax reform is important as well, but less critical. The government plans to cut the proportion of mandatory expenditures on the state budget below 50%, from the current 54%. This share has been increasing for a long time.

Taxation is to be overhauled, based on a uniform flat tax rate for both corporate and personal income. At this moment, it is not possible to discuss the possible impact of future changes in direct taxes on work incentives because reform details were not released yet in

¹⁴ The survey was carried out by Britain's IDC for Microsoft. Human resources managers from 600 firms from ten EU countries took part in the survey.

¹⁵ <http://www.vlada.cz/scripts/detail.php?id=20780>

terms of actual rates, tax base formula deductibles, the extent of tax-credits, etc. Social and health contribution rates are to be lowered as well and the recent Labour Code is to be reformed.

Take steps to implement pension reform

According to the government declaration, the first stage of a pension reform is to consist of parameter changes of the current PAYG system, including increasing the statutory retirement age to 65 years. The second stage is to be partly based on voluntary saving programmes. The current stage of the reform development is described by various reports provided by the MoL.¹⁶

Modernize employment protection including tax and benefit systems

Details on the degree of flexicurity of the existing system and on prospects for future can be found in the Autumn Review article from the Czech Republic. The overall conclusion of the report is that the principles of flexicurity have been largely neglected in policy formulation up to now. According to the government declarations, the welfare system is to be made more targeted, effective and transparent. The government plans to consider conditioning of welfare support on participation in retraining or public works programmes.

Improve education and training systems

The government plans to create conditions for improving access to and diversity of tertiary education. It plans to lower the barriers in access to university education for students from disadvantaged families and allow for more private funding of tertiary education.

Other issues

There is relatively little known about the government's plans to provide incentives to invest in training, particularly for older workers and low-skilled, integrate disadvantaged groups in the labour market, reduce regional employment disparities, reconcile work and family life, tackle the gender wage gap and implement active ageing strategy.

Finally, we would like to note that the Commission's assessment omits a very important issue, which we have stressed repeatedly not only in our quarterly System reports but also in our NRP reviews. There is so far almost complete lack of policy impact evaluation and program cost-benefit analyses in the Czech Republic and there is also little effort to change this.

¹⁶ <http://www.mpsv.cz/cs/2228>

4 Recent labour market reports, surveys and other documentation

MoL - ESA

New bi-annual report [Analysis of employment and unemployment for the first half of 2006], Analýza vývoje zaměstnanosti a nezaměstnanosti za 1. polovinu roku 2006.

http://portal.mpsv.cz/sz/politikazamest/trh_prace

Regular MoL - ESA monthly and quarterly press briefs on registered unemployment.

<http://www.mpsv.cz/clanek.php?lg=1&id=32>

News on minimum wage - minimální mzda

<http://www.mpsv.cz/cs/3316>

Action plan of supporting families with children 2006-2008 [Akční plán na podporu rodin s dětmi 2006-2008]

http://www.mpsv.cz/files/clanky/2991/Akcni_plan.pdf

CSO (Czech Statistical Office)

Time series: http://www.czso.cz/csu/redakce.nsf/i/casove_rady

Latest indicators: <http://www.czso.cz/csu/csu.nsf/aktualniinformace>

Quick Information: <http://www.czso.cz/csu/csu.nsf/archivri?openform>

Labour and Social Stats: <http://www.czso.cz/csu/edicniplan.nsf/aktual/ep-3>

Analysis & Comments: http://www.czso.cz/csu/redakce.nsf/i/analyzy_csu

Časové řady: Mzdy [Time series: wages]

<http://www.czso.cz/csu/csu.nsf/informace/cpmz08300505.doc>

Časové řady: Konjunkturální průzkum [Time series: confidence indicators]

http://www.czso.cz/csu/redakce.nsf/i/kpr_cr

RILSA (Research Institute for Labour and Social Affairs at the MOL)

All reports and studies available at <http://www.vupsv.cz/zpravy.htm>

Impact evaluation of active employment policies in the CR [Hodnocení efektivity programů aktivní politiky zaměstnanosti v ČR]. Sirovátka, Tomáš - Kulhavý, Václav - Horáková, Markéta – Rákoczyová, Miroslava. Praha, VÚPSV - výzkumné centrum Brno 2006. ISBN 80-87007-06-9

http://www.vupsv.cz/Fulltext/vz_187.pdf

[Foreign labour migration to the CR two years after the EU entry] Zahraniční pracovní migrace v České republice dva roky po vstupu ČR do EU. Horáková, Milada.

NÚOV <http://www.nuov.cz/>

[Social aspects of long-term unemployment of low skilled youth] Aspekty dlouhodobé nezaměstnanosti mladých lidí s nízkou úrovní vzdělání. Trhlíková et al. (2006).

[Early drop-outs from the upper-secondary schooling] Předčasné odchody mladých lidí ze středního vzdělání. Bubíková et al. (2006).

[Opinion of professional schools graduates about their readiness and carrier prospect] Pohled absolventů odborných škol na volbu vzdělání, připravenost a uplatnění v praxi. Trhlíková, J.

[Transition from school to labour market of apprentices programs graduates and performance on the labour market] Přejít absolventů do SOU do praxe a jejich uplatnění na trhu práce – III. Etapa. Trhlíková, J. et al. (2006)

Miscellaneous

Mysíková, M. (2006): Postavení žen na trhu práce. [Position of women on the labour market]. Diploma thesis.

http://ies.fsv.cuni.cz/storage/work/762_martina_mysikova.pdf

New [Inflation Report] Zprávy o inflaci. Czech National Bank.

http://www.cnb.cz/www.cnb.cz/cz/menova_politika/zpravy_o_inflaci/zoj_2007_leden.html

[Macroeconomic forecasts for the Czech Republic, January 2007] Makroekonomická predikce České republiky, leden 2007. Ministry of Finance.

http://www.mfcr.cz/cps/rde/xchg/mfcr/hs.xsl/makro_pre_30022.html

Table: Key economic and labour market indicators

										2006				
			2001	2002	2003	2004	2005	2006	2007	Q1	Q2	Q3	Q4	
Note														Note
1	Real GDP growth	y-to-y [%]	2.6	1.5	3.2	4.7	6.1 ⁱ⁾	5.9	5.0	6.4 ⁱ⁾	6.0 ⁱ⁾	5.8 ⁱ⁾	5.4	1
2	Inflation	Annual avg, 2000~100%	104.7	106.6	106.7	109.7	111.7	114.6	117.3	114.0	115.0	114.9	114.4	2
3	Productivity	y-to-y [%]	102.1	101.1	104.3	104.8	104.8	104.5 ⁱ⁾	103.8	n.a.	n.a.	n.a.	n.a.	3
4	Consumer confidence	EOP [%]	-6.0	-9.0	-21.0	-7.0	-3.2	1.2	n.a.	1.9	2.2	-1.2	1.2	4
5	Unemployment rate (registered)	EOP [%]	8.9	9.8	10.3	9.5	8.9	7.6	n.a.	8.8	7.7	7.9	7.6	5
6	Unemployment rate	EOP [%]	7.9	7.3	8.2	8.2	7.9	6.6	6.7 ^{AVG}	7.7	7.4	7.1	6.6	6
7	Employment rate	EOP [%]	65.1	65.6	64.5	64.3	65.0	65.5	66.7 ^{AVG}	65.1	65.2	65.3	65.5	7
8	Innactivity rate total	EOP [%]	29.3	29.2	29.8	29.9	29.5	29.9	n.a.	29.5	29.6	29.7	29.9	8
9	men	EOP [%]	30.5	30.6	31.4	31.4	31.3	n.a.	n.a.	31.4	31.6	31.4	n.a.	9
10	women	EOP [%]	49	48.7	49.3	49.4	48.9	n.a.	n.a.	49.2	49.4	49.5	n.a.	10
11	ages 15-24	EOP [%]	n.a.	59.7	61.7	64.1	65.2	n.a.	n.a.	66.7	67.4	66.0	n.a.	11
12	ages 25-39	EOP [%]	n.a.	14.0	15.2	14.9	14.7	n.a.	n.a.	14.5	15.3	15.8	n.a.	12
13	ages 40-54	EOP [%]	n.a.	9.0	9.4	8.9	8.2	n.a.	n.a.	8.0	7.7	7.5	n.a.	13
14	ages 55-64	EOP [%]	n.a.	56.6	56.0	54.8	52.6	n.a.	n.a.	51.8	52.1	52.2	n.a.	14
15	Working time	EOP [hours/week]	41.5	42.0	42.0	41.9	41.8	n.a.	n.a.	n.a.	41.7	41.8	n.a.	15
16	Registered vacancies	EOP [thousands]	52.1	40.7	40.2	51.2	52.2	93.4	n.a.	70.5	97.4	98.9	93.4	16
17	Days lost through ind. disputes	[days]	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	17
18	Real wages	y-to-y [%]	103.3	106.4	106.0	103.0	102.3	104.0	n.a.	104.1	103.9	103.0	104.0	18
19	Nominal wages	y-to-y [%]	107.7	106.9	106.8	106.2	104.8	106.9	n.a.	107.0	106.9	106.0	106.9	19

Abbreviations used

y-to-y: year to year change

2000~100%: value for year 2000 is the base

Yellow (shadow) background marks forecasts by the Ministry of Finance "Makroekonomická predikce"

n.a. Not available yet

EOP ~ End of the period values

i) Preliminary

ii) Annual Average

Source, definition, link

- 1 CSO, http://www2.czso.cz/csu/redakce.nsf/i/cr_makroekonomicke_udaje
MFCR http://www.mfcr.cz/cps/rde/xchg/mfcr/hs.xsl/makro_pre.html
- 2 CSO, http://www.czso.cz/csu/redakce.nsf/i/mira_inflace, Table 4
MFCR http://www.mfcr.cz/cps/rde/xchg/mfcr/hs.xsl/makro_pre.html, Table 2.2.
- 3 MFCR http://www.mfcr.cz/cps/rde/xchg/mfcr/hs.xsl/makro_pre.html, Table 3.2.
Macroeconomic productivity=GDP in c.p. per worker
- 4 CSO, http://www.czso.cz/csu/redakce.nsf/i/kpr_cr
Seasonally adjusted balances of confidence indicators
Consumer confidence indicator is difference between answers growth (+) and decline (-) expressed in %
[Konjunkturální saldo je rozdíl mezi odpověďmi ve variantách růst (+) a pokles (-) vyjádřený v %.]
- 5 ESA, Monthly reports, EOP, before year 2004 other methodology used
- 6 CSO, LFS Quarterly Reports, seasonally adjusted. Forecast by MFCR.
- 7 CSO, LFS Quarterly Reports, seasonally adjusted. Forecast by MFCR
- 8 CSO, LFS Quarterly Reports, seasonally adjusted, Computed as (1-participation rate)*100 for population 15-64 years of age. Forecast by MFCR for age group 15+.
- 9 dtto. Note that specific rates are computed for the population 15+ because rates for population 15-64 years of age are not published.
- 10 dtto
- 11 dtto
- 12 dtto
- 13 dtto
- 14 dtto
- 15 CSO, LFS, Average weekly hours of work
- 16 ESA, Monthly reports
- 17 not available
- 18 CSO, http://www.czso.cz/csu/redakce.nsf/i/pmz_cr
Forecast by MFCR capture non-corporate sector and corporate sector with firms with 20+ employees.
- 19 CSO, http://www.czso.cz/csu/redakce.nsf/i/pmz_cr, Forecast by MFCR capture non-corporate sector and corporate sector with firms with 20+ employees.
Wage index is expressed as % in given quarter relative the same quarter of the previous year

Notes on definitions

- 1 Irregularly, figures are being revised retroactively by the CSO.
- 2
- 3 Irregularly, figures are being revised retroactively by the CSO.
- 4
- 5
- 6 Population 15-64 years of age
- 7 Population 15-64 years of age
- 8 Population 15-64 years of age
- 9 Population 15+
- 10 Population 15+
- 11 Population 15+
- 12 Population 15+
- 13 Population 15+
- 14 Population 15+
- 15
- 16
- 17
- 18 Wage index is expressed as % in given quarter relative the same quarter of the previous year. Full-time worker equivalent.
- 19 Forecasts represent wages in firms with 20+ employees and whole non-commercial sector. Full-time worker equivalent.