Labour Market Developments in the Czech Republic

Daniel Münich
daniel.munich@cerge-ei.cz
Štěpán Jurajda
stepan.jurajda@cerge-ei.cz

CERGE-EI

November 2005

Abbreviations used (Czech version in bracket)

ALMP(APZ)	Active Labour Market Policy
CR(ČR)	Czech Republic
CSO(ČSÚ)	Czech Statistical Office
CSSA(CSSZ)	Czech Social Security Administration
DLO(ÚP)	District Labour Office
ESA(SSZ)	Employment Services Administration
EU	European Union
LFS(VŠPS)	Labour Force Survey
LTU	Long term Unemployment
LRP	Lisbon Reform Programme
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

- The Czech economy is growing above expectations at 5 per cent which has weakened fiscal pressures, however, public budgets remain in structural deficits.
- The continuous slight decrease in unemployment is only partly linked to this dynamic economic growth. The decrease is due to new stringent conditions for registering unemployed recent school graduates and a higher rate of expulsion of non-collaborating unemployed people from the registry. Long-term unemployment, unemployed disabled people and older unemployed people increased slightly.
- The highest employment rate increase was among the age group 55-65. Restructuring is on-going in various sectors. Employment again increased strongly in the public sector.
- No major policy and institutional changes were implemented during the last quarter. A large number of new policies described in the previous report have reached an advanced stage of the policy-formation process.
- The government announced a concept of family policies intended to strengthen pro-employment incentives. The ministry of schooling presented a plan to improve foreign language skills of the whole population. It is also intended to simplify the onerous long-term residential permits procedure for foreign graduates in the Czech Republic. However, no change is envisaged in the problematic administrative arrangement of working permits.
- There was still little progress toward initiating a long-overdue pension reform and no policies to reduce the high selectivity of the schooling system and increasing accountability of schools.
- Mild revisions of the rents control scheme proposed by the government will be considered by the parliament. The eventual fully-fledged reform of the housing market would increase labour market mobility.
- A concept of future family policies was presented to the government. It also intends to introduce a more flexible legal framework for the involvement of both parents in parental care and in parental treatment of sick children. The concept is rather general to allow for a useful evaluation at this moment.
- The government is considering a plan to enhance foreign language skills amongst the population. English should be established as the mandatory primary foreign language taught at primary school level and it should be introduced at the level of nursery schools.

1 Introduction

This update looks at developments and changes since the previous quarterly report in July 2005. While the publicly available labour market information in the 2nd quarter of 2005 is complete as of the writing of this report (mid November 2005), some of the relevant data for the 3rd quarter of 2005 is not yet available.

No major policy and institutional changes were implemented during the reporting period. However, a large number of policies which are likely to come into effect during 2006 have reached final policy-preparation stages in the parliamentary agenda. Two previous Quarterly reports provide a more detailed discussion of this new legislation.

2 Update on Economic and Labour Market Trends[1]

GDP Growth

The latest figures indicate that in the third quarter of 2005 the Czech economy continued growing strongly. The year to year growth in the 2nd quarter reached 5.1 per cent, surpassing expectations in the state budget one year ago by almost 1 per cent. The growth continued to be export-driven while household consumption and investment slowed down. In its regular quarterly forecast update, the Ministry of Finance stressed that the economy had already reached its potential output. This and the related expectation of potential inflationary pressures provided a stimulus for the Central Bank to start increasing its base interest rate in November. It is expected that the economy will continue to grow in the range of 4 to 5 per cent during 2006 followed by a temporary slowdown in 2007.

Inflation increased in the 3rd quarter of 2005 reaching 2.2 per cent y-to-y in September. However, inflation is not spread uniformly and is mainly due to the increase in crude oil prices and increases in regulated prices. Prices of tradable goods, excluding fuel, continued to decline whereas prices of non-tradable goods continued to grow according to expectations.

The annual growth of aggregate productivity remains slightly over 4 per cent. The major contributing sector is manufacturing, due to newly built plants launching their operations. An important role has been played by expanding export-oriented production, continued restructuring and efficiency improvements. Continued dynamic economic growth also translates into growth of 18 per cent (y-to-y, end of October) in the number of vacant jobs announced to labour offices.

Consumer confidence

The aggregate confidence indicator continued increasing by two points in October mainly due to the entrepreneurial component reaching the 2nd highest level since 1993. The consumer confidence indicator, on other hand, dropped but it was still well above its October 2004 level.

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

Wage and Income Developments

Real wage growth in the 2nd quarter of 2005 reached 3.2 per cent - slightly below the annual 2004 total labour productivity growth. Wages in manufacturing grew at a lower rate than productivity and unit labour costs declined year to year. Aggregate growth of real wages hides higher real wage growth of 5.4 per cent in the non-profit (public and budgetary) sector of the economy and a slower growth of 3.5 per cent in the enterprise sector. The growth differential between the non-profit and enterprise sector has shrunk, reflecting partial adjustment to a one-time change in the wage tariff system introduced in January 2005 affecting certain occupations in the non-profit sector.[2] The continued slowing down of wage growth in the enterprise sector is important for the positive evolution of employment.

Employment and Unemployment

In the 3rd quarter of 2005 the aggregate employment rate of the age group 15-64 grew by 0.8 per cent (y-to-y) reaching 65.2 per cent. This rate is comparable to the EU15 average and exceeds the EU25 average. Compared to the EU15, however, notable differences in participation exist across age groups. [An increasing employment rate appeared for all age groups above 25 years and growth is larger for men.] The employment rate remains extraordinarily high for the population aged 25-59 years, but declines steeply for those aged 60+. Although the employment rate for this older group has exhibited the highest annual increase surpassing the average growth in the EU15 (an increase of 2.3 per cent y-to-y), it remains very low (21.8 per cent) reflecting the important role of the statutory retirement age which is set differently for men and women. The employment rate for those aged under 25 continues to declining due to, in part, increasing enrolment (relative and absolute) in tertiary schooling.

The, to date, relatively high proportion of self-employed people and entrepreneurs has continued to shrink leading to a growing share of regular employment. It indicates a lasting and natural trend towards a further concentration of employment in larger enterprises, probably providing higher job quality and security. This trend seems to be fostered by the extraordinarily high inflow of foreign direct investment during recent years which had been at least partly stimulated by investment incentives. These incentives, however, are available only to foreign investors and some experts have pointed to the discriminatory nature of these arrangements.

The unemployment rate, net of seasonal effects, has continued declining slowly during the 3rd quarter of 2005. By the end of October 2005, the registered unemployment rate dropped to 8.5 per cent from 8.9 per cent in October 2004. These figures are close to the ILO unemployment rate based on the LFS of 7.8 per cent in the 3rd quarter of 2005. It should be stressed that the decline in the unemployment rate is due mainly to factors other

---

[2] The changes represented: i) an increase of the base salary tariffs by 7 per cent, ii) an increase of occupational bonus from 10 to 14 per cent in the case of researchers and scientists, artists and professionals in public libraries and galleries, iii) inclusion of professional social workers into advantageous tariff groups, iv) increase of special tariff bonus for the police, prison services, firemen and customs officials from 25 to 40 per cent.

than the continued economic growth. As already mentioned, the MF estimates that the economic growth has already reached its potential and some experts (Patria Finance) claim that the structural component of unemployment is actually growing.

A very important factor contributing to the decline in unemployment has been the expulsion of unemployed people from the registry due to a lack of collaboration. Below, we provide a more detailed insight into changes in the pool of registered unemployed between October 2004 and 2005. While in October 2005 there were 7,600 individuals expelled from the registry, the corresponding number for October 2004 was 990. Stringent conditions were introduced in late 2004 due to the new Employment Code. The annual decline in unemployment is most notable in age groups below 30. The absolute size of the decline among this age group actually compares to the overall decline in unemployment (26,000. individuals) during this period. A large share of young unemployed people are recent school graduates and their unemployment is steadily declining for the second year in a row by 20 per cent (y-to-y). It should be noted, however, that unemployment is decreasing from rather high levels. The decreasing unemployment of school graduates is due to various factors: an increasing number of young people are continuing in higher education, stringent eligibility criteria for unemployment benefits were introduced in late 2004,[3] and the mandatory military service was abandoned. Part of the drop in youth unemployment is also due to a change in the administrative definition of recent school graduate. Non-negligible, but difficult to disentangle, is the contribution of strong economic growth. In contrast to the declining unemployment of young people, unemployment of people in the age group 55-65 has grown. Most notable is the annual growth of 20 per cent in the age group 55-65 and 8.1 per cent for the age group 55-59. This growth is only partly due to the large numbers of these age cohorts.

Interestingly, however, the growth in the number of reported vacancies by individual occupational groups does not correlate with the decline of unemployed people in individual occupational groups. This indicates a presence of either skill or spatial mismatches.

In terms of its structure, the decline of unemployment was more pronounced for men. Unemployment of disabled people has increased in absolute terms and the share of disabled unemployed people reached 14.75 per cent in October 2005 (compared to 13.74 per cent a year ago). Unemployment remains widespread among individuals with lower than full-secondary education who steadily constitute three quarters of unemployed people. Interestingly, the relative impact of economic growth is similar across educational groups of unemployed people. The largest drop is apparent among those who are short-term unemployed. Since the number of long-term unemployed people is stagnating, the incidence of long-term unemployment has grown, currently reaching almost 43 per cent. This indicates that labour-market institutions may be at fault in not providing sufficient incentives to work. The formation of two distinct groups of unemployed people is becoming apparent - the employable group that is now joining and leaving the register at a

[3] Eligibility requires at least 12 month of employment (payroll payments) during last 3 years. Most school graduates do not fulfil this requirement and if unemployed, they are eligible only for the state coverage of their social security contributions.

fast rate and the non-employable group of long-term unemployed who are not attracted into work even in good economic times of growing wages and relatively abundant vacancies.

Absenteeism

The incidence of sickness remains extraordinarily high despite some restrictions introduced in 2004. Additional evidence of this has been provided by a comparative study by the Czech Statistical Office. It shows that Czechs have one of the highest rates of sickness absence in the EU (in 2003). On average, some 7 per cent of the workforce is off sick at any given time. Although annual comparable data for 2005 are not yet available, time series indicates that partial modifications of the system have not brought sufficient improvement. A thoroughly reformed scheme of sickness insurance is being considered by the parliament and is likely to be introduced during 2006. A more detailed review of these changes is available in previous Quarterly Reviews for the Czech Republic.

Restructuring

The evidence on restructuring is indirect. In particular, banks seem to be downsizing at middle and lower administrative positions as modern IT technologies and electronic access are introduced. Restructuring due to the introduction of modern technologies is also taking place at larger manufacturing plants and in industries subject to fierce foreign competition such as textiles and clothing. Workers are still being released in agriculture, but at lower rates than in the past. Jobs have been created in public sectors like schooling, army, and administration. Net job creation is also apparent in manufacturing mainly due to growing automotive production and expanding vertical chains of suppliers. The high concentration of automotive industry in the country, which is likely to expand, is an important determinant of the relatively low employment share in services. The contribution of manufacturing to the aggregate economic performance is quite high. Despite its current desirable impact on employment, high reliance on automotive production constitutes a highly sensitive risk for the economy of future adverse external demand shocks.

3 Labour Market Policy Developments

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

The formation of policy agenda in the 3rd quarter of 2005 has been affected by the political perspective of forthcoming elections in mid 2006. Since the last quarterly report, which reviewed in detail a list of policies undergoing the legislative process, there has been no substantial development. The National Lisbon Plan was submitted in mid-October and critically reviewed in our Post Lisbon Reform Programmes Assessment. The LRP in various aspects differs from the agenda outlined by the *Strategy for economic growth* for 2007-2013 approved by the government in mid-November 2005.

The current high economic growth translates into higher than expected tax and payroll revenues and weakens pressures on welfare expenditures. These developments are likely to result in a lower than planned deficit of public budgets in 2005. It should be noted, however, that despite the good macroeconomic conditions, public budgets remain with high structural deficits. This is in line with the conclusions of a study recently published by the Czech statistical office focusing on state budget mandatory expenditures. The study stressed that the already high share of mandatory public expenditures[4] is growing irrespective of the business cycle, sharply increasing the risks of internal economic imbalances in the medium-term. The most recent IMF Aide Memoire Staff Visit to the Czech Republic states that "The 2006-08 budget represents a missed opportunity to advance consolidation and raises implementation risks for the medium-term fiscal plans. The upward revision of medium-term revenue forecasts may be too sanguine—it assumes that most of the over performance of revenues is structural, when indeed part of it reflects cyclical factors".[5] The fiscal problem is closely related to the functioning of the labour market since a great deal of mandatory expenditure interacts with employment incentives and welfare insurance. Moreover, a relatively large share of state budget revenues comes from direct taxation of labour income (including payroll payments) and the total tax wedge is already high. The composite tax quota will probably reach 35.2 per cent of the GDP (including payroll contributions of employers) in 2005.

In our view, the necessary consolidation of public budgets will require more substantial fiscal reforms than those already proposed by the government. This is the case for various employment, welfare and insurance programs and for the system of direct taxation. By far the most needed reform, which will inevitably also affect the labour market, is the pension reform which has not yet been designed. Actually, so far the political parties have not been able to agree on even the simpler measures. The IMF report states that "Consensus on the new pension model has not been achieved so far, and in the meantime discussions have focused on measures that can be implemented relatively easily. Specifically, these are: an extension of retirement age to age 65; pre-funding of projected pension debt using privatisation revenues and pension surpluses; and fiscal incentives for voluntary savings. Discussions are also on-going on the issue of increasing labour force participation in the context of welfare reforms".

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

The Ministry of labour recently presented its concept of family policies development. Among other policies, it intends to introduce a more flexible legal framework for the involvement of both parents in parental care and in parental treatment of sick children. The plan proposes giving greater power to central administration in the establishment and mode of operation of kindergartens. It also includes politically sensitive topics like the introduction of unconditional child allowances. Overall, the concept is rather general and

[4] Mandatory expenditures constitute almost 90 per cent of budgetary revenues and 26 per cent of HDP.

[5] http://www.imf.org/external/np/ms/2005/111105.htm

most policy prescriptions are not described in sufficient detail to allow for a useful evaluation.

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)

There were no notable changes in this area. It is obvious that substantial increases in employment can be achieved in the age group 60-65. But this would require broader political consensus on the smoothly increasing statutory retirement age to 65.

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

For several years the government has been increasing the statutory minimum wage at rates surpassing the growth of nominal wages. The government is planning further increases at the beginning and in the middle of 2006. These increases are guided by the opinion that a high statutory minimum wage is enhancing work attractiveness among low skilled workers and has minimal adverse impact on labour demand. The MOL expects that minimum wage increases will affect a mere 2-3 per cent of employed people. It should be noted that the statutory minimum wage constitutes an anchor of the widely used system of wage tariffs used in collective bargaining. Shifts in the minimum wage can automatically shift the whole tariff grid upward. There is no analysis available providing credible evidence on the actual impact of the statutory minimum wage. One can only speculate about (i) the impact on work attractiveness stressed by the government, (ii) the adverse impact on labour demand due to higher marginal costs of labour, and (iii) the impact on employment within the informal economy. Finally, the statutory minimum wage also serves as an administrative parameter affecting the amount of state contributions to social and health insurance budgets for people out of the labour market (children, sick people, disabled people, pensioners, etc). An increase of the statutory minimum wage is procedurally a relatively simple way for the government to redirect flows of funds within the state budget; i.e. to increase the revenue of the health insurance scheme whose deficit is skyrocketing.

At the November 2005 meeting of schooling ministers in Brussels, the Czech minister of schooling expressed an intention of the Czech government to simplify the burdensome and complicated administrative procedures for obtaining long-term residence status by foreigners graduating from Czech schools. No further details are available. It should be noted that the proportion of foreign students at Czech colleges, currently at 3-5 per cent, is growing steadily as studies are provided free of charge to foreigners (if taught in the Czech language). However, no change is envisaged in the problematic administrative arrangement of obtaining work permits.

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

The eventual abolishment of rents control, including severe ownership right restrictions, would inevitably enhance the flexibility of the housing market and labour mobility. In forthcoming months, the parliament will consider a governmental proposal to somewhat relax the extraordinarily restrictive system of rent controls. The reform should allow for smooth increases in rent caps to levels better reflecting maintenance costs and closing the gap between market rents. The rents control imposes a serious barrier to labour mobility into prosperous urban areas of large cities. It should also be noted that rent control benefits large numbers of middle-income households occupying cheap dwellings subject to rent controls. At the same time, a large number of poorer households and young families in particular, remain dependent on shared housing with their parents. This locks the labour force into less prosperous regions with limited job opportunities. However, abolishment of rent controls is politically unattractive for the ruling social democrats and rent controls reform, if any, will be very partial.

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

The lower house of parliament already approved legal revisions to improve salary-claim guarantees of employees and to strengthen the responsibility of employers in the case of bankruptcy.[6] If approved by the Senate and the president (likely), the changes will become effective during 2006.

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

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

The tertiary system of schooling is dominated by state-funded public universities and it is therefore not surprising that it is not able to serve the growing demand for tertiary education. The growing demand, the lack of public funds, persistent structural imbalances, various kinds of inefficiencies (duration and repetition of studies, dominance of master-level programs, etc.), the questionable quality of education and the corresponding lack of school competition and accountability, and the highly restricted access to tertiary education of students from weaker social backgrounds, all call for a thorough reform of the whole tertiary system. A detailed review of these issues has been provided by a recent comparative study by the World Bank on financing tertiary education in new Member States. Current modifications of the tertiary system being considered by the government are very partial. In October 2005, the Ministry of Schooling announced its intention to

---

[6] The compensation can reach up to 3 monthly salaries (up to 1.5 of minimum wage) owed by the employer during last 6 months.

introduce a system of subsidies for university students from very low economic backgrounds (measured by income of parents). This is a desirable step, but the scheme proposed will help only a small proportion of students and ignores students in private tertiary institutions.

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

The highest number of, and the highest growth in vacancies posted at, the labour offices appear for workers with vocational education. Since vacancies requiring higher education are rarely posted through labour offices (although employers are legally obliged to do so), this phenomena contributes to the widespread biased belief that vocational education is the most demanded. This wisdom is shaping schooling policies, for example, in the case of a high share of vocational schools when they face the highest school-type-specific unemployment rates among school graduates. A recent study (Matějů and Straková, 2006) based on the OECD PISA 2003 survey of 15-year old pupils also finds that a disproportional number of boys end up in vocational programs, even though their study aptitude is comparable with girls enrolled in superior types of upper-secondary schools allowing for further tertiary education.

The government has considered a proposal of the Schooling Minister to enhance the knowledge of foreign languages in the population. English should be established as the mandatory primary foreign language to be taught at primary school level and it will also be introduced at the level of nursery schools. Adults should get vouchers redeemable at licensed language schools. This proposal reflects on the low foreign language skills among the Czech population but the prospect of its implementation is definitely not yet set.[7]

[7] 27 per cent of the population above 15 years of age speak Czech only and an additional 29 per cent speak Russian only as their foreign language.

3.2. Policy developments and the Country Specific Recommendations

In this section we relate the recent Czech policy developments described above to the Council Recommendations (as of 14 October 2004) on the implementation of Member States' employment policies (2004/741/EC).

Recommendation	Progress achieved and relevant sources
In pursuing its strategy for economic and employment growth, the Czech Republic needs to ensure that wage developments remain in line with productivity developments.	Real wage growth has been kept below the 2004 total labour productivity growth so that the wage evolution in 2004 was in accordance with the Country Specific Recommendation of keeping wage growth in line with productivity growth.
The relatively high tax wedge on labour income and non-wage labour costs hinders job creation and prices low-skilled labour out of the labour market and into welfare benefits and/or into undeclared work. A coherent reform of the tax and benefit system should therefore further discourage welfare dependency and ensure that regular work pays. Attracting more people to the labour market and making work a real option for all	The parliament is considering policies on welfare support and income taxation that would mean progress in the area of lowering the high tax wedge on labour income for low-wage workers and increasing pro-work incentives. Yet, the changes do not amount to a much needed complete overhaul and simplification of the welfare and tax systems. There is also some progress in the area of promoting part-time work (of parents on leave and pensioners). On the other hand, flexibility of labour contracts is likely to fall due to the near-automatic introduction of extended coverage of industry-level collective agreements.
While standing above the EU average, raising the participation of women and older workers should be a priority. In this respect, strengthening incentives to part-time work could make an important contribution.	The participation of older workers grew at relatively high rates but from low levels. Overall participation of women increased only slightly.
More effort is needed to integrate the most vulnerable groups in the labour market. This is particularly needed in regions other than Prague and for the Roma population. This calls for preventative and active labour market measures, combined with anti-discrimination measures, putting a strong emphasis on education, training, support to entrepreneurship and job creation. Modernising the public employment services should be seen as priority. Investing more and more effectively in human capital and lifelong learning.	Unemployment of partially disabled people is growing, although overall unemployment is declining. Various governmental documents on this are available at http://wtd.vlada.cz/pages/rvk_vvzpo.htm No quantitative information is available describing recent changes in the labour market situation of the Roma population. General information about the governmental Roma agenda is available at http://wtd.vlada.cz/pages/rvk_rzrk.htm Modernisation of public employment services is in the process of being designed. Available information is reported in the LRP. See section 3.1.5
Building on the recent strategy for human resources development, raising participation in tertiary education and in training, both overall and for the low-skilled, seem crucial to sustain job creation and support occupational and geographic mobility.	Implementation scheme of the human resources strategy approved already in 2003 is being designed. No details available other than those at http://wtd.vlada.cz/scripts/detail.php?id=4359

4 Recent labour market reports, surveys and other documentation

MOL-ESA
National action plan for employment 2004-2006.
http://portal.mpsv.cz/sz/politikazamest/narodni_politika_zam

Bi-annual report "Analýza vývoje zaměstnanosti a nezaměstnanosti v 1. pololetí 2005" [Analzsis of employment and unemployment in the 1st quarter of 2005]. 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

Reports of the MOL on income and wage developments.
http://www.mpsv.cz/clanek.php?lg=1&id=625

VÝVOJ PRACOVNÍ NESCHOPNOSTI A STRUKTURY PRÁCE NESCHOPNÝCH
[Trends in sickness and its structure]
http://www.mpsv.cz/files/clanky/616/vyvoj_pn.pdf

Informace o vývoji peněžních příjmů domácností a životních nákladů za 1. pololetí 2005.
[Information about household incomes and living costs for 1st half of 2005.]
http://www.mpsv.cz/clanek.php?lg=1&id=2112

Národní strategická zpráva o přiměřených a udržitelných důchodech, [National Strategy Report on Adequate and Sustainable Pensions, June 2005].
http://www.mpsv.cz/files/clanky/1450/CZ_nsrp_cz.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: Konjukturální průzkum [Time series: confidence indicators]
http://www.czso.cz/csu/redakce.nsf/i/kpr_cr

Mandatorní výdaje státního rozpočtu jako riziko vnitřní nerovnováhy české ekonomiky.

[Mandatory expenditures of the state budget and risks of internal instability of the Czech economy]. http://www.czso.cz/csu/edicniplan.nsf/p/1526-04

Vývoj ekonomické aktivity obyvatelstva ve 3. čtvrtletí 2005. [Development of economic activity in the 3rd q. of 2005].
http://www.czso.cz/csu/csu.nsf/informace/czam091105analyza05.doc

RILSA (Research Institute for Labour and Social Affairs at the MOL)
Reports available at http://www.vupsv.cz/zpravy.htm

Miscellaneous sources

Vládní Strategie hospodářského růstu [Governmental Strategy for economic growth.] http://www.hospodarskastrategie.org/shr/docs/2005_08_01_SHR_final.pdf

Analýza postavení cizinců dlouhodobě žijících v ČR a návrh optimalizačních kroků: Pracovní studie, říjen 2004. [Analysis of foreigners living in the Czech Republic and a proposal of optimising steps.]
http://www.mpsv.cz/files/clanky/511/postaveni_cizincu.pdf

Zprávy o inflaci [Inflation Reports]. Czech National Bank.
http://www.cnb.cz/cz/menova_politika/zpravy_o_inflaci/

Makroekonomická predikce České republiky [Macroeconomic forecasts for the Czech Republic]. Ministry of Finance. http://www.mfcr.cz

Aide Memoire IMF Staff Visit to the Czech Republic.
http://www.imf.org/external/np/ms/2005/111105.htm

World Bank study: Selected Issues in Fiscal Reform in Central Europe and the Baltic Countries 2005. Edited by Thomas Laursen. Not available on-line yet.

Recent survey by MEDIAN (www.median.cz) survey agency shows weak knowledge of foreign languages among Czech population. 61 per cent of population 12+ years old cannot use English language. Among age group 12-19 it constitutes 27 per cent and in the group 50-59 it is 77 per cent. Higher proportions of older generations can communicate in German and Russian language but these languages are much less known by younger generations. Survey also indicated very low proportion of people involved in continued education and self-education.

Matějů, P. and J. Straková eds., 2006, (Ne)rovné šance na vzdělání: Vzdělanostní nerovnosti v České republice, [(Un)equal study opportunities: educational inequalities in the Czech Republic], forthcoming in Academia publishing house in early 2006.

Table: Key economic and labour market indicators

Note			2001	2002	2003	2004	2005 Q1	2005 Q2	2005 Q3	2005 Q4	Note
1	**Real GDP growth**	y-to-y [%]	2.6	1.5	3.7	4	4.4	5.1	4.6	4.6	1
2	**Inflation**	2000~100% [%]	105.3	105.9	107	110	110.9	111,3	112.8	112.7	2
3	**Productivity**	y-to-y [%]	2.2	0.7	3.9	5	n.a.	n.a.	n.a.	3.8	3
4	**Consumer confidence**	EOP [%]	-6	-9	-21	-7	-5	1	-4		4
5	**Unemployment rate (registered)**	EOP [%]	8.9	9.8	10.3	9.5	9.4	8.6	8.8	9.4	5
6	**Unemployment rate**	EOP [%]	7.9	7.3	8.1	8.2	8.1	8	7.8	7.6	6
7	**Employment rate**	EOP [%]	55.1	55.5	54.4	54.3	54.4	54.6	54.9		7
8	**Innactivity rate total**	EOP [%]	40.2	40.2	40.8	40.9	40.9	40.7	40.5		8
9	men	EOP [%]	30.5	30.6	31.4	31.4	31.4	31.5	n.a.		9
10	women	EOP [%]	49	48.7	49.3	49.4	49.8	49.5	n.a.		10
11	ages 15-24	EOP [%]	n.a.	59.7	61.7	64.1	65.9	67.3	n.a.		11
12	ages 25-39	EOP [%]	n.a.	14.0	15.2	14.9	15.2	14.7	n.a.		12
13	ages 40-54	EOP [%]	n.a.	9.0	9.4	8.9	8.9	8.2	n.a.		13
14	ages 55-64	EOP [%]	n.a.	56.6	56.0	54.8	53.7	53.4	n.a.		14
15	**Working time**	EOP [hours/week]	41.5	42	42	41.9	41.7	41.9	n.a.		15
16	**Registered vacancies**	EOP [thousands]	52.1	40.7	40.2	51.2	53.7	57.0	69.6		16
17	**Days lost through ind. disputes**	[days]	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	104.2	103.8	n.a.		18
19	**Nominal wages**	y-to-y [%]	107.7	106.9	106.8	106.2	105.9	105.5	n.a.		19

Abbreviations used

y-to-y   year to year change
2000~100% value for year 2000 is the base
Yellow background marks forecasts by the Ministry of Finance "Makroekonomická predikce"
n.a. Not available yet
EOP ~ End of the period values

Source, definition, link

1 CSO, http://www2.czso.cz/csu/redakce.nsf/i/cr:_makroekonomicke_udaje
2 CSO, http://www.czso.cz/csu/redakce.nsf/i/mira_inflace
3 CSO, http://www2.czso.cz/csu/redakce.nsf/i/cr:_makroekonomicke_udaje
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, sesonaly adjusted
7 CSO. LFS Quarterly Reports, sesonaly adjusted
*8 CSO. LFS Quarterly Reports, sesonaly adjusted, population 15+, Computed as (1-participation rate)*100*
9 dtto
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 MF.
Wage index is expressed as % in given quarter relative the same quarter of the previous year
19 CSO. http://www.czso.cz/csu/redakce.nsf/i/pmz_cr, Forecast by MF.
Wage index is expressed as % in given quarter relative the same quarter of the previous year