

## **Employment statistics in the Czech Republic**

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The article *How unemployment is measured in Central and Eastern European Countries* (by Oana Branzel and Edward Bunting, *Labour Market Trends*, March 1996) raises a number of questions about the objectivity of official employment statistics in the Czech Republic (CR). Standardisation of European statistical measurements through bodies like CESTAT (Central European Cooperation in Statistics) is certainly necessary, although this is a largely formal exercise and does not satisfy deeper analysis of the statistics. Misuse of statistics is one of the most important ways of manipulating them. Particular concepts are used and presented in such a way as to give the figures an aura of incontrovertible authority. Challenging manipulation involves producing both a critique of official data and alternative statistics which expose the official optimism of government propaganda.

### **Labour in socialist Czechoslovakia**

Until 1989 the right to work was automatically guaranteed in the CR. Faced with the need to deploy the available supply of labour, represented by the economically active part of the population, a system was created which balanced resources and the reproduction of labour power. A structural match between the existing supply of labour and the demand for it from particular enterprises was achieved by both direct and indirect and economic and non-economic instruments. Unemployment did not exist. It was impossible not to find work. Those who did not want to join the labour process had to have a legal source of income, otherwise they faced prosecution for parasitism.

Since there were few opportunities to support oneself other than by work, there was in the past in the CR a high level of economic activity - including among women. To assist the planning of employment at national, regional and enterprise level, a wide range of analytical instruments were available. A series of reforms were introduced which gave additional weight to economic instruments in the deployment of labour resources. These were intended to lead to more efficient use of labour resources and a corresponding improvement in work motivation. In the 80s some theoretical discussion also took place about the possibility of creating a socialist labour market in which workers would be

deployed to do socially useful work and rewarded in a way in keeping with the specifically socialist model. Such a labour market would be different from a capitalist labour market, where labour power is merely a commodity exchanged to create surplus value.

### **Restoration of capitalist relations and unemployment statistics**

The new approach recognised the validity of the labour theory of value, but the implementation of reforms was interrupted by the post-November 1989 restoration of capitalist relations and the emergence, for the first time in many decades, of the new phenomenon of unemployment. The post-1989 changes have been accompanied by the introduction of the statistical methodology employed in western capitalist countries. The consequences of the use of data and concepts of this new type are a legitimate subject of interest among independent analysts, in terms of their impact on the specialised field of statistics and the use made of them as propaganda. The general public is mainly informed through figures provided by the country's newly-created employment offices, and therefore with data which is essentially secondary in character.

These data record "job seekers" as defined by the offices themselves. This has meant that a significant number of the unemployed are not included in the figures - some 60 per cent. At the beginning of 1997 there were only about 180,000 unemployed, according to the employment offices. But in 1993 the Czech Statistical Office (CSU) carried out a little publicised labour force survey using the ILO methodology defined at the 13th International Conference of Employment Statisticians in 1982. The sample consisted of approximately 70,000 respondents in about 30,000 households. The CSU survey counted as unemployed not only those registered at employment offices, but also persons looking for work other than through employment offices, pensioners who wanted to work and those removed from the employment office registers. The CSU figure for unemployment is therefore higher - especially for the summer months - by about 15,000 to 35,000. The definition of unemployment used in the CSU survey was more comprehensive, even though its figures are not wholly accurate or free of subjectivism.

### **Unemployed by any other name**

But even this figure is not complete when account is taken of estimates based on trade union data, insurance statistics and other secondary sources and the fact that census data is also out of date. The CSU figure can be increased by a further 80,000 by including as unemployed those people who started a new job on a deferred date and those who, for various reasons (illness or caring for a child or another family member) did not start work at all. A specific problem concerns the status of people who are employed but not paid a wage, perhaps because they are involved in a strike, people who have recovered from injury or illness and people temporarily laid off. Another special case is represented by those unrecorded people who are "assisting" family members, often in the households of farmers and artisans. In addition there are a certain number of people who are retraining but who do not know whether they will find new work, because of the instability of the labour market.

A source of growing social deprivation is the alarming rise in the by no means small number of people who have already given up hope of finding work and no longer have any contact with employment offices. These people, for a variety of psychological reasons, are not registered even in labour force surveys and are often officially classified as voluntarily unemployed. The official employment statistics also do not reflect hidden unemployment in the form of part-time employment. This involves persons who are obliged to work part-time, even though they want full-time work. This kind of underemployment also leads to employers reducing or not paying their share of contributions to the financing of social, employment and other insurance schemes. Persons who are obliged to accept various kinds of short-term employment in work which falls short of their qualifications can also be regarded as under-employed. Such forms of short-term employment usually involve seasonal day-work, court-ordered community work, and civilian service, where this is undertaken as an alternative to compulsory military service. The existence of a cheap labour force of around a quarter of a million foreign workers (mostly from the Ukraine and the Balkans) distorts the character of the Czech labour market, more so in fact than the 100,000 people who also work illegally in the CR.

## **The politics of employment statistics**

The official statistics also fail to reflect the phenomenon of temporary unemployment, as defined by the 1957 9th international conference of employment statisticians. On the contrary, government analysts cheerfully talk of "over-employment", a concept which is inferred from analyses of labour costs and the widening gap between wages and labour productivity. Indirectly they are saying that, from the standpoint of increasing profits, it is better to dismiss employees than to undertake capital-expensive measures in the area of modernisation of production and work organisation. A permanent feature of the Left's critique of right-wing employment policy and its aim of creating a reserve army of unemployed is that this is part of an antisocial policy of "motivating" those in work.

The most hotly-contested point in this respect is the use of the concept of "a natural level" of unemployment and its quantitative expression. This would require a separate paper on its own, but it is necessary to bear this and other problems in mind when the official media speaks about the problem-free situation on the Czech labour market. It helps to explain why, for the trade unions, various employee representatives and the Left, the struggle against unemployment and other negative features of the labour market is becoming a more and more urgent issue.

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