

LABOUR MARKET IN THE CZECH REPUBLIC DURING THE PRESENT ECONOMIC CRISIS

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Abstract

In their article the authors present a hypothesis that even at the time of economic crisis regional differences in the labour market situation may decrease. Temporal and spatial analysis of the Eurostat data on unemployment has unequivocally proved that the economic crisis has deepened the differences in the level of unemployment between the individual EU member countries. However a similar unemployment data analysis for 77 districts of the CR has led to the knowledge that in the Czech Republic the differences in unemployment have decreased. This fact was significantly influenced by two main factors, namely the large-scale character of the economic crisis, and the well-chosen tools of regional politics in the CR prior to the crisis (support of direct foreign investment, support of the construction of industrial zones etc.). The authors have chosen the coefficient of variation as the basic indicator for metering of regional differences.

Key words: economic crisis; unemployment; regional differences; coefficient of variation.

INTRODUCTION

In the recent years the world economy was affected by global economic crisis. It is therefore not a normal recession that is natural because of cyclicity of economy after some time. On the contrary, it is termed the deepest crisis since the end of World War II or The Great Depression of the 1930s. Thus it became a key factor to influence the current status and the future development of both world economy and obviously the Czech economy as well. Its causes may be traced down to the US mortgage crisis (peaking already in 2007) and the global financial crisis of 2008. Consequently it was the economic crisis to develop from these, and to gradually spread into all states of the world as well as to hit all sectors of economy.

The economic crisis affected during 2008 almost all region including transforming post socialist countries of the Central and Eastern Europe. The study of its impacts on the economy of the countries in this region starts to be under way not only in the Czech Republic but also abroad. Among the first articles dealing with the impacts of crisis in Eastern Europe the work of two British authors can be ranked (Smith and Swain 2010). In the Czech Republic the issue is dealt with in relation to changes in the regional labour markets (Novák and Toušek 2010) or changes in industrial branches (Dubská 2009 or Šerý 2010). Spatio-temporal aspects of the unemployment in Slovakia during the processes of the economic transformation and crisis have been analysed by Lauko et al. (2009). In Poland Rachwał (2010) has dealt with the impacts of the economic crisis on the changes

in the industrial production, Brezdeň and Spallek (2010) have been interested in the labour market changes in the Dolnośląskie voivodeship. The study of Russian authors Syssoeva and Sadovsky (2010) dealing with the impacts of the economic crisis on the spatial structure of the “network company” has been well received. List of geographical articles is not wide since despite positive signals a number of authors claim that the crisis in the Central and Eastern Europe has not abated so far.

The goal of this paper is an endeavour to point to the fact that a global crisis may not only exert an influence on the deepening of regional differences; it may have quite an opposite effect. This means that in the course of the crisis regional differences may decrease. This hypothesis is based on the thought that the global economic crisis is of a full-area character. As a basic indicator to illustrate the economy of the analyzed regions (77 districts of the Czech Republic) unemployment rate was selected as gross domestic product is not calculated for districts. Regional differences were assessed by means of one of the basic measures of variability, namely the coefficient of variation.

ECONOMIC CRISIS AND UNEMPLOYMENT IN THE EUROPEAN UNION

Between 2004 and 2007 the rate of unemployment in the European Union has fallen from 9.4% to 6.9%. As late as in the 1st quarter of 2008 the number of jobless decreased by more than 420 thousand, so that their number within the entire EU has amounted to 16.1 mil. (unemployment rate of 6.7%). In the 2nd quarter of 2008, an increase in the number of unemployed was recorded for the first time after a long period (by approx. 300 thousand), and the unemployment rate was again raised to 6.9%. The increase of unemployment rate was recorded in 13 countries of the EU, out of which in Spain it was by far the highest (a growth from 9.2% to 10.5%, while in the 2nd quarter of 2007 the unemployment rate in Spain was still at the level of 8.0%). The 3rd quarter of 2008 may be characterized by a further increase in the number of jobless (by 532 thousand) and the unemployment rate growth to 7.1%.

The global economic crisis has shown itself fully in the 4th quarter of 2008 when the number of unemployed rose by more than 1 mil. within three months. However there were five countries in which the number of workless dropped; namely Belgium, Bulgaria, Germany, Portugal, and Slovakia. On the other hand the growth figure of jobless in Spain was higher than 500 thous. so that the unemployment rate increased to 14.0% in this country (EU 7.5%).

From the viewpoint of an absolute increase in the number of unemployed, the 1st quarter of 2009 was the worst in the period of the crisis as the number of unemployed rose by almost 2 mil. (1,861 thous.). Unemployment rate in the EU increased from 7.5% to 8.2%. The number of jobless moved up in all countries of the EU, mostly in Spain again (by 600 thous.). However, the rate of unemployment was most increased in Estonia (by 3.2 percentage points) and Latvia (by 3.1 percentage points). In the 2nd quarter of 2009, the number of unemployed increased to more than 1.4 mil., and thus the number of unemployed persons in the European Union already exceeded the boundary of 20 mil., and the unemployment rate reached 8.8%. The Baltic republics continued to rank with countries showing the highest rate of unemployment. In this quarter of the year, Estonia and Latvia were joined by Lithuania.

In the 3rd quarter of 2009, the increase in the number of jobless persons in the EU was smaller than 1 mil. (936 thous.), and the rate of unemployment exceeded the boundary of 9% (9.2%). The 4th quarter of 2008 and the first three quarters of 2009 may be considered a period of the deepest economic crisis when during 12 months the number of unemployed in the EU grew by more than 5 mil. (5,266 thous.) and reached 22.2 mil. The rate of unemployment in this period increased from 7.1% to 9.2%. In the last quarter of 2009, the number of jobless was only increased by 430 thous., in the 1st quarter of 2010 by 380 thous., and in the 2nd quarter of 2010 by 137 thous. In the mid-2010, the rate of unemployment in the EU was 9.6%.

Table 1 Unemployment rate in the EU countries from 2nd quarter of 2008 to 2nd quarter of 2010.
Source: Eurostat, LABORSTA Database, 2010.

GEO/TIME	2008Q2	2008Q3	2008Q4	2009Q1	2009Q2	2009Q3	2009Q4	2010Q1	2010Q2
Austria	3.6	3.7	4.0	4.5	4.8	5.1	4.8	4.5	4.5
Belgium	6.8	7.2	7.2	7.6	7.7	8.1	8.1	8.4	8.5
Bulgaria	5.8	5.4	5.2	5.9	6.3	7.0	8.2	9.3	10.0
Cyprus	3.5	3.5	3.7	4.4	5.2	5.7	6.2	6.5	7.0
Czech Rep.	4.4	4.3	4.5	5.5	6.5	7.3	7.4	7.8	7.3
Denmark	3.1	3.3	3.8	4.8	6.0	6.3	7.1	7.2	7.3
Estonia	4.1	6.5	7.7	10.9	13.4	15.3	15.6	19.0	18.6
Finland	6.3	6.4	6.7	7.4	8.2	8.6	8.7	8.7	8.5
France	7.7	7.9	8.2	9.0	9.4	9.6	9.9	9.9	9.9
Germany	7.4	7.2	7.1	7.3	7.6	7.6	7.5	7.3	6.9
Greece	7.5	7.5	7.9	8.8	9.2	9.7	10.2	11.1	12.2
Hungary	7.7	7.8	8.1	9.3	9.7	10.5	10.7	11.3	11.3
Ireland	5.5	6.9	8.0	10.2	11.8	12.5	13.0	12.8	13.5
Italy	6.8	6.8	6.9	7.4	7.6	8.0	8.3	8.4	8.4
Latvia	6.2	7.5	10.3	13.4	16.5	18.6	19.9	20.0	19.4
Lithuania	4.5	6.5	8.2	11.1	13.5	14.4	15.9	17.2	18.2
Luxembourg	4.8	5.1	5.2	5.4	5.3	5.1	4.9	4.9	4.9
Malta	5.9	5.9	6.1	6.6	7.0	7.2	7.1	7.0	6.7
Netherlands	3.1	3.0	3.0	3.2	3.5	3.9	4.2	4.5	4.5
Poland	7.3	7.0	7.0	7.5	8.0	8.5	8.8	9.7	9.6
Portugal	7.7	7.9	7.9	8.8	9.4	10.2	10.2	10.5	11.0
Romania	5.8	5.8	5.9	6.2	6.4	7.2	7.6	7.3	7.1
Slovakia	10.0	9.0	8.9	10.0	11.3	12.7	14.1	14.6	14.4
Slovenia	4.4	4.2	4.3	5.0	5.8	6.4	6.5	6.8	7.3
Spain	10.5	11.8	14.0	16.6	17.9	18.7	19.0	19.3	20.0
Sweden	6.0	6.2	6.7	7.5	8.4	8.6	8.8	8.7	8.6
UK	5.3	5.8	6.3	7.0	7.7	7.8	7.8	7.9	7.8
EU	6.9	7.1	7.5	8.2	8.8	9.2	9.4	9.6	9.6

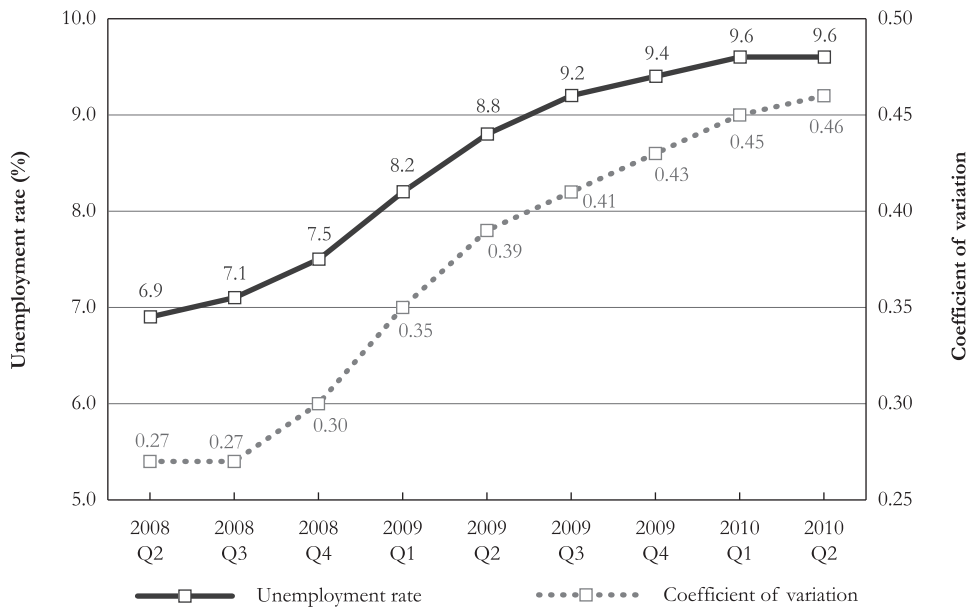


Figure 1 The unemployment rate and the coefficient of variation at the end of individual year quarters in the period 2008-2010 in EU 27. Source: Eurostat, LABORSTA Database, 2010.

Fig. 1 shows that the economic crisis in the EU has contributed to deepening differences in the labour market situation between the individual countries. In the mid-2008, the coefficient of variation for unemployment rate was merely 0.27, but two years later it already amounted to 0.46. Its value increased by 70%. In the 2nd quarter of 2008, the unemployment rate of 10 and more per cent was only shown by two countries – Spain (10.5%) and Slovakia (10.0%). The lowest unemployment rate of 3.1% was reported in Denmark and the Netherlands. The range of variation (the difference between the maximum and minimum value) with unemployment rate therefore amounted to 7.4 percentage points. However two years later it was as many as 15.5 percentage points.

In the mid-2010, the unemployment rate in Spain was at 20.0%. Latvia (19.4%), Estonia (18.6%), and Lithuania (18.2%) were drawing near to Spain. On the other hand, there were countries, in which the unemployment rate was less than 5% at the end of the 2nd quarter of 2010, namely Austria

(4.5%), the Netherlands (4.5%) and Luxembourg (4.9%). According to the data of labour force sample survey organized by the Czech Statistical Office, the Czech Republic also ranked among countries with a low level of unemployment. The value of 7.3% for the CR was the lowest from the complex of transitive countries of Central and Eastern Europe.

DEVELOPMENT OF UNEMPLOYMENT IN THE CZECH REPUBLIC

The Czech Republic was outstanding by its low unemployment rate especially in the first half of the 1990s (Fig. 2). In the period from 1990 to 1996, the unemployment rate only exceeded the four per cent boundary in two months, namely at the end of December 1991 and at the end of January 1992. The favourable situation of the labour market also resulted from the actual postponing of the reconstruction of namely industrial enterprises because of the chosen main method of privatization (coupon privatization – stocks into the hands of citizens).

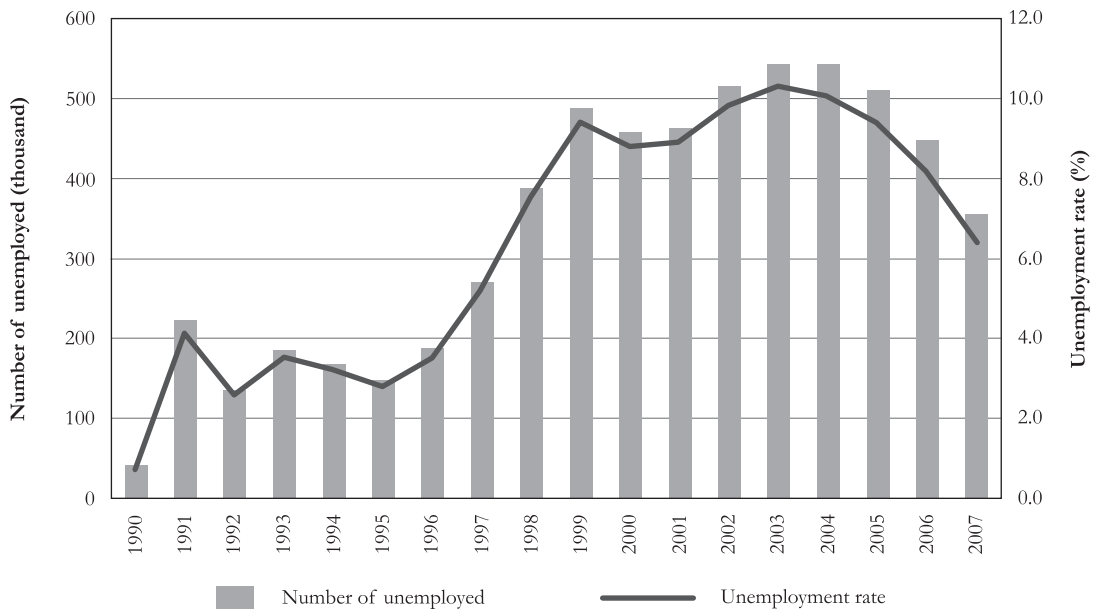


Figure 2 Development in the number of job applicants and unemployment rate in the Czech Republic from 1990 to 2007 (as of December 31). Source: Number of job applicants and vacancies, MoLSA CR, 1991-2008.

In that period, the undersized tertiary sector of the Czech economy was able to absorb most of workers released from both agriculture and industry.

Despite the favourable situation on the Czech labour market in the first half of the 1990s, there were districts with a higher unemployment rate although it did not come up to the 10% boundary. Mainly less industrialized districts with a higher ratio of employment in agriculture counted among the problem regions. These were often areas that were populated in the post-World War II period and after the transfer of German inhabitants, primarily the districts of Znojmo, Bruntál, Šumperk, and Louny. Low sales of obsolete electric industry companies contributed to the higher unemployment rate in the Vsetín district; in the Třebíč district, the reason was also the close-down of footwear manufacture in the district town. On the other hand, the long-term value of unemployment rate was below 1% in some districts (the Capital of Prague, Prague-East, Prague-West, and Pilsen-South districts).

In the mid-1990s, the group of districts with a higher rate of unemployment started to be extended by districts with brown and black coal mining and also metallurgy of iron. These were primarily the territories of the North Bohemian Brown Coal Basin and the Ostrava-Karviná Mining Enterprise. Towards the end of 1995, the highest unemployment rate was shown in the Most district (7.3%), followed by the above-mentioned Louny (7.1%) and Karviná (6.6%) districts. In 1996, the unemployment rate in the Most district reached 9.4% and a year later it already was 12.4%. The postponed restructuring, later resulting in a larger-scale release of workers, entailed the growth of unemployment rate in other districts as well. Apart from Most, the unemployment rate increase above 10% was also recorded in Chomutov, Louny, and Karviná districts at the end of 1997. At that time, there were almost 270 thous. jobless persons in the entire Czech Republic, and the unemployment rate at the end of the year exceeded 5%.

At the end of year 1999, the number of unemployed persons in the Czech Republic was for the

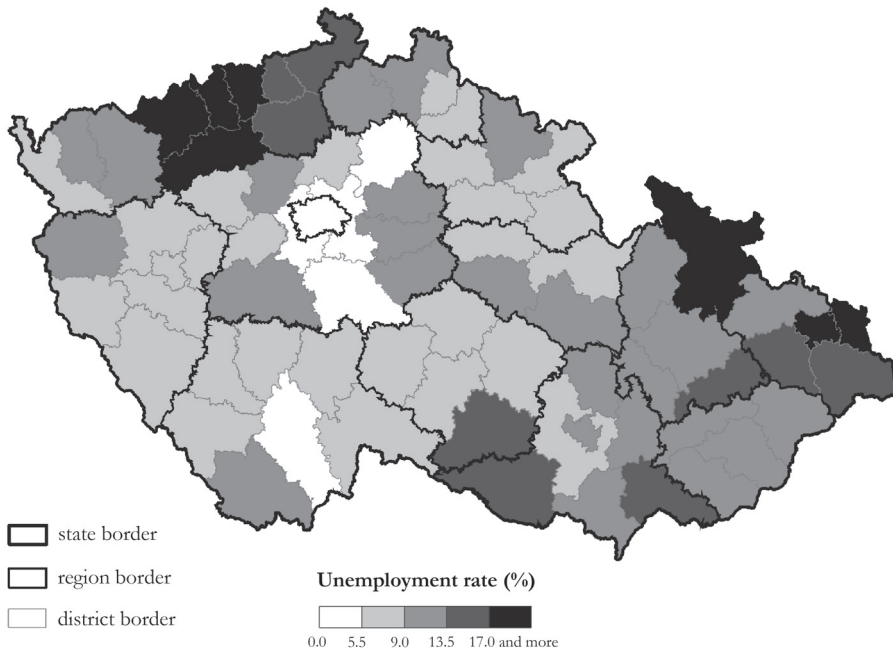


Figure 3 Unemployment rate in districts of the Czech Republic as of 31 December 2003.

Source: Number of job applicants and vacancies, MoLSA CR, 2004.

first time approaching the boundary of 500 thousand. As shown in Fig. 2, this boundary was first pulled down at the end of 2002. More than 0.5 million of unemployed persons were recorded in the Czech Republic also between 2003 and 2005. These were unemployed people registered by local employment agencies. The data on jobless persons for the Czech Republic originating from the labour force sample survey are by even more than 100 thousand persons lower than in the case of those registered by the employment agencies. The highest number of unemployed registered by employment agencies was shown at the end of 2003, namely 542 thousand. This figure represented the unemployment rate of 10.3%. However, in 2004 the methodology of calculating the registered unemployment rate was changed in the Czech Republic not to count in all applicants for jobs registered by employment agencies any more but to figure in only the so-called “available” job applicants, i.e. those capable of enrolling new jobs immediately. If we take into account the new methodology, at the end of

2003 the unemployment rate in the Czech Republic would be lower (about 9.7%). For the 4th quarter of 2003, the labour force sample survey for the Czech Republic showed the unemployment rate amounting to 8.1%.

Fig. 3 illustrates unemployment rate differences in districts of the Czech Republic at the end of 2003. The highest rate of unemployment was reported in the Most (23.5%) and Karviná (20.4%) districts. The number of districts with the unemployment rate below 5% was reduced to just five, namely Prague-West (3.0%), Prague-East (3.8%), the Capital of Prague (4.0%), Benešov (4.7%), and České Budějovice (4.8%). Similarly as in the entire European Union, the situation on the labour market started to improve as late as in 2006. At the end of 2007, the number of job applicants registered by employment agencies reached 354.9 thousand, of which 331.7 thousand were available. Thus, the unemployment rate in the Czech Republic amounted to 6.0% according to the new methodology.

THE ECONOMIC CRISIS AND LABOUR MARKET IN THE CZECH REPUBLIC

The development of basic labour market characteristics from the 1st quarter of 2008 to the end of the 3rd quarter of 2010 is shown in Table 2 and Figure 4.

In the 1st half of 2008, the number of unemployed persons was on decrease; at the end of the year, it was below 300 thousand. By contrast, the number of vacancies was increasing so that only 2 job applicants fell on one vacancy. During the 3rd quarter, the total number of job applicants increased by 17 thousand; this is a usual phenomenon related with the registration of unemployed school leavers and university graduates in the files of employment agencies. The oncoming crisis started to be signalled by data indicating an increase of job applicants and decrease of vacancies during the 4th quarter of year 2008. In the course of this quarter, the number of jobless persons increased by ca. 38 thousand, and the decrease in the number of vacancies was even higher. The decline of vacancies in the files of employment agencies was more than 48 thousand.

The greatest increase in the number of unemployed occurred in the 1st quarter of 2009, when their number mounted by almost 100 thousand (96.5 thous.). In the same period, the number of vacant positions decreased by almost 36 thousand. In the 2nd quarter of 2009, the number of unemployed increased by nearly 15 thousand. Thus, it was a significant slowdown in the increase of unemployment; however, the increase in the number of jobless persons exceeded 30 thousand in each of the following three quarters, so that at the end of the 1st quarter of year 2010, the Czech Republic had nearly 573 thousand unemployed persons. The 5% unemployment rate from the mid-2008 almost doubled in about two years. At the end of March 2010, the registered unemployment rate in the Czech Republic amounted to 9.7% (according to the labour force sample survey 7.9%, see Table 1). In the following months, the number of jobless in the Czech Republic decreased to 500 thousand and the unemployment rate reached 8.5%.

The growth of unemployment rate during the two-year period (from September 2008 to September 2010) was noticeable in all 77 districts of the Czech Republic. The national increase of unemployment in this period was 3.2 percentage points but there were areas with very small increase in unemployment, including the South-Bohemian districts of Prachatice (increase by 1.6 percentage points), Písek, and České Budějovice, also Prague with its hinterland (primarily the Prague-East, Prague-West, Benešov, and Mladá Boleslav districts), and some Moravian and Silesian districts (Znojmo, Opava). Only these ten districts reported a lower increase in unemployment than the above mentioned Karviná district (rise by 2.6 percentage points). In urban districts (e.g. Pilsen-City and Brno-City), the increase of unemployment rate was not very significant either (less than 3 percentage points).

On the other hand, a relatively high increase in unemployment was reported by districts in the Central and Northern Moravia territories: in four districts (Prostějov, Kroměříž, Bruntál, and Nový Jičín), the unemployment rate increased by more than five percentage points. In the Bohemian part of the country, the highest increase in unemployment was found out in the Sokolov district (by 4.9 percentage points). Districts characterized by a long-term highest unemployment rate belonged rather in the complex of districts with a lower increase of unemployment in the studied period.

In the course of the studied two-year period, the pattern of districts with low or high unemployment did not significantly change (see Figs. 5 and 6). At the end of September 2008, there were three districts in the Czech Republic, in which the rate of unemployment exceeded the value of 10% (Most 12.2%, Karviná 11.4%, and Teplice 10.1%), and also two districts, in which the unemployment rate was lower than 2% (Prague-East 1.8% and Prague-West 1.8%). Two years later, the only district with the unemployment rate exceeding 15% was Most (15.7%), and the district with the indicator below 4% was Prague-East (3.9%).

Table 2 Development of basic labour market characteristics in the Czech Republic at the end of individual year quarters in the period from 2008-2010. Source: Number of job applicants and vacancies, MoLSA CR, 2008- 2010, own calculations.

Quarter	Number of job applicants	Number of vacancies	Job applicants per 1 vacancy	Unemployment rate
2008 Q1	336,297	151,311	2.2	5.6
2008 Q2	297,880	151,881	2.0	5.0
2008 Q3	314,558	139,557	2.3	5.3
2008 Q4	352,250	91,189	3.9	6.0
2009 Q1	448,912	55,412	8.1	7.7
2009 Q2	463,555	43,402	10.7	8.0
2009 Q3	500,812	38,844	12.9	8.6
2009 Q4	539,136	30,927	17.4	9.2
2010 Q1	572,824	33,137	17.3	9.7
2010 Q2	500,500	32,927	15.2	8.5
2010 Q3	500,481	35,100	14.3	8.5

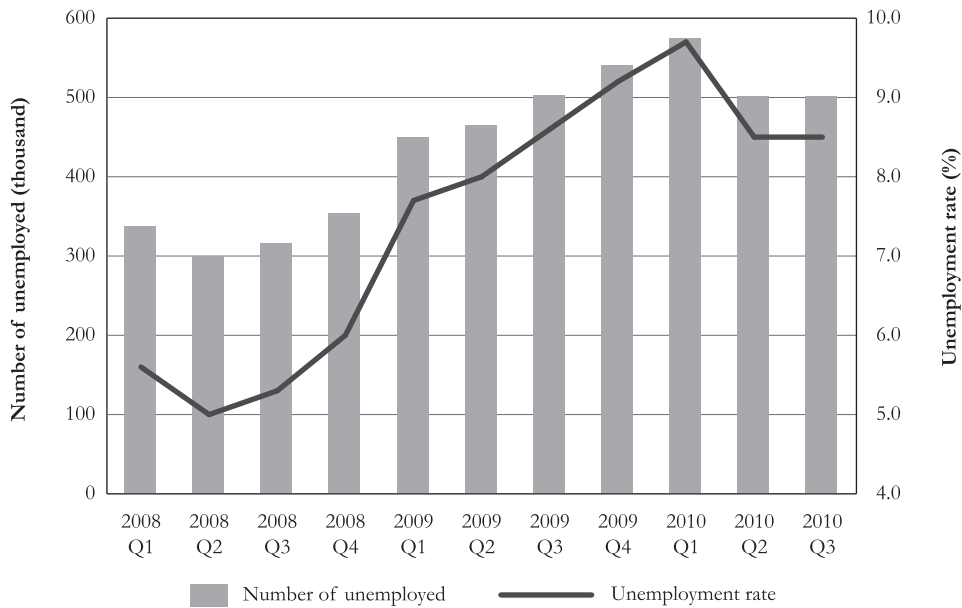


Figure 4 Development of job applicants and unemployment rate at the end of individual quarters in the period 2008-2010. Source: Number of job applicants and vacancies, MoLSA CR, 2008 to 2010, own calculations.

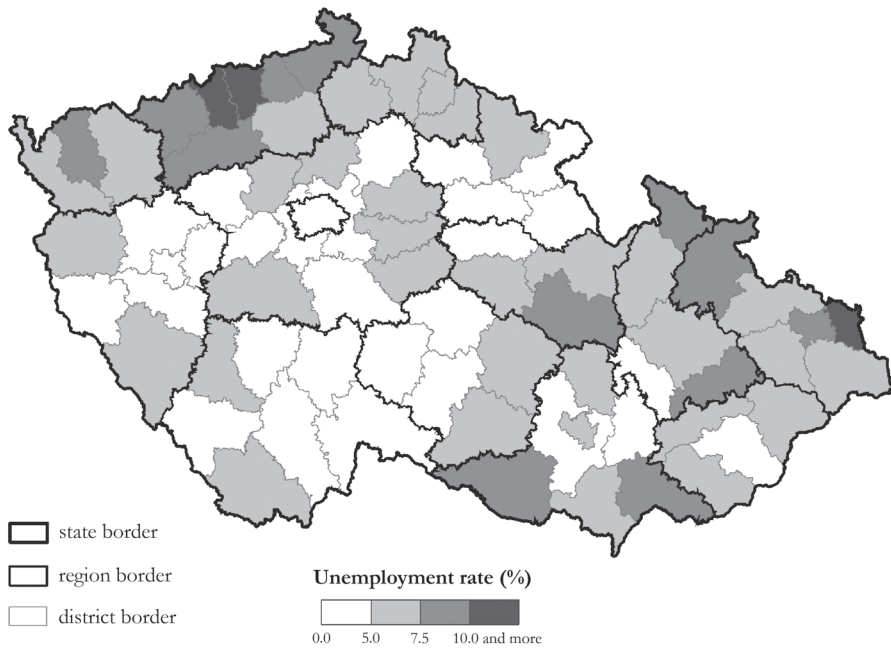


Figure 5 The rate of unemployment in districts of the Czech Republic as of 30 September 2008.
Source: Number of job applicants and vacancies, MoLSA CR, 2008.

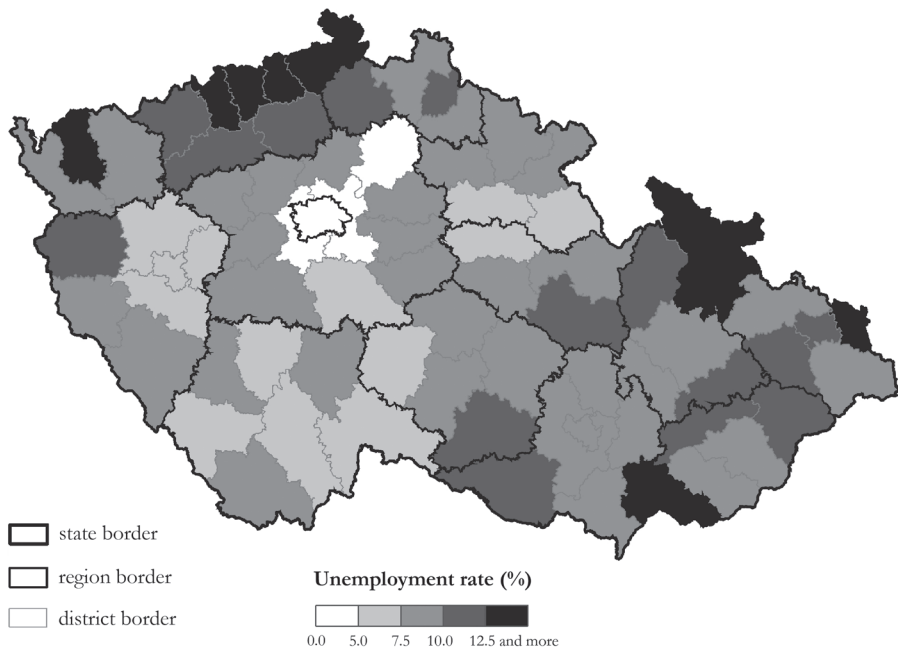


Figure 6 The rate of unemployment in districts of the Czech Republic as of 30 September 2010.
Source: Number of job applicants and vacancies, MoLSA CR, 2010.

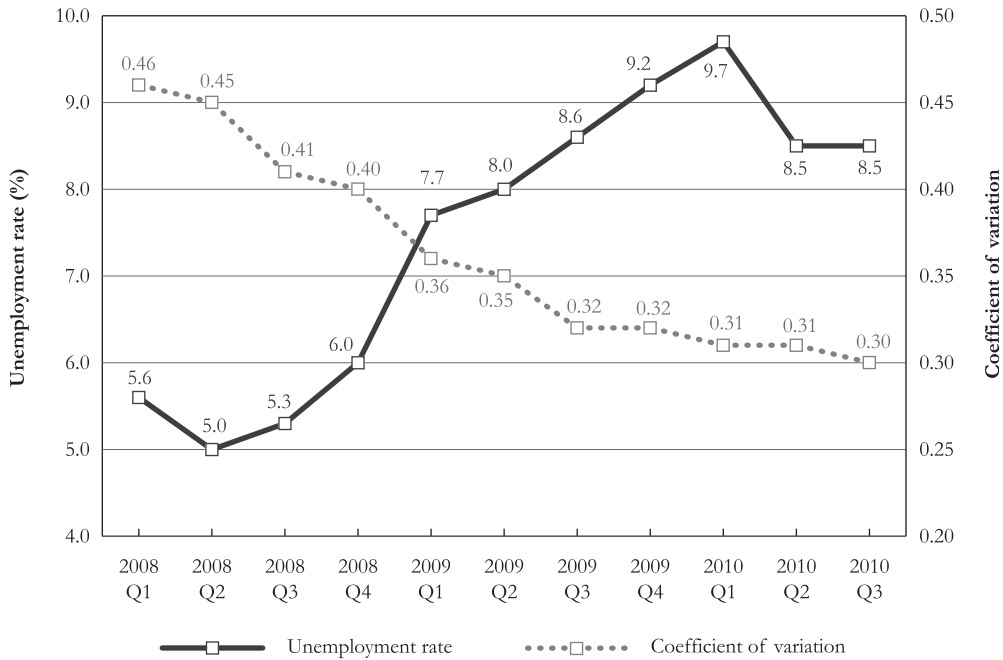


Figure 7 The unemployment rate and the coefficient of variation at year quarter ends in the period 2008-2010 in the Czech Republic. Source: Number of job applicants and vacancies, MoLSA CR, 2008-2010, own calculations.

In the period of global economic crisis, the development of unemployment rate in the 77 studied districts of the Czech Republic by no means led to increasing regional disparities on the labour market. If we take a look at the development in the period widely preceding the crisis, we find out that the number of workless people exceeding the boundary of 500 thousand was detected at the end of years 2002 to 2005. Values of the variation coefficient, by which the regional differences were measured, varied between 0.41 and 0.42. Thereafter, the coefficient of variation increased to 0.46 due to the unemployment decrease. Fig. 7 illustrates the development of the variation coefficient in relation to the development of unemployment rate in the period of crisis. While the unemployment rate increased from June 2008 to March 2010 and then decreased later on, the variation coefficient was regularly decreasing during the crisis even in periods when the number of jobless persons exceeded the boundary of 500 thousand. At the end of the 3rd quarter, its value dropped to 0.30.

Where the causes to the decreasing regional disparities on the labour market in the Czech Republic are to be sought? In the period of crisis, the decrease of differences resulted clearly from the successfully implemented state regional policy. Virtually all tools of regional policy in the period from 1998 were targeted at the improvement of entrepreneurial environment in structurally affected and also economically underdeveloped regions. Tools that brought positive effects included the vast system of incentives for investors based on subsidies for newly created jobs and re-qualifications, tax holidays and a possibility to acquire low-priced investment land for the construction of manufacturing factories. Greatly appreciated tools of regional policy were also subsidies for the constructions of industrial zones. It ensues from the analysis of direct foreign investments into the individual districts of the Czech Republic that the investments were channelled primarily to areas with a higher unemployment rate. More affected during the crisis were often older manufacturing facilities; nevertheless, they were mostly no longer operated

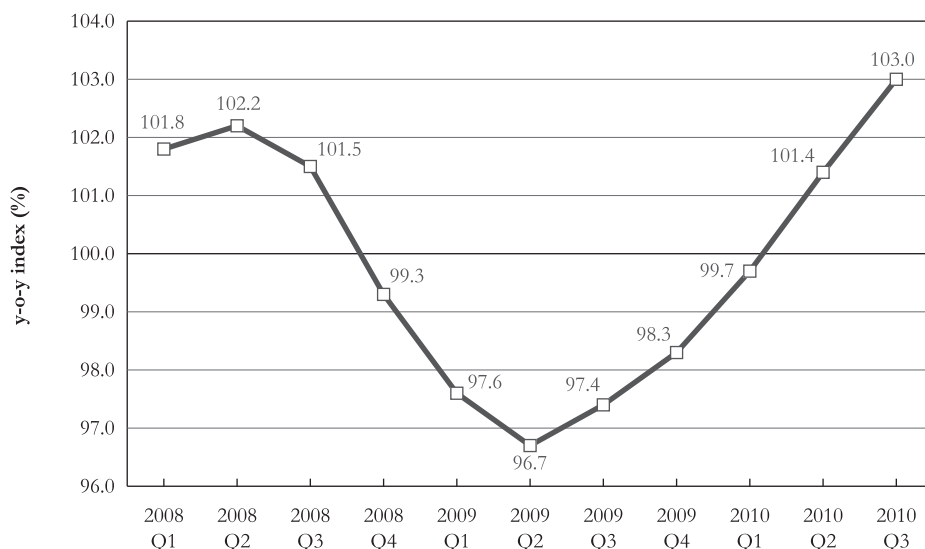


Figure 8 The inter-annual increase of GDP by year quarters in the period 2008-2010.

Source: Selected tables of quarterly national accounts 3rd quarter of 2010, CSO, 2010.

in the areas of impaired structure in the period from 2008 to 2010 as they had been closed earlier. These older manufacturing facilities, sometimes located outside the underdeveloped regions, did not survive the crisis and had to make their workers redundant on a much larger scale. However, the decrease of regional disparities was affected by the large-scale character of the global economic crisis as well.

Implications of the economic crisis may also be studied from the perspective of development of the inter-annual increase of gross domestic product in the respective year quarters from 2008 to 2010. Before the crisis, an inter-annual increase lower than 104% was last recorded in the 1st quarter of 2003. As late as in the last quarter of 2007, the inter-annual increase of GDP amounted to 105.6%. However, in the immediately following quarter it dropped to only 101.8% (although it is necessary to take into account the fact that the observed indicator reached a very high value of 109.1% in the first quarter of 2007). It follows out from the Figure below that the year 2008 saw a slowdown in the GDP growth rate, with a descent of the inter-annual increase below the level of 100% was only recorded as late as in the 4th quarter of 2008.

An inter-annual decrease was shown also in the following five quarters (last time in the first quarter of 2010). However, the increase at 101.4% in the 2nd quarter of 2010 does not allow deduce any premature conclusions about the end of the crisis because the inter-annual increase was related to the 2nd quarter of 2009, i.e. to the period of the deepest economic crisis. A positive phenomenon for the development of the situation on the labour market was the decreased number of unemployed persons by more than 70 thousand during the 2nd quarter of 2010.

Impacts of the economic crisis on the national economy may also be studied by assessing the employment changes resp. the decreasing number of workers in the manufacturing sectors of the national economy, based on data acquired through the labour force sample survey. The decrease of employment in agriculture, forestry and fisheries (primary sector of national economy) has to be observed in relation to the seasonality of jobs, which is typical of this sector. According to this logic, the number of workers in sector I stopped decreasing in the first half of 2010, because at the end of the

Table 3 Changes in the structure of employment in sectors of national economy in 2008-2010. Source: Employment and Unemployment in the Czech Republic as Measured by the Labour Force Sample Survey 2nd quarter of 2008, ..., Employment and Unemployment in the Czech Republic as Measured by the Labour Force Sample Survey 2nd quarter of 2010, CSO, 2008-2010.

Sector	2008 Q2	2008 Q4	2009 Q2	2009 Q4	2010 Q2	Difference 2010 – 2008
Sector I	164.7	163.1	155.2	148.9	154.9	–9.8
Sector II	2,031.0	2,027.2	1,920.6	1,865.6	1,840.7	–190.3
– Industry	1,566.5	1,560.4	1,421.0	1,360.9	1,362.0	–204.5
Sector III	2,807.3	2,843.0	2,865.3	2,912.3	2,885.1	77.8
Total	5,003.3	5,033.5	4,941.3	4,927.3	4,880.9	–122.4

2nd quarter it employed roughly the same number of persons as towards the end of the 2nd quarter of 2009, but certainly by almost 10 thousand less than in the same period of 2008. Thus, the employment in the primary sector decreased by 6.0% in two years.

The crisis affected Sector II of the national economy much more, namely the industry, since between the years 2008 and 2010, building industries in fact exhibited an increase in the number of workers by 3.1%. Redundancies on a larger scale occurred in the industry during the first half of year 2009 and continued in the second half of the year. Similarly as in the case of Sector I, however, a reversal occurred in the first half of year 2010, and as compared with the situation at the end of year 2009, the industry as a whole even showed a slight increase of employment. From the first half of 2008, the industry of the Czech Republic lost over 200 thousand workers in two years, which is a decrease of employment by 13.1% as expressed in relative numbers. A part of workforce released from the manufacturing industries found new jobs in the service sector, in which the number of workers during the crisis increased by 77.8 thousand of persons, i.e. by 2.8%. Thus, from the end of the first half of 2008 to the mid-year of 2010, the level of employment in the Czech Republic dropped by 2.4%, which indicates in absolute numbers a loss of over 122 thousand job opportunities.

However, the economic crisis has not only affected employment but also the performance of the Czech economy. Fig. 9 and 10 illustrate the year-on-year changes of industrial production in the Czech Republic in the first three quarters of years 2009 resp. 2010 in comparison to the same period of 2008 resp. 2009. It clearly follows out from Fig. 9 that in 2009, the decrease in production was recorded by all branches of industry with the exception of food-processing industry. In the first three quarters of 2010, the Czech industry as a whole showed a year-on-year increase in production by almost 10 percentage points, on the grounds of which it may be mildly optimistically assumed that the crisis reached its bottom in 2009, and year 2010 started a growth trajectory of the Czech economy.

In 2009, the most affected branch of industry was engineering, which however does not include the production of motor vehicles and other means of transport. It was the automotive industry that was very often connected with the falling demand, and consequently decreasing production, at the beginning of the crisis. Nevertheless, automobile factories in the Czech Republic exhibited a record number of produced cars in 2009, which was caused by the effect of state subsidies for purchasing of new vehicles (the so-called scrap-age premium) in the neighbouring countries, and also by launching the production in the Korean Hyundai Motor Manufacturing in their factory near Nošovice. In 2009, somewhat milder slumps

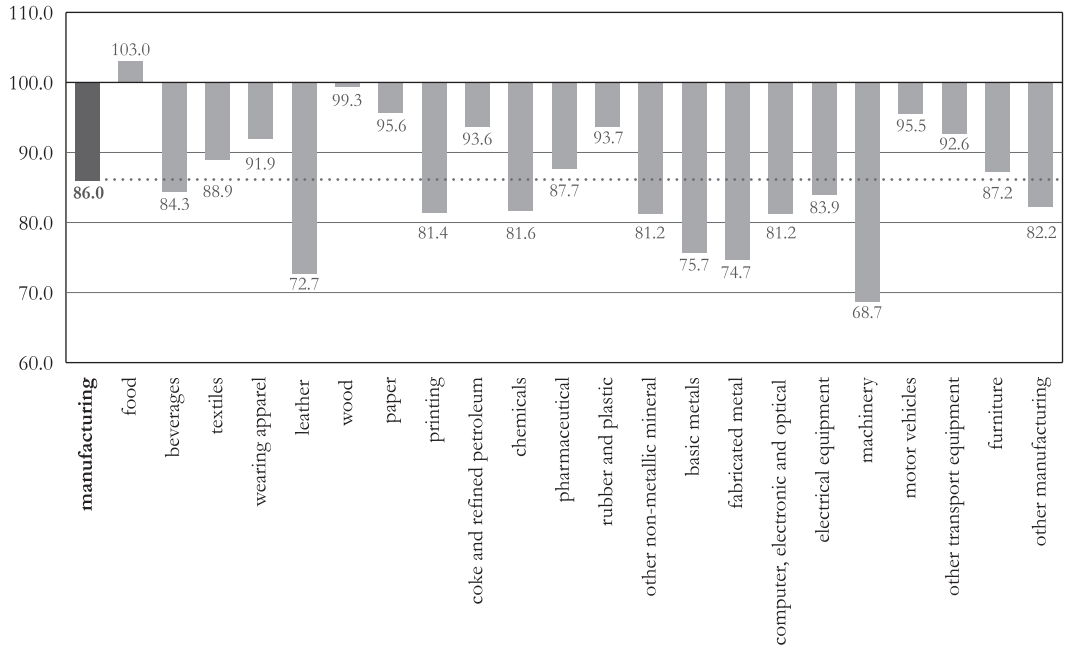


Figure 9 Industrial production index in the Czech Republic, 2009 Q1-Q3 / 2008 Q1-Q3 (2008 = 100).
 Source: Industry-time series, CSO, 2010.

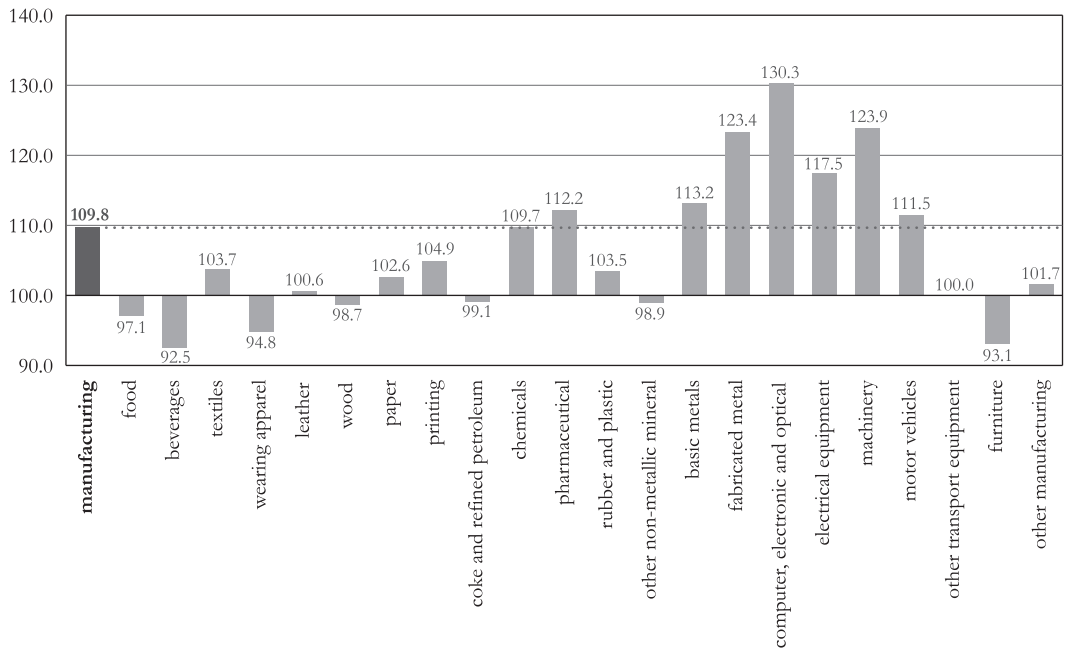


Figure 10 Industrial production index in the Czech Republic, 2010 Q1-Q3 / 2009 Q1-Q3 (2009 = 100).
 Source: Industry-time series, CSO, 2010.

of production than in engineering were shown by metallurgical and metal-working industries (Fig. 9). In 2010, these branches, including engineering and automotive industry, experience inter-annual growth of production (Fig. 10); in the Czech Republic of today, these basically represent drafters of industrial production. On the other hand, there are industrial branches in the Czech Republic, which showed falling production in both studied periods, i.e. those who have failed to cope with the decrease in demand until today. These are mainly clothing, furniture, and glass-making industries, and – somewhat surprisingly – also the production of beverages. During the crisis period, some of the main employers in these industries were forced practically to close down their production and to make their employees redundant. It was for instance the number one in the clothing industry in the Czech Republic, OP Prostějov, and glass-making companies such as Sklo Bohemia Světlá nad Sázavou and Crystalex Nový Bor. In 2009, leather manufacture saw a marked decrease in production as well. Since the beginning of the economic transformation, this industry has undergone a very painful restructuring in the Czech Republic, and the economic crisis is likely to have contributed to the liquidation of the last inefficient facilities; to a considerable extent, this generally holds for most industrial branches in the Czech Republic.

CONCLUSION

Proceeding primarily from the analysis of data on unemployment, the presented article endeavours at an assessment of impacts of economic crisis on the situation on the labour market in EU countries and in districts of the Czech Republic, and on the decrease or increase of regional disparities. The onset of economic crisis can be considered the 4th quarter of 2008 both in the European Union and in the Czech Republic. From the viewpoint of the development of labour market situation, the twelve following months can be considered a period of the deepest economic crisis. In the 2nd quarter of 2010, however, the first indications of economical revival with a slight decrease in unemployment became to show. The analysis of the unemployment rate development in the

member countries of the European Union and in the districts of the Czech Republic corroborated the initial hypothesis that while in the European Union (at a level of states) the economic crisis has brought about the deepening of regional disparities from the perspective of unemployment, in the Czech Republic the differences in unemployment between the individual districts have decreased. In the studied period, the districts characterized by a long-term highest unemployment rate rather belonged in the complex of districts with a lower increase of unemployment. The economic crisis also had a significant impact on the decreasing performance of the Czech economy, and in relation to this also on the decreasing production volume of industrial companies, which resulted in a further movement of labour force from the manufacturing sectors of the national economy to the sector of services.

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Résumé

Trh práce v České republice v období současné ekonomické krize

V posledních letech zasáhla světové hospodářství globální ekonomická krize. Nejedná se tedy o běžnou recesi, která je vzhledem k cykličnosti ekonomiky po jisté době přirozená. Naopak je označována za nejhlubší krizi od konce druhé světové války či světové hospodářské krize ve třicátých letech 20. století. Stala se tak klíčovým faktorem, jenž ovlivňuje současný stav a budoucí

vývoj jak světového, tak samozřejmě i českého hospodářství. Její příčiny lze sledovat v americké hypoteční krizi (vrcholu dosáhla již v roce 2007) a ve světové finanční krizi z roku 2008. Následně se z nich vyvinula právě ekonomická krize, která se postupně rozšířila do většiny států světa. Zasáhla všechny sektory ekonomiky, nejvíce však zpracovatelský průmysl (zejména průmysl automobilový).

Ekonomická krize se v průběhu roku 2008 začala dotýkat prakticky všech regionů světa, nevymáhá ani transformující se postsocialistické země střední a východní Evropy. Studium dopadů krize na ekonomiku zemí v tomto regionu se dostává do popředí ekonomicko-geografického výzkumu nejen u nás, ale také v zahraničí. Mezi první odborné články věnované dopadům krize ve východní Evropě lze zařadit stat' dvou autorů z Velké Británie (Smith a Swain 2010). U nás je tato problematika studována ve spojitosti se změnami na regionálních trzích práce (Novák a Toušek 2010) nebo změnami v jednotlivých odvětvích průmyslu (Dubská 2009 nebo Šerý 2010). Časoprostorové aspekty nezaměstnanosti na Slovensku v procesu ekonomické transformace a krize analyzovali Lauko et al. (2009). Z polských geografů se zabývali dopady krize na změny průmyslové produkce v Polsku Rachwał (2010) a změnami na trhu práce v Dolnoslezském vojvodství Brezdeň a Spallek (2010). Z ruských autorů největší ohlas vyvolala studie Syssoevy a Sadovského (2010) věnovaná dopadům ekonomické krize na prostorovou strukturu „sít'ové společnosti“. Výčet odborných geografických článků není dosud široký, neboť přes pozitivní signály řada autorů udává, že krize v oblasti střední a východní Evropy nebyla dosud ukončena.

Autoři v předloženém příspěvku prezentují hypotézu, že v době ekonomické krize se nemusí zvyšovat regionální rozdíly v situaci na trhu práce. Časoprostorová analýza dat Eurostatu o nezaměstnanosti sice jednoznačně prokázala, že ekonomická krize prohloubila rozdíly v úrovni nezaměstnanosti mezi jednotlivými členskými zeměmi EU, avšak obdobná analýza dat o nezaměstnanosti za 77 okresů ČR vedla k poznání, že v České republice v období krize rozdíly v nezaměstnanosti klesaly. Na tuto skutečnost měly zásadní vliv dva faktory,

a to plošný charakter ekonomické krize a před krizí dobře zvolené nástroje regionální politiky v ČR (podpora přímých zahraničních investic, podpora výstavby průmyslových zón apod.). Za základní ukazatel pro měření regionálních rozdílů si autoři zvolili variační koeficient.