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Fakulta filozofická

Bakalářská práce

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**THE FINANCIAL CRISIS AND ITS IMPACT ON THE
CZECH REPUBLIC**

Aneta Kleknerová

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Prohlašuji, že jsem práci zpracovala samostatně a použila jen uvedené prameny a literatury.

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Poděkování:

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1 INTRODUCTION

The topic of my bachelor thesis is the financial crisis and its impact on the Czech Republic. The origin of crisis is in the mortgage crisis that began in the USA as a result of non-payment of high-risk loans in August 2007. It led to bankruptcy of many banks as well as financial institutions, for example: Bear Stearns, Lehman Brothers, Merrill Lynch, Indy Mac or AIG (American Insurance Group). This crisis translates into the crisis financial and influenced the entire world including the Czech Republic at the beginning of the year 2008. For these reasons, many Czech enterprises started to decline which led to massive layoffs, reduction in wages and standard of life. In these days, this topic is highly discussed all over the world and has an impact on majority of people.

A large part of the thesis is focused on unemployment that causes economic, social, medical and psychological problems. Attention should be paid mainly on vulnerable groups that have worse placement in the labour market due to many factors such as age, state of health, level of education, gender and ethnicity. I focused mainly on fresh graduates who lack practical skills that eliminate them from the society. The longer the unemployment lasts, the worse the state of health is. Therefore, it is necessary to help them and support them in finding their first job. In practical part, I made a survey based on questionnaire which serves for better comprehension of this group and their placement in the labour market.

According to the structure, this thesis is divided into two main parts, theoretical and practical one. The first chapter begins with introduction that reveals the main information about the topic, presents the whole structure of text and content of chapters. Then, it follows the theoretical part which contains five chapters. The second chapter is focused on mortgage crisis in the USA and its impact on the Czech Republic. The third chapter is devoted to the development of crisis in the Czech

Republic with regard to the present situation. The third chapter mentions the unemployment as the main issue of the financial crisis. It also characterizes types of unemployment, measurement of unemployment, the most vulnerable groups in the labour market and its impact on economy, society and health. The fifth chapter is concentrated on stages of job loss and strategy that helps to overcome this difficult and stressful situation. The last chapter mentions general overview of unemployment in the Czech Republic in 2014 with the comparison to European Union.

The important part of the thesis is practical part that is placed in the chapter seven. Its main objective is to analyse a current situation of unemployed graduates within the Central Bohemian region by means of questionnaire.

The last part that closes the whole thesis is called conclusion that summarize acquired knowledge. This conclusion is followed by bibliography divided into print and internet sources, abstract in English, resume in Czech and appendices. Appendices are supplementary materials that include questionnaire in English, questionnaire in Czech and glossary of terms used in the thesis with translation into Czech.

To compile this bachelor thesis, there have been used primary internet sources in order to guarantee actual information. This bachelor thesis is dedicated to general public who is interested in the current financial crisis and unemployment.

2 THEORETICAL PART

2.1 MORTGAGE CRISIS IN THE USA

The cause of financial crisis is in mortgage crisis that began in the USA. It is difficult to determine the exact year of the crisis because banks tried to cover their problems before public until the year 2007. It is considered to be the worst economic crisis in history of USA since the Great depression (1929-1933). Due to the interconnected markets and strong American economy, this crisis still influences the entire world. Sometimes it also speaks about economic or financial crisis, in fact, it is the same. The origin of the crisis has many reasons: low interest rate, housing bubble, loans to anyone and greed of some people.

2.1.1 Reasons

In the year 2001, large number of mortgages were offered to people for low interest rate which allows them to borrow more money from banks with a lower monthly payment. Home prices decrease dramatically and many people did not hesitate with buying houses because it was very advantageous.

Chart 1: The US House Price Trends¹



¹ SCHIFERRES, Steve. *Housing meltdown hits US economy* [online]. Available at: <http://news.bbc.co.uk/2/hi/business/7078492.stm>

The problem was that banks offered the mortgages almost everyone without any security. The interest rate increases again and borrowers who bought more than they could afford were in financial difficulties stopped paying the mortgage. The houses pass to the possession of banks but in a state that did not corresponds to the loan. Banks could not sell them for the same price, nobody was interested in mortgages and it is a case of housing bubble. Banks are in a phase of liquidity, it means that houses could be sold at least after 6 months. For that reason, banks had to use own financial reserves to sold part of property or to borrow from other banks. In the worst case, they had to announce bankrupt. In June 2007 Bearn Stearns, which was the 5th largest investment bank with a big importance in the USA was due to problems of non-payment bought out by JPMorgan. After bankruptcy of Bearn Sterns, many other banks and financial institutions fell down also, for example, Lethman Brother, Merrill Lynch, IndyMac or AIG (American Insurance Group).

2.1.2 Effects

At the beginning of the year 2008, the mortgage crisis in the USA was expanded into the other sectors and because people did not have enough money to buy new goods, they started to save. So in the labour market, there was a surplus of goods which people did not want it. It was the reason for which companies stopped to produce goods which led to higher unemployment. Many people find themselves in poverty. Among the most affected areas in the labour market belongs: banking system, building and car industry.

2.1.3 Solutions

On 3rd October 2008, the US government decided that it provides \$700 billion to stabilize and grew the financial markets stabilized.^{2 3}

² *Finanční krize – jak to začalo [online]. Available at:*
<http://www.finance.cz/zpravy/finance/195113-financni-krize-jak-to-zacalo/>

2.2 Crisis in the Czech Republic

The impact on the Czech economy was not so serious, the Czech banks provided a certain amount of credit only to credible clients (it depends on amount of money, the amount of loans, credits at other banks, etc.). Luckily, Czech banks do not own a big part share coming from American mortgages. For a better understanding of the financial crisis in the Czech Republic, this work provide a comparison of the initial phases of the crisis in 2008 and the present situation.

2.2.1 The Czech Republic in the year 2008

Economic crisis in the Czech Republic began to be felt fully between the years 2008 and 2009. Many enterprises in metallurgical, engineering, glass, ceramic, textile, clothing and shoe industry started to lay off of employees in mass which led to reduction in wages and standard of life. In terms of mining, the enterprise OKD was going to lay off 300 employees. In metallurgy, Ancelor Mittal Ostrava, Evraz Vítkovice, iron a steel works Bohumín had to lay off up to 1,000. But the most affected branch was glass industry, the enterprises as Crystalex, a.s., Cristalite Bohemia and Klášterec Thun were in difficulties and many other branches also.⁴

2.2.2 The current situation in the Czech Republic

These days, the impact on the Czech Republic is still remarkable; there are still some problems which Czech population has to face, such as, increasing of prices and debts, decreasing of wage, and liquidity of companies leading to unemployment as the main feature of financial

³ JANDA, Josef. *Finanční krize: vznik, vývoj a předpovědi* [online]. Available at: <<http://www.mesec.cz/clanky/financni-krize-vznik-vyvoj-a-predpovedi/>

⁴ PILEČEK, Jan, Miloš ČERVENÝ. *Hospodářská krize a regionální disparity – příklad okresů České republiky* [online]. Available at: <http://banking.about.com/od/mortgages/a/mortgagecrisis.htm><http://www.dvs.cz/clanek.asp?id=6432275&ht=Hospod%20E1%F8sk%20E1+krize+a+region%20E1ln%ED+disparit>

crisis. On 1st January 2013, state budget was 1,64 trillion CZK and in the second quarter of the year 2014, it was reduced by 82 million, according to Ministry of Finance.⁵⁶

⁵ *Státní dluh České republiky* [online]. Available at:
http://www.financninoviny.cz/zpravy/index_img.php?id=307059

3 UNEMPLOYMENT

Labour market is closely linked to unemployment which is a sign of disequilibrium between demand for labour by employers and supply of labour by job applicants. The unemployment is not seen as a major problem until it becomes a mass; many people are without a job. It is necessary to pay a great attention to it because it is not only economic issue but also psychological, social and medical.⁷

3.1 Terms associated with unemployment

According to Václav Jurečka, the bachelor thesis describes the important terms related to unemployment:

Unemployment refers to the population of working age; it is the period after completion of the compulsory education and before retirement. It has a logical implication that the lower age limit for working is 15 year and the higher age limit is 64 years.

The employed are those who have a job while the unemployed do not have a job but actively looking for it. Actively looking for a job means that they are sign on at the labour office and able to start work within two weeks.

Economically active population (labour force of the country) is a total number of two preceding groups: the unemployed and the employed.

Economically inactive population are people of working age but they do not work due to some restrictions. It is a case of students attending educational institutions, people at home carrying about small children or handicapped family members, people with disabilities and those who are unwilling to work.⁸

⁷ MAREŠ, Petr. *Nezaměstnanost jako sociální problém.*

⁸ JUREČKA, Václav a kol. *Makroekonomie.*

3.2 Measurement of unemployment

In the Czech Republic, there are used two different indicators for measurement of unemployment. First of all, it is important to outline the differences between the *general unemployment rate* and *registered unemployment rate*. The general unemployment rate is based on the survey conducted by Central Statistical Office in households and is used for international comparison. While the registered unemployment rate is based on the number of job applicants registered at the labour office and is used for measurement among the particular regions. However in January 2013, Ministry of Labour and Social Affairs introduced a new method of measurement. Difference between and a new indicator can be seen in the chart below, the unemployment rate is always expressed as a percentage.⁹

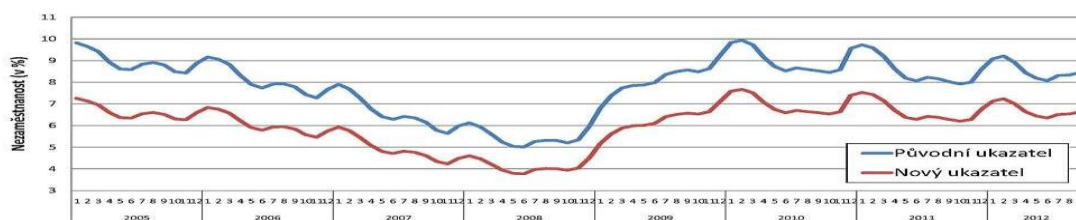
A new method of calculation

Unemployed job applicants
(aged 15 to 64 years)

Share of unemployed persons = -----

Total population at the same age
(economically active and inactive
population)

Chart 2: A comparison of old indicator (blue colour) and a new one (red colour)¹⁰



⁹ HOLÝ, Dalibor, PLÍVOVÁ, Viktorie. *Změna výpočtu ukazatele registrované nezaměstnanosti* [online]. Available at:

http://www.czso.cz/csu/tz.nsf/i/zmena_vypoctu_ukazatele_registrovane_nezamestnanosti20121

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¹⁰ Ibid.

3.3 Types of unemployment

Economists recognize several types of unemployment based on duration and effects for the economy of state, even some types can be seen as positive. There are mentioned the terms such as frictional unemployment, structural (and technological) unemployment, cyclical unemployment, seasonal unemployment, hidden labour force, under-employment, false unemployment, job stagnation, voluntary and involuntary unemployment, short-term and long-term unemployment and the last one is full employment.

Frictional unemployment

Frictional unemployment is when workers leave a job on their own initiative due to salary, work time, bad labour relationship, location of enterprise and other factors forcing them to find a better one that could satisfy their requirements. Duration of translation from one job to another is influenced by amount of social security benefits and demands of workers. It is a common, temporary and voluntary process which has not a serious impact.¹¹

Structural (and technological) unemployment

Structural unemployment occurs due to structural changes in the labour market. Some companies, institutions and sectors expanding while the others declining.¹² The point is that the structure of demand is changing; it has new requirements concerning age, qualification, experience, skills or gender. In the labour market, there are many job vacancies but a low number of qualified workers leading to disequilibrium. Technological unemployment occurs due to technological advance in an

¹¹ MAREŠ, Petr. *Nezaměstnanost jako sociální problém*. p. 17-18

¹² BROŽOVÁ, Dagmar. *Společenské souvislosti na trhu práce*. p. 83

industry where labour force is replaced by machines. This is a type of unemployment which is very common.¹³

Cyclical unemployment

Cyclical unemployment occurs due to business cycle fluctuations. Sometimes it also speaks about demand-deficient unemployment; it means that demand for job and goods is insufficient. Generally, the number of unemployed workers is greater than the number of job vacancies. Negative effects are increased by the fact that it has impact on the whole economy of state.¹⁴

Seasonal unemployment

Seasonal unemployment is a form of structural unemployment that is performed at concrete season of the year due to climatic conditions and weather. For instance, in winter, the most affected areas are agriculture, building industry and services related to the tourism.¹⁵

Hidden labour force

It is a situation when people are not registered as unemployed at labour office in spite of the fact that they do not have a job. These people have stopped to looking for a job due to personal circumstances, for instance maternity leave, housework or education. Sometimes, they use informal methods to find a new job or ask directly to employers. Married women and adolescents represent the largest part of this group. It is called hidden labour force because it is not reflected in official unemployment statistics.¹⁶

¹³ MAREŠ, Petr. *Nezaměstnanost jako sociální problém*. p. 19-20

¹⁴ Ibid., p. 20

¹⁵ Ibid., p. 20

¹⁶ Ibid., p. 20-21

Under-employment

Under-employment is a situation in which many educated and skilled people have to work in a lower capacity than they are qualified for, including a lower wage or working for fewer hours than they would like to work.¹⁷ It is different from the unemployment where all employees work at their full capacity. Under-employment can be also defined as a situation when two workers share a same job or wage. For all that, it is considered as one of the possibilities how to deal with the mass unemployment.¹⁸

False unemployment

False unemployment refers to people who are unemployed and do not try to looking for a job. The reason for this behaviour is that they want to gain the most from the unemployment benefits coming from state. Some of them are registered at the labour office and work illegally at the same time.¹⁹

Job stagnation

Job stagnation is a situation which does not allow people to leave their current job, even if they are strongly dissatisfied, due to economic situation in the labour market increasing unemployment rate. Workers remain in the same job because they are concerns that would not find another one. Thus, professional and special mobility has been decreasing.²⁰

Voluntary and involuntary unemployment

This type of unemployment is related to the willingness or unwillingness to work. Voluntary unemployed represents people who

¹⁷ DOYLE, Alison. *Underemployment* [online]. Available at: <http://jobsearch.about.com/od/unemployment/g/underemployment.htm>

¹⁸ MAREŠ, Petr. *Nezaměstnanost jako sociální problém*. p. 21

¹⁹ Ibid., p. 21-22

²⁰ MAREŠ, Petr. *Nezaměstnanost jako sociální problém*. p. 22

choose to be unemployed. These people are not satisfied with the current position, so they are leaving a job and looking for a new one with better wage, benefits, etc.²¹ Conversely, involuntary unemployment represents people who were fired from their previous job and now seeking a new job, willing to work for a wage that prevails in the labour market and even lower. Nevertheless, they are unable to find it.²²

Short-term unemployment and long-term unemployment

Further, there are distinguished two terms divided according to the duration of unemployment. On one hand, short-term unemployment usually takes only several weeks and does not cause serious problems. For some people, short-term unemployment is seen as motivation to find a better job. For this purpose, this time is used for retraining, additional courses or further education which can influence their placement in the labour market. On the other hand, long-term unemployment lasts for more than a year and has impact on both the unemployed person and economy. During this long period, the unemployed person loses contacts with society, working habits and qualification. It has also negative effects on psychological and mental health of person.²³

Full employment

A situation when all people willing to and able to work can always find a job. However, it does not imply that everyone has a job. The economy will never have zero employment because there is still inevitable frictional unemployment when people try to find a job suitable for their skills and it takes some time. Full employment rate fluctuates among 2 and 4%, higher or lower rate is undesirable.²⁴

²¹ *Voluntary unemployment* [online]. Available at: <http://financial-dictionary.thefreedictionary.com/Voluntary+Unemployment>

²² BROŽOVÁ, Dagmar. *Společenské souvislosti na trhu práce*. p. 85-86

²³ MAREŠ, Petr. *Nezaměstnanost jako sociální problém*. p. 24-25

²⁴ *Ibid.* p. 24

3.4 Vulnerable groups in the labour market

Vulnerable groups of people are those which placement on the labour market is particularly difficult. They are influenced by a number of features such as age, state of health, education, gender or ethnicity leading to higher risk of job loss and predetermine them for long-term and repetitive unemployment at the same time. The most disadvantaged groups in the labour market are older people, women with young children, disabled people, low skill people and certain ethnic groups. The most obvious is that these disadvantaged groups suffer discrimination not only in searching for a new job but also at work. It means that they work in the secondary labour market for lower wage, without another reward or opportunity for advancement and besides that, under poor working conditions. Discrimination in this form has been increasing, although it is strictly prohibited by law.^{25 26}

According to survey of agency called STEAM perform in 2007, 85% of respondents claim that they are aware of discrimination in the Czech labour market. The findings also revealed three most common reason of discrimination, the first one is age (87% of respondents), then state of health (75% of respondents) and the last one is pregnancy and maternity leave placed at the same level (69% of respondents).²⁷

Older people

There are many studies focused on older people aged 50+ who suffer from discrimination in the labour market particularly due to age. These people are highly experienced, which is seen as an advantage but on the other hand, there is a number of disadvantages leading in favour of young people. Their skills and experience are very specific because

²⁵ Ibid.

²⁶ *Dual labour market* [online]. Available at: <http://www.answers.com/topic/dual-labour-market>

²⁷ LORENCOVÁ, Pavla. *Češi se stále častěji setkávají s diskriminací na trhu práce* [online]. Available at: <http://finexpert.e15.cz/cesi-se-stale-casteji-setkavaji-s-diskriminaci-na-trhu-prace>

they have been working only in one company for significant part of their working life and barely getting used to new changes. In addition, technological changes in the labour market required mobility between firms and between geographical regions which decrease with higher age. They also lack computing or foreign languages skills which play the important role in the current labour market.²⁸

These days, older workers are more affected by involuntary job loss because the employers see them as redundant. In case of job loss, their feelings are worse than another vulnerable group because they follow stereotypical routines and have a hard time adjusting to new events in their lives, as it was already mentioned above. However, it largely depends on a range of factors which can attenuate the impact of unemployment, for instance, varying life circumstances, intelligence level, social status and support from the side of family.²⁹ According to employment law, people under the age of 50 years who are out of work and looking for a job can receive social benefits for 5 months, people aged between 50 and 55 can receive this support for 8 months and people older than 56 years old can receive it up to 11 months. This support is paid out only if the unemployed person obtained social insurance contributions for at least twelve months over the last three years.³⁰ In 2000, the unemployment rate of older people was 16.2% compared with this year when the unemployment rate is 27.2%.³¹ It means that the placement of older people in the labour market is getting worse.

²⁸ DIXON, SYLVIA. *Implications of populations ageing for the labour market* [online]. Available at: <http://www.re-integrate.eu/resources/webre--implications-of-population-ageing-for-the-labour-market.pdf>, p. 72-73

²⁹ BUCHTOVÁ, Božena. *Nezaměstnanost: psychologický, ekonomický a sociální problém*. p. 111-113

³⁰ *Unemployment benefit in the Czech Republic* [online]. Available at: <http://www.expats.cz/prague/article/prague-employment/unemployment-benefit-in-the-czech-republic/>

³¹ PROCHÁZKA, Tomáš. *Nezaměstnaných padesátníků přibývá – proč?* [online]. Available at: <http://www.finance.cz/zpravy/finance/416528-nezamestnanych-padesatniku-pribyva-proc/>

Women

Women are more likely to discriminate in the labour market than men because employers largely prefer male workforce due to better mobility and potential to work in multi-shift operations. This is an obstacle for mothers with children who carry the burden of housekeeping and caring of an ill child, which translates in frequent instances of taking time off. The most vulnerable are women returning from their maternity leave and extended maternity leave who were excluded from the labour market for a couple of years leading to loss of professional knowledge and work experience. Female employment is a serious issue faced worldwide. Offer of short-time jobs, flexible working hours, availability of day care and financial support for women are solutions which could enhance their placement in the labour market.^{32 33} At the end of the year 2013, the employment rate of women was 8.1% while employment rate of men 5.6%.³⁴

Handicapped people

Majority of handicapped people are able to take a limited choice of jobs, depending on their severity impairment. It is distinguished 7 types of impairment: physical, visual, auditory, mental, internal and others. There are two groups of handicapped people. The first one comprises people who are handicapped to such an extent that they cannot work and the second one includes people who can work and who want to work. Nevertheless, the second group have to face a large number of barriers. *“They have fewer opportunities to develop skills and experience, face practical obstacles, such as inaccessible transport, and often experience*

³² BUCHTOVÁ, Božena. *Nezaměstnanost: psychologický, ekonomický a sociální problém*. p. 113

³³ SIROVÁTKA, Tomáš, Petr MAREŠ. *Trh práce, nezaměstnanost, sociální politika*.

³⁴ *Zaměstnanost a nezaměstnanost podle výsledků VSPS 4. čtvrtletí 2013* [online]. Available at: <http://www.czso.cz/csu/2013ediciplan.nsf/p/3101-13>

*negative attitudes from employers.*³⁵ Their physical limitations allow them to perform only easy tasks on a part-time basis.³⁶

For these people with disabilities, Sheltered workshops were launched. Their goal is to provide these simple tasks such as assembling, packing, woodworking, manufacturing, servicing, or sewing. Handicapped people also prefer sheltered workshops to outside employment thanks to social environment and lower requirements that are able to meet. In addition, they also protect them from the competitive pressure at the labour market and offer them variety of educational programmes, activities and consistent assistance. The main disadvantage lies in lower wage that is often under the minimum wage. Some of them are willing to work outside of sheltered workshops in order to learn new things and made more money. Mainly people who had had previous work experience in the open market. The problem is that the employers are less interested in them, so the regulations were tighten.³⁷ According to the employment act, all employers with more than 25 employees are obliged to employ people with disabilities in the amount of 4% of all staff. It can be combined with the possibility to buy goods or services from these handicapped people or pay a certain amount of money to the state budget.³⁸ In condition that the employers employ person with disability, they can receive a contribution on her or his wage from the state in the amount of 5,000 CZK per month or claim discount on income tax. If the protected workplace will be occupied for at least twelve months, employers can apply for a further 1,000 CZK covering a part of operating costs.³⁹

³⁵ MAINARD, Alice. *Disabled people's ability to work isn't about whether they can hold a pen* [online]. Available at: <http://www.theguardian.com/society/joepublic/2011/feb/16/welfare-reform-disabled-people-barriers-to-work>

³⁶ BUCHTOVÁ, Božena. *Nezaměstnanost: psychologický, ekonomický a sociální problém*. p. 113

³⁷ MIGLIORE, Alberto. *International encyclopedia of rehabilitation: Sheltered workshop* [online]. Available at: <http://cirrie.buffalo.edu/encyclopedia/en/article/136/>

³⁸ *Zdravotní postižení* [online]. Available at: <http://www.mpsv.cz/cs/8>

³⁹ NEUFUS, Ondřej. *Senát rozhodne, zda budou firmy dostávat dotace na postižené zaměstnance* [online]. Available at: <http://zpravy.tiscali.cz/senat-rozhodne-zda-budou-firmy-dostavat-dotace-na-postizene-zamestnance-238088>

According to the Czech Statistical Office which conducted a survey in 2013, it was revealed that more than 1,077,673 of people suffer some type of impairment, in another way every tenth inhabitant. Most of them represent people older among 60-74 years or older and after them are placed people among 45-59 years. In comparison with a survey conducted in 2007, there is not such a great difference. What is interesting is mainly the difference between two genders. The share of handicapped women increase from 10.0% to 10.6% and share of handicapped men increase from 9.8% to 9.9%. Only 9.0% of people with disabilities were employed in the labour market.⁴⁰

Unskilled applicants

Currently, unskilled applicants are the main segment of long-term unemployed people. These consist mostly in young people with low qualifications and limited interest in having a job. This group further includes: alcoholics, repetitive offenders, people discharged from corrective facilities and other people unable to adjust socially. Unskilled applicants are gradually pushed out of the labour market because formal qualifications and professional skills are key factors in selection by employers, and thus, they tend to prefer an applicant with better education rather than one with no formal qualifications. This group of people is often designated as *new-underclass* due to reasons mentioned above.⁴¹ In 2013, the largest group registered at the labour office represents job applicants with secondary vocational education (40.37%) and with elementary education (27.02%), according to an article

⁴⁰ KOTÝNEK, Josef. *V ČR byl zdravotně postižený každý desátý* [online]. Available at: <http://www.statistikaamy.cz/wp-content/uploads/2014/04/18041404.pdf>, s. 18 - 24

⁴¹ BUCHTOVÁ, Božena. *Nezaměstnanost: psychologický, ekonomický a sociální problém*. p. 114

published at official website of Finanční noviny and the same records are from the previous years.⁴²

Romani ethnic group

As a result of the ever increasing demands for qualifications and quality in the labour market, ethnic Romani will be challenged by increasing problems of locating a job because most of them complete either special education or primary education.⁴³ Moreover, they live in cities and regions with high unemployment rate. Behind another reason of worse placement in the labour market can be religious and political beliefs, even though this behaviour is strictly forbidden in accordance with the Constitution of the Czech Republic.⁴⁴ The official statistics about the exact number of this national minority do not exist. The reason is that they do not report themselves to Romani nationality in the census. Thus, all numbers concerning their population or unemployment are only approximate. According to a World Bank study conducted in 2010, 65% of them were unemployed.⁴⁵

Fresh graduates

For depiction a current situation of fresh graduates in the labour market, a short definition will be used according to Pavel Janíčko used in his publication *Young unemployment in Europe*. “A *graduate is a job applicant who is registered at the employment office and who completed his or her studies successfully less than two years previously.*”⁴⁶

⁴² *Dvě pětiny nezaměstnaných mají výuční list, 27% základní školu* [online]. Available at: <http://www.financninoviny.cz/zpravy/dve-petiny-nezamestnanых-maji-vyucni-list-27-zakladni-skolu/1041477>

⁴³ Ibid.

⁴⁴ BÁNOVČAN, Dušan. *Dopad nezaměstnanosti na psychiku člověka* [online]. Available at: <https://otik.uk.zcu.cz/bitstream/handle/11025/8102/BP%20-%20Banovcan.pdf?sequence=1>, s. 14

⁴⁵ PALATA, Luboš. *Romové deformují čísla o nezaměstnanosti. Nejen na Slovensku, ale i v Česku* [online]. Available at: <http://finmag.penize.cz/ekonomika/268443-romove-deformuji-cisla-o-nezamestnanosti-nejen-na-slovensku-ale-i-v-cesku>

⁴⁶ JANÍČKO, Pavel. *Youth Employment in the Czech Republic* [online]. Available: <http://library.fes.de/pdf-files/id/09471.pdf>

The main reasons for recruitment of fresh graduates lie in their proficiency of foreign languages, willingness to work and learn new things, knowledge of the latest technologies and flexibility.⁴⁷ On the other hand, their practical experience and work routines are disappointing and they often make unrealistic claims in terms of the job content, adjustments of working hours, working patterns and wage.⁴⁸

The worst placement of fresh graduates is also connected to the Czech educational system; the first reason is that the schools do not offer opportunity of internship where students could gain working experience during studies. The second reason is related to branch of study.⁴⁹

These days, a large number of students decide to pursue postgraduate studies hoping that it allows them to find a better job, improve their abilities and skills. It leads to stiff competition among the graduates and therefore it is important to realize that an academic diploma do not have to be a guarantee for better position. It is necessary to pay attention to disequilibrium among the branches of study because the labour market reports a surplus of economic branches and lack of technical branches but students are mostly interested in humanities. The data showed a significant difference between these branches, particularly the amount of monthly wage. In the face of competition, many graduates have to take lower-skilled jobs which do not correspond with their achieved qualification. It makes harder for the less qualified to find a job.

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⁴⁷ *Youth employment obstacles in the Czech Republic* [online]. Available at: http://www.cebre.cz/dokums_raw/youth_employment_obstacles_in_the_czech_republic_final_28_4_2014.pdf, str. 2-3

⁴⁸ BUCHTOVÁ, Božena. *Nezaměstnanost: psychologický, ekonomický a sociální problém*. p. 110-111

⁴⁹ *Youth employment obstacles in the Czech Republic* [online]. Available at: http://www.cebre.cz/dokums_raw/youth_employment_obstacles_in_the_czech_republic_final_28_4_2014.pdf, str. 5

⁵⁰ WALLEROVÁ, Radka. *Ekonomů je moc, berou míň. Technici to mají naopak* [online]. Available at: http://finance.idnes.cz/profese-a-vydelky-0mc-/podnikani.aspx?c=A140204_2030048_podnikani_zuk

In order to facilitate an access to the labour market, internship programmes are offered to graduates without a job by some companies. It is a place where they can gain both theoretical and practical skills. Most often, these job opportunities are unpaid but the state contribution is still pay out. This programme is called: Internship in companies and was launched in 2012. Since that year, it has been realized more than 6,000 internships. After the programme, 40% of graduates were offered a full-time job at the company, 5% of graduates were offered a variety of external job and the rest of graduates can beneficiate from this opportunity in searching for a new job thanks to the gained experience.⁵²

⁵¹ VRBA, Ondřej. *Mladí bez práce? Problém i v Česku. Školy je nepřipraví, firmy se jich bojí* [online]. Available at: <http://zpravy.e15.cz/domaci/ekonomika/mladi-bez-prace-problem-i-v-cesku-skoly-je-nepripravi-firmy-se-jich-boji-991340>

⁵² *Stáže ve firmách. Spása nezaměstnaných a absolventů škol bez praxe?* [online]. Available at: <http://www.podnikatel.cz/clanky/staze-ve-firmach-spasa-nezamestnanych-a-absolventu-skol-bez-praxe/>

4 UNEMPLOYMENT IMPACT

The aim of this chapter is to outline the reasons for which a job represents the important part in life of people. For better understanding, it will be used the definition of Jahodová who characterizes the importance of paid work.

“A paid work generates a realistic time structure (in terms of days, weeks and years), offers an opportunity for regularly sharing social experience outside the family, defines personal status and identity and entails a number of activities that a jobless person is not motivated to seek.” (“Translated by author”)⁵³

In condition that these needs are not fulfilled, it leads to radical psychological and physical changes of human. This statement can be confirmed thanks to a survey carried out in Austrian village Marienthal revealing the surprising findings. In 1930, a local textile factory in Marienthal was closed which lead to unemployment of 478 families. After one year, a team of psychologists started to investigate the impact of prolonged unemployment on community life and find out that these textile workers mostly suffer from decrease of activity, distorted perception of time, apathy and no plan for the future, but at the same time trying to create chances for their children.⁵⁴

According to the Greenwich study, it was revealed that the reactions among the qualified and unskilled workers are different. For unskilled workers, the main job satisfaction represents immediate payment of wage while the qualified workers reach the satisfaction in their work.⁵⁵

⁵³ MAREŠ, Petr. *Nezaměstnanost jako sociální problém*. p. 59

⁵⁴ JEŘÁBEK, Hynek. *Marienthal* [online]. Available at: http://sreview.soc.cas.cz/uploads/79787abdcc3c5d0c40f432c15040c059248143e2_261_321JERAB.pdf

⁵⁵ BUCHTOVÁ, Božena. *Nezaměstnanost: psychologický, ekonomický a sociální problém*. p. 81

Generally, there are distinguished two views of unemployment because everyone feels different about losing a job; what matters is not just age, skills, sex, but also person-specific defence reactions, social background and the immediately preceding mental condition. The first group perceives a job loss as an opportunity to change their current living conditions. They make an active effort to find a new job (by means of social networks, newspapers, labour office etc.), using the unemployment period to change their qualifications, extend their interests and activities that they had previously no time.⁵⁶

The second group takes a negative attitude; they are often falling victim to depressions, loss of interest and unwillingness to change their previous routines. This group includes a large number of the unemployed. These include people who were highly motivated for their jobs, were good at work; unfortunately they lost their job too. They perceive this as a personal failure, feeling worthless and fearing what might come next. For the employed people, time represents a realistic time structure. Losing a job means for them a deprivation of their daily routines, they are lost in time and do not know how overcome the new situation. They keep returning to the past and future has no significance for them. Moreover, this group is marked by social isolation, solitary confinement and loss in social contacts. Some people can easily find themselves homeless, vagrant or criminal. At worst, they lose the sense of their life and tend to be suicidal.⁵⁷

A recently published article on official website of BBC news indicates higher number of suicides in Europe and North America links to financial crisis, according to study in British Journal of Psychiatry. This analysis comprises the data collected from 24 EU countries, the US and Canada. The findings of researches revealed more than 10,000 suicides since the

⁵⁶ BUCHTOVÁ, Božena. *Nezaměstnanost: psychologický, ekonomický a sociální problém.*

⁵⁷ Ibid.

year 2009, as a result of stress and depression caused by the financial crisis. In Europe, the rate of suicides increased by 6.5%, in Canada by 4.5% and in the US by 4.8%. What is surprising is the fact that the rate of suicide was four times higher among men than women. Nevertheless, Sweden, Finland and Austria were not affected in such extent, so their suicide rate is relatively stable.^{58 59 60} As it follows, the unemployment brings serious consequences which will be scrutinized below.

4.1 Economic aspects

In his book on macroeconomics, V. Jurečka provides a useful summary of the connection between unemployment, state tax revenue and the overall effect of unemployment on the state:

“As a result of prevailing unemployment, the deficit in public budget increase due to several reasons. First of all, unemployment benefits must be paid out with additional payments relating to running job centres and maintaining active policies. In addition, the collected volume of income tax is reduced because the society loses the income tax that would be otherwise paid by the unemployed if they had had a job. Another loss in the tax revenue of nation relates to lower volumes of collected indirect taxes such as the value added tax and the consumption tax because personal budgets do not allow unemployed to buy such volumes of goods as they were employed” (“Translated by author”)⁶¹

The lack of funds also translates into an increase in crime, resulting in further government spending on police corps, the justice system and

⁵⁸ *Global economic crisis 'linked to suicide rise'* [online]. Available at: <http://www.bbc.com/news/health-24123677>

⁵⁹ GALLAGHER, James. *Recession 'led to 10,000 suicides'* [online]. Available at: <http://www.bbc.com/news/health-27796628>

⁶⁰ INNES, Emma. *How suicides soared during the recession: 10,000 lives were taken in Europe and North America during recent financial crisis* [online].

Available at: <http://www.dailymail.co.uk/health/article-2655170/The-financial-crisis-caused-10-000-suicides-Europe-North-America-study-shows.html>

⁶¹ JUREČKA, Václav. *Makroekonomie*. p. 148

the prison service.⁶² In 2012, the amount of money paid out for social benefits was 3,5 billion while in 2013 it was even 5 billion for less than a year.⁶³

4.2 Social aspects

Living standards

Social benefits can often be so low that one can hardly live on with them only due to the fact that the costs of goods and services are still increasing. It leads to decline in the living standard of the unemployed and their family. For that reason many people try to get any job at any cost, even with a worse wage but knowing that they might avoid, at least partly, the financial issues that a large number of public have to face. Some of them are even without social benefits due to failure to meet the requirements or overdrawn legal period for which social benefits are paid out.⁶⁴

Experience deprivation

In connection with the placement of unemployed person, it is often mentioned a term called deprivation which is connected with the exclusion of social contact and with the exclusion from consumption. According to Hilgendorf and Welchman (1982), many people spend a significant part of their life by selecting and buying goods and services in the shops. Buying of new things is perceived as a pleasant event replacing the boredom and frustration of life. In condition that these needs are not met, it is talked about a deprivation. In terms of deprivation, there are distinguished two types: relative and absolute. The second one was rather typical for the past when people suffered by mass unemployment

⁶² Ibid.

⁶³ HUBERTO VÁ, Kateřina. *Trh práce není žádná katastrofa, podpory nezaměstnané nezachrání* [online]. Available at: <http://www.ceskatelevize.cz/ct24/exkluzivne-na-ct24/243657-trh-prace-neni-zadna-katastrofa-podpory-nezamestnane-nezachrani/>

⁶⁴ MAREŠ, Petr. *Nezaměstnanost jako sociální problém*. p. 62-63

and were unable to buy nearly anything. Now, this type of deprivation is gradually disappearing thanks to the system of social benefits.⁶⁵

These days, the most serious is relative deprivation which influences people by means of advertising on television, on radio, in newspapers, in leaflets and so on. Hereby, many products and services available in the market inviting to buy them but the unemployed cannot afford them due to their poor financial income which is closely related to living standards. The situation is intensified by the pressure of society on family to maintain a certain status.⁶⁶

Changes in time perception

Psychologists also find the connection between the unemployment and changes in time perception from the side of the unemployed. A paid work generates a realistic structure of day and represents a sense of life. In case of loss job, the time has no meaning for the unemployed. They spend long time with a single activity easily taking a whole day. All days are same without regular activities and after certain time, the unemployed are not able to recognize workdays from weekends. However, the use of leisure time is closely tied to financial income that can be earned through a job only, so this leads into a dead end. The unemployed must give up on a number of things, unable to afford entertainment, holiday trips and going to restaurants. As a result, some unemployed spending their entire leisure time lying in the bed or watching television. They are losing the vision for the future and find themselves useless. Just a small segment among the unemployed preserves an active lifestyle.⁶⁷

Family

The unemployment impact affects not only the unemployed but also the entire family with children. Unemployment affects family in financial

⁶⁵ Ibid., p. 64

⁶⁶ Ibid.

⁶⁷ MAREŠ, Petr. *Nezaměstnanost jako sociální problém*. p. 65-67

terms, worsening family relationships (frequent arguments brought due to stress potentially leading to divorces), disrupts daily family routines and isolates the family from social life and deprives men of respect and the “breadwinner” status. It means that men perceive job loss harder than women who can potentially use this time for looking after their children or maintaining a household. Subsequently, the mental strain connected with job loss can even spread from the unemployed person to their employed spouse or husband and affect their children through their behaviour manifested by aggression. There is also a possible link between the unemployment and domestic violence against women by male partners and against children.⁶⁸

Family can be also a great supporter of unemployed person, helping them to overcome this difficult period in life. This period is handled better by those who enjoy a strong emotional support from their family.

“In the context of the unemployed, this is particularly about a need for social contacts, a need for friendship, a need to be cared of by someone, a need to share feelings and ideas, a need for social safety, a need for social identity and love - to be loved and respected among the others.” (“Translated by author”)⁶⁹

A strong kind of support is offered especially from the side of mother who is willing to help with day-to-day situations. If these enumerated needs are met, the negative impact on health can be successfully reduced.⁷⁰

Social isolation

Other causes of job loss are associated with loss of professional contacts or even friendly relations leading to social isolation. It means that

⁶⁸ BUCHTOVÁ, Božena. *Nezaměstnanost: psychologický, ekonomický a sociální problém.* p. 108

⁶⁹ Ibid., p. 107

⁷⁰ MAREŠ, Petr. *Nezaměstnanost jako sociální problém.* p. 68

the unemployed stop meeting people from the old workplace, as they share no longer life experience and they represent old memories of the job for the unemployed person, thus depressing them ever further. The unemployed tend to close in and spend their time on their own. Typically, the older people and women are considered to be excluded from the social life more often in comparison with men.⁷¹

4.3 Medical and psychological aspects

Apart from economic and social impacts, there is evidence that a job loss has an impact on both the physical and mental health of these people. Young people in particular try to overcome unemployment by excessive use and abuse of alcohol, tobacco and illegal substances that are highly addictive when used daily, leading to health deterioration. While alcoholism is more common in men, women prefer drugs, resulting in higher numbers of imprisonment, with growing numbers of child neglect and child abuse, and growing numbers of women who switched to prostitution.⁷²

Besides that, job loss is associated with the notion of depression through job deprivation which was established for the first time by E. Tannay (1983). *“This refers to the physiological, mental and social impact of involuntary job loss with depression as its symptom.”* (“Translated by author”)⁷³ In other words, job loss can have various negative effects including a combination of the aforementioned impacts, which then manifest themselves in depression. It is obvious that the longer the unemployment lasts, the worse the depression gets. Excessive depression rises a wide range of somatic symptoms, such as, headache, diabetes, hypertension, asthma, skin disorder, stomach and duodenum ulcers, heart attract and others. These negative health effects are

⁷¹ MAREŠ, Petr. *Nezaměstnanost jako sociální problém*. p. 69-70

⁷² BUCHTOVÁ, Božena. *Nezaměstnanost: psychologický, ekonomický a sociální problém*. p. 140-141

⁷³ Ibid. 141-142

related to higher premature mortality, as it was mentioned at the beginning of this chapter⁷⁴

⁷⁴ BUCHTOVÁ, Božena. *Psychologické a medicínské aspekty nezaměstnanosti.*, s. 35

5 STAGES OF JOB LOSS

As it follows from the previous chapter, the unemployed suffer from an excess of stress due to exclusion from professional life. It has negative consequences which cause feelings of aggression, anxiety, depression, isolation or grief leading to serious mental and physical aspects. Reactions of workers grieving over a job loss include 5 stages. These stages are influenced by many factors: age, qualification, working relationship, family support or possibility to find a new job.

- The first stage is connected with denial when people refuse to accept the fact that they are lay off. Their first reactions are full of hopelessness and panic: "*This cannot happen to me*". It is a temporary reaction that can take hours, weeks or days.

- The second stage is connected with anger of people towards the company or directly to boss for firing them. In some cases, it can even lead to the aggression against family members and friends.

- The third stage is connected with bargaining when the unemployed have a strong sense of guilty. People regret what they did or did not do in the past and blame themselves of the current situation.

- In the fourth stage, people fall into deep depression. They stop meeting friends trying to isolate themselves from the society, incapable to accept the status of unemployed person. However, this stage allows them to follow the last and the most important one.

- In the last stage, the unemployed start to accept the current situation. Their negative thoughts are replaced by positive ones; they set new professional goals and begin to looking for a new job.^{75 76}

⁷⁵ SHORE, Barry. *Five Stages of Personal Recovery After Losing A job* [online]. Available at: http://downsizingstrategy.com/survival_%20tips.php?id=5/

⁷⁶ STRAITS, Don. *Emotional Stages of a Job Loss* [online]. Available at: <http://www.theladders.com/career-advice/emotional-stages-job-loss>

5.1 How to deal with unemployment

Following part is based on the research of Buchtová performed among the unemployed; her strategy helps to overcome this difficult and stressful situation.

- The unemployed should not losing hope after the first failure in finding a new job and do not take it personally because it is typical that it takes some time. It is also necessary to keep self-esteem.

- It is highly recommended to maintain emotional and physical needs by scheduling of regular activities and tries to use this “free time” as opportunity for further education, retraining or learning of foreign languages. Socializing activities can mean a huge opportunity to gain some new professional or friendly contacts.

- The unemployed should concentrate on their strong points in personal and professional life and set the main career goal with regard to their knowledge, skills and abilities.

- They should extend the awareness of the rights and obligations towards to labour office leading to better orientation in the labour market, for example the amount of benefits support and conditions that have to be fulfilled.

- They should search for temporary or part-time job, even at lower wage due to maintaining working habits; it is mainly intended for fresh graduates who do not work yet. In order to save a certain amount of money, it could be better to create some financial planning and change the standard of living.⁷⁷

⁷⁷ BUCHTOVÁ, Božena. *Nezaměstnanost: psychologický, ekonomický a sociální problém*. p. 119-122

6 OVERVIEW OF THE UNEMPLOYMENT (2014)

On 31st May 2014, the unemployment rate was 7.5%, which is lower than it was in the previous month. The number of job applicants registered at the labour office was 549,973 in comparison to 48,023 of job vacancies. The lowest unemployment rate was reported in Prague-East (3.4%), Mladá Boleslav (4.4%), Prague-West and Pelhřimov (4.6%). On the other hand the highest unemployment rate was reported in Most (13.3%), Bruntál (12.8%) and Ústní nad Labem (12.6%). Requalification offered by labour office recorded 11 911 of job applicants. The total number of graduates from different types of schools was 26 750, their rate of unemployment was 4.8% in comparison with another month; it is again a lower number. In total, 107,980 of unemployed received unemployment benefit. In comparison with European Union (EU), the Czech Republic is placed under the average. General unemployment rate used for international measurement was 6.2% while EU had 10.6%. The lowest unemployment rate was recorded in member states, such as Austria (4.9%), Germany (5.1%) and Luxembourg (6.1%), on the other hand Spain had the highest unemployment rate (25.4%).⁷⁸

⁷⁸ *Nezaměstnanost v květnu klesla na 7,5 procent* [online]. Available at: <http://www.businessinfo.cz/cs/clanky/nezamestnanost-v-kvetnu-klesla-na-7-5-procenta-52104.html>

7 PRACTICAL PART

7.1 CENTRAL BOHEMIAN REGION

7.1.1 General information

The Central Bohemian region is located in the centre of the Czech Republic. It is the largest region covering the area of 11,015 km² which is divided into 12 districts: Benešov, Beroun, Kladno, Kolín, Kutná Hora, Mělník, Mladá Boleslav, Nymburk, Prague - East, Prague - West, Příbram and Rakovník. In 2012, a total number of population was 1,291,816.

Picture 1: *Map of the Central Bohemian region*⁷⁹



⁷⁹ Územní členění Středočeského kraje [online]. Available at: <http://www.stredocech.cz/portál/stredocesky-kraj/uzemni-cleneni/>

7.1.2 Economy

Since the economic crisis, the number of the employed in the primary (agriculture, forestry, and fishing) and in the secondary (industry and construction) sector has been reduced. These days, six of ten employees work in the tertiary sector (services). The rate of long-term unemployment is lower than in other regions due to the proximity of Prague that provides many job opportunities. On 31st December 2012, the registered unemployment rate was 7.52% and gross domestic product was 89.0% on average. In terms of wages, managers get the highest salary (CZK 56,901), then experts (CZK 34,044) and in the third place there are technicians (CZK 29,706) while those who work in elementary occupations get the lowest wages (CZK 16,023). The most important branches for this region are agriculture and industry.

Agriculture

Thanks to favorable conditions in the north-eastern part of the region, the agriculture is oriented mainly on the production of wheat, barley, beet, fruits and vegetables.

Industry

The main branches of industry are oriented on engineering, chemical industry, food and car industry. Among the others are: glass industry, ceramics, manufacture and printing industry. Some traditional industries are declining due to the economic situation, for example, coal mining, steel industry and leather manufacture.⁸⁰

⁸⁰ *Statistical Yearbook of the Středočeský Region 2013: Characteristics of the Středočeský Region* [online]. Available at: [http://www.czso.cz/csu/2013edicniplan.nsf/engt/3E0039B777/\\$File/20101113cen.pdf/](http://www.czso.cz/csu/2013edicniplan.nsf/engt/3E0039B777/$File/20101113cen.pdf/)

7.2 Methodology of research

For gathering information about the impact of the financial crisis on graduates in the Central Bohemian region, a quantitative questionnaire was compiled. The quantitative method was chosen over the qualitative (open question method), as it seemed more appropriate for the research and in order to gain more direct, substantive answers. The questionnaire is made up of 16 closed questions and divided into 3 main sections.

The first set of questions is focused on the main information – gender, completed level of education, branch of study and practice during studies. The second set of questions is focus on the current situation of unemployed and willingness to change their habits due to new job and the last part deals with the impact of unemployment on health and mental state.

The questionnaires were carried out in person with the respondents in the form of a face-to-face interview among 40 respondents. The Czech and English questionnaires can be seen in the appendix II and appendix III.

7.3 Results of questionnaires

1. What is your gender?

The questionnaire was completed by 17 men and by 23 from the Czech Bohemian region.

2. What is your highest achieved level of education?

34 respondents had completed bachelor's degree, 6 respondents achieved master's degree and those with doctorate's degree are not included at all.

3. Which branch of study did you graduate from?

Respondents could choose from the particular branches that were mentioned in the questionnaire, such as economy (11), agriculture (7), health service (3) and law (2). The others (17) added some other branches, for instance, sociology (8), anthropology (4), mechanical engineer (2), art (1) and electrotechnician (1), biology (1). According to this research, the worst placement in the labour market has the economy, agriculture following by humanity studies.

4. Was an internship a part of your study?

23 respondents claimed that the practise was a part of their study with comparison to 17 respondents. Although that the internship is not in the Czech Republic, the number of internship is rather higher. For better placement of fresh graduates in the labour market, it was launched a new programme: internships in companies intended for graduates and other vulnerable groups. This programme started in 2012 and its aim is to help with acquisition of needed skills and knowledge required by employers.

5. Do you plan to continue your studies at some time?

The majority of respondents (36) plan to continue their studies at some time and only 6 respondents do not want study anymore. The majority of respondents would like to educate in the future in order to gain new skills and knowledge.

6. Would you be willing to study and work at the same time?

14 respondents stated that they are willing to study and work at the same time in comparison to 26 respondents who are not willing. Sometimes, it can be really difficult to manage professional and student life, which most of them are aware, according to the negative answers.

7. Do you speak any foreign language?

It is surprising that only 2 respondents do not have knowledge of foreign language in comparison to 38 respondents. These days, knowledge of one language at least is required in many companies. The most widely spoken languages are English, Germany, Russian and French. In condition that they master languages at the professional level or some additional languages, it is a huge advantage over the older people and over those who are only the basics. This advantage can even push forward in the labour market.

8. How long have you been registered at the labour office?

Many respondents have been registered at the labour office only for a short time. 30 respondents have been registered for duration of 3-6 months, 8 respondents for duration 6-12 months and the option more than 12 months was chosen by 2 respondents. Duration of unemployment has a huge negative impact on deterioration of health and mental state of human, the most serious impacts manifest mainly in long-term unemployment (longer than a year).

9. Do you use possibilities to earn extra money at the time of registration?

28 respondents try to earn extra money at the time of registration in comparison with 12 respondents who are not interested. The point is that these people never worked, so they are not entitled to receive social benefits. Thus, it is a possibility how to earn at least some amount of money and it can be also seen as opportunity how to get working habits which fresh graduates do not have yet.

10. How do you look for a new job?

The most common tool for finding a job is the internet which was mentioned by 24 respondents, 6 respondents selected the option that

they prefer personal meeting with employers, 5 respondents rely on help of family and friends, 3 respondents look up an advertisement in newspapers and 2 respondents applies for work at a labour office. This research reflects the influence of the internet on young people who grew up in the internet age. They use internet probably thanks to faster access of information and a range of offers on one place.

11. Would you be willing to commute 50 to 100 km?

31 respondents are willing to commute 50 to 100 km due to a job and the others (9) respondents are not. A big advantage of Central Bohemian region is closeness of Prague with many job opportunities. But it depends also on several circumstances, for example, price of transport and the amount of remuneration.

12. Would you be willing to move for a job?

These answers of respondents were equal, a half of respondents are willing to move for a job and a half of respondents are not. In these days due to the financial crisis, labour mobility is becoming necessary for obtaining new contacts or working experience not only within the Czech Republic but also abroad.

13. Who helps you overcome this difficult life situation?

The vast majority of respondents (31) confirmed that they get big support mainly from the side of family and relatives, 6 respondents are supported by their boyfriend or girlfriend, 2 are supported by friends and only 1 selected - no support. In most cases the family was mentioned as the main support. Job loss is perceived better by those who have strong emotional support from their family or friends.

14. Do you have any health problems due to your unemployment? If yes, what are your most serious health problems?

27 respondents mentioned that they do not have any serious health problems in comparison with 13 respondents who suffer from different types of disease. 9 respondents suffer from headache, 4 suffer from insomnia, 1 suffers from asthma. No one mentioned stomach, heart or skin disease.

15. Do you have any mental problems due to your unemployment? If yes, what are your most serious mental problems related to the unemployment?

11 respondents mentioned that they do not any serious health problems in comparison with 29 respondents who suffer from different types of disease. 16 respondents suffer from inferiority complex, 6 respondents suffer from depression, 3 have problems with moodiness, 3 have problems with aggression and 2 with anxiety. Eating disorders were not mentioned.

8 CONCLUSION

Bachelor's thesis gives an overview of financial crisis in the Czech Republic which started in the USA called as mortgage crisis as it was mentioned in the introduction. The unemployment is considered as the main impact of this crisis. For this reason, the large part of the thesis is devoted to this topic. There are defined the types of unemployment, measurement of unemployment, the most vulnerable group with their rate of unemployment. On the basis of information, it was revealed surprising results about these groups. The beginning of the financial crisis has a really huge impact but not in such extent as elsewhere in the Europe. These days, the financial crisis started to be receded.

The practical section investigates a current situation of unemployed graduates within the Central Bohemian region based on a face-to-face interview.

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10 ABSTRACT

The aim of the Bachelor's thesis gives an overview about the financial crisis in the Czech Republic and its impact.

According to the structure, this thesis is divided into two main parts, theoretical and practical one. The first chapter begins with introduction that reveals the main information about the topic, presents the whole structure of text and content of chapters. Then, it follows the theoretical part which contains five chapters. The second chapter is focused on mortgage crisis in the USA and its impact on the Czech Republic. The third chapter is devoted to the development of crisis in the Czech Republic with regard to the present situation. The third chapter mentions the unemployment as the main issue of the financial crisis. It also characterizes types of unemployment, measurement of unemployment, the most vulnerable groups in the labour market and its impact on economy, society and health. The fifth chapter is concentrated on stages of job loss and strategy that helps to overcome this difficult and stressful situation. The last chapter mentions general overview of unemployment in the Czech Republic in 2014 with the comparison to European Union.

The practical section investigates a current situation of unemployed graduates within the Central Bohemian region based on a face-to-face interview.

11 RESUMÉ

Cílem bakalářské práce bylo podat přehled o finanční krizi v České republice a její dopad.

Práce je rozdělena na dvě části, na teoretickou a praktickou. První část zmiňuje základní informace o tématu, pojednává o struktuře práce a obsahu práce. Poté následuje teoretická část, která má 5 částí. Druhá kapitola je zaměřená na vznik hypoteční krize v USA a její dopad na Českou republiku. Třetí kapitola pojednává o nezaměstnanosti jako hlavní problém finanční krize, dále zmiňuje typy nezaměstnanosti, měření nezaměstnanosti, nejohroženější skupiny na trhu práce a její dopad na ekonomiku, společnost a zdraví. Pátá kapitola se věnuje fázím, kterými prochází každý nezaměstnaností a také návrhy na zmírnění této obtížné a stresující záležitosti. Poslední kapitola popisuje stav nezaměstnanosti v České republice v roce 2014 ve srovnání s Českou republikou.

Důležitou součástí práce je praktická část, která za pomoci dotazníku prošetřuje současnou situaci nezaměstnaných absolventů v rámci Středočeského kraje.

12 APPENDICES

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Appendix I: Latest economic data – Czech Republic (the following information is taken from the official website of Czech Statistical office)

Indicator	Period	Year-On-Year Increase/Decrease (%)	Release Date	
<u>Gross domestic product</u>	1st quarter 2014	2,9	1 July 2014	
<u>Consumer price index</u>	June 2014	0,0	9 July 2014	
<u>Inflation rate</u>	June 2014	0,7	9 July 2014	
<u>Industrial production</u>	May 2014	2,5	7 July 2014	
<u>Construction production</u>	May 2014	0,0	7 July 2014	
<u>Receipts from sales of retail trade</u> (CZ-NACE 45, 47)	May 2014	-0,6	4 July 2014	
Average gross wages and salaries:	1st quarter 2014		5 June 2014	
		Nominal		3,3
		Real		3,1
Producer price indices:				
<u>Agriculture</u>		-2,8		
<u>Industry</u>		-0,2		
<u>Construction works</u>	June 2014	0,5	16 July 2014	
<u>Market services</u>		1,0		
External trade:	May 2014		7 July 2014	
		<u>Imports</u>		9,9
		<u>Exports</u>		11,8
<u>Export and import price indices</u>				
	import	May 2014	1,0	16 July 2014
	export		3,0	
<u>Share of unemployed persons</u> *	end of June 2014	7,4*	8 July 2014	

Gross domestic product (GDP) is the key indicator of the economic development. It represents the sum of values added by all branches of activities which are considered productive in the system of national accounts (including market and non-market services). Calculations are made at current prices and results are then converted into constant prices so that development excluding influences due to price changes can be kept track of.

Increase (or decrease) of GDP shows by how many % it increased (or decreased) in real terms during surveyed quarter against the same quarter of the previous year, after adjustment for seasonal and working day effects.

Commonly, **inflation** is considered as the growth of average price level in time. **Inflation rate is measured** by the increment of consumer price index.

Presented **inflation rate** (more precisely **average inflation rate**) characterizes the percentage change of average price level of latest twelve months against the average price level of previous twelve months. Starting from 2014, the base price period is expressed by average prices from December 2013. From the beginning of the year 2010 the index base is year 2005.

Presented **consumer price index** shows the percentage change of the price level in the reference month compared to the corresponding month of the preceding year.

The consumer price (cost of living) index measures the movement of the overall price level. It is measured on consumer baskets based on a sample of goods and services paid for by population. Price representatives include such products and services which account for an important share in population's expenditure and cover the entire sphere of

consumption. Currently, their total number is 700. They are gradually aggregated into 12 main parts of consumer basket by means of a weighed arithmetic average of individual price indices. Weights for the consumer baskets, which are used to calculate consumer price (cost-of-living) indices, are based on the structure of household expenditures as established by national accounts statistics in 2012 and for detailed elementary aggregates by household budget statistics in 2010.

Industrial production index (IPI) is a key indicator of industrial short-term statistics used to measure the output of industrial economic activities and of entire industry, adjusted for price effects. In a large part the calculation is based on revenues from sales of own goods and services at constant prices; in certain economic activities (CZ-NACE divisions 05, 06, 19, 35) the production volumes of products-representatives are used. The index is primarily calculated as a monthly fixed base index (average month of 2005 = 100) at the level of two-digit CZ-NACE divisions. Weights derived from the structure of value added in the base year are used for higher-level aggregations (up to sections, main industrial groupings and industry in total). The fixed base indices provide the basis for year-on-year indices and cumulations over time, if any (quarterly, semi-annual, annual cumulations). In compliance with regulations of Eurostat the industrial production index covers CZ-NACE sections B, C, D (except group 35.3).

Increase (or decrease) of industrial output shows by how many % the industrial output increased (or decreased) in surveyed month in comparison with the same month of the previous year.

Construction production index is a key indicator of construction short-term statistics used to measure the output of construction economic activities, adjusted for price effects. The construction production index is

published for the whole population of enterprises with construction as principal activity and its trend is approximated by the development in the general construction work.

Retail trade sales include all receipts from sales of goods, own products and services (excluding VAT) as surveyed on a fixed sample ("field") of enterprises.

They include:

- Receipts from sale, maintenance and repair of motor vehicles and motorcycles
- Receipts from retail trade including automotive fuel
- The value of receipts is calculated in constant prices (2005=100%).

Increase (or decrease) of receipts in retail trade indicates by how many % the value of receipts increased (or decreased) in surveyed month in comparison with the same month of the previous year.

The **price index of agricultural producers** is calculated every month from prices collected among approximately 650 selected producers in agriculture (private, cooperative and state-owned companies) and does not include VAT. Collected are prices (excluding those of output for own consumption) designed for and obtained in internal market. Since 1 January 2001, prices of agricultural producers are measured on 95 fundamental agricultural products (price representatives): 63 plant products (including fruits and vegetables) and 32 livestock products.

Average prices of the products are calculated as a simple arithmetic mean of prices of individual producers. Price indices of the individual products (representatives) are obtained through weighing the calculated average prices with particular, individually determined weight proportions

of individual products in a given month. The weight proportions are determined for both products and their aggregates.

A constant weight pattern is used to calculate individual, group and aggregate price indices. This weight pattern was derived from the structure of receipts from sales of agricultural products in the months of 1999 which is the base price period.

Increase (or decrease) of agriculture producer prices indicates by how many % the average level of agricultural prices increased (or decreased) in surveyed month in comparison with the same month of the previous year.

The **industrial producer price index** is surveyed monthly on the basis of data provided by the selected organizations (about 1100) for the selected representatives (about 4600). The reported prices are those agreed upon between the supplier and the customer inland. They exclude VAT, excise tax, costs of transport to the customer and costs incidental to the transport, and are invoiced for the more important trade cases.

The industrial producer price index is calculated from the reported prices using constant weights. The index measures the average trend in prices of all industrial products produced and sold in the domestic, Czech market. All products produced within the commodity groups of the Sections B to E of CZ-NACE are regarded as industrial products.

During the year 2011 a complex standard revision of industrial producer price indices had taken place. On its base, the price indices are calculated on the new 2010 constant weights since January 2012. The weights of industrial producer price indices were determined on the structure of 2010 domestic sales from the questionnaires 'Prům 2-01' ('Industry 2-01'), 'P4-01' and 'Ceny Prům 1-12' (Industry Prices 1-12').

The basilar indices with the base December 2005 = 100 were replaced by the new technical price base December 2010 = 100. Indices calculated that way are chained from the 4-digit level of CZ-CPA to the existing price indices with the base 2005 average = 100 and December 2005 = 100 and thus continuation of the present time series is ensured.

2005 average = 100 is base time series for the calculation of derived indices (previous month = 100, same period of the previous year = 100 and ratio of rolling averages).

Increase (or decrease) of industrial producer prices indicates by how many % the average level of industrial prices increased (or decreased) in the surveyed month in comparison with the same month of the previous year.

Price indices of construction works are calculated by prices measured in the quarterly statistical survey Cený Stav 1-04. Therefore **monthly indices are estimated** with the help of another monthly statistical survey at CZSO.

The data which is entering into the estimates: the quarterly price indices of construction works, monthly price indices of material inputs consumed products in a building industry and immaterial inputs.

The estimates are regularly **updated with retrospective effect** (on the 45th day after the end of the quarter concerned), according to results of the quarterly price survey Cený Stav 1-04.

Increase (or decrease) of price indices of construction works and constructions indicates by how many % the average level of industrial prices increased (or decreased) in the surveyed term in comparison with a price level in a comparative term. Corresponding period of the last year (month) is the comparative term.

The text about price indices of construction works was not edited for language.

The aggregate **price index of market services** includes the following price indices in the business sphere (i.e. between businesses): price indices of internal goods transport, postal and communications services, financial intermediation, and the other business services and sewerage.

Price surveys of these market services, which are aggregated into the aggregate price index, include selected services of the CZ-CPA and CZ-NACE (national version of NACE) in the following Divisions: 60, 61, 62, 64, 65, 66, 70, 71, 72, 74, and 90.

Increase (or decrease) of prices of market services indicates by how many % the average level of these prices increased (or decreased) in surveyed month in comparison with the same month of the previous year.

Exports:

Export gives the value of goods that were dispatched abroad and crossed the state border for the purpose of being left abroad, permanently or temporarily. Total export consists of dispatch to EU Member States and export to third countries.

An **increase (decrease) of exports** indicates the percentage by which value of exports at current prices grew (fell) in given period compared to the corresponding period of the previous year.

Imports:

Import give the value of goods that were received from abroad and crossed the state border for the purpose of being left in the Czech Republic, permanently or temporarily. Total import consists of receipt from EU Member States and import from third countries.

An **increase (decrease) of imports** indicates the percentage by which value of imports at current prices grew (fell) in given period compared to the corresponding period of the previous year.

The **export and import price index** has been calculated for the Czech Republic since 1998. The prices are measured by means of the national monthly statistical questionnaire Cený ZO 1-12.

The price representatives were chosen by economic subjects important for the external trade of the Czech Republic (by both production enterprises and enterprises engaged in foreign trade only) - about 580 of them engaged in exports and about 590 in imports. At present, the weight pattern includes approximately 2050 exported and 2100 imported products, raw materials and supplies - price representatives, which take up a significant share in the value of rather significant groups traded in the framework of external trade (both exports and imports).

The basis of implementation prices are invoiced prices of significant import and export trade transactions - they are converted into CZK by average monthly exchange rates declared by the Czech National Bank. This is carried out either by a reporting unit or the Czech Statistical Office if prices are reported in a foreign currency. The price indices reflect thus changes in foreign exchange rates, too. The stated prices are free of duty, value added tax and consumer tax.

During the year 2006, the regular revision of price indices was accomplished which resulted in revised external trade price indices calculated on external trade structure of 2005 with the index reference period the 2005 average. Price indices for period January 2005 – December 2006 were recalculated. The original indices for these years lose their validity.

Increase (decrease) of export and import prices show how much percent average price level increased (decreased) in comparison with average price level of the same period in previous year by.

The **share of unemployed persons** expresses the share of available job applicants aged 15–64 years in the whole population of the same age. The Ministry of Labour and Social Affairs of the CR is the source of data on the numbers of the unemployed job applicants aged 15 - 64 years registered at labour offices. The denominator (number of inhabitants) results from the population balance, which is the key output of the demographic statistics of the CZSO. This indicator replaces the up-to-now published registered unemployment rate, which measures all available job applicants only against the economically active persons.⁸¹

⁸¹ *Latest economic data* [online]. Available at:
<http://www.czso.cz/csu/csu.nsf/engaktualniinformace#ppa>

Appendix II: Questionnaire in English

1. What is your gender?

- Man
- Woman

2. What is your highest achieved level of education?

- Bachelor's degree
- Master's degree
- Doctor's degree

3. Which branch of study did you graduate from?

- Economy
- Law
- Science
- Agriculture
- Medicine
- Other

4. Was an internship a part of your study?

- Yes
- No

5. Do you plan to continue your studies at some time?

- Yes
- No

6. Would you be willing to study and work at the same time?

- Yes
- No

7. Do you speak any foreign language?

- Yes
- No

8. How long have you been registered at the Labour Office?

- Less than 6 months
- 6-12 months
- More than 12 months

9. Do you use possibilities to earn extra money while registered at the labour office?

- Yes
- No

10. How do you look for a new job?

- On the internet
- Personally at the companies
- Via job centre
- In daily press
- With the assistance of friends and family
- Other

11. Would you be willing to commute 50 to 100 km?

- Yes
- No

12. Would you be willing to move for a job?

- Yes
- No

13. Who helps you overcome this difficult life situation?

- Family and relatives
- Boyfriend or girlfriend
- Friends
- Nobody
- Other

14. Do you have any health problems due to your unemployment?

Yes – No. If yes, what are your most serious health problems?

- Asthma
- Headache
- Skin problems
- Insomnia
- Heart disease
- Stomach disease
- Other

15. Do you have any mental problems due to your unemployment?

Yes – No. If yes, what are your most serious mental problems?

- Aggression
- Depression
- Inferiority complex
- Moodiness
- Eating disorders
- Anxiety
- Other

Appendix III: Questionnaire in Czech

1. Jaké je Vaše pohlaví?

- Muž
- Žena

2. Jaký je Váš vysokoškolský titul?

- Bakalář
- Magistr/ Inženýr
- Doktor

3. Jaký obor jste vystudoval(a)?

- Ekonomika
- Právo
- Věda
- Zdravotnictví
- Zemědělství
- Jiné

4. Byla praxe součástí Vašeho studia?

- Ano
- Ne

5. Plánujete někdy v budoucnu pokračovat ve studiu?

- Ano
- Ne

6. Byl(a) byste ochoten(tna) studovat a pracovat současně?

- Ano
- Ne

7. Umíte nějaký cizí jazyk?

- Ano
- Ne

8. Jak dlouho jste veden(a) v evidenci úřadu práce?

- Méně než 6 měsíců
- 6-12 měsíců
- Více než 12 měsíců

9. Využíváte v době evidence možnosti přivýdělku?

- Ano
- Ne

10. Jak si hledáte novou práci?

- Na internetu
- Navštěvuji firmy osobně
- Prostřednictvím úřadu práce
- V denním tisku
- Za pomoci přátel a rodiny
- Jiné

11. Byl(a) byste ochoten(tna) dojíždět za prací 50 až 100 km?

- Ano
- Ne

12. Byl(a) byste ochoten(tna) se za prací odstěhovat?

- Ano
- Ne

13. Kdo Vám pomáhá překonat tuto životní situaci?

- Rodina a příbuzní
- Přítel nebo přítelkyně
- Přátelé
- Nikdo

14. Máte nějaké zdravotní problémy spojené s nezaměstnaností?

Ano – Ne. Pokud ano, jaké jsou Vaše nejzávažnější zdravotní problémy?

- Astma
- Bolesti hlavy
- Kožní onemocnění
- Nespavost
- Srdeční onemocnění
- Žaludeční onemocnění
- Jiné

15. Máte nějaké psychické problémy spojené s nezaměstnaností?

Ano – Ne. Pokud ano, jaké jsou Vaše nejzávažnější psychické problémy?

- Agrese
- Deprese
- Komplex méněcennosti
- Náladovost
- Porucha příjmu potravy
- Úzkost
- Jiné

Appendix IV: Glossary

The glossary was created for better comprehension and orientation of reader in the bachelor thesis. The following glossary contains uncommon or more specialized terms with translation into Czech. All expressions are arranged in alphabetical order.

abuse

- alcohol abuse
- child abuse

adaptability

addictive

to adjust

adolescence

advertising

age

- working age

apply for

anxiety

asthma

availability

bankruptcy

benefit

- social benefits
- unemployment benefit

borrower

breadwinner

budget

- state budget

business cycle

to buy out

census

zneužití, týrání

- nadměrné pití alkoholu
- týrání dětí

přizpůsobivost

návykový

přizpůsobit se

dospívání

reklama, inzerování

věk

- produktivní věk

zažádat

obavy, úzkost, znepokojení,

astma, dušnost

dostupnost

bankrot, úpadek

podpora, příspěvek

- sociální podpora

- podpora v nezaměstnanosti

dlužník, příjemce půjčky

živitel rodiny

rozpočet

- státní rozpočet

hospodářský cyklus

vykoupit, vyplatit

sčítání lidu

Central Statistical Office

client

- credible clients

company

- private company

- cooperative company

- state-owned company

competition

Constitution of the Czech Republic

contribution

to cope with sth

costs

- cost of living

- operating costs

crisis

- financial crisis

- mortgage crisis

Czech National Bank

demand for sth

denial of

depression

deprivation

deterioration

diabetes

diagram

diploma

disabled people

discrimination

disequilibrium

duty

Český statistický úřad

klient, zákazník

- důvěryhodný klient

společnost

- soukromá společnost

- družstevní společnost

- státní společnost

konkurence, soutěživost

Ústava České republiky

příspěvek

zvládnout, vypořádat se

náklady

- životní náklady

- provozní náklady

krize

- finanční krize

- hypoteční krize

Česká národní banka

poptávka

odmítnutí, popření

sklíčenost, deprese

strádání, nedostak

zhoršení, zhoršování

cukrovka

graf

(vysokoškolský) dimplom

invalidé, postižení lidé

diskriminace

nerovnováha

clo

ethnicity	etnická příslušnost
employee	zaměstnanec
employer	zaměstnavatel
excess	nadbytek, přebytek
exclusion	vyloučení
export	vývoz
experience	praxe
funds	finanční zdroje, peníze
graduate	absolvent
- to graduate from	- dokončit, vystudovat
- graduation	- vystudování
greed	chamtivost, chtivost
gross domestic product (GDP)	hrubý domácí product (HDP)
guarantee	jistota, záruka
hypertension	vysoký krevní tlak
impairment	postižení
import	dovoz
imprisonment	odnění svobody, uvěznění
index	index
- construction production index	- index stavební produkce
- consumer price index	- index spotřebitelských cen
- industrial production index	- index průmyslové produkce
- price index of market services	- index cen tržních služeb
industry	průmysl
- engineering industry	- elektrotechnický průmysl
- metallurgical industry	- hutnický průmysl
inequality	nerovnost
inferiority	méněcennost
- inferiority complex	- komplex méněcennosti
inflation	inflace
- average inflation rate	- průměrná míra inflace

insomnia

internship

job

- full-time job
- job applicant
- job loss
- job vacancies
- part-time job

labour

- labour force
- labour market
- labour office

layoffs

- massive layoffs

level

liquidity

low skill people

maternity leave

mining

Ministry of Labour and Social Affairs

mobility

- professional and spacial mobility

moodiness

mortgage

- assumption of mortgage
- grant a mortgage
- mortgage loan
- mortgage meltdown

nespavost

pracovní stáž, praxe

práce, zaměstnání

- práce na plný úvazek
- uchazeč o práci
- ztráta práce
- volná pracovní místa
- práce na částečný úvazek

práce

- pracovní síla
- trh práce
- úřad práce

propouštění

- masové propouštění z práce

úroveň

likvidita

lidé s nízkou kvalifikací

mateřská dovolená

důlní průmysl, hornictví

ministerstvo práce a

sociálních věcí

mobilita

profesní a prostorová mobilita

náladovost

hypotéka

- převzetí hypotéky
- poskytnout hypotéku
- hypoteční půjčka/úvěr
- krize z hypotečního trhu

(z velkého množství

nesplácených hypoték)

- mortgage rates
- redeem a mortgage

obstacle

output

- industrial output

to overcome

payment

to pay out

population

- economically active population

- economically inactive population

proficiency

property

to pursue

- to pursue postgraduate studies

qualification

questionnaire

receipts

restriction

retail

retirement

revenues

sense

- sense of guilty

share of unemployed persons

to sever

sewerage

to sign on

- hypotekární úrokové míry

- splatit hypotéku

překážka, potíže

výroba

- průmyslová výroba

překonat

platba

vyplácet, vyplatit

obyvatelstvo, populace

- ekonomicky aktivní

obyvatelstvo

- ekonomicky neaktivní

obyvatelstvo

zdatnost, znalost

majetek

dále se věnovat, pokračovat

- pokračovat v postgraduálním studiu

kvafikace

dotazník

tržby

omezení

maloobchod

důchod, penze

tržby

pocit, dojem, smysl

pocit viny

podíl nezaměstnaných osob

přerušit, ukončit (styky)

stočné

přihlásit se na úřadu práce

skill

- computing skills
- language skills

standard

- living standard

state of health**strain****supplier****support****surplus****survey****to switch****tax**

- consumer tax
- income tax

unemployment

- cyclical unemployment
- demand-deficient unemployment
- long-term unemployment
- mass unemployment
- rate of unemployment
- seasonal unemployment
- short-term unemployment
- structural (technological) unemployment
- under-employment
- voluntary unemployment

validity**wage****willingness to do sth****dovednost, schopnost**

- znalost práce s počítačem
- jazykové znalosti

úroveň, kvalita, norma

- životní úroveň

zdravotní stav**vypětí, stres, zátěž****(psychická)****dodavatel****opora, útěcha (psychická)****nadbytek, přebytek****dotazování, průzkum****obrátit****daň**

- spotřební daň
- daň z příjmu

nezaměstnanost

- cyklická nezaměstnanost
- nezaměstnanost z nedostatečné poptávky
- dlouhodobá nezaměstnanost
- masová nezaměstnanost
- míra nezaměstnanosti
- sezónní nezaměstnanost
- krátkodobá nezaměstnanost
- strukturální nezaměstnanost
- neúplná nezaměstnanost
- dobrovolná nezaměstnanost

platnost**mzda****ochota, svolnost k čemu**

work

- workforce

workshop

- sheltered workshop

worthless**práce**

- pracovní síla

dílna

- chráněná dílna

neschopný, zbytečný

(o člověku)