Labour Market Indicators for Transition:
Monitoring Labour Market Developments in Central and
Eastern European Countries

FROM CONCEALED OVEREMPLOYMENT TO DECLARED UNEMPLOYMENT

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The attached paper has been prepared by Mr. Zdenek Karpisek, Federal Ministry of Labour and Social Affaires, Czech and Slovak Federative Republic. This is one of the documents to be discussed in the second session on "Concept and measurement of labour-hoarding".

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(Report on the evaluation of the overemployment rate in a centrally planned economy, the elimination of this overemployment and the appearance of unemployment during the transition to a market economy, illustrated by the example of Czechoslovakia)

Besides the changes on the political level, the countries of Central and Eastern Europe have made fundamental changes in their economic system, starting along the path leading from a centrally planned economy to a market economy. This is a path that has not yet been tried: there is as yet no country in the world that has completed the process and could thus serve as a reference. All the former Socialist countries have started introducing these changes, but each from a different baseline situation because of their different traditions, and different political, social and economic conditions. They nevertheless share the common experience that their former system was not capable of achieving the same pace of technical and economic development as the market economy system and that the apparent over-concern with the social side of economic development leads in the final analysis not only to economic backwardness, but also to social backwardness. Czechoslovakia is an example of precisely this. Before and just after the Second World War, it was not far behind the most developed countries in Europe, whereas today it is in a middling position.

We believe that it will be very useful to exchange experiences concerning the transition to a market economy and that no doubt Czechoslovakia will be able to contribute to the study of this process and its realisation in other countries, even though we are conscious of the fact that for example Poland and Hungary have a richer and longer experience of this process in certain fields.

My intervention will be limited to expressing certain opinions concerning the concept of concealed overemployment, the estimation (quantification) of the overemployment rate in the former planned system, and a presentation of Czech experience with the gradual elimination of this overemployment and the appearance of unemployment during the transition towards a market economy.
Permit me first a few remarks to illustrate and give a better understanding of the extent and nature of overemployment in Czechoslovakia. The data concern the situation in Czechoslovakia before the democratisation of the society began and before the decision to create a market economy with a labour market was taken (1).

In Czechoslovakia, as in the other countries formerly designated Socialist countries, a high utilisation rate for labour resources was a characteristic feature. The participation rate (understood here as persons of working age with at least one job plus those older than normal working age with a job as a percentage of the total population) was close to the maximum and exceeded 48 per cent. Only 2 per cent of the working age population (2) were without work and most of these were mothers with very young children or with large families. What is more, 7 per cent of the working population had a second job in addition to the main one. The female participation rate was (and still is) very high: women make up over 46 per cent of the total labour force and are for the most part in full-time jobs. This means that the participation rate was 5 to 8 percentage points higher than that of the Western European countries. The Scandinavian countries are an exception, as participation rates here are also high, though a much bigger proportion of the women work only part-time. At that time there was no unemployment in Czechoslovakia. The standard working week placed Czechoslovakia among the developed countries, but annual paid holidays were one to two weeks less than in the majority of developed countries (except for the United States and Japan). The relatively high annual total of hours worked was subject to substantial direct losses in the use of working time. These losses are fairly realistically estimated (and even slightly underestimated) at 15 per cent in industry and 20 per cent in construction, due to shortcomings in the management and organisation of work and in relations between suppliers and clients, a lack of discipline among employees and inadequate services.

Czechoslovakia is among the countries with a fairly high level of education and culture, such as Switzerland, Canada, the United States, etc., with an average duration of schooling of 11 years (3). In general, a high proportion of the labour force has completed secondary education, but the proportion with higher education is relatively low (9 per cent). However, 15 per cent of the skilled workers and 9 per cent of the higher education graduates do not use the skills in which they have been trained. A serious problem here is the imbalance between the resources available and the structure of vocational skill requirements. In the machine tool industry for example, the manufacturers train 6 per cent of the workforce, while in the most advanced countries the corresponding figure is 20 per cent. There is obvious backwardness in the structure of employment by occupations and by sectors. The proportion of the labour force working in the primary and secondary sectors is relatively high, while that in the tertiary sector is low, 41 or 42 per cent, while in the most advanced countries it is 12 to 25 percentage points higher.

The structure of the industrial sector leads to a high consumption of raw material and energy inputs and requires heavy investment: the specific primary energy consumption per unit of Gross National Product is two or three times greater and that of steel four times greater in Czechoslovakia than in the Western developed countries. The technological backwardness is reflected in the quality of our products: for example, the export price per kilogram of our engineering products is one third that of European Community products. The
economic backwardness, a consequence of the old system, is also reflected in a delay in the renewal of plant and machinery. Industrial plant has reached an amortisation level of 56 per cent, and almost one quarter of the machinery and equipment is completely amortised. The machinery utilisation rate is only 72 per cent and the scrapping rate for obsolescent machinery and equipment only about 1.4 per cent of the purchase price. The proportion of labour on a second station was low (the coefficient of work stations per worker being 1.33 in industry).

Summarising the above remarks, we can say that by 1989 Czechoslovakia had arrived at a situation of very high employment, but with a generally low level of labour productivity and a low utilisation rate for the other inputs: raw materials, energy, machinery and equipment. From this standpoint, Czechoslovakia had arrived at a state of high absolute overemployment, accompanied by poor economic efficiency. On the basis of a whole series of international comparative analysis it was concluded that the general efficiency of labour, expressed as the national level of labour productivity in Czechoslovakia, was only half that achieved in the most advanced countries and that it was generally tending to fall.

It was in this situation that a fundamental change in policy was introduced and opened up the path leading to the creation of a market economy. We believe that only economic prosperity can guarantee social development, that it facilitates the mobilisation of domestic resources and automatically optimises the entire production process. We expect the labour market to reduce inefficient and useless employment (overemployment) and that it will lead to the geographical and occupational mobility of labour, more rational, and that it will help to develop the creativity and spirit of enterprise of our population.

We have begun the transformation to a market economy which will be characterised by the liberalisation of prices, the convertibility of the Czech crown, the liberalisation of external economic relations, the elimination of monopolies and the privatisation of the public sector.

One of the essential tasks of employment policy is precisely to gradually introduce a labour market, a process that requires a whole series of changes in the institutional and legal system.

When the old instruments of centralised planned management were eliminated, one stage in the liberalisation of employment was completed. The strict regulation of workforces and of the movement of labour had already been abandoned some years earlier. Certain other administrative management instruments had also been abolished, such as the requirement for state authorisation to hire labour, directives on the placement of young people in different vocational training institutions, regulation of the payroll as a function of different production and performance indices. Last year we rapidly installed the legal and institutional conditions and systems to permit the creation of a labour market. A basic network of employment services was set up (notably a network of employment offices). Among other things, Czech employment policy aims at providing people with a full-time, productive and freely chosen job. The right to work is interpreted as the right of the citizen to placement in an appropriate job and to redeployment training and material assistance in the case of unemployment. But this is obviously a right to a useful job. We
are trying to pursue an active employment policy characterised by support to efficient enterprises, to production programmes and services that have a future, the creation of jobs that are useful to society and the redeployment of workers in accordance with the structural changes. Increasing prosperity and the implementation of structural changes will lead logically to the limitation and eventual elimination of useless activities and the release of many people, and we can scarcely expect them to be able to find a suitable new job immediately. This means that as the concealed overemployment gradually disappears, declared unemployment will be created. I shall return to the characteristics of these processes below.

The question arises of what point is there in considering the problems of concealed overemployment (or social employment) in a period we have already left behind us and what sense is there in defining and quantifying these concepts. I believe this is not just a matter of trying to know and understand the past better; on the contrary, shedding light on this problem is of immediate and practical use precisely for the transition stage towards a market economy. It is natural that a society passing from a control economy to a market economy has to eliminate the concealed overemployment in a short period of time. Even in the initial stage of economic reform in the former Socialist countries there must be first limitation then elimination of overemployment, with the inevitable parallel creation of unemployment, if a functional labour market is to be created. If we quantify the absolute level of past overemployment, we at the same time quantify the potential underemployment (but not the unemployment rate).

In our literature, we find different concepts of overemployment. We speak of absolute and relative overemployment. Absolute overemployment means the superfluous use of human resources, including working hours. Relative overemployment means the superfluous consumption of labour in its totality, as a result of the low level of labour productivity, i.e. the reserve of potential labour productivity. Within this concept there are differences of definition, from the broad to the narrow. Simplifying:

- According to the broad definition, the relative overemployment rate is interpreted as the difference between the actual employment rate and that which would suffice to produce the given volume of GNP in the most advanced countries. It is therefore the difference between the real level of national productivity and the best in the world;

- According to the narrow definition, the relative overemployment rate is the superfluous quantity of present labour used for a given output, which is caused by a low level of performance according to the narrow definition, and by the insufficient or non-rational exploitation of working hours according to the narrowest definition.

From the standpoint of the productivity factors, the broad definition represents the result of all of them i.e. the structure of production, technical and technological influences and the human labour. The narrow definition covers solely the consequences of the superfluous consumption of present labour.

Eliminating the overemployment covered by the broad definition is a long-term operation. It requires a steady increase in the overall productivity
of labour in the country, radical changes in structures and technological innovation. Eliminating the overemployment covered by the narrow definition is a relatively short-term, or at most medium-term operation. It requires the elimination of the unproductive use of human resources while retaining present structures and the given technical and technological level.

Recent analyses have shown that the falling behind of the former Socialist countries was caused by shortcomings in both inputs and outputs, but the main factor was the inadequacy of the outputs, i.e. sub-standard and poor quality products.

The rate of overemployment can be calculated by various methods. If overemployment is taken as being excess, unnecessary employment, one needs to know what rate of total employment would be taken as optimal. International comparisons at macroeconomic level could provide this. We think that one method that would be appropriate would be the comparison of labour inputs related to economic outputs in a country (and disaggregated by sector, region, and enterprise) with the levels attained in countries with demonstrably higher levels of development.

During the 80s, several international comparative studies of the level and dynamism of labour productivity were carried out in our country. In it obvious that the results of these comparisons - especially when comparing countries with different socio-economic systems - depend to some extent on the method used and the way in which the volume of production and the consumption of labour are expressed.

For example, the results of different calculations, based on GNP expressed in national currencies at stable prices using purchasing power indicators, led to the conclusion - already mentioned above - that labour productivity in Czechoslovakia in the mid 80s was scarcely half that in the leading countries (4).

Since the production sector in Czechoslovakia accounts for a greater share of GNP than in the other countries and the working week is longer, the upper limits of the ranges in the table in Footnote 4 are no doubt closer to reality.

Other studies (5) also lead to the conclusion that labour productivity in Czechoslovakia at the end of the 80s was only 45-50 per cent of that in the developed countries of Europe. Studies covering the early 80s arrived at similar results. According to these, labour productivity in the United States was roughly 2-2.5 times ours, so the level in Czechoslovakia was about 40 per cent of that in the United States. An analysis carried out according to different groups of factors gave the following results:

- a good third of this difference (i.e. 16-20 per cent of the absolute level) is due to an inefficient production structure, i.e. a small proportion of leading-edge occupations and, conversely, a high proportion of declining occupations which for the most part were among the most demanding technically. This is a structural fault in the Czech economy;
One fifth of this difference (i.e. 10-12 per cent of the absolute level) is due to backwardness in the field of standards, in the broad sense, for Czech products, i.e. the low level of compliance with technical parameters, quality, reliability, durability, after-sales service. This is known as a lack of innovation; somewhat less than half this difference i.e. 25-30 per cent of the absolute level) is due to the excessively high consumption of inputs (human resources, energy, raw materials, etc.) per unit of GNP: two thirds of this, or some 15-20 per cent of the absolute level, is due to the higher consumption of human resources (present labour).

In practice, these different factors do not act in isolated fashion, but the impact of one conditions the impact of the others. What is more, they say nothing about the real causes of the actual economic level. We find that this low economic level is caused above all by the limited possibilities of a dirigistic system and the lack of incentive for individuals and enterprises to aim at greater prosperity.

This comparison confirms the comments concerning the excessive consumption of inputs, including human resources, but it also shows the main factors causing the economic backwardness, i.e. the structure of production and the low standard of the products. It also enables us to draw some rough conclusions concerning the overemployment rate. Under the broad definition, this rate is equal to at least 50 per cent of total employment in Czechoslovakia. Under the narrow definition it can be estimated as at least 15-20 per cent of total employment.

We shall therefore call relative overemployment the proportion of labour uselessly consumed. It is characterised by inadequate labour productivity at the national level and, according to the narrow definition, by low performance, losses in the use of working hours and little effort at work. This results from the fact that the economic pressure exercised on the individual and the enterprise is insufficient. This is due to an approach to employment that is supposed to be social (but which actually has effects that are antisocial priority being given to the principle of full employment at the expense of efficiency. The relative overemployment is conditioned by the existence of the absolute unemployment discussed below.

The consequences of this obvious relative overemployment are economic on the one hand (inefficiency caused by the excessive consumption of working hours) and moral on the other (casual attitude to work, employees being in the habit of not putting a full day’s work or using working hours for extra-professional activities).

It is no doubt impossible to eliminate relative overemployment (even in the narrow sense) immediately, right at the beginning of the transition to the market economy (partly because it is not possible to rapidly change long-established habit), but it can be done gradually and completed in the medium term.

Czech statistics cover the use of working time by employees and absenteeism by reason (absence through illness or accident, leave authorised by the enterprise, unauthorised absence, etc). They also cover the utilisation
rates of what is called the total usable working time. A serious study based on a comparison of the results of past years estimates that this utilisation rate can be increased by about 1 per cent.

Much greater reserves exist in the utilisation of working time during the day, but the statistics do not cover either this utilisation rate, nor the causes of wasted time. Information of this subject has been gleaned from different studies, surveys, analyses of the working day, etc. A survey carried out among top management in enterprises in the second half of the 80s leads us to believe that wasted time during the working day averaged 15 per cent in industry and 20 per cent in construction. It should be noted that the managers’ responses were often fairly optimistic and it could well be that the losses were even greater. These losses vary by branch of activity, occupation and type of production: the biggest (in industry) were noted in the fuel and energy sector (almost 20 per cent) and the lowest in the timber industry and agrofood (10-12 per cent). The losses were greater in ancillary activities (21 per cent) than in the basic activity (13 per cent). By type of production (according to studies by the people who fix the norms in enterprises) the biggest losses were in the manufacture of custom-built products (19.4 per cent), much less in small and medium batch production (10.6 per cent) and least of all in flow processes and mass production (6.6 per cent).

Various internal and external factors have an impact on the utilisation of working time. The greater part of the losses is caused by factors internal to the enterprise (about 60 per cent). The problems lie mainly in the organisation of production, management and staff discipline, and then there are frequently losses caused by an inadequate flow of production. As for the factors external to the enterprise, the most important are problems with the supply of raw materials and other inputs, notably breakdowns in electricity supply. Various studies show that these losses cannot be eliminated completely, but we consider that they can be cut by half (i.e. an overall increase of almost 7 per cent in industry, 10 per cent in construction) provided, of course, that relations between supplier and client, discipline, management, work organisation and services are all improved. Thus if we consider the relative overemployment rate (narrow definition) as that part of the useless and superfluous consumption of labour that can be eliminated without reducing production, this rate can be estimated under Czech conditions to be at least 7-10 per cent.

We can consider as overemployment (at this level it is very difficult to define whether it is relative overemployment), for example, all activities that turn out to be pointless in a functional market economy. This includes areas such as the inflated administrative apparatus, political party machines, excessively large union organisations and associations and, in particular, the enormously large workforces of artificially created monopoly enterprises. We note that this type of activity that is eliminated relatively quickly, in the first stage of the transition to a market economy.

Besides the term "relative overemployment" we also use the term "absolute unemployment". This latter means the superfluous use of human resources and an excessive volume of hours of work. It is above all a matter of:
• a relatively high participation rate among persons above normal working age;
• a relatively high proportion of women working full-time;
• a relatively high number of hours worked per year.

The causes of absolute overemployment are similar to those of relative overemployment: the lack in a dirigistic system of the economic pressure that would lead to efficiency, a mistaken approach to employment, excessively socially oriented, which, because of the low efficiency of production, leads to what appears from the outside to be a shortage of labour because virtually all citizens fit for work already have a job. In a situation of cheap labour, people try to achieve a reasonable family income through having a maximum number of family members at work.

There are both economic and social consequences. Besides the low efficiency, it results in limited scope for labour mobility, hence for restructuring (for we do not have a reserve of labour to be able to develop new sectors, occupations, professions; we lack the space to increase the skills of adults or to retrain them for new occupations).

The social consequences are seen in particular in the phenomenon of over-worked women who have to look after their families in addition to having a full-time job.

In Czechoslovakia, 24 per cent of people above normal working age have a job. Comparison with the developed countries indicate that this figure should be below 20 per cent. The annual average working hours are 15 per cent higher than those in the highly developed countries. The female participation rate is increasing in the developed countries and Czechoslovakia here is at a level that they consider appropriate, but only 6 per cent of our women are working part-time, whereas a more usual figure is in the order of 30-50 per cent. The absolute overemployment rate caused by these factors amounts to 15-20 per cent.

It is also possible to approach the problem of absolute overemployment from another angle, without these approaches excluding one another, but the rates determined by one method or the other cannot be added together.

Absolute overemployment can be analysed from the standpoint of the sectoral structure of the national economy (6). As a basis for discussion we can take a comparative study of the sectoral structure of the Czech economy and the economies of other countries with a per capita GNP of a similar level, the idea being to determine how many workers in a given sector does it take to provide a living for 1,000 inhabitants of the country concerned. Any such comparison gives rise to problems such as for example the proper estimation of per capita GNP, the fact that the way of counting workers in different sectors varies from one country to another (here the main problem is that certain Western countries count services in industry as part of the tertiary sector, whereas in our country these activities form part of the industry concerned). We have compared Czechoslovakia in 1988 with Austria in 1980 and Belgium in 1975, dates at which rough calculations indicate that per capita GNP was virtually equal. According to these comparisons, total (absolute)
overemployment in Czechoslovakia was of the order of 22 per cent. This is overemployment in the broad sense however, because it includes not only the impact of excessive per unit consumption of inputs, including labour, but also the structural and technical factors. However, the comparison is not made with respect to the leading world level, but with two countries at a time when they had achieved roughly the same economic level as Czechoslovakia in 1988. It is interesting to consider overemployment by sector: 40 per cent in agriculture, 46 per cent in industry, 25 per cent in construction, while in the services sector it is negative, 22-28 per cent in commerce and 38-46 per cent in financial services.

We have shown some ways in which overemployment can be measured. It is, above all, by international comparisons when the different levels of labour productivity indicate that a less developed country has a rate of overemployment and when the analysis of production factors shows where the reserves of excess employment are located. The international comparison of the sectoral structure of employment in countries at about the same economic level, but with different rates of economic activity enables overemployment rates to be calculated. And the comparison of individual sectors with total employment shows those where overemployment is apparent. Other methods use labour statistics, especially statistics on the use of working time, which can show the amount of unnecessary working time as a reverse effect of overemployment. Other methods rely on other data, such as the estimates of overemployment and unnecessary use of labour made by management experts, or by establishing labour standards and work rationalisation. Recording time allocation to useless or wasted work is an example. In general it can be said that the rate of overemployment (in the relative sense) is given by the rate of the reserves of labour productivity. However if overemployment is understood in its narrow meaning, the rate of these reserves is related to low rates of output per worker, non-use of working time, poor use of the human factor.

Other methods could also possibly be discussed. At different times and in different sectors it happens that production volumes, for example, in services, diminish but that employment remains unchanged, or at least does not decrease proportionally. In other words, labour productivity declines. This means that the decrease of employment lags behind the decrease in production and the amount of excess, ineffective employment increases. That is the situation in some of the countries of Central and Eastern Europe where, as a consequence of restrictive policies and the disintegration of the markets in some of these countries, there is a dramatic fall in output which is not followed by a likewise decrease in employment.

One can also estimate overemployment by classifying various sorts of activity, some of which can be classified as unnecessary or useless. Some activities, such as the overdevelopment of administrative services, superfluous management posts, etc., are of limited use at the transition stage to a market economy. Workers could also be classified according to their own output. A category could be identified where their minimal effective output stems from their lack of motivation, or interest or discipline. These workers also constitute a stock of surplus labour diminishing overall economic efficiency.

I shall now turn to a brief description of the process of the gradual elimination of overemployment and the emergence and gradual rise of
unemployment, as illustrated by the example of Czechoslovakia. A year and a half has passed since the revolution of November 1989. As we said at the beginning of this report, the institutional and legal conditions to permit the existence of a labour market are being introduced. 1990 was the year of preparation, 1991 is already seeing the launching of the transition towards a market economy.

In employment there has been above all a reduction in overemployment, firstly for political reasons. the staff of the former Communist Party apparatus were dismissed, the staff of unions and many associations reduced by one third, chairs of Marxism-Leninism in higher education were abolished, many employees in different general management divisions in large enterprises were dismissed as a result of the emancipation of the plants and branches that formed part of these enterprises, other people lost their jobs as a result of the reorganisation of the central bodies of the state administration and the elimination of regional administrations.

As regards the production structure, there has been a substantial reduction in employment in the basic sectors, with employment being progressively reduced by over 10 per cent in industry, construction and agriculture. Government programmes aimed at trimming certain sectors have been introduced (for example the mining and processing of uranium ore has been limited, the extraction of fuels reduced, the armaments industry cut back).

According to the statistics, the participation rate of people above normal working age has decreased. While in 1989, almost 24 per cent of these people had a job, the present rate is 18 per cent and other measures to limit the excessive economic activity of these people are in the pipeline. 76 per cent of the enterprises questioned in a survey of future employment trends replied that in the case of reorganisation or restructuring they would first release the retired people they employed. I would like to point out here that these are above all people who receive (or used to) a pension in addition to their wage, and have a fixed-term contract, generally one year, and frequently these contracts are not renewed.

The number of full-time housewives has increased because they can now take advantage of a new law that extends the duration of allowances for the parents of young children to the age of three for each child. For the moment however the proportion of women working part-time remains low due to the fact that they do not want to reduce the family income at a time when the cost of living is increasing.

We can thus see that absolute overemployment has already diminished fairly considerably, whether from the standpoint of labour resources, the structure of production or the limitation of useless activities. We cannot say that absolute overemployment has been completely eliminated and we cannot see any significant reduction in relative overemployment. On the contrary, initially there is a tendency for productivity to fall, hence in fact an increase in relative overemployment. As yet the economic pressure has not been felt strongly enough to cause a productivity increase. It would appear that only the elimination of absolute overemployment can bring about the elimination of relative overemployment.
However, unemployment has appeared and this is an entirely new phenomenon in Czech society. While unemployment was still an unknown concept in 1989, on 30th April 1991 it had reached a level of 2.8 per cent, i.e. there were 223 000 registered job-seekers. For the moment (in the absence of any other reliable data) the unemployment rate is expressed as the number of job seekers as a percentage of the total employed population (people with at least one job) in the national economy, including women on maternity leave (and prolonged maternity leave), plus the number of unemployed. A job seeker is considered to be a citizen who is not employed or exercises no gainful activity and who has made an application for placement in the appropriate employment office. Thus people who may not have a job but who do not request placement through an employment office are for the present not considered to be unemployed in Czechoslovakia. Initially, the people most affected by unemployment were white-collar workers: while they represent only 31 per cent of total employment, in the second half of 1990 they made up over 50 per cent of the total unemployed. Unemployment is relatively high among young people and those without qualifications and affects women more than men. The unemployment rate is increasing every month and is higher in the east of the country than in the west (the highest unemployment rate is that of Eastern Slovakia).

It is not the aim of this intervention to analyse unemployment: I simply wish to point out that within a relatively short space of time considerable changes have taken place in Czech society and in the Czech economy and that a process of gradually eliminating absolute overemployment in the narrow sense is under way. On the other hand, we have not yet noted any reduction in relative overemployment and in fact productivity is tending to fall. At the same time the new phenomenon of unemployment has appeared and is growing regularly and fairly rapidly. This unemployment is to some extent associated with the elimination of overemployment (people who occupied useless jobs and have now lost them cannot always find a new job immediately), it is also a phenomenon concomitant with the restrictive, anti-inflationary policy. There are also exceptional contributory factors such as the collapse of exports to certain markets (notably the former Eastern Bloc countries and the Soviet Union), but it is not yet the result of the elimination of relative overemployment or of major restructuring, nor of increased economic pressure leading to increased labour productivity.
FOOTNOTES.

1. •The data refer in fact to 1989.

2. •Excluding women on maternity leave, young people in training and people unfit for work.


4. Labour productivity in Czechoslovakia compared with that of the developed countries (Czechoslovakia = 100)

- Austria 130-180
- Belgium 160-230
- Denmark 130-180
- Holland 170-240
- Sweden 160-220
- Switzerland 160-230
- Germany 160-220
- Japan 120-260
- United States 180-260

5. For example the study by the Forecasting Institute of the Czech Academy of Sciences or the study by M. Pick: The policy of full employment in a reform oriented towards the market economy (Politicka ekonomie no. 4/1990), or that by M. Pick and his team: "Labour productivity in different sectors of Czech production with respect to the world level".

6. See Madame Nesporava: "The problem of overemployment in the Czech economy and the sources of increased labour productivity".

Employment by sector per 1000 inhabitants

<table>
<thead>
<tr>
<th>Sector</th>
<th>Czechoslov. 1988</th>
<th>Austria 1980</th>
<th>Belgium 1975</th>
</tr>
</thead>
<tbody>
<tr>
<td>Agriculture, forestry</td>
<td>60</td>
<td>43</td>
<td>15</td>
</tr>
<tr>
<td>Industry</td>
<td>190</td>
<td>128</td>
<td>131</td>
</tr>
<tr>
<td>Construction</td>
<td>44</td>
<td>36</td>
<td>33</td>
</tr>
<tr>
<td>Transport, telecomm.</td>
<td>32</td>
<td>25</td>
<td>29</td>
</tr>
<tr>
<td>Commerce</td>
<td>55</td>
<td>69</td>
<td>76</td>
</tr>
<tr>
<td>Financial and bus. services</td>
<td>13</td>
<td>21</td>
<td>24</td>
</tr>
<tr>
<td>Other services</td>
<td>105</td>
<td>85</td>
<td>101</td>
</tr>
<tr>
<td>TOTAL</td>
<td>499</td>
<td>407</td>
<td>409</td>
</tr>
</tbody>
</table>

7. •At the moment of writing, this is only a rough estimate.