Chapter Six

HOUSEHOLDS, WORK AND FLEXIBILITY
Critical Review of Literature

CZECH REPUBLIC

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INTRODUCTION

At the outset we have to admit that it is very difficult to find any literature concerning work and household flexibility in the Czech Republic. The explanation for this may be twofold. On the one hand, appropriate data are lacking, and on the other, long-term policies aimed at improving flexibility have not been perceived as urgently important by policymakers in the early years of transition, when employment was high due to generous state support of large firms.

Currently the issue of work flexibility has been perceived as adverse to the social and economic policies of the Social Democratic government. No attempts to examine time budgets or household work patterns have been made by the Czech Statistical Office since 1989, and only standard variables concerning work contracts are described in Labor Force Surveys. Sociological surveys, however, can provide some deeper insight.

Here we have collected scarce available information which is indirectly provided by the few economic and sociological studies that deal with our themes. Concretely speaking, we are drawing on three different sources that are partially related to work and household flexibility: labor economics literature, social reporting and gender studies. This is only a brief review of studies and literature. Most of the relevant information is yet to be collected and our work will be resumed in our Labor market and work flexibility in the Czech Republic: Trend overview (see Vecernik and Stepankova 2001).

1. LABOR MARKET

1.1. Job transitions

Most analyses of labor market flexibility use aggregate data and examine transitions between three employment states (unemployment, employment, out of labor force) and job-to-job movements. In 1993-1996, annual flows between these states increased to include up to 20 percent of the labor force. Over half of the movements consisted of mobility between employment and economic inactivity, one-third between employment and unemployment, and over one-tenth between economic inactivity (early retirement and disability retirement, study and maternal leave) and unemployment.

Moreover, nearly 40 percent of the labor force had moved voluntarily to another employer during 1992-1997, mainly within the same sectors (Flek and Vecernik, 1999). Conversely, Gottvald (1999) uses Labor Force Survey (LFS) data and calculates the one year gross transition probabilities for 1993-1998. However, he did not find such frequent changes of employment using this data set. Moreover, he stresses that the probabilities of remaining unemployed, employed, and out of the labor force are increasing in time, which implies that the magnitude of flows between states - an imperfect measure of flexibility - is actually decreasing.
1.2. Determinants of job transition

Another approach which gives more detailed information in identifying determinants of employment transitions is the analysis of individual-level data. Multinominal logit analysis was applied to find determinants and obtain estimates of probabilities of transition for an individual with certain characteristics. Vit Sorm and Katherine Terrell (2000) analyzed employees’ mobility during 1994-1998 in this way. They found that younger people seem to be experiencing the greatest mobility, and that they are also more likely to change jobs or find a new one when they become unemployed. According to Sorm and Terrell, less-educated people are more likely to change their jobs, but are also more likely to lose them or to leave the labor force.

Also interesting in Sorm and Terrell’s study is that they discovered that married men are the most likely to keep their jobs, and that there are more job-to-job movements among single men, who are, however, also more likely to become unemployed. Unemployed married men find jobs more easily than single men. The other finding of their research is that there is a high turnover rate in the pool of the unemployed, and relatively high job-to-job flows. Therefore, they conclude that the Czech labor market demonstrates a great degree of flexibility. This confirms the results of sociological surveys that refer to a great mobility, in contrast to what LFS statistics may imply.

1.3. Regional mobility – flexibility in terms of place

There are not many specific studies that examine flexibility in terms of place, time or contractual arrangement. One exception is a study by Michaela Erbenova (1995) which deals with the local mobility of Czech workers in the early years of transition. By examining the annual migration data collected by Czech Statistical Office (CSO) and 1991 Population Census, Erbenova argues that gross migrations flows across regions have been steadily decreasing and suggests the lack of housing as the main obstacle to increased migration. On the other hand, the magnitude of daily commuting is quite high and involves one-third of the labor force.

Erbenova applies both the human capital theory of labor mobility and the concept of job-matching to explain incentives for migration and commuting. Specifically, she shows that mobility is determined by regional characteristics and by the pecuniary and non-pecuniary costs of moving (such as costs of breaking links with family and friends), that are in her analysis captured by a distance variable. However, she concludes that a better understanding of regional mobility incentives requires an analysis of individual-level data. No attempt to analyze the LFS data from this point of view has been realized, however.

1.4. Flexibility of unemployed persons

The relatively richest sources of information about the flexibility of the Czech labor market are studies concerning unemployment. Many sociologists and economists tried to describe a favorable pattern of unemployment in the Czech Republic during the early years of transition, and therefore also examined the flexibility of the unemployed workers. These papers focus on:

- The impact of passive labor market policy on the flexibility of the unemployed workers. Erbenova, Sorm and Terrell (1998) analyze effects of social assistance and unemployment benefits. Looking at the LFS data for 1994-1995, they found that individuals coming from low-income families with more children tend to stay unemployed longer
than those with relatively fewer dependants. This study suggests the existence of a link between household characteristics and the flexibility of household labor supply.

- The impact of active labor market policy (ALMP) on the flexibility of the labor market and the potential of ALMP for improving it (Frydmanova and Zamrazilova, 1999a and 1999b; Sirovatka, 1997).

2. SOCIAL REPORTING

Less quantitative and more qualitative assessment of workers’ households’ flexibility is provided by social reports. An overview of social reporting is provided by Vecernik, 2000. In the first Social Report of the Czech Republic (Vecernik and Mateju eds. 1999), the flexibility issue was indirectly tackled from three points of view: labor flows and shifts, attitudes toward job and work, and social mobility.

2.1. Flows and shifts on the labor market

During the long decades of the communist regime in the Czech Republic, the model of life-long employment was enforced and supported by state policy, as well as by firms and organizations. At the time, seniority was one of the main criteria for access to important positions and social advantages. Labor mobility was considered undesirable and employees who changed jobs without sufficient reasons were suspect. Residential mobility, health or serious family reasons were the only legitimate circumstances for a job change within the centralized labor system. Moreover, a homogenous and wage-equalized system offered no incentives to employees to move.

During the transformation period, flows and shifts in the Czech Republic’s workforce increased considerably in all forms: inter-company, industry, occupational, and territorially. Nevertheless, there is little tendency towards occupational mobility and retraining, even though the demand for skilled labor has grown. As a consequence of the slow pace of modernization, low growth in labor productivity, and the strategy of using cheap labor, there is little pressure to lay off workers from less productive jobs.

Likewise, there are also limited possibilities for promote workers to highly-productive positions which demand high skill levels. Wage differences still do not fully reflect the skill level of work, although the education premium has increased considerably. Important wage differences endure between the public and private sectors (Vecernik, 2001). Since firms are still backwards in technology and organization, so far there has been no demand for more extensive retraining (Frydmanova et al., 1999).

2.2. Attitudes towards jobs

In people’s minds, there is more desire for autonomy than there is willingness to act on this desire. According to the ISSP-1997 survey, 40 percent of economically active respondents said they would hypothetically prefer to be self-employed or entrepreneurs, yet only 10 percent actually took the initiative. On the other hand, nearly three-quarters of those preferring a regular job responded that they would rather work for the state than a private organization, which illustrates the
importance of social security. Only minor differences exist in how each group judges their own work effort: over half of each group concede that they work to the best of their abilities even in cases where the job infringes on their personal life.

In the assessment of factors influencing life success the ISSP results were rather predictable. Whereas the self-employed consider attainment factors (having ambitions, being gifted, and working hard) to be the most important, wage-dependent employees tended to considerascriptive factors to be decisive (family wealth, well-educated parents and one’s own education). It is quite common that when considered “from the inside”, better standing and wealth seem to be hard-earned, while “from the outside”, they appear as unmerited and the results of outside influence.

2.3. Social mobility

In the first period of transformation, one of the most frequent causes of changes in social status was a significant decrease in the employment rate. If we ignore the consequences of the drop in employment, the growth in social mobility at the beginning of transformation was not as great as expected. The rather minor changes in employment and occupational structures blocked a radical growth in social mobility. Nonetheless, a new group of entrepreneurs and small businessmen was born, and important transfers between certain branches of the economy occurred, mostly in the favor of the service sector. Such transfers between branches, however, generally did not lead to social mobility, because in most cases they did not involve any fundamental changes in the work being performed.

Circulation mobility was also relatively limited, which means that no large-scale exchange of people on the basis of skills or other criteria occurred. Analyses indicate that during the first period of transformation, there was greater mobility among people who occupied positions that in the past had been filled according to political criteria (the nomenklatura system). However, these analyses do not indicate that this growth in mobility was accompanied by a strengthening of the role of meritocratic criteria.

Subjective mobility was thus actually significantly greater than objective mobility in terms of class and status. This implies that stability, from the standpoint of the placement of individuals in the class structure, did not necessarily indicate stability in their life-chances, because those who remained in the same jobs and positions also felt these changes. This indicates the existence of a rather substantial collective mobility, which has evoked a feeling of changing life-chances among entire social groups and classes. In this respect, it is very interesting to us how entrance into the group of the self-employed has had a much bigger impact on the perception of change in life-chances than other types of mobility (Mateju, 1999).
3. GENDER STUDIES

Besides the labor market studies and the social reports, there is a gender-based literature that focuses on household characteristics and their impact on work flexibility, and compares the flexibility of women as compared to men.

3.1. Household work

The picture of a typical Czech household by the end of 1990s has the man still as the main breadwinner and the woman working because her salary is an important supplement to the household income. (Bartosova, 1994; Krizkova, 1999). Women also perform most of the household chores. While the five most frequent tasks (washing, caring for the sick, minor repairs, shopping, cooking) cannot be labeled as only women’s or men’s work, women in the Czech Republic often do some of the stereotypical men’s work.

Women’s employment is influenced by their implicit or explicit “second shifts” in housework. Despite the increasing requirements employers have imposed on women, there has not been any sharp increase in the demand for external paid or unpaid services in carrying out household and partly family responsibilities. Only one percent of households take advantage of such a possibility (Krizkova, 1999).

3.2. Women in paid employment

The labor participation of women is quite high, and the decrease in working hours for mothers caring for children has been lower than expected (Bartosova, 1994). Part-time jobs are still rare. Cermakova (2000) reports that those women who request part-time jobs are usually not hired. Czech employers do not think in terms of the potential positive outcomes that would come of meeting the family needs of their employees. On the other hand, half of employers agree to modify the working hours of women with children of preschool age.

Paid work performed at home (over the telephone or computer) is exceptional. This work arrangement requires a substantial change in the attitudes of both employers and employees towards work and employment. Moreover, PCs and internet connections are far from standard equipment in Czech households. Therefore, it does not seem likely that work at home will become popular any time soon.

Another form of employment that allows women a greater degree of flexibility in working hours is private business. Data from the Czech Republic display quite a high share of women who are self-employed, either with employees (2.2 percent) or without employees (6.6 percent) (Kucharova, 1999). At the same time, women tend to be entrepreneurs and managers less often then men, and fewer of them have a second job (Bartosova, 1997). Also, many self-employment opportunities for women are of low quality and offer poor remuneration.

Gender-based studies have also examined several factors concerning women’s flexibility when they leave or lose a job. Kucharova (1999) claims that women are more likely than men to stop working for personal or family reasons. She also points out specific problems which women face in unemployment. For instance, the younger and more educated generation of women has difficulties in returning to work after a maternity leave, since their qualifications no longer fit the requirements of the labor market.

Regarding mobility, women face both socially-determined barriers to promotion to high management positions and barriers due to their dual roles and associated breaks in their careers (Kucharova, 1999). Female graduates generally have a secondary position on the labor market.
The main underlying reasons for this are the non-existence of legal guarantees that would ensure equal opportunities, and the fact that the female graduates are often offered positions with lower requirements, mainly within the state sector. Employers declare that women are not willing to improve their qualifications, and therefore rate female graduates as less competent workers than their male counterparts (Cermakova, 2000).

3.3. Gender disparities

The weak status of skilled labor, dominance of political criteria, and application of the “needs principle” under the communist regime resulted in a far greater prevalence of demographic characteristics of workers over economic ones in determining the level of earnings. In the Czech Republic in particular, gender was by far the most significant explanatory variable in wage disparities. Age was also important because of the coincidence of its generational and career meanings. The “founders of the communist regime” (youth of 1948) were treated preferentially for their whole lives. Together with this pattern, older age served as a “special qualification” for top management. As compared with gender and age, high skills and special job requirements had much lower importance (Vecernik, 1991).


CONCLUSION

The main message of this literature survey is that work and household flexibility deserve more research. Specifically, the division of the labor supply between market and household activities, working time schedules and working conditions in paid jobs, and legal arrangements between employers and employees are issues that have not been investigated so far. A better understanding of the factors that increase or reduce flexibility would be desirable for designing better policies and increasing the efficiency of the labor market. This also concerns policies supporting harmonization between family and working life, the division of tasks between men and women, and also career and professional mobility.
MAIN SOURCES OF EMPIRICAL DATA

Sociological surveys

**Social Stratification in Eastern Europe after 1989 (SSEE)**

The survey was conducted in 1993 in Bulgaria (N=4919), Czech Republic (4737 + 884 oversampling in Prague), Hungary (4977), Russia (5002) and Slovakia (4920), and later in 1994 in Poland (3520). Donald J. Treiman and Ivan Szeleny conducted the international comparative research project from the University of California in Los Angeles. The questionnaires used in individual countries included fully comparative questions, from which the international file was created. The Institute of Sociology of the Academy of Sciences prepared the survey in the Czech Republic. Data collection occurred in March and April of 1993 and was carried out by the Czech Statistical Office, using a sub-sample of the Microcensus 1992. One-third of households surveyed by Microcensus 1992 was addressed by SSEE questionnaire. Within households, individuals over 18 years of age were randomly selected. The sample was intentionally increased in Prague for the purpose of urban geography.

**Economic Expectations and Attitudes (EEA)**

The surveys of the Czechoslovak and later only Czech population started in May 1990 and were conducted biannually in 1990–1992 and later annually (1993–1998). Surveys were organised by the team of socio-economics of the Institute of Sociology of the Academy of Sciences headed by Jiri Vecernik. The samples include adults selected by a two-step quota sampling procedure, whereby the region and size of the locality were defined in the first step and gender, age and education in the second. The data was collected by the Center for Empirical Research STEM.

<table>
<thead>
<tr>
<th>Table 1. Time and samples of EEA surveys</th>
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<td>Rank</td>
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<td>XI.</td>
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International Social Survey Program (ISSP)

A long-term international research project, which originated in 1983 and is based on international and inter-project co-operation in the areas of the social sciences. Since 1983, the number of participants has grown continually, reaching 29 in 1998. Each year, research on one topic is conducted in all participating countries. These topics are then prepared by all participants over several years, and are then processed at team meetings. All questionnaires are designed and prepared in British English and their final versions are then translated into the other national languages of participating countries. The institutes of the participating countries are responsible for the collection, initial preparation, and documentation of data for their country. Since 1991, The Institute of Sociology of the Academy of Sciences of the Czech Republic has been the Czech member of ISSP.

Table 2. Time and samples of Czech ISSP surveys:

<table>
<thead>
<tr>
<th>ISSP</th>
<th>Topic</th>
<th>Fieldwork agency</th>
<th>Month of data collection</th>
<th>Sample size</th>
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</thead>
<tbody>
<tr>
<td>1992</td>
<td>Social Inequality</td>
<td>STEM</td>
<td>October</td>
<td>1101</td>
</tr>
<tr>
<td>1993</td>
<td>Environment</td>
<td>STEM</td>
<td>November</td>
<td>1005</td>
</tr>
<tr>
<td>1994</td>
<td>Family and Gender</td>
<td>Universitas</td>
<td>September</td>
<td>1024</td>
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<tr>
<td>1995</td>
<td>National Identity</td>
<td>Amasia</td>
<td>November</td>
<td>1111</td>
</tr>
<tr>
<td>1996</td>
<td>Role of Government</td>
<td>STEM</td>
<td>October-December</td>
<td>1100</td>
</tr>
<tr>
<td>1997</td>
<td>Work Orientations</td>
<td>STEM</td>
<td>September-October</td>
<td>1014</td>
</tr>
<tr>
<td>1999</td>
<td>Social Inequality and Justice (ISSP 1999 on Social Inequality)</td>
<td>STEM</td>
<td>January-February</td>
<td>1834</td>
</tr>
<tr>
<td>2000</td>
<td>Environment</td>
<td>SC&amp;C</td>
<td>October</td>
<td>1244</td>
</tr>
</tbody>
</table>

(Second) International Adult Literacy Survey (SIALS)

A long-term international research project, which originated in 1995 and is backed by Statistics Canada and ETS at University Princeton, the survey is focused on detailed surveying of so-called functional literacy of adult persons based on testing their abilities to understand printed information and use it in everyday life. Czech data were collected by agency SC&C in December 1997 – April 1998 on 3132 respondents (from 5000 targeted).

Ten Years of Societal Transformation

Survey on social structure and mobility was carried on in the fourth quarter of 1999 on 4744 adult persons 18-60 years of age. Fieldworks were conducted by the Institute of Sociology, Academy of Sciences of the Czech Republic under heading of Milan Tucek. Sampling was based on stratified random sample of 8,000 addresses selected by the Czech Statistical Office. Completion of sample was made by random walk.
Statistical surveys

Microcensus

Large income surveys started in 1958 as regular statistical surveys conducted every 3–5 years on 1–2 percent samples of households. Data on wages were notified by employers and pension benefits by post-offices. Here, we used the 1989 Microcensus conducted by the CSO on a 2 percent random sample (N=69,912) in March 1989 including yearly incomes in 1988, the 1992 Microcensus, conducted by the CSO on a 0.5 percent random sample (N=16,234) in March 1993 and including yearly incomes in 1992, and the 1996 Microcensus, conducted by the CSO on a 1 percent random sample (N=28,148) in March 1997 and including yearly incomes in 1996. In the two later surveys, incomes were not confirmed but data corrections were made by the CSO.

Labour Force Surveys (LFS)

LFS started in late 1992 as regular quarterly survey among households. Sampling and collecting method follows recommendations of the ILO and EUROSTAT. The sample rotates so that each quarter one-fifth of households is exchanged. In first three years of survey, sample size was about 23,000 apartments and has reached 26,500 apartments later, what is about 0.8 percent of apartments. In the, about 70,000 of all respondents is surveyed of which 59,000 over 15 years. Up to 1997, quarters did not correspond to calendar quarters but were located one month earlier (aimed to provide decision makers by data sooner). In time series, this and other inconsistencies were adjusted and data reweighted according to final demography by the CSO.

Family Expenditures Survey (FES)

FES as a regular survey series was established in 1958 as a quota-sample based survey of households of manual workers (working class), non-manual workers (employees) and cooperative farmers, with pensioners (only households without economically active members) added later. The survey is conducted on about a 0.1 percent sample and – unlike FES in other countries – it is a permanent survey based on daily records of all incomes and expenditures. After 1989, the category of self-employed was also included and a special sub-sample was added aiming to over-represent the number of households living below or close to the legal living minimum. The size of the sample was slightly reduced in the 1990s and covers a maximum of 3,500 households.
REFERENCES


Cermakova, M. et al. (2000) Relations and Changes of Gender Differences in the Czech Society in the 90s. Prague: Institute of Sociology AS.


Chapter Six. Literature review: Czech Republic


