

Annual Review 2012

Czech Republic - Labour Relations and Social Dialogue

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Executive Summary

Social dialogue in the Czech Republic was considerably affected particularly by the level of communication of the government and social partners in the period from 2007 to 2012. The first signs of an economic crisis showed in the Czech Republic in 2008 during the right-wing government of Prime Minister Miroslav Topolánek, whose government, however, was prematurely replaced in April 2009 by the caretaker government of Prime Minister Jan Fischer – who pledged to communicate with social partners and respect their views, thus the relations between the government and social partners were consolidated in the period from 2009 to July 2010. However, the right-wing government of Petr Nečas (ODS) that had resulted from elections of May 2010 refused to respect the results of the previous social dialogue. As a consequence, the relations between the government and social partners have been getting worse, which is obvious especially with trade unions. On the contrary, the relations among social partners at the central, branch and company levels remain mostly good, since for the benefit of production and job maintenance, the economic crisis necessitated closer cooperation that had been accepted by social partners.

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1. Report

1.1 Executive Summary

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1.2 Socio-economic developments

The Czech economy from 2003 to 2007 was

in the phase of economic growth. This favourable development, however, was terminated by the global economic development in 2008. The first stage of the crisis that affected the financial sector globally did not leave any substantial traces in the Czech Republic, since Czech banks when granting loans were rather cautious.

In 2008, however, due to the dampened foreign demands, on which an open, small economy is considerably dependent, the economic growth slowed down. Dynamics of all the expenditure items in the GDP structure decelerated. On the year-on-year basis, household spending on final consumption grew by 2.3 % only. This significant slowdown in the expenditure growth can be also connected with a rapid growth in consumer prices, which year-on-year grew by 6.3 %, on average. Reduced investment activities showed in the decline in the gross capital generation by -3.2 %. In that year the only growing expenditures were those of the government final consumption, namely by 0.6 percentage points compared with the previous year. A marked slowdown occurred in the growth of export of goods and services. In 2008 the industrial production growth posted a negative figure (-1.8 %). A slump in foreign demand severely affected the automotive industry that had been the most prominent contributor to the high growth in previous years. The growth in the construction activity was zero. Labour productivity growth also went down (1.2 %

Table 1: Key macroeconomics indicators 2007–2011

Indicator	2007	2008	2009	2010	2011
GDP %, (y/y, real terms)	5.7	3.1	- 4.7	2.7	1.7
Construction output (% , y/y, real terms)	7.1	0.0	- 0.9	- 7.1	- 3.5
Industry (sales, %, y/y, current prices)	14.1	- 0.3	- 15.9	9.8	7.2
Services (sales, %, y/y, real terms)	8.7	0.2	- 9.9	- 0.8	- 1.5
Agriculture (sales, %, y/y, real terms)	- 6.6	- 3.8	7.1	6.4	11.8
Export of goods and services (% , y/y, real terms)	11.3	3.9	-10.0	16.6	11.0
CPI (% , y/y, avrg.)	2.8	6.3	1.0	1.5	1.9
Aggregate labour productivity (% , y/y)	3.7	0.6	- 2.4	3.1	1.4
Average gross nominal wages (% , y/y)	7.2	7.8	3.3	1.9	2.2

Source: [Czech Statistical Office](#) (Český statistický úřad, ČSÚ)

On the contrary, a relatively favourable development persisted in the labour market in 2008. In the last months of 2008, however, the impacts of the economic crisis showed also in this market (see 2.7). Because of the rapid growth in consumer prices, the inflation rate was 6.3 %, which was highest in the period under review.

The economic recession affected the Czech economy fully as late as in 2009, when the GDP growth rate hit the negative value - 4.7 %, whereas this decline was the biggest since the establishment of the independent Czech Republic in 1993. The reason for the negative growth rate was primarily the declining export, but the slump was also contributed by other GDP components, except for expenditures in government final consumption that grew year-on-year by 2.6 % aiming to stabilise the Czech economy. The year-on-year downward trend in the economic performance lasted for the entire year, but from the mid-2009 certain aspects stabilising the development could be seen. First they manifested themselves in the slowing-down decrease in foreign trade and industry and then in the recovered slight growth. Export sectors profited mainly from improvement in the business climate in Germany. Particularly the introduction of the car scrappage bonus in

1.3 State policies

State policies and anti-crisis measures have depended on the government's preferences. Measures prepared by previous right-wing government of Prime Minister Miroslav Topolánek (Civic Democratic Party, *Občanská demokratická strana*, [ODS](#)) in 2006–March 2009 and by the caretaker government of Prime Minister Jan Fischer (March 2009–May 2010) were not realised in an important way, that is why we don't mention it. The major reforms were implemented by the right-wing government of Petr Nečas (ODS) risen from the election in May 2010.

Germany increased the foreign (German) demand for Czech cars. The aforementioned development also showed in the significant drop in the industrial production and in a relatively low decline in the construction output.

In 2009 imbalance in the labour market deepened and the registered unemployment rate grew dramatically (see 2.7). The aforementioned development was accompanied by a worsening in other labour-market characteristics too, especially by a plummet in job vacancies. With regard to wages, the volume of paid wages was lower on the year-on-year basis, but at dismissals mostly affected low-qualified employees, i.e. the low-paid, the average wage kept growing, although significantly more slowly than in previous years. In the fourth quarter of 2009 minor signs of improvement started to appear.

In 2010 obvious signs of recovery prevailed in the economic development. The GDP growth rate returned to positive figures, while the growth resulted from improvement in external conditions. Nevertheless, the Czech economy remains affected by structural dependencies that make it highly vulnerable to the development of the economic cycle abroad and have an impact on its overall international competitiveness.

The right-wing government of Petr Nečas prepared a wide-ranging set of reforms that should put in practice the steps set out in the government's Policy Statement². The measures are as follows:

- To reform public financing with the aim to stop the growing public debt and set budgeting parameters so that in 2016 we could achieve balanced public budgets.

² Available at http://www.vlada.cz/assets/media-centrum/dulezite-dokumenty/Programove_prohlaseni_vlady.pdf, in Czech only.

- To carry out such a reform of the pension system that would ensure the system is sustainable in the long run and able to respond to the changing demographic structure of the Czech society.
- To adopt a set of reform measures leading to a modernisation and enhanced efficiency of the healthcare system.
- To reform the tertiary education system.
- To adopt measures resulting in a substantially higher level of transparency in public contracts and measures reducing room for corruption in the public sector, which are to make public financing more stable and generally more efficient.

A large part of the reforms (reform of the tertiary education system, reform of the pension system, etc.) is still at the preparatory stage. Partial changes particularly aiming at the consolidation and stabilisation of public financing have been in force since 2012.

Following the approval of the state budget for 2011 with reduced spending, the Parliament passed the Act No. 433/2010, which means a major reduction in state expenditures for the 2011 in various areas of the public domain. The budget includes expenditure cuts totalling CZK 35 billions, which primarily resulted in reductions in the road construction, social state, wages in the public sector and reductions in state subsidies for the building saving scheme.

Several new amendments³ to the Act No. 262/2006 Coll., Czech Labour Code have come into force 1 January 2012, which should provide employees and employers more contractual freedom and increase labour market flexibility. The most important changes are following:

³ More on the changes in Labour Code see VEVERKOVÁ, Soňa: Cautious welcome for changes to Labour Code. Dublin: European Foundation for Improvement of Living and Working Conditions. 21. 3. 2012. Available at <http://www.eurofound.europa.eu/eiro/2012/01/articles/cz1201019i.htm>

- Lower severance pay paid by law at the termination of employment due to organisational reasons;
- Establishment of a new reason for notice;
- A trade union is entitled to represent employees if at least three employees of the respective employer are among its members;
- Fixed-term employment contracts is possible newly to negotiate in the extent of max. 3 years.

Another significant change has been the VAT increase since 2012. The official reason is the cost associated with the launch of the pension reform. The decreased rate of the VAT grew from the current 10 % to 14 %, with the basic rate remaining at 20 %. Reforms should affect other taxes as well (increase in the personal income tax and an increase in the health insurance contribution); nevertheless, the tax reform is still at the preparatory stage and will probably become effective not earlier than from 2014 – the only innovation in direct taxes is a ‘gamble’ tax.

Since January 2012 the rules have also been tightened for drawing the unemployment benefit. Although neither the standard length for drawing the benefit, nor the amount of support will decrease, in order to be granted the unemployment benefit the job applicant must meet stricter criteria. These restrictions, in the opinion of Minister of Labour and Social Affairs Jaromír Drábek ([TOP 09](#)), should result in intensified activity of the unemployed, reduction of illicit work and that people should more appreciate the state mediated employment or the benefit they are granted.

The reform also affected social benefits. The parental allowance will be lower, but the eligibility rules for this allowance will be simpler. Since January 2012 all the benefits are paid by employment offices – in the past social benefits were distributed not only by employment offices but also by municipal authorities.

Trade unions criticise the reforms, as a consequence of which in 2011 relationships deteriorate between trade unions and the government and this prevails in 2012. Relationships between employer associations

and the government are not so explosive as those between the government and trade unions, however, even employers criticize government's economic policy and cuts in public budgets.

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1.4 Industrial Relations

Industrial relations in the Czech Republic were considerably affected particularly by the level of communication of the government and social partners in the period from 2007 to 2012. The best cooperation between social partners and the government at the tripartite level was probably during the caretaker government of Prime Minister Jan Fischer who pledged to communicate with social partners and respect their views. In February, 2010 at the tripartite meeting, the government and social partners agreed on the document 'Ways out of the crisis – 38 common measures of the government, trade unions and employers'. This document can be regarded as the greatest success of the tripartite organisation in 2008–2010, especially for the wide consensus that was reached by social partners in all measures and for the mechanism of checking their fulfilment.

member trade unions have concluded a total of 19 higher-level collective agreements in 2012, covering about 3,577 employers and 400,781 employees. These higher-level collective agreements were extended to other 4,356 employers and 228,952 employees. According to the data of the same organisation, 4,655 company-level collective agreements applying to 1,351,127 employees were concluded in 2012.

There is no legally defined reporting duty in relation to industrial conflicts. Such activities by the social partners have not been centrally monitored since 1997 – the only source of the number of industrial actions are trade unions. No strike took place in connection with collective bargaining and concluding collective agreements, according to the data of ČMKOS in 2011, even at concluding higher-level collective agreements (HLCA) or negotiating company-level collective agreements (CLCAs).

However, the right-wing government of Petr Nečas that had resulted from elections of May 2010 refused to respect the results of the previous social dialogue. As a consequence, the relations between the government and social partners have been getting worse, which is obvious especially with trade unions. On the contrary, the relations among social partners at the central, branch and company levels remain mostly good, since for the benefit of production and job maintenance, the economic crisis necessitated closer cooperation that had been accepted by social partners.

Rather than strikes which are relatively very rare in the Czech Republic, the unions declared a strike alert. According to ČMKOS there was no strike alert under the terms of HLCAs announced in 2011, under the terms of CLCAs there were two strike alerts only. No collective disputes resolved via an arbiter have been noted in 2011.

Collective bargaining has been relatively stable in the Czech Republic during the crisis. According to the Czech-Moravian Confederation of Trade Unions (Českomoravská konfederace odborových svazů, [ČMKOS](#)), 32

However, worsened relations between trade unions and the government have caused several demonstrations and protests. Outside the domain of collective bargaining there was a strike of transportation employees held on 16 June 2011, being so-far the protest of Czech unionists against government economic reforms and against the reform of pension system, healthcare and cancellation of employee benefits. The strike fully affected passenger and freight railway transport, the

operation of the Prague underground stopped entirely and the municipal transport was substantially reduced in several Czech cities, incl. Prague.

On 21 April 2012, a big demonstration against the governmental policy was held in Prague. It was the culmination of the campaign "Stop the Government" which had been organized by trade unions in cooperation with civic initiatives.

Main reasons for collective action are governmental economic measures including related legislative amendments.

The declining trade union density (see below) forces leading union federations to realize labour-saving proceedings. Reorganisations of trade union organisations and the reduction of their professional staff and expenditures were substantially more frequent than mergers. Concerning employer organisations, the situation was relatively stable and no new employer organisations or no mergers have occurred.

1.5 Youth unemployment (age group 15–29) and its background

Year	2009	2010	2011
Youth unemployment rate (%)	16.6	18.3	18.0

Source: [Eurostat](#)

Although the rate of unemployment of young people is higher than the rate of unemployment for the total population, in comparison with other EU countries it is not so high. However, the importance of this issue has increased particularly with the crisis.

1.6 Forecasts

According to the Ministry of Finance official [Macroeconomic Forecast](#) economic activity should gradually recover in the course of 2013. It is expected that the economic output could expand by 0.7% in 2013. The economy should be driven by significant foreign trade surpluses. Final consumption should contribute negatively to growth. The average inflation rate should reach 2.1% and will be significantly affected by changes in VAT rates. The labour market should be negatively influenced by the unfavourable economic situation. Employment could decrease by 0.2% in 2013. The unemployment rate should show a tendency towards slight growth and could reach 7.3% in 2013. The wage bill should grow by around 2% the next year. The current account deficit as a percentage of GDP

should slightly exceed 1%, which would be a substantial improvement over previous years.

According to Business cycle survey⁴ (November 2012), overall confidence in economy decreased. Among entrepreneurs confidence almost unchanged only in selected services. In construction, in trade, and in industry the confidence decreased. The survey on investment activity in manufacturing industry suggests that the level of investment should decrease by approximately 1% in 2013. Consumers are for the next twelve months equally afraid of a decrease in the overall economic situation. The share of respondents intending to save money increased significantly.

Industrial relations, especially between social partners and the government, will depend on the political development and reform of public finance implemented by the right-wing government. It is supposed to worsen.

⁴ Czech Statistical Office, see <http://www.czso.cz/csu/csu.nsf/engineformace/ckpr112612.doc>, cited 3. 12. 2012.

2. Annex of data

Acronym	Full Name
CDEFOP	European Centre for the Development of Vocational Training
EIRO	European Industrial Relations Observatory
ETUI	European Trade Union Institute
ES	Eurostat
IOM	International Organization for Migration
ML	Ministry of Labour
ND	National Data
OECD	Organisation for Economic Co-operation and Development (OECD)
UN	United Nations
U	Universities
WB	Worldbank

2.1 Structure of the economy (0,5-1 page) (ES)

Number of employees	Total	0	1–5	6–19	20–249	250+
Registered businesses (2011)	2,703,444	2,423,173	191,731	55,957	30,359	2,224

Source: Czech Statistical Office (Český statistický úřad, ČSÚ)

Sectors as a % at national economy in 2010	Primary	Secondary	Tertiary
%	2.4 %	37.6 %	60 %

Source: Czech Statistical Office (Český statistický úřad, ČSÚ)

2.2 Collective Bargaining System

Collective bargaining is regulated by law, in terms of both the process and the content. Obligations arising from collective agreements are binding on the contractual parties and the fulfilment of such obligations is legally enforceable. Czech law distinguishes between company-level collective agreements (CLCAs), concluded between the relevant trade union body and an employer, and higher-level collective agreements (HLCAs), concluded for a greater number of employees by the relevant higher-level trade union body and an organisation or organisations of employers. The most prevalent level of collective bargaining in the Czech Republic is the company level; however, there is no central register of CLCAs. For collective bargaining at

company level, the legally binding minimum is – if an HLCA applies to the relevant employer – the value of obligations negotiated in the higher-level agreement.

Extension of the binding nature of HLCAs to another employer is possible under the conditions set by law. The Ministry of Labour and Social Affairs of the Czech Republic (Ministerstvo práce a sociálních věcí ČR, [MPSV ČR](#)) possesses the relevant powers. Agreements are extended based on a proposal made by both contractual parties to the agreement, provided that the conditions determined by law are met.

2.3 System of tripartite social dialogue

The tripartite forum at national level, Council of Economic and Social Agreement (Rada hospodářské a sociální dohody, RHSD) is the country's main social dialogue institution. The task of the RHSD is strictly a consultative function. The aim of the tripartite organisation is to reach agreement via a mutually respected form of dialogue in fundamental areas of economic and social development and to maintain social consensus as a prerequisite for positive development of economy as well as citizens' standard of living.

The top negotiating body of the tripartite organisation is the Plenary Meeting, where the government delegation is represented by 8 members, employer organisations by 7 representatives – namely from the Confederation of Industry of the Czech Republic and the Confederation of Employer and Entrepreneur Associations of the Czech Republic (Konfederace zaměstnavatelských a podnikatelských svazů ČR, [KZPS ČR](#)) – and union confederations by 7 members – namely

from the ČMKOS and – Association of Independent Trade Unions (Asociace samostatných odborů ČR, [ASO ČR](#)). Criteria for participation are set in the RHSD Statute. Conclusions of the tripartite meeting are approved by all participants of the talks. If consensus fails to be reached and common conclusions fail to be accepted, different opinions of delegations on the issues at hand are published.

The areas on which the RHSD comments are defined by the statute of RHSD: economic policy, labour relations, collective bargaining and employment, social issues, public service wages and salaries, public administration, safety at work, development of human resources and education, and the Czech Republic's position within the EU. In particular, the first and the last areas are very broad and may encompass a range of various policies. In a European perspective, the Czech Republic is one of the countries in which tripartite concertation covers a wide array of activities.

2.4 Social security systems

Coverage of labour force	2011
Legal coverage for old age as a percentage of the working age population	71 %
Unemployment coverage as the percentage of the economically active population	94.6 %

Source: ILO

100% of Czech population is covered by mandatory health insurance.

2.5 Education and vocational training

During the economic recession companies limited their own investments in staff training to decrease costs. In the past three years, few public schemes supporting professional training have been created, in particular thanks to the resources from the European Social Fund. Awareness about the importance and benefits of employee education has been growing in the long term. The subsidy programs were thus of a great interest of enterprises and many employees got a

chance to expand their skills and knowledge in the time of crisis.

The in-company training system is better developed in big companies. Thanks to the public support professional education has likely expanded among smaller companies too, they started pursuing this topic in a greater extent. More attention was paid to staff training in companies with foreign ownership (however, they are more often present in big companies). Professional training has likely expanded among the staff with lower educa-

tion as well, while in the past it was a domain of high-qualified workers in particular. On the contrary, professional education was not likely to occur e.g. among temporary agency workers who were not encouraged by public schemes.

The issue of vocational training is traditionally a standard part of collective agreements, especially at company level; however, mainly general, universal regulations prevail. In 2011, general conditions for employees' professional development have been agreed in 34% of company-level collective agreements.

2.6 Employment rate (1/2 page) (ES)

Year	2008	2009	2010	2011
Employment rate (%)	72.4	70.9	70.4	70.9
Employment rate – males (%)	82.0	80.2	79.6	79.9
Employment rate – females (%)	62.5	61.4	60.9	61.7

Source: [Eurostat](#)

Age group	Rate of unemployment in 2011 (%)
15–19	41.7
20–24	15.4
25–29	7.8
30–34	6.1
35–39	5.3
40–44	5.2
45–49	5.4
50–54	6.2
55–59	6.6
60–64	3.5
65+	1.4

Source: Czech Statistical Office (Český statistický úřad, ČSÚ)

2.7 Unemployment rate

Year	2008	2009	2010	2011
Registered rate of unemployment rate according to ILO methodology (% , average of year)	4.4	6.7	7.3	6.7

Source: Czech Statistical Office⁵

2.8 Net average monthly salaries

Year	2008	2009	2010	2011
Average nominal gross monthly wage (in CZK)	22,592	23,344	23,864	24,436
Median of gross monthly wages (in CZK)	22,123	22,229	22,608	n. a.

Source: Czech Statistical Office

⁵ This source is usually used when dealing with the data on labour market in the Czech Republic. This data are measured by the Labour Force Sample Survey and has been fully harmonised with standard of Eurostat and has corresponded to the contents of Council Regulation (EU) no. 577/98.

2.9 Gender pay gap

Year	2008	2009	2010	2011
Gender pay gap in unadjusted form (%)	26.2	25.9	25.5	n. a.

Source: Eurostat

The gender pay gap in the Czech Republic is around 25 % – i. e. on average Czech women earn one quarter less than Czech men. In comparison with other EU countries and EU average, this number is quite high and seems to increase slightly.

2.10 Net monthly minimum wage (1/4 page) (ND)

Year	2008	2009	2010	2011	2012
Monthly minimal wages (EUR/month)	300.44	297.67	302.19	319.22	310.23

Source: [Eurostat](#)

Minimum wage is regulated by the Labour Code (Act No. 262/2006) and the Government Decree on the Minimum Wage (Act No. 567/2006). The minimum wage has been frozen since 2007 at CZK 8,000 per month for a 40-hour week, the equivalent of CZK 46.1 an hour.

2.11 Actual weekly working hours

In 2011, there were 40.2 actual weekly working hours. The vast majority of collective agreements in the private sector deal with the issue of working hours. Collectively agreed working hours have amounted to 38 hours a week since 2001 when an amendment to the Labour Code introduced a maximum limit of 40 hours per week for weekly working hours.

2.12 Normal work / atypical work

	Working full-time	Working part-time
Permanent job holders	255.8	87.0
Temporary job holders	4,348.0	190.6
Total	4,636.7	277.6

Source: Czech Statistical Office (Český statistický úřad, ČSU)

In March 2011 LMC, the most significant online recruitment agency in the Czech Republic, commissioned a survey on the utilisation of alternative forms of work (in Czech)⁶. The survey was carried out through telephone interviews with human resources (HR) staff at 855 companies selected by quota sampling. According to LMC data, part-time work, the most sought-after form of flexible work, was granted to a mere 1% of employees. Nonetheless, among the employees who have flexible types of working arrangements,

the majority have flexible working hours. Of the various forms of alternative types of working arrangements, most companies use part-time jobs (60%), followed by flexible working hours (45%). Only 14% of companies offer a combination of working in the office and from home, and job sharing and working solely from home are largely unknown forms of flexible working in the Czech Republic.

⁶ More information see Pfeiferová, 2011 (in English).

Sector usage of different forms of flexible working (% of total)

Sector	Public sector	Services	Commerce	Industry
Part-time jobs	86	58	50	48
Flexible working hours	52	52	40	40
Combination of work from office and from home	8	23	17	11
Job sharing	15	10	11	15
Working solely from home	1	8	5	3

Source: Pfeiferová, 2011.

2.13 Migration flows 2008-2012

<i>External Migration</i>	2008	2009	2010
Immigrants	76 151	38 199	28 046
Emigrants	3 821	9 350	12 481

Source: [Czech Statistical Office](#) (Český statistický úřad, ČSÚ)

2.14 Human Development Index (HDI) (1/8 page) (UN)

<i>Year</i>	2008	2009	2010	2011
Human Development Index	n. a.	0.841	0.841	0.865
International ranking	n. a.	28	28	27

Source: United Nations Development Programme

2.15 Gini-coefficient on Income and on Assets (if any) (1/8 page) (ES)

<i>Year</i>	2008	2009	2010	2011
Gini-coefficient (%)	24.7	25.1	24.9	25.2

Source: [Eurostat](#)

2.16 Collective agreement coverage

Data on public and private sector separately are not available.

There is no register of company-level collective agreements concluded in the Czech Republic – however, higher-level collective agreements are monitored by the Ministry of Labour and Social Affairs of the Czech Republic (Ministerstvo práce a sociálních věcí České republiky, [MPSV ČR](#)). According to ČMKOS data, 16% of employees is covered by high-level collective agreement (after extension) and 34% of employees is covered by

company-level collective agreement (in 2011).

2.17 Ongoing important collective bargaining agreements

There are no special or important collective agreements, even on the company or sector level.

The economic recession had an impact on collective bargaining as late as in 2009. Impacts of the crisis on collective bargaining and conditions agreed in collective agreements differ by sector, because different sec-

tors have been/are affected by the crisis differently, or with a delay. This can be also noticed in the development in the number of company-level collective agreements concluded by union organisation of ČMKOS members. In some sectors (e. g. in the sectors under the authority of the Trade Union of Workers in Commerce – Odborový svaz pracovníků obchodu – [OSPO](#)) the drop in the number of company-level collective agreements concluded was radical, while in other sectors it did not differ from the ‘pre-crisis’ years, even slightly growing in some sectors (Czech Metalworkers’ Federation KOVO – Odborový svaz KOVO, [OS KOVO](#)).

2.18 Trade union density (1/4–1/2 page) (ND; EIRO)

– *description (percentage of employees who are members of a trade-union, please discriminate public from private sector)*

The overall and long-term trend, as in other EU countries, is a decreasing membership of trade unions in particular, which has not been affected by the crisis markedly. This continuing downward trend has affected the majority of trade unions in the country. In 2011, in trade unions’ estimation, about 16% (approx. 20% in 2010 and 22 % in 2008)⁷ of the total number of employees in the private sector were unionised. Nevertheless, trade unionists in the sectors severely affected by the crisis do register increased interest in trade union membership, especially by employees of the companies that get into economic difficulties. On the other hand, the crisis caused another reduction in the membership due to companies in bankruptcy and higher level of unemployment.

However, trade union density number is not a criterium for trade union to be involved in collective bargaining. The density is used only for membership in RHSD or when extending higher-level collective agreements.

2.19 Employer’s organizations density

In 2011, the employer’s organizations density was about in 41%.

Source: Pojer, 2012.

2.20 Workplace representation

Employee representatives – that is, trade unions, works councils, and safety at work and health protection stewards – are statutorily required to keep employees in all workplaces duly informed about their activities, and about the content and conclusions of all information and negotiations with the employers. Employee representatives shall not be disadvantaged, advantaged or discriminated against because of their membership of the works council.

Trade unions play by far the most significant role in employee representation by virtue of regulation in terms of competency, but also in practice from the perspective of occurrence, function in social dialogue and particularly collective bargaining. Only trade unions can represent employees in labour relations, in collective bargaining while concluding collective agreements and in tripartite negotiations. Regulation of the role and prerogatives of trade unions is codified by law.

Employees may be represented by a works council, which, however, does not have legal subjectivity and only acts as a mediator between the employers and their employees, in order to ease the flow of information and consultation within a company. The term of office of the works council and the safety at work and health protection stewards lasts up to three years.

⁷ Source: Pojer, 2012.

2.21 Trade union mapping

Trade Union Mapping	in National Language		in English
Name of TU Federation/ Confederation/Trade Union	Českomoravská konfederace odborových svazů		Czech-Moravian Confederation of Trade Unions
Founding Year	1990		
Sector/Branch	All sectors in the national economy		
Cycle of Congresses/ Last Congress	4 years/2010		
Important Functionaries (Chairman, President, International Secretary, Youth Leader, etc.)	Name	Function	Homepage
	Jaroslav Zavadil	Chairman	www.cmkos.cz
Number of Members (please comment on the official number applying a sensitive approach)	30 trade union members, 407,000 members approx. in 2012 (Source: Pojer, 2012).		
Cooperation in national committees	Member of the Czech tripartite body Council of Economic and Social Agreement of the Czech Republic (RHSD)		
Memberships	Regional Umbrella Associations		Global Umbrella Associations
	There is no other regional umbrella association.		International Trade Union Confederation (ITUC)
			European Trade Union Confederation (ETUC)
			Trade Union Advisory Committee to the OECD (TUAC)

Trade Union Mapping	in National Language		in English
Name of TU Federation/ Confederation/Trade Union	Asociace samostatných odborů		Association of Independent Trade Unions
Founding Year	1995		
Sector/Branch	All sectors, but agriculture and transport prevails		
Cycle of Congresses/ Last Congress	1 in 4 years min./2009		
Important Functionaries (Chairman, President, International Secretary, Youth Leader, etc.)	Name	Function	Homepage
	Bohumil Dufek	Chairman	www.asocr.cz
Number of Members (please comment on the official number applying a sensitive approach)	13 trade union members, 150,000 members in 2012 (Source: Pojer, 2012)		
Cooperation in national committees	Member of the Czech tripartite body Council of Economic and Social Agreement of the Czech Republic (RHSD)		
Memberships	Regional Umbrella Associations		Global Umbrella Associations
	There is no other regional umbrella association.		

Most relevant Trade Union Federations

There are no trade unions federations in the Czech Republic which could be considered as the most important in terms of industrial relations or collective bargaining. That is why we mention OS KOVO only – it is the biggest

trade union federation in the Czech Republic and its activities are probably most visible. For the same reason, we do not mention any relevant trade union – again, there is no trade union with some special importance.

Trade Union Mapping	in National Language	in English	
Name of TU Federation/ Confederation/Trade Union	OS KOVO	Czech Metalworkers' Federation KOVO	
Founding Year	1990		
Sector/Branch	Industry (Automotive, Electrical, Metallurgy, Aircraft etc.)		
Cycle of Congresses/ Last Congress	4 years/2009		
Important Functionaries (Chairman, President, International Secretary, Youth Leader, etc.)	Name	Function	Homepage
	Josef Středula	Chairman	http://www.facebook.com/josef.stredula
Number of Members (please comment on the official number applying a sensitive approach)	140,858 in 2009) (Source: OS KOVO website)		
Cooperation in national committees	Member of the Czech tripartite body Council of Economic and Social Agreement of the Czech Republic (RHSD) via membership in ČMKOS. Chairman of OS KOVO is a member of Plenary Meeting of RHSD.		
Memberships	Regional Umbrella Associations	Global Umbrella Associations	
	Czech-Moravian Confederation of Trade Unions (ČMKOS)	European Metal Workers' Federation (EMF)	
		International Metalworkers' Federation (IMF)	

2.22 Employer Association Mapping

Employer Association Mapping	in National Language	in English	
Name of the association	Svaz průmyslu a dopravy České republiky (SP ČR)	Confederation of Industry of the Czech Republic	
Founding Year	1990		
Sector/Branch	Industry and transport in general		
Cycle of Congresses/ Last Congress	Twice a year min./18. 10. 2012		
Important Functionaries (Chairman, President, Director, etc.)	Name	Function	Homepage
	Jaroslav Hanák	President	http://www.spcr.cz/odvetvove-svazy/svaz-prumyslu-a-dopravy-cr
	Jiří Cienciala	Vice-president for research development, innovation and education	http://www.spcr.cz/en/classification-associations/branch-association-of-the-steel-industry
Number of Members	1.600 entities employing 980.000 employees approx. in 2012 (Source: SPČR)		
Cooperation in national committees	Regional Umbrella Associations	Global Umbrella Associations	
Memberships	There is no other regional umbrella association.	BUSINESSEUROPE	
		The Business and Industry Advisory Committee to the OECD	
		International Organisation of Employers	

Employer Association Mapping	in National Language		in English
Name of the association	Konfederace zaměstnavatelských a podnikatelských svazů České republiky (KZPS ČR)		Confederation of Employer and Entrepreneur Associations of the Czech Republic
Founding Year	1990		
Sector/Branch	All sectors, public sector, construction and cooperatives prevails		
Cycle of Congresses/ Last Congress	n. a.		
Important Functionaries (Chairman, President, Director, etc.)	Name	Function	Homepage
	Jan Wiesner	President	
Number of Members	23.000 entities with 982.000 employees in 2012 (Source: KZPS ČR website)		
Cooperation in national committees	Member of the Czech tripartite body Council of Economic and Social Agreement of the Czech Republic (RHSD)		
Memberships	Regional Umbrella Associations		Global Umbrella Associations
	There is no other regional umbrella association.		BusinessEurope

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