

Czech Republic: Industrial relations profile

Facts and figures

Area: 78,867 square kilometres

Population: 10,504,203 (2011)

Language: Czech

Capital: Praha (Prague)

Currency: CZK (Czech koruna = 100 Hellers, €1=25,505 as at 24 May 2012)

Economic background

GDP per capita (in PPS, Index: EU27=100)	80 (2011)
Real GDP growth - % change on previous year	1.7 % (2011)
Inflation % (Annual average rate of change)	1.9% (2011)
Average monthly labour costs, in EUR	1330 (2010)
Real labour productivity per hour worked, in EUR	13.5 (2011)
Gross annual earnings, in EUR	9693 (2010) Source: SES 2006, Eurostat, 15 November 2010 on www.czso.cz
Gender pay gap (in %)	25.5% (2010)
Employment rate (age 15-64) in %	65.7% (2011)
Female employment rate (age 15-64) in %	57.2% (2011)
Unemployment rate (age 15-64) in %	6.8% (2011) Source: CSO, Labour Force Survey
Monthly minimum wage	CZK 8000 (€ 310.23) (2012) Reduced minimum wage (80%) for young workers Workers aged below 18 years 80% Workers aged 18–21 years 90%

Industrial relations characteristics, pay and working time

Trade union density in %	~ 16% (2011) Source: data from greatest trade unions: ČMKOS, ASO ČR, KUK, OS ČMS (own calculation)
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Employers' organisation density in %¹	approx. 41% (2011) Source: data from two greatest employer's associations: SP ČR and KZPS ČR
Collective bargaining coverage in %	34.0% (2011, ČMKOS only) Source: ČMKOS, Report on the progress of collective bargaining at a higher level and company level in 2011, 22.11.2011
Number of working days lost through industrial action per 1,000 employees	No data available
Collectively agreed pay increase, in % (annual average 2010–2011)	3.0%
Actual pay increase, in % (annual average 2010–2011)	2.1 %
Collectively agreed weekly working hours	38,0 hours in CLCA ² (2011) For HLCA ³ n. a. (2011)
Actual weekly working hours	36,7 hours (2011, employees, full time) Source: CZSO, Labour Force Survey

Note:

ČMKOS - Czech-Moravian Confederation of Trade Unions ([Českomoravská konfederace odborových svazů, ČMKOS](#))

CZSO - Czech Statistical Office ([Český statistický úřad, ČSÚ](#))

KUK - Association of Independent Trade Unions ([Konfederace umění a kultury, KUK](#))

OS ČMS - Trade Union Association of Bohemia, Moravia and Silesia ([Odborové sdružení Čech, Moravy a Slezska, OS ČMS](#))

ASO ČR - Association of Independent Trade Unions ([Asociace samostatných odborů, ASO ČR](#))

SP ČR - Confederation of Industry of the Czech Republic ([Svaz průmyslu a dopravy ČR, SP ČR](#))

KZPS ČR - Confederation of Employer and Entrepreneur Associations of the Czech Republic ([Konfederace zaměstnavatelských a podnikatelských svazů ČR, KZPS ČR](#))

¹ Employees employed by companies who are member of an employer organisation, as percentage of all employees in dependent employment.

² Company collective agreement (Podnikové kolektivní smlouvy)

³ High level collective agreement (Kolektivní smlouvy vyššího stupně)

Background

Economic context

The economic recession hit the Czech economy with full force in 2009, when the GDP growth rate was -4.7% – the biggest decline since the establishment of the independent Czech Republic in 1993. The reason for the negative growth rate was primarily the decline in exports, but other GDP components also contributed to the slump. The exception was expenditures in government consumption, which grew year-on-year by 2.6% in the hope of stabilising the Czech economy. There was a significant drop in industrial production and a relatively low decline in construction output. Labour productivity went down by 3%. The year-on-year downward trend in economic performance lasted for the entire year, but from mid-2009 certain stabilising aspects could be seen. The rate of decline in foreign trade and industry slowed, and later slight growth was recorded. The export sectors profited mainly from an improvement in the business climate in Germany. The introduction of the car scrappage bonus in Germany increased German demand for Czech cars.

In 2010 obvious signs of recovery prevailed. The GDP growth rate returned to positive figures (year-on-year real increase +2.7%), while growth resulted from an 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.

A rise in the rate of unemployment was recorded, caused mainly by the lack of contracts in the construction industry. The registered unemployment rate reached 9.01%. In line with the economic development, the growth in nominal wages slowed down and the inflation rate remained at a very low level (1.5%).

The 2011 dynamics of the GDP in the Czech Republic showed a downward trend. Although this development generally corresponded with developments elsewhere in Europe, the growth structure by GDP components showed that domestic economic conditions had a particularly significant impact on the downturn in the Czech economy.

The actual increase in production of industrial companies was 6.9% with an obvious slowdown in the rate during the year. Half of this growth was attributed to car manufacturing. A declining rate of new orders revived at the end of the year thanks to foreign demand. The construction industry remained in a decline for the third consecutive year, retail revenues from car sales stagnated and revenues from services have been declining since the end of 2008.

In 2011 the labour market revived only slightly. The total employment rate still did not reach the pre-crisis level. The annual increase in employment by 12,700 people (+0.3%) was the lowest increase (for the years of growth) since 1995. The economy employed 5,067,300 people, fewer than in 2007.

The employment rate in the third quarter grew by 0.4% compared with the previous quarter, which is comparable with the highest post-crisis quarter-on-quarter increase in the same period of 2010. However, a worsening has occurred in the fourth quarter, when a quarter-on-quarter drop in the number of workers was 0.3%. That drop affected almost all the sectors, except for agriculture and some services (activities related to real estates, a varied group of professional, scientific and administrative activities, but also the public administration and defence, where the employment rate has been falling since the second quarter of 2009, except for the turn of 2010 and 2011).

Legal context

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 billion, which primarily resulted in reductions in the road construction, social expenditure, wages in the public sector and reductions in state subsidies for the building saving scheme.

In November 2011 the amendment to the Labour Code (Act No. 365/2011) was adopted, with effect from 01. January 2012, and has brought these major changes:

- Lower severance pay paid by law at the termination of employment due to organisational reasons;
- Establishment of a new reason for notice;
- Higher contractual freedom for employees and employers in labour-law relations;
- Higher limit for hours worked under the contract for work – 300 hours permitted to be worked under the contract for work;
- A trade union is entitled to represent employees if at least three employees of the respective employer are among its members;
- It is possible to negotiate fixed-term employment contracts to a maximum extent of three years.

The abovementioned changes are the most substantial change in the Czech labour law since 2007. The 'old' Labour Code has been in force since January 2007. A description of proposed key changes to Labour Code up until August 2010 is in the IU [CZ1007019I](#).

A detailed explanation of the amendments to the Labour Code is given in the IU [CZ1201019I](#) and IU [CZ1102049I](#). A collective agreement can regulate the rights on wages and salaries and other employee rights in labour law relations, as well as the rights or duties of parties to that agreement. A collective agreement can be concluded by an employer or several employers, or by one or several employer organisations on one side and one or several trade unions on the other side.

In February 2012, an outline of the bill on strike and traffic interruption was submitted for comments to the The Ministry of Labour and Social Affairs, ([Ministerstvo práce a sociálních věcí, MPSV](#)) and the Ministry of Justice ([Ministerstvo spravedlnosti, MSp](#)). Its purpose is to remove more than 20 years of absence of a general legal norm that would regulate the strikes in the Czech Republic (up to now strikes are addressed only in Act No. 2/1991, on collective bargaining). A substantial number of commentators said that although the bill sets a target to regulate strikes and traffic interruptions in collective disputes between employers and employees, it is designed to regulate strikes that are aimed not against the employer but at protection of economic and social interests against e.g. government politics. Both the largest union confederations, i.e. the ČMKOS and the ASO ČR, voiced their disagreement with the legislative regulation of the right for strike and traffic interruption and have fundamental reservations about all the sections of the bill. The bill was discussed by the cabinet of the Prime Minister Petr Nečas for the first time on 30. May 2012 – Efforts are being made for the new bill to take force in the second half of 2013

Industrial relations context

According to trade unions represented in the largest Czech trade union confederation ČMKOS (a business register of all collective agreements concluded in the Czech Republic does not exist), 4,904 agreements were concluded in 2011 – after a recalculation to the comparable base it means a year-on-year increase of approx. 1.9%. The concluded company collective agreements (CLCAs)

apply to 1.35 million employees, around 34% of the 4.09 million registered employees (this number represents an approximate 1.8% increase).

According to the data from ČMKOS, 18 out of a total of 32 trade unions associated in ČMKOS concluded a HLCA in 2011 (18 HLCAs in 2010). These HLCAs covered approximately 3,406 employers (5,160 in 2010) and around 350,000 employees (531,700 in 2010).

The process of extending the binding scope of HLCAs to additional employees continued also in 2011 – 4 HLCAs were extended by additional 4,577 employers with approximately 220,000 employees.

Therefore, these higher-level collective agreements apply to 7,983 employers (10,000 in 2009) and more than 568,000 employees (816,389 in 2010), which represents about 14% of all employees (2011/2010 fall by about 6%).

Note: The above-mentioned data refer only to the largest union confederation ČMKOS.

Main actors

Trade unions

Over the past three to four years, there has been a continuous decline in trade union density in the Czech Republic. 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) of the total number of employees in the private sector were unionised.

There were no other substantial changes with the exception of the ongoing general decline of trade union membership.

The largest trade union confederation is the ČMKOS, with 407,000 members in 2011, followed by the Association of Independent Trade Unions ([Asociace samostatných odborů, ASO ČR](#)), which had 150,000 members in 2011.

Both of these trade union confederations are members of the Council of Economic and Social Agreement of the Czech Republic ([Rada hospodářské a sociální dohody ČR, RHSD ČR](#)). The third largest trade union organisation in terms of members and importance is the Association of Independent Trade Unions ([Konfederace umění a kultury, KUK](#)), which in the past was a member of the RHSD ČR. In December 2011, according to its own data, KUK united 13 trade unions with 35,482 members.

The remaining two trade union confederations are the Trade Union Association of Bohemia, Moravia and Silesia ([Odborové sdružení Čech, Moravy a Slezska, OS ČMS](#)), which had about 6,250 members, and the Christian Trade Union Coalition ([Křesťanská odborová koalice, KOK](#)), with 2,800 members. These do not match the characteristics of some of the large trade union confederations in terms of either size or importance.

Some of the largest trade unions in the Czech Republic are members of ČMKOS, such as (as of end of 2010):

- The Czech Metalworkers' Federation KOVO ([Odborový svaz KOVO, OS KOVO](#)), which according to trade union data had almost 140,000 members;
- The Czech-Moravian Trade Union of Workers in Education ([Českomoravský odborový svaz pracovníků školství, ČMOS PŠ](#)) with 37,000 members;
- The Trade Union of the Health Service and Social Care in the Czech Republic ([Odborový svaz zdravotnictví a sociální péče ČR, OSZSP ČR](#)) – with 35,300 members;
- OS ECHO ([Odborový svaz ECHO, OS ECHO](#)) with around 26,500 members;

- The Trade Union on State Bodies and Organisations ([Odborový svaz státních orgánů a organizací](#)) with approximately 26,500 members;
- The Trade Union of Workers in Mines, Geology and the Oil Industry ([Odborový svaz pracovníků hornictví, geologie a naftového průmyslu, OS PHGN](#)) – 24,800 members;
- The Trade Union of Workers in Postal, Telecommunication and Newspaper Services ([Odborový svaz zaměstnanců poštovních, telekomunikačních a novinových služeb, OSZPTNS](#)) with 21,400 members;
- The Trade Union of Building Workers of the Czech Republic ([Odborový svaz STAVBA ČR, OS Stavba ČR](#)); with 19,000 members;
- The Trade Union of Workers in the Woodworking Industry, Forestry and Water Management ([Odborový svaz pracovníků dřevozpracujících odvětví, lesního a vodního hospodářství v ČR, OS DLV](#)) with 18,600 members;
- Trade Union of Transport ([Odborový svaz dopravy, OSD](#)) with around 14,600 members;
- and others.

Comparable well-sized and influential trade union federations can also be found among the collective members of ASO ČR, such as its founding member, the Agriculture and Nutrition Workers Trade Union – ASO ČR ([Odborový svaz pracovníků zemědělství a výživy – Asociace svobodných odborů ČR, OSPZV-ASO ČR](#)) and the Trade Union Association of Railway Workers ([Odborové sdružení železničářů, OSŽ](#)).

The declining trade union density forces leading union federations to realise labour-saving proceedings. Reorganisations of trade union organisations and the reduction of their professional staff and expenditures were substantially more frequent than mergers.

Employers' organisations

With regard to employer organisation density, the situation was relatively stable and no new employer organisations or mergers have occurred. The original structure and number of organisations is constant in comparison with the situation in 2009 (there are ca. 50 active employers' organisations).

The most significant employer organisations in the Czech Republic are the Confederation of Industry of the Czech Republic ([Svaz průmyslu a dopravy ČR, SP ČR](#)) and the Confederation of Employer and Entrepreneur Associations of the Czech Republic ([Konfederace zaměstnavatelských a podnikatelských svazů ČR, KZPS ČR](#)). Smaller private entrepreneurs are organised in the Association of Entrepreneurs of the Czech Republic ([Sdružení podnikatelů a živnostníků ČR, SPŽ ČR](#)).

In December 2011, the membership of the SP ČR included 30 collective members and approx. 120 member companies. As for individual players, members of the SP ČR included approx. 1,650 entities with 980,000 employees.

KZPS ČR represents circa 23,000 member subjects with circa 678,000 employees (2011).

According to information of ČMKOS vast majority of member organizations evaluate the relations between the social partners and collective bargaining in as consolidated, standard and fair.

SP ČR was part of KZPS until 1995. It encompasses individual and collective members, associated on the basis of sectoral, branch and regional affiliation. In addition to large companies, the confederation also represents small and medium-sized enterprises (SMEs). The interests of

the latter are represented by the Union of Medium-sized Businesses (Unie středního stavu ČR), which is a collective member. Among other members are the:

- Association of Industrial Enterprises of Moravia and Silesia (Společenství průmyslových podniků Moravy a Slezska, [SPPMS](#));
- Czech-Moravian Electrotechnical Association (Českomoravská elektrotechnická asociace, [ELA](#));
- Association of Automotive Industries (Sdružení automobilového průmyslu, [Sdružení AP](#));
- Transport Union (Svaz dopravy ČR, [SD ČR](#));
- Association of the Chemical Industry of the Czech Republic (Svaz chemického průmyslu ČR, [SCHP ČR](#));
- Czech Association of Energy Sector Employers (Český svaz zaměstnavatelů v energetice, [ČSZE](#)).

At present, KZPS consists of the following members:

- Association of the Textiles, Clothing and Leather Industry (Asociace textilního-oděvního-kožedělného průmyslu, [ATOK](#));
- Association of Building Entrepreneurs of the Czech Republic (Svaz podnikatelů ve stavebnictví v ČR, [SPS](#));
- Cooperative Association of the Czech Republic (Družstevní asociace ČR, [DAČR](#));
- SPŽ ČR;
- Union of Employers' Associations of the Czech Republic (Unie zaměstnavatelských svazů ČR, [UZS](#));
- Employers' Association of Mining and Oil Industries (Zaměstnavatelský svaz důlního a naftového průmyslu, [ZSDNP](#));
- Agricultural Association of the Czech Republic (Zemědělský svaz ČR, [ZSČR](#)).

Both employer confederations are represented in RHSD bodies.

Industrial relations characteristics

Collective bargaining

Czech law distinguishes between company-level collective agreements (CLCA), concluded between the relevant trade union body and an employer, and higher-level collective agreements (HLCA), 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. There were no substantial changes in 2011 comparison with the previous year.

Levels of collective bargaining

	National level (Intersectoral)	Sectoral level	Company level
Principle or dominant level	-----	-----	yes
Important but not dominant level	-----	yes	-----

	National level (Intersectoral)	Sectoral level	Company level
Existing level	-----	-----	-----

Coverage rates

CLCAs: 34.0% (2011), a 2.8% fall compared to the previous year

HLCAs: around 14% (2011), a 6% fall compared to the previous year

Note: The above-mentioned data refers only to the largest union confederation ČMKOS.

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.

Extensions of the binding nature of HLCAs to another employer are possible under the conditions set by law. The Ministry of Labour and Social Affairs of the Czech Republic 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.

The process of extending the binding scope of HLCAs to additional employees continued also in 2011 – four HLCAs were extended to an additional 4,577 employers with approximately 220,000 employees.

Note: The above-mentioned data refers only to the largest union confederation ČMKOS.

There are no voluntary mechanisms of extension. The current legislation of the Czech Republic does not allow an opt-out from the existing collective agreement in force.

ČMKOS coordinates collective bargaining with its members by way of annual targets in the area of wages and verification of their fulfilment. This coordination process takes place in connection with the targets announced by the ETUC.

Overall, collective bargaining is relatively stable in the Czech Republic, and centralisation and decentralisation tendencies are not apparent.

Other issues in collective agreements

Collective agreements, especially at company level, address a wide range of issues related to labour law, such as the reduction of working hours without reducing wages and leave entitlement.

The agreements also cover employment conditions, for example **fixed-term work**, **part-time work** and **temporary agency work**. Furthermore, the agreements consider social policy, such as employee recreation and transport, as well as continuous **vocational training** (CVT), **health and safety**, and other matters. Collective agreements usually also set principles for the cooperation of contractual partners. The content structure of collective agreements has remained unchanged for years and is seldom subject to change. Topics such as **stress at work**, **harassment in the workplace** are very rarely reflected in collective agreements. On the other hand, arrangements relating to **work–life balance** tend to be relatively frequent.

The issue of CVT is traditionally a standard part of collective agreements, especially at company level; however, mainly general, universal regulations prevail. The topic of **lifelong learning** rarely, if ever, appeared in collective agreements. This year, general conditions for employees' professional development have been agreed in 34% of CLCAs (Source: Information System on Working Conditions (Informační systém o pracovních podmínkách, [ISPP](#))

Topics as [gender equality](#) were only very rarely reflected in collective agreements.

In 2011, general conditions on equal treatment and a ban on discrimination were agreed in two out of 18 HLCAs and in 30% of CLCAs. There is a gradual rise in the number of CLCAs that contain provisions concerning gender equality and ending discrimination.

Industrial disputes

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.

There is a legal quorum to call a strike. At least two thirds of the participating employees to whom the collective agreement may apply have to vote for a strike, provided that at least half of all employees of the employer to whom the collective agreement relates to took part in the voting.

According to act Nr. 2/1991 on collective bargaining, as subsequently amended, a trade union organisation is obliged to report the number of employees who participate in the strike, and list of working places which will not operate during a strike to the employer.

Rather than strikes which are relatively very rare in the Czech Republic, unions tend to declare a strike alert. Strike alerts are announced during collective bargaining:

According to ČMKOS there was no strike alert under the terms of HLCAs announced in 2011; under the terms of CLCAs only two strike alerts, namely by trade unions OS ECHO and OS Doprava.

No collective disputes resolved via an arbiter have been noted.

The number of disputes resolved via a strike at the conclusion of an HLCA is 0, at the conclusion of a CLCA also 0.

No strike took place in connection with collective bargaining and concluding collective agreements, according to the data published by the ČMKOS in 2011, even at concluding HLCAs or negotiating CLCAs.

Industrial actions and strikes in 2011 and 2012

The threat of a strike by workers at the car manufacturer Škoda Auto in the Czech Republic was lifted when the company and unions agreed on a 4% wage increase on 31 March 2011. The Škoda Auto trade union organisation ([OS KOVO](#)) and [independent unions](#) at Škoda asked for a 7% rise, with the company originally offering 0.5%. They were also given a one-off performance bonus, plus some other bonuses. See also: [CZ1103029I](#)

On 21 May 2011 a demonstration against government reforms of the pensions and social system, health care and tax increases took place on the Prague Wenceslaus Square, supported by the ČMKOS and the Czech National Disability Council (Národní rada zdravotně postižených ČR, [NRZP ČR](#)). Around 40,000 people attended the demonstration.

Outside the domain of collective bargaining there was a strike of transportation employees held on 16 June 2011, to protest against government economic reforms and against the reform of pension system, healthcare and cancellation of employee benefits. The strike affected both passenger and freight railway transport, the operation of the Prague underground stopped entirely and the municipal transport was substantially reduced in several Czech cities, including Prague.

In June 2011, there was a growing strike activity by trade unions in the Czech Republic. It started on 1 June with a strike of public transport employees in Ostrava, asking for a higher wage increase than the one offered by their employer. The action was limited to the Ostrava area, lasted six days and ended in a compromise.

Another strike organised by the Coalition of Transport Trade Unions ([Koalice dopravních odborových svazů](#), KDOS) stopped railway transport for the entire day. About 120 freight trains

and 7,000 passenger trains were cancelled throughout the country, where normally around half a million passengers travel by train each day ([CZ1106019I](#)).

On 21 April 2012, a big demonstration against the governmental policy was held in Prague with between 80,000 and 120,000 participants. It was the culmination of the campaign ‘Stop the Government’ which had been organized by trade unions in cooperation with civic initiatives. The demonstration was called by trade unions headed by the biggest Czech trade union organisations ČMKOS and the ASO ČR and supported by other civic initiatives, such as Initiatives for Critique of Reform Measures and Supporting Alternatives ([Iniciativa pro kritiku reformem a na podporu alternativ, ProAlt](#)), the Czech National Disability Council, ([Národní rada se zdravotním postižením ČR, NRZP ČR](#)) and the Senior Council, ([Rada seniorů ČR, RS ČR](#)).

The trade union described the protest event as the biggest industrial action in the Czech Republic since 1989 ([CZ1205019I](#)).

Conflict resolution

In terms of conflict resolution, the rules in this area are set by law. Negotiations through a mediator start when an application has been accepted by the intermediary, or a decision of the Ministry of Labour and Social Affairs has been delivered to the mediator. The parties and the mediator shall provide each other the assistance required. The statutory period within which the dispute must be resolved successfully is twenty days after the initiation of negotiations through a mediator.

According to the ČMKOS, five collective disputes were handled via a mediator in 2011, of which one was during the conclusion of the HLCA (OS KOVO), four times at the conclusion of CLCAs: OS ECHO, OS UNIOS, OS peněžnictví (monetary sector), OS vysokoškolský (university sector).

In 2010, four collective disputes were handled via a mediator, of which one was during the conclusion of a HLCA (OS obchod) and three times at the conclusion of CLCAs: OS hornictví (mining), OS KOVO (machinery), OS obchod (commerce).

In 2009, three collective disputes were mediated, of which one was during the conclusion of a HLCA (OS stavba) and twice at the conclusion of CLCAs: OS KOVO (machinery) and OS zdravotnictví (health sector).

In proceedings **through an arbitrator** the contractual parties and the arbitrator have an obligation to provide each other the required information and the arbitrator, in determining the specific content of the collective agreement, shall decide the dispute within the proposals of the parties. According to the trade unions within ČMKOS, the arbitrator was not used in 2011, nor in 2010 and 2009.

Tripartite concertation

In the Czech Republic, the RHSD acts as the tripartite forum at national level; it is the country’s main social dialogue institution. It was created at federal and national level in 1990 at the initiative of the federal government, which anticipated that such a forum would help to preserve social peace during the economic transformation. The task of the RHSD is strictly a consultative function.

The areas on which the RHSD comments are defined by law: 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 policies. From a European perspective, the Czech Republic is one of the countries in which tripartite concertation covers a wide array of activities.

The most frequent topics discussed by the national tripartite organisation in 2011 and in the Spring of 2012 were government austerity measures, their efficiency and impacts on the population, especially on employees and low-income groups (senior citizens). On this occasion tripartite meetings were interrupted by trade unions that temporarily left the national tripartite organisation in March 2012.

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 provided by 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 in the RHSD ČR.

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.

Regulation of the role and prerogatives of trade unions is codified by Labour Code and following the law regulation is also possible by collective agreements. Regulation of works council and the safety at work and health protection stewards is codified by Labour Code.

Main channels of employee representation

	Works council type (WC)	Trade union (TU)	[Other body] Please specify, if needed
1 Most important body	----	yes	----
2 Alternative body	yes	-----	-----

Please provide the name of the bodies in both original language and English:

Most two important bodies are:

- ČMKOS - Českomoravská konfederace odborových svazů (Czech-Moravian Confederation of Trade Unions)
- ASO ČR - Asociace samostatných odborů (The Association of Independent Trade Unions)

Employee's rights

State Labour Inspection Office (Státní úřad inspekce práce, SÚIP), labour offices (Úřad práce České republiky, [ÚP ČR](#)) and locally competent courts are the main institutions to ensure the enforcement of employee rights.

On 1 July 2005, the new Act No. 251/2005 Coll. on Labour Inspection came into effect. It represents the most extensive amendment in the state supervision of labour and employment law in over 10 years. This act is still in force. As part of the changes, the [Czech Occupational Safety Office \(Český úřad bezpečnosti práce, ČÚBP\)](#), and the local offices of inspection of safety of work were abolished. Instead, the State Labour Inspection Office is directed by the MPSV. The most important amendments in comparison to the former inspectorates of safety of work is that the new labour inspectorates not only monitor compliance with legislation on safety of work and health protection at work, but also in relation to almost all labour and employment legislation, including working time, leave, pay, equal treatment, compensation and other matters. The legislation in force since January 2012 includes a significant increase in sanctions. A fine of as much as CZK 10 million (€408,000) can be imposed on employers who permit illegal work with the minimum fine being CZK 250,000 (€10,200). This can occur if an employer fails to conclude an employment contract, a work contract or a contract for work in writing. A person who works illegally can be fined up to CZK 100,000 (€4,080) for the offence.

There are no special labour courts in the Czech Republic, as the legislation after 1990 kept labour disputes within the authority of general courts. However, many claim that courts often work slowly. Furthermore, they can be expensive for the employee, who must pay court fees and usually also has to hire an attorney since the evidence procedures are difficult.

Pay and working time developments

Minimum wage

The national minimum wage CZK 8000 was set on 1 January 2007 by Government Resolution No. 567/2006. No changes were registered since then. A higher standard of the minimum wage can also be set by CLCAs (in 2011 by 9.5% of CLCAs, within the ČMKOS), but NOT by HLCAs.

The minimum wage is:

- CZK 48.10 (€1.9) per hour for 40 hours a week;
- CZK 8,000 (€310) a month for 40 hours a week.

The average monthly value of the minimum wage in 2011 agreed to in company-level collective agreements reached by the ČMKOS was CZK 9,821 (€ 393), more than 22.7% higher than the government-set minimum wage.

The minimum wage is differentiated for different groups of workers according to age and social condition. More specifically, workers under 18 receive 80% of the basic minimum wage, while those aged 18–21 years receive 90%.

Meanwhile, the minimum wage for an employee who receives a partial disability pension is equal to 75% of the basic minimum wage, and for an employee who receives a full disability pension or for a juvenile employee who is wholly disabled and does not receive a full disability pension, the minimum wage is set at 50% of the basic minimum wage.

Pay developments

In 2011, the average monthly nominal wage grew year-on-year by 2.2% to CZK 24,319 (€992). In 2010, the average monthly nominal wage was CZK 23,951, equivalent to €977 (year-on-year increase 2.0%), in 2009 CZK 23,488 (€959 – year-on-year increase 4.0%).

Although the increase for 2011 was more than in 2010 (+2.0%), it is the second most modest wage growth in the recent eleven years. This low increase along with the growing consumer inflation meant that the real wage had increased only by 0.3%, the lowest growth rate since 2000. In the fourth quarter it even declined on a year-on-year basis (-0.2%).

After a slow growth in the average real wage in the Czech Republic, the first decline occurred in the fourth quarter of 2011. In total, the average real wage decreased by 0.4% on the year-on-year basis.

A wage growth was negotiated only in three HLCAs out of 18 HLCAs concluded within ČMKOS for 2011 (2010: two HLCAs only). The year-on-year growth of the average nominal wage ranges from 1.7% to 2.7%.

A higher level of wages was successfully bargained for only in four HLCAs, i.e. in 23% of the total of the concluded agreements (in 2010 it was in 17.6%).

Some of the concluded HLCAs include a provision that a wage growth can be agreed between trade unions and employers taking into account the achieved productivity of work and economic limits of the respective employer (not quantified).

A wage development has been agreed on in approximately 56% of the CLCAs. Agreement on an increase in the average nominal wage and such commitments are contained in 21.7% of CLCAs in 2011 (in 2010 only 15.7% of CLCAs) and an increase in the wages in 18.4% of CLCAs. According to Eurostat, in 2010 the gender pay gap in an unadjusted form was 25.5% in the Czech Republic (last available information). This gap is slightly smaller in comparison with the situation two years ago.

Source: Czech Statistical Office, CSO; Czech-Moravian Confederation of Trade Unions, ČMKOS

Working time

The standard working time according to the Labour Code is 40 hours per week.

According to the ČMKOS, in 2011 41.1% of HLCAs (47.1% in 2010 and 47.1% in 2009) contain provisions for shortening working time without a reduction in wages to 37.5 hours per week. In 58.8% of HLCAs (52.9% in 2010 and 58.8% in 2009) a possibility is negotiated to extend holiday entitlement to 5 weeks (4 week according the Labour Code). Working hours (at least in one of the working regimes) was negotiated in 95% CLCAs (94.8% in 2010 and 94.7% in 2009). The average working week in CLCAs was 38 hours long (38.8 hours in 2010 and 38.0 hours in 2009).

Actual working time

1. According to Eurostat 40.3 hours in 2011 and 40.4 hours in 2010 (harmonised figures)

Source: Average number of actual weekly hours of work in main job, by sex, professional status, full-time/part-time and economic activity (from 2008, NACE rev.2), Code: lfsa_ewhan2

2. According to the CSO (Czech Statistical Office), Labour Force Survey, in 2011 the actual working time was 36.7 hours (employees, full time, annual average) and 37.2 hours in 2010.

Bibliography and links

Employers

- [SPCR - Confederation of Industry of the Czech Republic](#)
- [KSPS - Confederation of Employer and Entrepreneur Associations of the Czech Republic](#)

Trade Unions

- [ČMKOS - Czech-Moravian Confederation of Trade Unions](#)
- [ASO ČR - Association of Independent Unions \(Asociace samostatných odborů\)](#)
- [KOVO - Czech Metalworkers' Federation](#)
- [Czech Energy Workers' Trade Union \(COSE\)](#)
- [OSZ - health workers' union](#)
- [PHCR - hotel and catering workers' union](#)
- [UNIOS - ČMKOS affiliate](#)
- [VOS - teachers' union](#)

Government

- [CZSO - Czech Statistical Office](#)
- [MoLSa - Ministry of Labour and Social Affairs](#)

Report on the progress of collective bargaining at a higher level and company level in 2011
(Zpráva o průběhu kolektivního vyjednávání na vyšším stupni a na podnikové úrovni v roce 2011
from 21.11.2011, ČMKOS, internal informative materials)

Information System on Working Conditions (Informační systém o pracovních podmínkách, [ISPP](#))

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