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BARGAINING FOR SOCIAL RIGHTS AT THE PUBLIC SECTOR (BARSOP)

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- **Objectives of the research:** The main objective of the research was to study the evolution and impact of industrial relations and social dialogue on the quality of employment and subsequently on the quality of services provided in the public sector in Czechia since 2000, but special emphasis was given to the changes and developments in the post-crisis period.
- **Scientific approach and methodology:**
We applied multidisciplinary and multi-level governance perspective using available data and documents and semi-structured interviews to support our evidence. The analysis focused on three subsectors of the public sector, namely healthcare (with focus on hospitals), primary education and municipalities (with focus on pre-primary education). This approach allowed us to map sectoral differences within public sector in the social dialogue outcomes.
- **New knowledge and added value:** High level of public sector decentralization contributed to the social dialogue fragmentation and its absence at the sector level in any of the public sector domains. Wage centralization stimulates dialogue among social partners at the national level, wage increases are, however, unilateral governmental decision. Limited impact of the crisis on wages and working conditions in education and healthcare sector is attributed to already unsatisfactory wage levels and to a mobilization and protest activities of the trade unions.
- **Policy relevance:** Crisis strengthened the position of trade unions and exercised their mobilization potential. Despite success in avoiding wage cuts, no structural changes towards establishing collective bargaining at the sector level were introduced. Given the fact that social dialogue is held only on voluntary basis without legally binding outcomes, social partners need to rely on their organizational powers or form political alliances. At the same time, they are not distinguishable from other lobbying and interest groups operating in the sectors of our interest.

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OBJECTIVES OF THE RESEARCH

In line with the aims and the work program of the BARSOP project, in the report on Czechia we answer two main research questions:

- What is the evolution of industrial relations in the public sector?
- What is the role of industrial relations in shaping the public sector?

The second research question is further guided by the three sub-questions:

- What shape has public sector reform taken in the country in general and in the three sectors in particular?
- To what extent and in what way have industrial relations actors (trade unions and employers and their organisations) influenced these reform processes, as well as their implementation, through collective bargaining, social dialogue, industrial action, lobbying, influencing public opinion, etc.?
- What effect have reform policies had on the number and quality of jobs in the public sector?

SCIENTIFIC APPROACH AND METHODOLOGY

The report uses a qualitative and comparative approach to study the impact of the social dialogue on working conditions and outcomes in terms of quality of service provided in the public sector in Czechia. For the analysis we used:

- document analysis to better understand the position of social partners towards various changes in the subsectors within the last 15 years (crisis measures, privatization

and outsourcing challenges);

- data analysis to capture economic, social and labour market developments, including data on the quality of employment (such as wage levels and working conditions), the number and character of industrial actions, the availability and quality of public services;
- semi-structured interviews with social partners' representatives and policy makers at national, sector and local levels.

Since the authors' earlier research extensively focused on industrial relations in public services, besides unique interviews conducted within the current project report also draws on the interview transcripts, analyses and findings of authors' earlier projects.

NEW KNOWLEDGE AND ADDED VALUE

Decentralization at the local level led to large share of duties allocated to the municipalities regardless of their size and capabilities. Each particular subject (school, hospital or municipality) is almost independent in the decision making and service provision but remains highly dependent on the centralized wage setting and financial transfers. During the crisis, there was not much space for further decentralization and government mostly embarked on the budget cuts on wages (central government, healthcare) or investment costs (education).

High level of decentralization contributed to the social dialogue fragmentation and its absence at the sector level in all public sector domains. Centralized

wage setting, on the other hand, further contributed to the absence of the collective bargaining in the public sector at the sector level. Trade unions thus need to rely on the high unionization rates that empowers them to be a partner in wage setting decision, although still set unilaterally by the government. The two strategies are applied by the social partners to achieve better working conditions: the first is participation in the social dialogue at the national tripartite body and the second is industrial action or various forms of protest activities. Quality of the social dialogue highly depends on the attitude of the government.

Impact of the crisis on the public sector employment remained limited. Relatively low government's debt and the absence of significant problems in economy did not expose Czechia to the international pressures. Czech government thus embarked on the simple budget cuts that were implemented only at the central government level. Limited impact in education and healthcare is attributed to mobilization and protest activities of the trade unions. In both sectors, low wages were used as the main argument to prevent budget cuts.

Industrial relations in the public sector after the crisis

In the crisis period, it seemed that social partners "left the table" as social dialogue with the government at tripartite body has failed, however, economic recovery in recent years brought different development in Czechia. The last government period 2013 – 2017 that coincides with the economic recovery, saw re-establishment of the social dialogue at the central government level. The revival of the social partnership at the sector level, however, still depends on the willingness of the government to participate in it. The main problem in

this setting is the absence of the institutional form of the sector level collective bargaining for the public sector.

ARGUMENTS WITH POLICY RELEVANCE

Role of industrial relations in shaping the public sector

Centralized wage setting mechanism for the majority of the public sector employees remained dominant tool of wage increases. State kept its dominant position in determining working conditions in the public sector. Absence of the higher-level collective bargaining in the public sector domains forces social partners to address their claims to the central government directly. Mobilization in forms of strikes, petitions or demonstrations proves to be efficient tool in cases when the social dialogue fails. This hollows the space for the collective bargaining even at the establishment level and leaves social partners in reactive position. Absence of the collective bargaining also denies to social partners exclusive access to the government and as a consequence leaves them in the position of the lobbying groups together with various NGOs and interest groups. This was especially the case of the recent reforms in education.

Quality of service provided in the public sector

There is a long-term discussion on the role of the state in ensuring the quality of services. Through various waves of decentralization since the 1990s, the state gave up control over the quality provided, despite it still controls financial flows and level of wages. In recent years, education experiences some effort to undergo the quality control by the ministry in form of unified examination. In healthcare, there is an ongoing

discussion on efficiency control of hospitals, with no clear result yet. Interestingly, in international comparisons of the quality of services, both Czech schools and Czech hospitals do not perform so poorly, which further postpones the discussion about changes. Social partners do not thematise sufficiently the quality of service as the main reason for decent working conditions. This is missing mostly in the pre-primary education. Moreover, users' attitudes to the quality of service are not vocal enough. In the case of pre-primary education, the quality of service is almost neglected as insufficient capacities for what? dominate the discussion. In primary education parents do not complain about education outcomes and in healthcare patients have only limited means to influence the quality of service.

To conclude, crisis strengthened the position of trade unions and exercised their mobilization potential. Despite success in avoiding wage cuts, no structural changes towards establishing collective bargaining at the sector level were introduced.

Problem of systematically underfinanced public sector will most probably dominate the future discussion of social partners. Given the decreasing membership base of trade unions and the unwillingness of employers and government to participate in the sector level collective bargaining, major improvements will be attained mostly through political alliances or industrial actions.