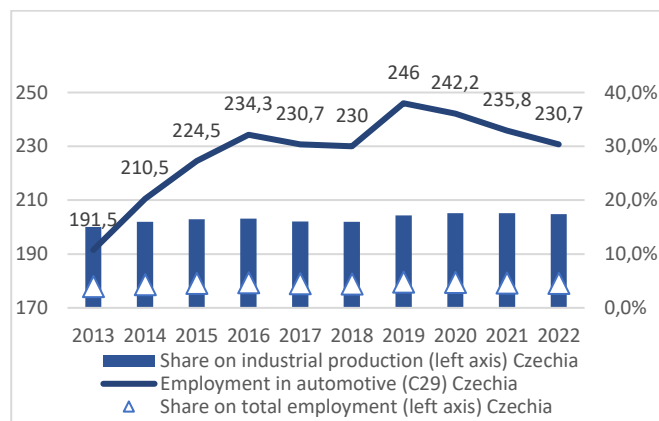


BARMETAL: Digitalization, Automatization and Decarbonization: Opportunity for strengthening collective bargaining in the metal sector (101052331) Country Factsheet - CZECHIA

/Elevators pitch/

The automotive industry is the largest industrial production sector contributing 9% to GDP, constituting 26% of industrial production, and accounting for 24% of exports in Czechia. Its share on industrial employment is 17.4%, which means 230 ths. employed persons, while in 2019 it was 16 ths. more. Despite the decline, the industry is in need of workers, both high and low-qualified.

Collective bargaining in the automotive industry is highly decentralized, with company-level dominance. The overall estimated coverage is 34% and trade union density is 20%. Sector-level bargaining is not present.



Key challenges in the metal sector

- By 2030 15 ths. of new highly skilled workplaces will be created and 22 ths. middle skilled and 8ths. low skilled will disappear.
- These is low participation of adults in education and retraining, but motivation and incentive programs are lacking.
- No comprehensive system of identification of workplace needs and the transfer to education programmes is developed.
- The competitiveness of the restructuring industry and the effectiveness of national industrial policy is questioned.

Role of social partners in addressing D-A-D

- Sector-level collective bargaining is not considered a new arena to address the challenges by employers, while trade unions remain determined to establish it.
- Sector-level stakeholders address the challenges via tripartite consultations, ad hoc cooperation, and communication with ministries.
- Employers address the challenges via lobbying the government and EU institutions; trade unions have less capacity to comply with this strategy.

D-A-D in workplace

- With new production programs more advanced digital tools and robots are introduced; in some cases, workers undergo requalification, in some only short training is provided, and some workers are affected by layoffs.
- Blue collar workers have limited access to education unless decided by the employer.
- There is a lack of information about future changes and investment plans.

Bargaining efforts in companies

- Wage bargaining is becoming more difficult because of the investments in transformation.
- Only 2% of collective agreements specify employees' rights on training and education (paid, provided in working time, etc).
- Redundancies are regulated more often (e.g. severance payments, or job-seeking services paid by the employer).
- DAD challenges are mostly addressed via social dialogue on day-to-day basis, but less often in collective bargaining.

Key recommendations/Main message/Additional findings

Decentralized collective bargaining allows mostly for ad hoc solutions and immediate responses at the company level, but the response to current challenges needs to be more coordinated, given the size of the sector and similar processes which many firms and companies need to implement. Coordination bodies should be supported financially and institutionally by the government institutions. It can have different forms, such as sectoral councils, sectoral tripartite committees, or regional coordination institutions.