

# BARSERVICE



## Towards smart bargaining in the social care sector in Czechia

Author:

Simona Brunnerová

Central European Labour Studies Institute

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## Table of contents

Executive summary.....	1
I. Sector identification and trends.....	2
II. Current state of collective bargaining.....	8
III. Challenges to collective bargaining .....	11
IV. Towards Smart Bargaining .....	13
V. European Perspectives.....	16
VI. Conclusions .....	18
References.....	18
Annex .....	22

## List of Tables

Table 1. Employment in NACE 87 and NACE 97 in Czechia* .....	2
Table 2. Overview of responsible ministries, sources of financing and primary types of providers.....	3

## List of Figures

Figure 1. Comparison of average wages and salaries of social workers in social services	5
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## Executive summary

This study analyses the social care sector in Czechia, highlighting employment trends, workforce challenges, and collective bargaining dynamics. The report employs a qualitative approach, utilizing primary data gathered through structured interviews alongside the collection and analysis of secondary data. These interviews were carried out with leaders of organizations actively involved in social dialogue within the sector under study. The report also utilizes data gathered by CELSI in previous research within the PERHOUSE and PHS-QUALITY projects.

The social care sector is a major employer, especially for women, with residential care services (NACE 87) more developed than household services (NACE 97), which are dominated by informal employment. Demographic changes, such as an aging population and rising dementia cases, have increased the demand for care services, while informal caregiving continues to cover two-thirds of care needs. Publicly funded services are underfinanced, limiting their reach and quality.

Wages in the care sector are below the national average, worsened by inflation and unequal funding between public and private providers. The sector faces a workforce shortage of at least 4,000 workers, with migrant labor partly addressing this gap but often encountering legal and administrative challenges. High workloads and low pay contribute to dissatisfaction, with one in three employees unhappy with their salaries.

Collective bargaining occurs mainly at the company level, as sector-wide agreements are hindered by funding disparities. Some company-level agreements have achieved wage increases and better working conditions, but union representation remains weak, especially in private and non-profit sectors. Declining union membership and inadequate state support further limit their bargaining power. Digitalization, AI, and legislative changes are expected to reshape the sector, while the European Directive on Adequate Minimum Wages introduces predictable wage adjustments but raises concerns with the removal of guaranteed wage levels. Smart bargaining offers a strategic approach to negotiations, focusing on fair wages, work-life balance, and sustainable improvements for workers and employers. Expanding union membership, promoting sector-wide agreements, and fostering social dialogue are essential steps toward improving conditions in the sector.

The social care sector faces significant challenges that demand a collaborative, multi-stakeholder approach. Smart bargaining can drive long-term improvements

in workforce conditions, service quality, and overall sustainability.

## I. Sector identification and trends

The social care sector is a major employer in Czechia, playing a crucial role in overall employment, particularly for women. Employment levels are notably high in residential care services, while significantly lower in household services—a disparity that may be partly attributed to the widespread prevalence of informal employment in household services (Table 1).<sup>1</sup>

*Table 1. Employment in NACE 87 and NACE 97 in Czechia\**

NACE code	2018	2019	2020	2021	2022	2023
87 (residential care activities)	65.9	72.9	77.1	82.4	82.0	79.9
97 (activities of households as employers of domestic personnel)	1.0 (low reliability)	2.1 (low reliability)	1.2 (low reliability)	0.6 (low reliability)	1.2 (low reliability)	Not available

Source: Eurostat [Ifsa\_egan22d]

\*in thousands

The household services sector (NACE 97) in the Czech Republic encompasses a wide range of activities, including home social and healthcare services, childcare, cleaning, gardening, and home maintenance. The sector can be classified by three dimensions: type (care versus non-care), funding source (public versus private), and employment formality (formal, semi-formal, or informal). The care subsector supports seniors and individuals with disabilities and is part of the broader long-term care system. Clients can choose between home-based and institutional care based on availability, cost, and preference. However, the system faces challenges, including fragmented coordination between healthcare and social services and insufficient resources. Informal caregiving, often provided by family members, remains significant, covering two-thirds of care needs. Publicly funded services target vulnerable populations and are regulated by government institutions, while private sector services rely on formal, semi-formal, or informal labour. Despite growth in home care providers, the sector remains underfunded. Job quality varies across the sector. Public sector workers benefit from slightly better wages and structured guidelines, but face overtime demands and slow salary growth. In the private sector, hourly wages average CZK 250–350 but are often lower for migrant workers, who face additional legal and administrative barriers. Informal

<sup>1</sup> EASPD (2020).

employment is prevalent due to complex regulations, unrecognized household services as a distinct profession, and households' preference for cost-effective arrangements. This lack of regulation leaves workers vulnerable and reduces overall job quality.<sup>2</sup>

The following table outlines the primary types of providers, sources of financing, and the ministries responsible for both residential care activities and activities of households as employers of domestic personnel (Table 2).

*Table 2. Overview of responsible ministries, sources of financing and primary types of providers*

	<b>Residential nursing care (NACE 87)</b>	<b>Activities of households as employers of domestic personnel (NACE 97)</b>
<b>Ministry responsible for the policies and regulations in the sector</b>	Ministry of Labour and Social Affairs ( <i>Ministerstvo práce a sociálních věcí, MPSV</i> )	The sector does not fall under a single ministry's direct oversight, as it primarily involves private employment arrangements. However, certain aspects related to labour law and employment conditions are under the purview of the Ministry of Labour and Social Affairs ( <i>Ministerstvo práce a sociálních věcí, MPSV</i> )
<b>Type of institution</b>	<ul style="list-style-type: none"> <li>- Residential facilities for the elderly</li> <li>- Residential facilities for individuals with physical, mental, or developmental disabilities</li> <li>- Hospices</li> </ul>	
<b>Providers</b>	Public (regional and municipal organizations) and private (NGOs and for-profit organizations)	Public (providers of home healthcare services registered under the Agencies of Home Healthcare Services or providers of social care registered under the same name) Private subjects or individuals

<sup>2</sup> Hanulová (2024).

<b>Financing</b>	Public funding from government budgets at the national and municipal levels with contributions from the Ministry of Labour and Social Affairs (state subsidies) and private donations	Public funding (72 per cent from cash-in-care benefits of clients and state subsidies to social services providers, and 28 per cent from healthcare insurance payments) or private direct payments from user's own resources (private PHS sector, e.g. cleaning, childcare, elderly care)
<b>Collective bargaining dominant level (occurrence)</b>	Company level	Minimal or nonexistent at the sector level

Source: own compilation, Martišková (2020)

The care workforce is predominantly made up of women, who often earn lower wages than workers in other sectors. In fact, wages in the care sector typically fall below the national average, highlighting the persistent undervaluation of care work despite its critical importance to society. This wage gap in the care sector is a trend across Europe, as in 2018, social services workers in EU Member States earned, on average, 21% less per hour than the national average wage.<sup>3</sup>

The social services sector has long struggled with inadequate financial remuneration, a situation that has been worsening in light of the rising inflation. This is further exacerbated by a poorly designed funding system within the sector.

In the Czech Republic, the funding models for state-run and non-state social services differ significantly. Employees in public contributory organisations receive salaries, while those working in non-governmental organisations are paid wages. Legislation requires the founders of contributory organisations to automatically cover additional salary costs for their employees, a provision that does not apply to non-governmental organisations. This differing approach contributes to disparities in financial compensation.<sup>4</sup>

The non-state sector has long been calling on the state to address wage disparities between social service workers employed in the non-profit sector and their counterparts working for regional or municipal contributory organisations. Despite performing the same roles and possessing equivalent qualifications, significant differences in salaries and wages exist between these two groups, which non-profit organisations deem discriminatory.<sup>5</sup>

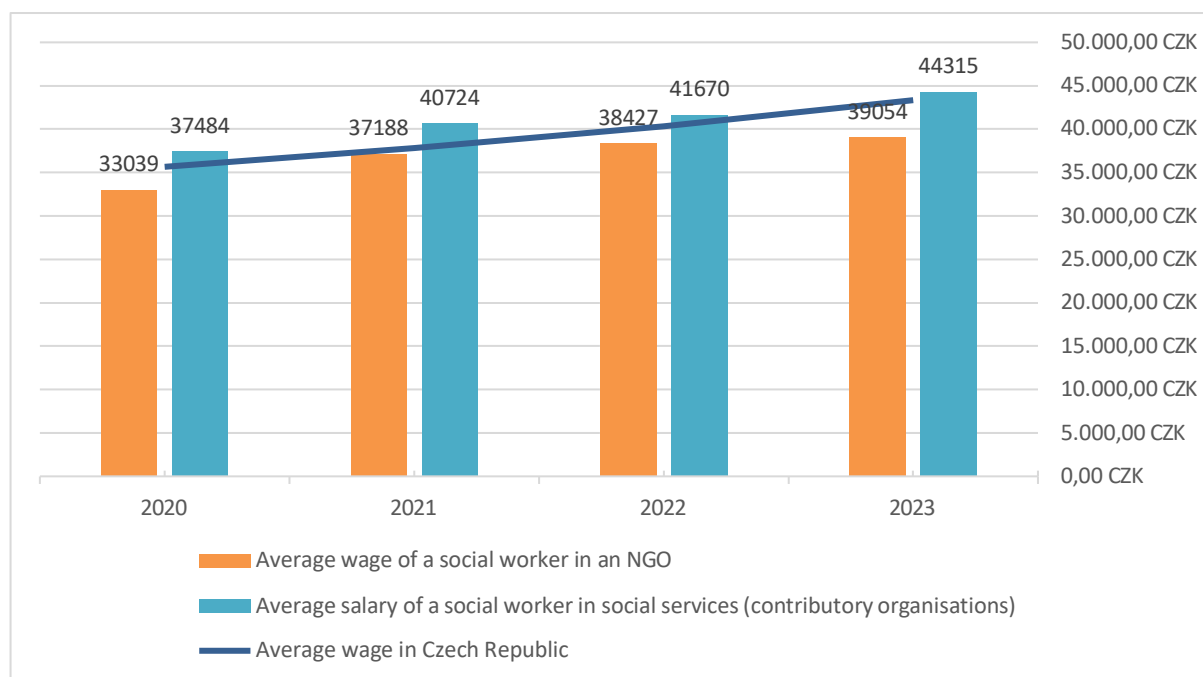
<sup>3</sup> Eurofound (2021).

<sup>4</sup> Platforma P10 (n.d.).

<sup>5</sup> <https://www.mesec.cz/clanky/proc-mame-mene-penez-nez-kolegove-socialnim-pracovnikum-v-neziskovkach-dosla-trpelivost/>

Recent 2024 data comparing wages in the non-state sector with salaries in the public social services sector in the Czech Republic show that social workers in non-state organisations earn, on average, CZK 5,261 less per month than their counterparts in the public sector (Figure 1).

Figure 1. Comparison of average wages and salaries of social workers in social services



Source: Platforma P10<sup>6</sup>

As revealed by one of the interviewees, currently, there is a shortage of about 4,000 workers in the sector. However, it is quite possible that the actual number of missing workers may be significantly higher, as service providers often report having a fully staffed workforce - an underestimation driven by profit considerations. Given the high workload and demanding nature of the work, the staffing levels in these environments might need to be doubled to meet the actual requirements.<sup>7</sup>

This shortage of workers is driven primarily by low wages, among other factors.<sup>8</sup> A recent survey by the Association of Social Care Providers of the Czech Republic on employee satisfaction supports this, revealing that one in three social service employees is dissatisfied with their salary.<sup>9</sup>

Migrant workers are playing an increasingly vital role, particularly as personal

<sup>6</sup> [https://armadaspasy.cz/platforma-10-srovnava-situaci-mezd-a-platu-nestatniho-a-verejneho-sektoru-socialnich-sluzeb-v-cr-spatna-situace-se-ani-po-letech-znatelne-nelepsí/#\\_ftn1](https://armadaspasy.cz/platforma-10-srovnava-situaci-mezd-a-platu-nestatniho-a-verejneho-sektoru-socialnich-sluzeb-v-cr-spatna-situace-se-ani-po-letech-znatelne-nelepsí/#_ftn1).

<sup>7</sup> Based on the interview conducted with the trade union ALICE.

<sup>8</sup> České noviny (2024).

<sup>9</sup> Association of Social Care Providers of the Czech Republic (2024).

caregivers, to address labour shortages in the sector. According to a 2023 interview, approximately 440 Ukrainian workers under temporary protection were recruited and helped partially alleviate the workforce shortage.<sup>10</sup> Insights from the interview with a trade unionist highlighted the unions' emphasis on monitoring the employment of migrants in the care sector to prevent exploitation, ensure valid contracts, and guarantee equal working conditions with local workers. They underscored that such measures protect both migrants and local employees by preventing the influx of cheap labour, which could hinder efforts to achieve wage increases.<sup>11</sup>

At the same time, current trends indicate that demand for care services is rising due to demographic changes – particularly population aging, longer life expectancies, and an increasing prevalence of dementia.<sup>12</sup>

The proportion of senior citizens in the population has been steadily increasing. By the end of 2023, they accounted for one-fifth of the population, compared to just 13% in 1993. Since 2006, the number of seniors has consistently exceeded that of children under 15. In December 2023, there were nearly 130 seniors for every 100 children, with this ratio projected to surpass 200 by 2040. Women aged 65 in 2023 had an average life expectancy of an additional 20.4 years, while men of the same age could expect to live another 16.7 years.<sup>13</sup>

Projections also indicate a rising number of elderly individuals affected by neurodegenerative conditions, such as Alzheimer's and other forms of dementia, highlighting the critical need for a sufficient workforce of social care professionals to provide the care needed.<sup>14</sup>

Concerning latest trends, there are ongoing discussions regarding the recent working document published by the Ministry of Labor and Social Affairs, which outlines the introduction of two distinct standards for social services. The first, referred to as the registration standard, defines the minimum staffing levels necessary to provide legally mandated care to clients while complying with labour regulations. This standard is intended to establish a baseline for staffing requirements that service providers must meet to qualify for registration and inclusion in the guaranteed service network. The second, known as the staffing standard, aims to go beyond basic care provision by also addressing the efficiency of service delivery and the social integration of clients.<sup>15</sup>

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<sup>10</sup> Jiří Horecký (2023).

<sup>11</sup> Based on the interview conducted with the trade union ALICE.

<sup>12</sup> Based on the interview conducted with the Association of Social Care Providers of the Czech Republic.

<sup>13</sup> Czech Statistical Office (2023).

<sup>14</sup> Ministry of Health of the Czech Republic (2021).

<sup>15</sup> Koubová (2023).



The interview conducted with the representative of the Association of Social Care Providers revealed that they support a minimum standard but believe the optimal standard should only be a recommendation. They oppose universal staffing standards that apply broadly to all care services without considering the specific needs of clients. They highlighted examples from disability care, where client needs can vary widely, making a single standard unfitting. They also expressed concern that minimum standards might become the default, as seen in healthcare, and noted dissatisfaction among healthcare workers with the policy. They feel their feedback has not been addressed by the Ministry of Labour and Social Affairs. The representative emphasized that staffing standards should reflect the target group within each facility to ensure appropriate care.<sup>16</sup>

The response on the matter from a trade unionist also highlighted scepticism regarding the proposed standards. The respondent emphasized the significant differences in client needs depending on the type of care provided. For example, caregivers in nursing homes may assist more independent clients, whereas those in Alzheimer's homes often care for fully immobile and dependent individuals. They highlighted that each day and shift is unique, with clients requiring varying levels of care depending on their condition. It was also noted that families often keep individuals at home as long as possible due to financial considerations, resulting in care facilities admitting clients in advanced stages of their conditions. They argued that attempting to standardize the number of clients per caregiver risks turning care work into an impersonal, factory-like process, which is incompatible with the highly individualized nature of caregiving. This complexity, they suggested, makes it impractical to establish universal staffing standards.<sup>17</sup>

Additional trends in the care sector include the increasing digitalization of social services using digital data, AI, and monitoring technologies. These advancements are anticipated to transform workforce processes, shifting the tasks staff perform and supporting individuals to remain in their homes longer. In parallel, potential legislative changes could redefine service types, activity scopes, and funding responsibilities, significantly impacting workforce structures and service delivery. Collectively, these developments may also shape the dynamics of collective bargaining within the sector.<sup>18</sup>

Regarding digitalization, there has been significant progress in the field of emergency care services. Previously, these services relied on a small device with a single button (commonly referred to as an "emergency button") that was connected to a phone and used to call for help. Nowadays, smartwatches have replaced this system, offering a much wider range of functions beyond simply alerting assistance.

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<sup>16</sup> Based on the interview conducted with the Association of Social Care Providers of the Czech Republic.

<sup>17</sup> Based on the interview conducted with the trade union ALICE.

<sup>18</sup> Based on the interview conducted with the Association of Social Care Providers of the Czech Republic.

These watches can detect falls and monitor the wearer's movements within a designated area. Additionally, both smartwatches and household sensors track not only elderly individuals themselves but also their daily routines and activities. If any irregularities occur, the system alerts a monitoring centre, which then assesses whether there has been a deterioration in the senior's health condition. Similar monitoring technologies, which track movement and control access to different rooms, are also being implemented in residential social care services. However, the use of such technology raises various ethical dilemmas and discussions. Currently in the developmental or pilot phase are so-called "smart beds" equipped with sensors that detect when a person leaves the bed or experiences nighttime restlessness. There are also small robots designed to remind seniors to take their medication. The automation of care is still in its early stages, and at present, robots primarily serve to supplement rather than replace social interaction. Some senior care homes, including those in the Czech Republic, have introduced robots such as "Pepa." These robots, however, currently have limited functionality, resembling digital assistants like Siri, and are mainly used for communication. Nonetheless, they can be beneficial for individuals with dementia by stimulating memories stored in long-term memory. It is possible to program the robot with basic biographical information about the client, allowing it to respond to their past experiences. Additionally, through "validation techniques," the robot can help soothe the senior or discourage them from actions such as attempting to leave for work in the morning.<sup>19</sup>

## **II. Current state of collective bargaining**

In the care sector (residential care activities), collective bargaining occurs at the company level, with negotiations taking place with individual providers of social services. Union representation is limited, particularly in the non-profit and private sectors, where unions are mostly absent. Attempts at sectoral collective bargaining to establish sector-wide agreements, made around 2016-2017, were suspended due to funding disparities between public and private providers. The Association of Social Care Providers argued that as long as a provider—whether regional, municipal, church-based, or nonprofit—does not receive the same funding for the same services, the costs they should maintain cannot be dictated. These funding disparities persist in 2024, hindering progress on negotiations at the sectoral level.<sup>20</sup>

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<sup>19</sup> [https://horecky.cz/wp-content/uploads/2022/01/ATDZ\\_ZAM\\_01\\_2022\\_nahled\\_01.pdf](https://horecky.cz/wp-content/uploads/2022/01/ATDZ_ZAM_01_2022_nahled_01.pdf)

<sup>20</sup> Based on the interview conducted with the Association of Social Care Providers of the Czech Republic.

The shift towards fewer sector-wide agreements is reflective of a broader trend in Czechia, where overall coverage by higher-level collective bargaining has been declining.<sup>21</sup>

Collective bargaining is often conducted by union leaders who do not work full-time in this role, balancing it with their regular jobs. There is also a noticeable decline in union strength, particularly after the government removed the tax-deductibility of trade union fees from the tax base in 2024. In the past, trade union members in Czechia could reduce their taxable income by up to 1.5% of their membership fees, capped at 3,000 CZK. This was based on a typical membership fee of 1% of their net salary. This tax benefit was a key incentive for workers to contribute to unions.<sup>22</sup>

The largest unions in the sector consistently advocate for significant wage increases for social workers. In October 2024, during a tripartite meeting, the Ministry of Labour and Social Affairs proposed raising wage rates by CZK 1,400, effective January 2025. However, trade unions deemed this proposal wholly inadequate, citing the combined pressures of high inflation in recent years and a persistent shortage of workers in social services.<sup>23</sup> Ultimately, the government and trade unions reached an agreement on this increase, but ongoing pressure for further salary increases is expected.

Successful outcomes in collective bargaining within Czechia's social care sector are primarily attributed to company-level agreements between private employers and trade unions, as sectoral bargaining is currently absent.

After six months of negotiations, ALICE union representatives successfully secured their first collective agreement at Alzheimercentrum Jihlava, a major private provider of elderly care in the Czech Republic, in 2022. The agreement included a 7.5% wage increase, amounting to CZK 1,500, as well as improved conditions for night shift workers, such as higher supplements and meal allowances. Beyond financial benefits, the agreement also ensured more frequent breaks for staff, aiming to enhance overall working conditions.<sup>24</sup>

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<sup>21</sup> Šumichrast (2024).

<sup>22</sup> Brunnerová & Martišková (2024).

<sup>23</sup> <https://www.zdravotnickeodborny.cz/aktuality/socialni-tripartita-o-dotacich-odmenovani-i-legislativne/>

<sup>24</sup> <https://uniglobalunion.org/news/essential-workers-win-first-agreement-at-czech-nursing-home/>

In 2023, the Trade Union of Health and Social Care of the Czech Republic successfully negotiated improvements for employees at the private elderly care provider SeneCura. The union secured a 10% increase in the base salary (the fixed portion) and an increase in the quarterly benefit, which can be used for Flexi passes or additional pension savings/pension insurance, from 600 CZK to 800 CZK. Furthermore, the union advocated for the reassignment of social service workers from work group 2 to work group 3, better aligning their classification with the complexity of their roles and improving wage conditions. New benefits included "Birthday Day" leave, allowing employees to take paid leave on their birthday, with additional compensation if they choose to work on that day. The "First Grader's Day" benefit grants paid leave to employees who accompany their child to their first day of school if it coincides with their shift. Additionally, SeneCura increased the benefit amount allocated to its home by 10,000 CZK, bringing it to a total of 60,000 CZK. These funds will be used for individual benefits, determined based on employee and union input to ensure they meet the needs of the maximum number of staff.<sup>25</sup>

ALICE union also successfully concluded a new collective agreement in 2024 for employees working at the Centre for Seniors in Holešov. This agreement secured several important benefits, including a CZK 1,000 increase in shift allowances for caregivers, a CZK 1,000 increase in personal allowances for employees in direct care working single-shift schedules, and two sick days for those working single-shift schedules. Additionally, employees are entitled to one average monthly salary above the legal requirements in the event of employment termination for reasons attributable to the employer.<sup>26</sup>

Coming to domestic personnel, any social dialogue specifically targeting domestic workers is largely absent. The social actors connected to domestic work, at least to some degree, can be categorized as follows: (a) associations representing providers of home healthcare and social care, (b) trade unions, and (c) non-governmental organizations (NGOs) that primarily advocate for the protection of informal carers and foreign domestic workers. However, the social partners active in the care sector largely concentrate on broader issues within the public sector. Their focus is on addressing the organizational and financial challenges tied to the allocation of public funds for care services, including home healthcare and social care.<sup>27</sup>

<sup>25</sup> <https://www.zdravotnickeodbory.cz/aktuality/kolektivni-smlouva-ve-spolecnosti-senecura-je-dohodnuta/>

<sup>26</sup> <https://www.aliceuzo.cz/en/blog/show/nova-kolektivni-smlouva-cps>

<sup>27</sup> Hanulová (2024).

### III. Challenges to collective bargaining

The social care sector in Czechia faces several challenges related to collective bargaining. These challenges are reflective of broader issues in the sector, as well as specific factors tied to labour relations and structural conditions. Social care is traditionally underfunded, leading to low wages and limited resources for improving working conditions. A recurring issue is the shortage of staff, which forces a trade-off between hiring more employees or increasing wages. Employers frequently claim they cannot afford both, which negatively impacts workers and service quality. Public funding, which supports a significant part of the sector, often imposes strict budget constraints, leaving little room for wage increases or other worker benefits negotiated through collective agreements. Moreover, the diversity of employers in the social care sector, spanning from small NGOs to large providers, complicates taking further steps toward achieving a sectoral agreement.

Unions face significant challenges, particularly in the context of declining membership as older generations retire and younger workers remain less inclined to join. This trend weakens unions' bargaining power, as their effectiveness is closely tied to membership numbers. Furthermore, non-unionized employees may expect unions to secure benefits without participating, leading to dissatisfaction when unions are perceived as ineffective. The low union membership rates are often connected to job insecurity, lack of awareness, or fear of employer retaliation. The high prevalence of part-time, temporary, or flexible work contracts also contributes to low membership.

To address these challenges, unions are increasingly turning to digital tools, such as online membership applications and educational programs targeted at younger generations. However, the shift towards digital engagement remains a work in progress. Unions emphasize the importance of educating employees to raise awareness about benefits of membership, and advocate for releasing union representatives from other work duties when needing to focus on their role in the trade union. Media campaigns are also seen as a tool to increase the visibility and significance of unions.

Despite these efforts, unions' bargaining power is still limited by low membership levels, especially when representing only a small percentage of the workforce. The nature of industries, such as social services, also complicates collective bargaining. Workers in these sectors, who face ethical dilemmas around striking due to their roles caring for vulnerable individuals, experience a power imbalance in negotiations. Additionally, unions must navigate new challenges related to diversity and inclusion, including the needs of migrant workers and those not

conforming to traditional gender categories, ensuring fair treatment and protection from exploitation. In response, unions are focusing on increasing youth participation, advocating for policies that protect workers with family responsibilities, and seeking a more prominent role in tripartite negotiations to shape labour policies. The success of unions in adapting to these challenges will depend on their ability to build membership, engage younger workers, and advocate for fair treatment for all employees. The fragmentation of unions is another obstacle. To combat this, unions call for greater collaboration at the sectoral level and the development of joint strategies, plans, and common goals to create a unified bargaining front. Finally, to address employer hostility, unions propose increasing employee participation, fostering social dialogue, and gradually introducing demands to avoid creating unrealistic expectations. These strategies aim to enhance union effectiveness and address the barriers that currently hinder collective bargaining.<sup>28</sup>

According to unions, substantial challenges prevail also due to insufficient state support for union leaders, which hampers their ability to focus on union activities. Union representatives highlight that the current Labour Code provisions for unpaid leave to perform union duties are inadequate. Leaders cannot sustain themselves on unpaid leave due to financial obligations, which restricts their ability to fully commit to union activities. Trade unions advocate for stronger legal measures requiring employers to pay union leaders for their time spent on union-related responsibilities. Enhanced state-backed provisions, such as paid leave or mandatory employer compensation for union work, could significantly improve the capacity of unions to organize and advocate for workers.

Unions have encountered resistance from private employers in implementing benefits such as paid sick days, which are highly valued by employees. Employers argue these benefits disrupt smooth operation. A notable disparity exists between the public and private sector, with public employers offering bonuses for psychological strain while private employers resist adopting similar measures. Despite union efforts spanning several years, these bonuses remain unavailable in many private care facilities.

Another recurring issue is the reluctance of employers to formally recognize the psychological demands of caregiving roles in wage structures. While some employers agree to increase wages, they refuse to explicitly designate these raises as bonuses for psychological strain, which employees see as an acknowledgment of their unique challenges. Efforts to extend vacation allowances also face resistance. Unions advocate for six weeks to address worker burnout. Employers cite staffing shortages as the reason for refusing additional leave.<sup>29</sup>

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<sup>28</sup> Based on the interview conducted with the trade union ALICE.

<sup>29</sup> Based on the interview conducted with the trade union ALICE.

## IV. Towards Smart Bargaining

Concerning the idea of smart bargaining, a strategic and collaborative approach to collective bargaining that seeks to address the complex and evolving needs of workers and employers in the social care sector is needed. It should emphasize not only wage negotiations but also broader issues such as work-life balance, job security, health and safety, job training, and the adaptation of working conditions to the changing landscape of social care. A smart bargaining approach should encourage mutual respect and seek to find solutions that benefit both employees and employers, focusing on long-term sustainability, improved working conditions, and the well-being of both the workforce and the people they serve. In the Czech context, there is a visible need for sector-specific guidelines and policies to make negotiations more effective, ensuring that collective agreements are adapted to the particular challenges and dynamics of the social care sector.

Various findings have been identified concerning "smart bargaining," the critical measures and key stakeholders needed to enhance bargaining coverage, as well as the connection between legal frameworks and collective bargaining in the social care sector in Czechia:

- 1. Expand Union Membership Through Targeted Outreach:** To increase bargaining coverage, unions need to focus on expanding their membership, especially among younger workers and non-unionized employees. This can be achieved by implementing targeted outreach campaigns that highlight the benefits of union membership, such as improved working conditions, wages, and job security. Unions should actively visit workplaces, host informational sessions, and engage in social media campaigns to reach workers who may not traditionally be unionized. By increasing union membership, unions can ensure broader bargaining coverage across the sector.
- 2. Advocate for Legal Reforms to Support Broader Bargaining Coverage:** Unions need to advocate for changes in legal frameworks that would require employers to engage in collective bargaining with unions that represent significant portions of the workforce. This would ensure that collective bargaining agreements extend beyond a single workplace and apply to a broader group of workers. Legal reforms could include the introduction of requirements for employers to recognize union



representatives, even if they don't represent the full workforce, thereby increasing bargaining coverage.

- 3. Push for Company-Wide and Industry-Wide Agreements:** Unions need to push for agreements that cover entire companies or even the entire sector, rather than focusing on individual workplace agreements. This could involve negotiating for industry-wide standards that address wages, benefits, and working conditions for all care workers. By advocating for company-wide or industry-wide agreements, unions can ensure that collective bargaining reaches a broader group of workers, setting standards that benefit the entire sector, not just individual workplaces.
- 4. Improve Communication to Increase Engagement and Participation:** Unions must improve communication with workers, especially those who are not yet unionized, to keep them informed about the benefits of collective bargaining and encourage their involvement. This can be done by using digital tools like websites, newsletters, and social media platforms to share information about ongoing negotiations. Unions should also hold regular meetings and events to foster a sense of solidarity and show workers how collective bargaining can lead to tangible improvements in their working conditions. By increasing transparency, unions can encourage more workers to join the union and increase the overall bargaining coverage.
- 5. Promote Flexible Collective Agreements to Cover More Employees:** Care service providers need to promote flexibility in collective bargaining agreements to ensure that they apply to a larger portion of the workforce. This could involve negotiating for flexible work arrangements, such as adjustable shifts or roles, that accommodate a wider range of employees. Flexible agreements allow for easier implementation across diverse teams and departments, ensuring that more workers benefit from the agreements. By making collective bargaining more adaptable, care providers can ensure that the agreements reach all types of workers, improving bargaining coverage.
- 6. Support Sector-Wide Collective Bargaining Initiatives:** To achieve higher bargaining coverage, care service providers must participate in and support sector-wide bargaining initiatives. These initiatives ensure that collective agreements are extended across multiple employers within the sector, benefiting workers even in organizations that may not have the capacity to negotiate individually. By engaging in industry-wide bargaining, care service providers help set sectoral standards for wages, benefits, and working



conditions, thus expanding the bargaining coverage beyond individual workplaces.

- 7. Foster a Culture of Social Dialogue:** Care service providers need to foster a culture of social dialogue with unions and employees. Rather than viewing unions as adversaries, care providers should seek to engage in constructive, ongoing conversations with union representatives to address sectoral challenges. Regular, open meetings with unions and other employee representatives can lead to more effective negotiations and agreements that are beneficial to both employers and workers. A culture of social dialogue helps create an environment where bargaining coverage is expanded through mutual cooperation and respect.
- 8. Provide Training to Support Broader Participation in Bargaining:** Care service providers need to implement training programs for both employees and management to ensure better participation in the collective bargaining process. These programs can educate workers and managers about the benefits of collective bargaining, the negotiation process, and the role of unions. By empowering both employees and managers with knowledge, providers can increase participation in bargaining efforts, ensuring that more workers are included in the process and benefiting from its outcomes.
- 9. Advocate for Government Support to Expand Bargaining Coverage:** Care service providers should actively advocate for government policies that support sector-wide collective bargaining. These policies could include legal frameworks that encourage negotiations across entire sectors and ensure that small and medium-sized providers can participate in these processes. By securing government backing for broader bargaining coverage, care service providers can help ensure that agreements are implemented across the sector, benefiting a larger proportion of the workforce.
- 10. Mandatory Extension of Collective Agreements:** Unions should advocate for the adoption of mandatory extension practices of collective agreements to increase bargaining coverage across the sector. This means that once a collective agreement is negotiated and signed between unions and employers at the company or sectoral level, it would automatically apply to all workers and employers in the sector or geographical area, even if they are not directly involved in the bargaining process.

## V. European Perspectives

The European Directive on Adequate Minimum Wages has been transposed into Czech legislation through an amendment to the Labour Code, with its key provisions coming into effect on August 1, 2024. A central aspect of this amendment is the introduction of an automatic mechanism for adjusting the minimum wage, linking it to the average wage. However, a controversial element of the amendment is the abolition of guaranteed wage levels, which is set to take full effect on January 1, 2025. This change has raised concerns about its compatibility with the directive's objective of ensuring decent wages for all workers. As a result, a complaint has been filed with the European Commission by the Czech-Moravian Confederation of Trade Unions (ČMKOS). The removal of guaranteed wages could significantly lower wage standards, particularly for employees in demanding professions, including care workers.<sup>30</sup>

The Association of Social Care Providers of the Czech Republic views the directive positively, claiming that it has introduced a predictable mechanism for the growth of the minimum wage in the Czech Republic, addressing long-standing challenges. Previously, increases in the minimum wage, and by extension guaranteed wages—which also influence the public sector—were determined through political decisions rather than a clear, objective parameter like the current link to the average wage. This approach often resulted in delayed decisions, with wage adjustments announced as late as November or December for implementation in January, creating challenges for employers. The newly implemented valorisation mechanism represents a significant improvement. It mandates that coefficients for wage adjustments be negotiated annually with social partners and enacted through government regulation, with parameters established for up to three years in advance. Additionally, the key reference parameter—the average national wage—is set as early as September, allowing stakeholders to anticipate and plan for changes.<sup>31</sup> Similarly, trade unions are also in support of the directive.

The trade union ALICE operates under the Union of Employees of Trade, Logistics and Services (UZO), which is part of the Czech-Moravian Confederation of Trade Unions (ČMKOS) and affiliated with the European Services Workers Union (UNI). According to the trade union, UNI provides significant support in the care sector, where it has been instrumental in advancing key initiatives. Through collaboration with UNI, ALICE secured a two-year grant of CZK 3.5 million. This funding is

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<sup>30</sup> <https://www.cmkos.cz/18122/smernice-evropskeho-parlamentu-a-rady-eu-o-primerenych-minimalnich-mzdach/>

<sup>31</sup> Based on the interview conducted with the Association of Social Care Providers of the Czech Republic.

intended to expand membership and strengthen the capacity for collective bargaining. UNI's support extends beyond financial aid. It actively promotes collective bargaining coverage among workers and supports ALICE's leadership through education and training programs. These initiatives aim to equip union representatives with the skills necessary for effective negotiations. Additionally, UNI funds international exchanges and other development activities to enhance union capabilities and foster best practices in labour representation.

In 2021, key European social partner organizations in the social services sector jointly requested the European Commission to establish a dedicated social dialogue committee for their industry. In response, and as part of the follow-up to the 2022 Care Strategy and the 2023 Social Dialogue Initiative, the Commission adopted a decision in 2023 to formally establish the European Social Dialogue Committee for Social Services.<sup>32</sup> The first meetings at the EU level took place in 2023, and the second plenary meeting occurred in November of the same year. While the initial meetings were general in nature, more concrete topics, including collective bargaining, are now being discussed.

The Association of Social Care Providers of the Czech Republic views huge importance in exchanging experiences and best practices through their membership in the Federation of European Social Employers. If any new directives, regulations, or recommendations concerning social services are introduced, social partners can influence them, an example being the European Care Strategy. Regarding the potential for a European directive on social services, scepticism is present, arguing an interference in national sovereignty. For a directive to be effective, there would need to be unanimous agreement across the European Union, which is difficult given the wide differences in social policies. These differences are not only financial but also cultural, based on traditions and family values, making such a directive challenging to implement. Finally, when discussing the content of collective agreements, The Association of Social Care Providers of the Czech Republic believes that the current collective agreements are sufficient, as unions regularly update them to reflect changes in areas such as compensation, working conditions, and work-life balance. Upcoming updates may focus on data protection, digitalization, and increasing employees' skills. The possibility of integrating some CBA provisions into the Labour code itself has been discussed as well.<sup>33</sup>

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<sup>32</sup> European Commission (2023).

<sup>33</sup> Based on the interview conducted with the Association of Social Care Providers of the Czech Republic.

## VI. Conclusions

The social care sector in Czechia is both vital and undervalued, marked by systemic challenges such as underfunding, labour shortages, and significant disparities in wages and working conditions. Despite its importance, especially as a major employer of women, the sector struggles to attract and retain workers due to low wages, heavy workloads, and limited career progression. These issues are further exacerbated by inequities between public and private providers, with workers in non-governmental organizations earning significantly less than their counterparts in public institutions. Collective bargaining within the sector has largely been confined to the company level, as sector-wide agreements remain limited. Funding disparities between providers present a major barrier to achieving unified standards for wages and working conditions. Union representation is weak in many areas, particularly in the private and non-profit sectors, and union membership has declined due to a combination of generational shifts and insufficient incentives. In this context, smart bargaining emerges as a critical tool for addressing the sector's challenges. This approach emphasizes strategic, collaborative negotiations that go beyond wages to include broader aspects such as job security, fair treatment, and improved work-life balance. Smart bargaining can help bridge the gaps between workers and employers, ensuring that agreements reflect the complex realities of care work while promoting sustainability for the sector as a whole. The current state of collective bargaining underscores the need for a more inclusive and adaptive framework. Expanding union outreach, particularly among younger and non-unionized workers, is essential for strengthening bargaining power. Initiatives that foster social dialogue and build trust between stakeholders can create the foundation for more effective negotiations. Advocacy for sector-wide agreements and equitable funding mechanisms will also be crucial for addressing disparities and setting higher standards across the board. In conclusion, smart bargaining provides a pathway for overcoming the entrenched challenges in Czechia's social care sector. By prioritizing equity, sustainability, and collaboration, it can deliver meaningful improvements in working conditions and elevate the quality of care, ensuring the sector's resilience and capacity to meet growing societal demands.

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## Annex

### List of interviews

<b>Respondent</b>	<b>Interview date</b>	<b>Interview code</b>
The Trade Union of Employees in Social Services - ALICE	October 2024, online	BAR_union_social
Association of Social Care Providers of the Czech Republic (Asociace poskytovatelů pečovatelských služeb, APPS)	October 2024, online	BAR_employer_social