



Challenges for Organising and Collective Bargaining in Care, Administration and Waste collection sectors in Central and Eastern European Countries

Czechia: Central Public Administration

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1. Methodological preface

This draft is based on the author's previous research in the area of the public sector, desk research including reports and newsletters of trade unions and two interviews with trade union representatives (one elected representative and one employee of the sector-level trade union organisation). Media articles on the current working conditions issues in the central public administration were also a source of information. It also builds on available data sources in Czechia and from Eurostat.

Table: List of respondents

Name of the organisation	Position of the respondent	Date of the interview
OS SOO	Elected representative	7 th of August 2024
OS SOO	Lawyer (employee)	19 th of September 2024

2. Sketching the context

Central public administration (CPA) in Czechia refers to **state administration, including ministries, other high-level state offices, and their organisations**. The scope of CPA is defined by Law No. 2/1969 Sb. on the Establishment of Ministries and Other Central Bodies of State Administration of the Czech Republic (the so-called competency law) (Act on Competencies 2024). The Act defines 14 ministries and 17 additional agencies under the central government. Employment and working conditions in the CPA are guided by the Act on State Service No. 234/2014 Coll., which defines state administration employees as civil servants, outlines their duties and responsibilities, and aims to ensure their job stability regardless of the governing party. State servants face no restrictions on unionization and collective bargaining. The Act on State Service introduced collective bargaining in the public sector for the first time in 2016, allowing higher-level collective bargaining for state service employees. Along with civil servants, regular employees employed under the Labour Code can work in the central public administration, as well as self-employed engaged in expert positions. That is why the overall number of CPA sector employees differs from that of state service servants.



3. General characteristics of the sector

For reporting purposes, the Ministry of the Interior uses a broader definition of public administration, which **includes all employees paid from the state budget**. This broader category encompasses not only **state service servants** but also employees outside the state service who are employed under the Labour Code, including those in **education, armed forces, labour and tax offices, and civil employees of the courts** (see Table 1 for details). There are 477,177 employees paid from the state budget; however, 54% are pedagogical and non-pedagogical employees in education, and another 20% are soldiers and armed forces personnel. Excluding these groups, CPA employment would account for 26%, or 127,108 employees, of all state budget employees. Of this number, 76,410 are state service employees and the rest is employed under the regular Labour Code legislation (Ministry of the Interior 2022, p. 74).

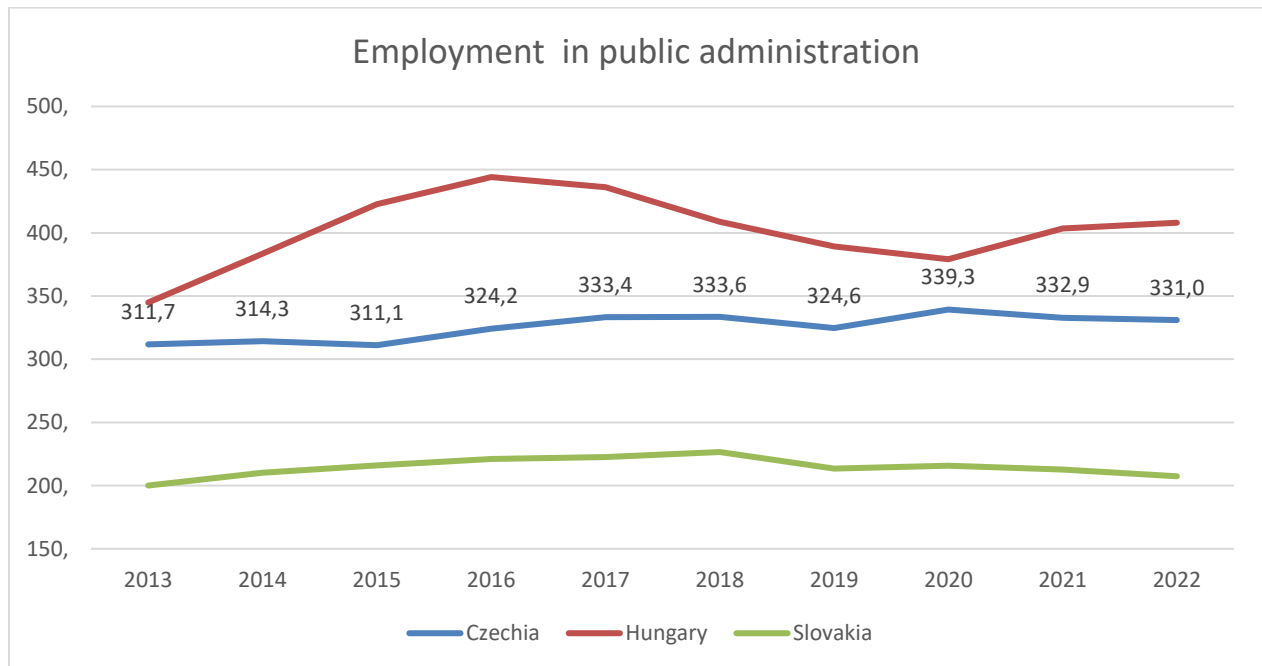
If the broadest definition of the public sector is applied, which also includes employees of regions and municipalities, as well as some healthcare and social care workers, public sector employment, would be around 1 million people, or approximately one-fifth of all employment in the country (Bartušek et al., 2022).

Table 1: Public employees paid from the state budget

Category of employees	Number (in ths)	Percentage
Pedagogical workers	186816	38%
Non-pedagogical workers	75907	16%
Armed forces (police, firefighters..)	68491	14%
Other employees of the state organisations	45962	9%
Soldiers	27032	6%
Civil employees of the armed forces	17085	4%
Employees of tax offices	15248	3%
Other employees of subsidised organisations of the state	14694	3%
Employees of labour offices	12125	3%
Employees of courts	9644	2%
Other	15875	3%
Total	488879	100%

Source: Own compilation based on the (Ministry of the Interior 2022).

Interestingly, Eurostat reports different numbers, suggesting that there are 331,000 employees in the public sector within the NACE category of Public Administration and Defence and Compulsory Social Security, thus excluding education workers.



Source: Eurostat [[lfsa_egan22d]

The remuneration system for public sector employees is primarily governed by the Government Decree No. 564/2006 Coll. This decree establishes salary levels for all degrees of qualifications and seniority among public sector and state service employees¹, including those in state organizations, municipalities, regions, social services, education, and state (faculty) hospitals. Pay increases are typically discussed among social partners and the government but are not negotiated through collective bargaining.

The average wage in the public sector was 42,081 CZK (€1,683) (Ministry of the Interior 2022), which is slightly higher than the average wage in the broader economy, around €1,600. However, approximately 60% of state service employees have university degrees, and their counterparts in the private sector earn around €2,500.

There is **no automatic valorisation** of public employees' wages; increases often result from pressures exerted by specific groups of public employees, such as teachers, healthcare workers, police officers, and court employees.

Moreover, the **wages stipulated in the government decree** are basic and categorised by degrees and classes. Degrees refer to the level of education attained, while classes correspond to years of professional experience. The

¹ Degrees („stupně“) refer to years of professional experience, while classes („třídy“) refer to the level of education attained as required for the performance of specialized agendas („katalog prací“)



main issue with these tables is that the basic wages remain below the statutory minimum wage at lower degrees and classes. In such cases, additional payments must be made to the lowest-qualified employees (e.g., non-pedagogical workers). Nevertheless, additional payments to basic wages are frequently used throughout the public sector to align wages with those in the private sector, balance wage differences across regions, or reflect individual performance levels. The low basic wage levels remain the main challenge for public sector employees.

State employees are also ageing gradually. In 2022, the number of state employees aged 45 to 65+ continuously grew compared to younger age groups, where the number of employees decreased (Ministry of the Interior 2022).

4. Major problems and challenges in the sector

As mentioned earlier, wage increases are not automatic nor subject to collective bargaining. As a result, post-COVID inflation has not compensated for public sector workers, leading to a real **wage decrease** of 25% between 2021 and 2023 according to trade unions (OSSOO 2024). Consequently, in July 2024, trade unions issued a strike alert. They demanded that the government increase the basic wages of employees paid from the state budget by at least 10% starting in September 2024 (Public Sector Trade Unions 2024).

“In the media, the argument is often mentioned in the debate about raising the salaries of state employees that salaries in the public sector are higher than those in the private sector. What is overlooked is that the public sector—and the central state administration in particular—employs a significantly higher proportion of university-educated employees than the private sector. While the average salary of a university-educated employee in the private sector was 72,766 CZK last year, the average salary of a comparable state employee was only 56,401 CZK. This is 16,365 CZK, or 22%, less than in the private sector.”(OSSOO, 2024).

As the Trade Union Organization at the Ministry of Justice noted, *“In several central state administration bodies, personal bonuses have been frozen for several years. Supervisors do not have the opportunity to reward the hard work and abilities of their best subordinates. This situation hits junior employees particularly hard, especially those who have joined the state administration in*



recent years. Their evaluations remain negligible and unmotivating. The state is signalling to them that it is not interested in retaining them in its services" (OSSOO 2024).

Moreover, **wages and employee benefits have further decreased** in recent years due to changes in the tax system, when resources allocated in the cultural and social needs fund were reduced from 2% to 1% of an organisation's total salary budget, and sickness insurance contributions increased by 0.6% paid by each employee.

Politicisation was an issue in the public sector mainly before the adoption of the Act on State Service No. 234/2014 Coll. in 2014 (Kroupa et al., 2014). Since then, state service employees have possessed a degree of protection, which often discourages politically motivated layoffs. Although this does not mean that these cases are not present, and it is still possible to call off a specific employee from their position, the level of protection of the state service employees ensures that they are not losing their jobs but the position where they served.

The digitalisation of public administration is an ongoing process that has accelerated only in recent years. The COVID-19 pandemic significantly speeded up the digitalisation of labour offices' agenda. However, Czechia has been lagging behind in digitalisation efforts, also because of the lack of IT specialists and internal expertise in the CPA (Wasiuta, 2021). When it comes to the impacts of digitalisation on working conditions, there is a critique of insufficient retraining (e.g. concerning labour offices' digitalisation or the recent digitalisation of construction permits in 2024) and increased workloads for employees associated with digitally submitted applications. Digitalisation also influences personal KPIs in labour offices and increases the ratio of clients per employee, which was criticised as unclear and non-transparent by the trade unions (NOS, 2023). Due to digitalisation, the number of employees in labour offices has decreased by 1500 in the last two years.

5. Characteristics of social dialogue organisations in the sector

The largest trade union in the public sector is **the Trade Union of State Institutions and Organizations** (OS SOO, Odborový svaz státních orgánů a organizací), which has 26,000 members. However, 13 other trade unions represent workers in the public sector (in the broadest sense), with their combined membership oscillating around several thousand members. All these organizations are part



of the **Czech-Moravian Trade Union Confederation** (ČMKOS, Českomoravská konfederace odborových svazů).

On the employer side, three ministries are responsible for collective bargaining in the central public administration: the Ministry of Labour and Social Affairs, the Ministry of Finance and the Ministry of Interior. The Prime Minister signs the collective agreement.

5.1. Challenges for organising employees

Trade unions in the public sector, as well as in the broader economy, are grappling with **declining membership rates**. While in the broader economy, the membership rates declined to 11% in the public sector, this trend was similar in the public sector. In the central public administration, the estimated trade union density is around 10 to 15%.

The **absence of wage bargaining at both organisation and sector levels** has significantly reduced the importance of collective bargaining in this sector and, thus, the role of the trade unions. Nevertheless, trade union membership remains important for employees regarding legal services for individual members in disputes with employers (direct managers). As observed by the respondent, the recruitment of employees remains problematic. However, some success is there with people above 40 years old experiencing difficulties at the workplace who join trade unions voluntarily (INT1_TU 2024).

OS SOO also faces the ageing of its membership base, demonstrated by the exits of long-term heads of organisational units, leaving the basic trade union organisations without leadership. This is also addressed by the recent initiative organised by the OS SOO in cooperation with EPSU. They aim to **provide comprehensive materials** about how to run a trade union organisation and explain the main legal aspects of labour law and employment relationships for their members. This aligns with the strategy to provide high-quality service to basic trade union organisations by the sector trade union OS SOO (INT2_TU2024). *“We must provide union members with the services they truly need for their activities and help them develop in areas that will be beneficial both for union work and their personal and professional growth. We need to strengthen the sense of community and the relationship between the basic organizations and the union leadership. We must strive to ensure that every member feels valued, that their work is necessary, and that they are appreciated not only by us but by the entire community of Czech public sector employees and employers. We must not let this fundamental truth drown in*



routine, bureaucracy, and outdated administrative processes,” claims Anna Řídká in the trade union newsletter (NOS, 2024).

5.2. Characteristics of employer representation

At the sector level the state is represented by three ministries (Ministry of Labour, Ministry of Finance and Ministry of Interior). Ministry of the Interior is the main counterpart for public service trade unions in executing the sector-level collective agreement for state service employees, as established in the Act on State Service No. 234/2014 Coll. At the establishment level, the representative of the organisation (minister or director) is the person entitled to conclude a collective agreement. OS SOO also participates in tripartite dialogue with the government, but for negotiations, prefers bilateral meetings with ministry representatives.

The intensity and quality of social dialogue are **influenced by the government's political orientation (INT TU 2024)**. The primary issue for the sector is the **lack of an institutional form of sector-level collective bargaining**, which results in unstable and irregular social dialogue in the CPA sector. Nevertheless, the collective agreement is signed regularly for a period of two or three years, usually lasting longer than the government's term, thus ensuring stability in working conditions (INT TU 2024)

As a result, **social partners rely on social dialogue through tripartite and bipartite consultations with government and ministry representatives**. However, government representatives can ignore meeting requests, meaning the frequency and quality of dialogue between social partners can significantly affect the government's approach to social dialogue. This is a recent case, where requests for a meeting to negotiate higher wages were ignored for several months, leading trade unions to call a strike alert in July 2024 (NOS, 2024).

6. Collective bargaining and other forms of social dialogue in the sector - characteristics

The sector-level collective agreement, referred to in Czech legislation as a collective agreement of a higher level, covers only state service employees, around 76,000 employees, or 58% of all CPA employees. The rest of the employees are either covered by **the establishment-level collective agreement** or not covered at all. In the latter case, only the Labour Code regulates their working conditions.



The current collective agreement for state service employees **ends on December 31, 2024**. *“It is very important to negotiate with this government coalition for at least the same agreement if not a better one. The Ministry of the Interior's state service section has already received the new text's first draft from us”* (NOS, 2024). The prime minister signs the agreement.

This **collective agreement is extremely important for the trade union** because it brings certain benefits to state employees and inspires collective bargaining at the establishment level. In a recent amendment of the Act on State Service from 2024, the importance of the sector-level agreement was strengthened at the expense of organisation-level agreements. According to the new stipulation, the organization-level agreement cannot improve or worsen the working conditions stipulated in the sector-level agreement. The reason is the concern about equal working conditions at the workplace, as state service employees and employees working under the Labour Code may experience different working conditions at the same workplace. If only a higher-level collective agreement is in force, employees outside the state service are not covered by this agreement. Nevertheless, trade unions did not welcome this change as it undermined the importance of organisation-level collective bargaining (INT TU 2024).

6.1. Content analysis of collective agreements

The collective agreement, in Head 3, after the introductory paragraphs, defines **holidays and work-life balance conditions**. **Wages** are mentioned in Head 4: “The contracting parties agreed to begin negotiations on the adjustment of pay scales for state employees for the following calendar year no later than the end of the first calendar quarter” (CBA CPA, 2022). Head 5 determines **social conditions** and **bonuses for anniversaries**, and Head 6 covers **health protection measures**. Head 7 addresses **complaints** and **collective disputes**.

Collective bargaining also occurs at the **establishment level** in organizations such as **ministries and their offices, regional and local government offices, hospitals, and schools**. These collective agreements typically do not regulate wages but instead address other working conditions, such as **sick days** and holidays. If a trade union at the establishment level represents only employees under the Labour Code and not in state service, the collective agreement is valid only for those. Trade unions thus have to organise both civil service and other workers to conclude a collective agreement for all employees. Given the fact that remuneration can't be a subject of the collective agreement, the role of established-level bargaining is expected to diminish.



6.2. Other forms of social dialogue

Since collective bargaining at the sector level is **limited**, other forms of interaction between social partners are used to determine **working conditions** and **wages**. These include **ad hoc negotiations of tariff wages** with the government, **labour market wage determination** through the Labour Code, and **collective bargaining at the establishment level**.

Despite low trade union membership in the public sector, there are numerous **demonstrations, strikes, and campaign activities** (Martišková, 2020). Additionally, the Trade Union OS SOO monitors and comments on amendments to legal acts, such as the State Service Act, the Labour Code, and the Service Act for members of security forces.

6.3. Impact of European sectoral social dialogue

OS SOO is a member organisation of European Public Sector Unions (EPSU). Trade union representatives participate in their meetings and trainings and welcome initiatives and events that help knowledge and experience sharing related to organising practices. Otherwise, given the particular national contexts, EU-level participation and coordination is rare.

7. Conclusions and recommendations

The mutual commitment of both parties to collective bargaining is necessary to strengthen social dialogue and collective bargaining in the CPA sector. Trade unions often point to the Slovak example, where public sector trade unions negotiate wages within the collective bargaining framework and cover all employees working in the public interest. This broader definition of the public sector also includes education, social services, and, to some extent, healthcare.

The situation where the government is **unwilling to negotiate wage increases for CPA and other public sector employees recurs with nearly every government, especially under centre-right** parties. Their representatives argue that austerity measures are necessary, which limits their willingness to negotiate wage increases in the public sector. This typically leads to protest activities by public sector employees. **The introduction of binding rules for wage bargaining**, which would require the government to negotiate with trade unions, could potentially improve industrial relations in the sector and significantly enhance the stability of working conditions.



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