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

Czechia: Waste management

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1. Methodological preface

This report maps the waste management sector in Czechia and focuses on employment relations and social dialogue. To our knowledge, it is a first insight into the employment relations in this sector in Czechia. Attention in the sector is focused on environmental targets and necessary policy measures to reach higher shares of recycling and decreased shares of waste stocking, but rarely on the working conditions or expected changes in the employment due to changes in waste management and implementation of new technologies. This short report is based on desk research, with one interview with a trade unionist and one expert in the field.

2. General characteristics of the sector

Czechia is performing relatively well in waste management compared to other European countries. The overall share of recycled material in the waste produced was 51% in 2022 and slightly increased compared to last years (see Table 1). The country is also considered one of the nine countries in the EU which are expected to meet both the EU targets in waste management: 1) for reuse or recycling of at least 55% of municipal waste in 2025 and 2) the target to recycle at least 65% of packaging waste in 2025 (EEA, 2023).

Table 1 Waste management in Czechia

	2017	2018	2019	2020	2021	2022
Energy recovery	4%	4%	4%	4%	4%	4%
Material recycling	47%	48%	46%	48%	51%	51%
Composting	3%	3%	3%	3%	3%	3%
Backfilling	33%	32%	33%	32%	31%	28%
Incineration (without energy recovery)	0%	0%	0%	0%	0%	0%
Landfilling	13%	13%	14%	13%	11%	13%
Other disposal	0%	0%	0%	0%	0%	0%

Source: ČSÚ

Despite these positive figures, problems arise in municipal waste management, where 46.3 per cent of communal waste is landfilled, twice the EU average (Ministry of Environment, 2022). On the contrary, only 15.1 per cent of waste is used for energy recovery, while the EU average is 27 per cent. Czechia needs to provide significant changes in communal waste management to reach EU targets of 65% recycling (now only 25.8% of waste is recycled, and 12.5% is used for composting), 10% of landfilling and 25% in the use of energy recovery. As pointed out by the biannual review of the Ministry of Environment: "*Current situation in the area municipal waste landfilling in the Czech Republic is unsatisfactory. Landfilling of municipal waste represents the last level in the waste management hierarchy and is still very high.*" (Ministry of Environment, 2022, p. 81).

Since the level of municipal waste landfilling is twice as high as the EU average, the country discusses possible ways to change this. The country has a plan to end landfilling by 2035, and energy recovery is getting dominant attention when discussing the replacement of landfilling. According to the current law, landfilling will be significantly reduced in 2030, when it should concern only 10% of municipal waste. The law from 2021 also requires municipalities to separate 60% cent of municipal waste in 2025 and 70% in 2035 (Ministry of Environment, 2021).

The increasing share of waste that is supposed to be processed other than by landfilling raises the question of how to reduce landfilled waste. The primary attention is paid to heat production from the waste. Currently, there are four incinerators in the country, and the Ministry of Environment previews its increase in the upcoming years as the share of waste used as an energy source is supposed to increase from 15 to 25% (Ekonews, 2023).

The structure of the market

In Czechia, there are 1257 collecting yards, 180 landfilling places and 4 incinerators. The sector of waste management has a mixed structure of both public and private providers, but private providers prevail. At the municipality level, both local public and local private waste management providers operate, and it is a decision of the particular municipality which form it will undertake. Currently, there are 6258 municipalities in Czechia, of which 54 per cent are up to 500 inhabitants, which implies that the landscape of waste management providers is heterogeneous. Outsourcing of the services is a very common approach, and the Czech market is dominated by three big international companies: Veolia, FCC and AVE. Among Czech-owned companies, the notable one is Pražské služby [Prague Services], operating in the capital city of Prague. Each of the four companies employs around one thousand employees. Of the three biggest companies, Veolia has the European Work Council, having a Czech employees 'representative as a member.

Table 2 The biggest employers in the sector

	Number of employees (2022)	**Waste treatment activities**
Recovera (Waste management company within Veolia group)	1045 (of 7,879 in the Veolia group)	Collection, separation, landfilling, environmental counselling; 140 waste treatment sites

AVE	1162	Waste collection and separation, incineration, landfilling, 7 landfilling sites
FCC	1145	Waste collection and separation, incineration, landfilling, processing waste to refuse-derived fuel
Pražské služby	1733	Waste management and public places cleaning activities in the city of Prague, waste incineration, 10% of waste is landfilled

Source: Own compilation based on annual reports of the companies

Companies in the sector benefit from the high number of landfilling sites in Czechia, nevertheless, by 2030, the landfilling should be minimised to 10% (Patočková, 2022). It is worth mentioning that the same target to decrease landfilling radically was already previewed by 2024 but postponed to 2030 in 2021. Waste management is about to change, with dominance taking recycling but also doubling the share of incineration and processing waste to solid fuels. Although incineration is not considered an optimal option due to CO_2 reduction efforts (OECD, 2020), the ministry still plans to support several new incinerators. Estimates about related changes in the employment structure are not available.

Table 3 Type of companies in the waste management

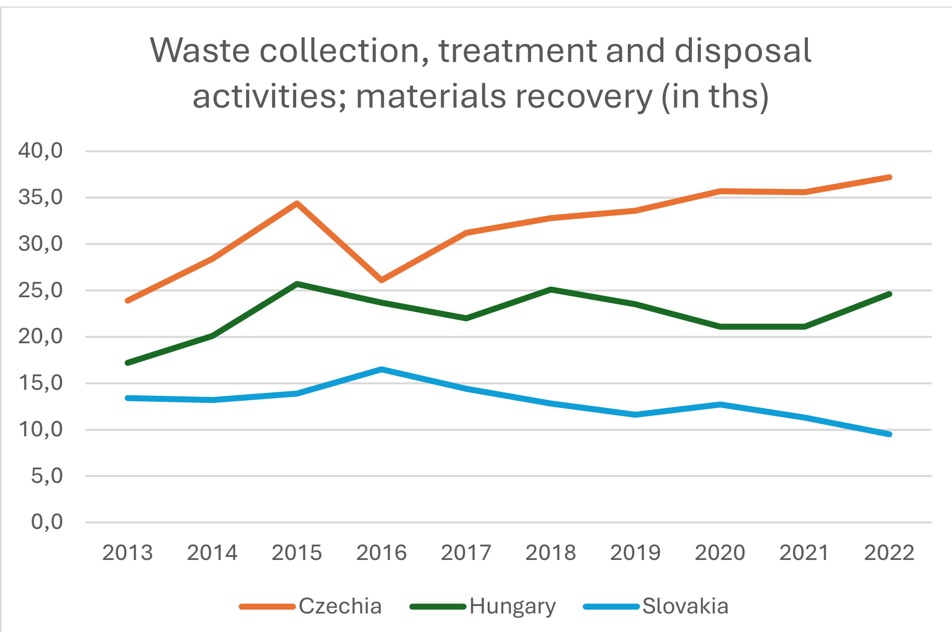
Type of the company	**Type of activities in the waste management**
Local public subjects owned by municipalities	Waste collection and separation, landfilling and waste sorting
Local public subjects of higher importance (owned by big cities)	Waste collection and separation, landfilling and waste sorting, incineration, recycling
Private local companies – typically when several municipalities create one company	Waste collection and separation, landfilling and waste sorting
Private multinational companies	A large segment of the Czech waste market

Source: own compilation based on Ministry of Environment (2022)

3. Major problems and challenges in the sector

Employment in the sector

In the sector of waste management, we look at the NACE categories E 38 - Waste collection, treatment and disposal activities; materials recovery and E 39 - Remediation activities and other waste management services. While in the first category, employment has been increasing in the last 10 years, in the second, the data from the Eurostat report decreased from 2.3 ths. employees in 2013 to 0.6 ths. employees in 2023). In the last 10 years, the number of employees in the E38 increased by 56%, from 23.9 per cent to 37.2 per cent in 2022, which is a 6% average yearly increase. One-fifth of employees are women.



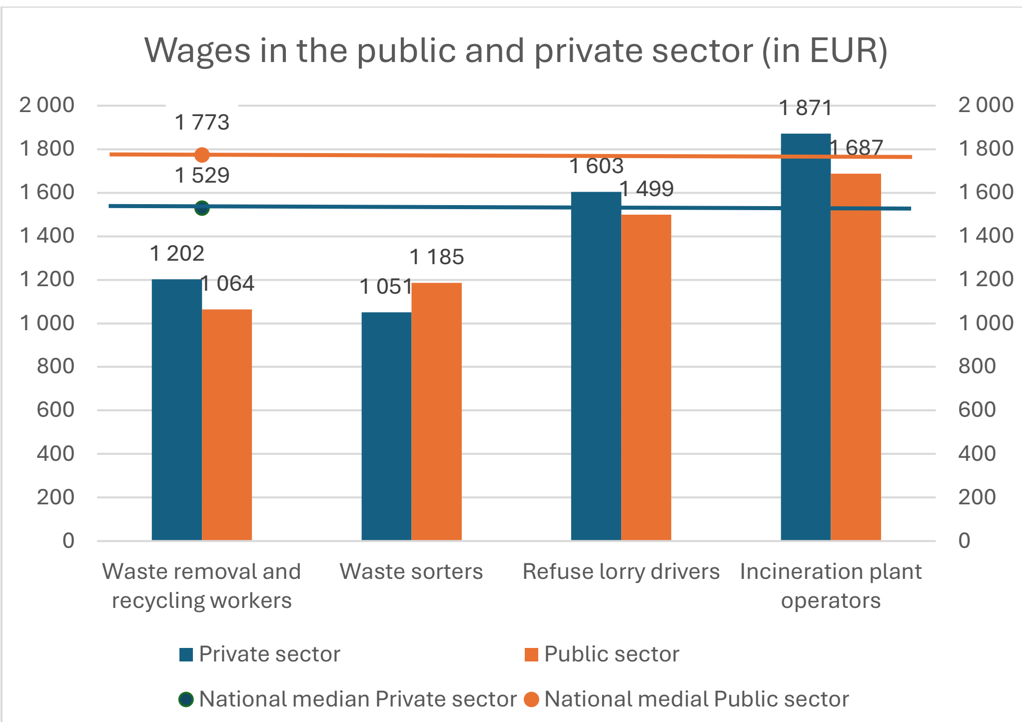
Source: Eurostat [lfsa_egan22d]

Higher figures are reported by the register of insured persons, around 39 ths employees with stable contracts, no significant changes since 2017 (Váchová & Bulínová, 2019)

Given the large share of private companies in the market, contracting and outsourcing are common practices. This further deteriorates working conditions, resulting in low wages, workload intensification, time-reduced contracts, and agency work.

Working conditions in the sector of waste management

In the waste management sector, we recognise the whole spectrum of professions, from the most qualified, such as technicians and engineers in waste management, to recycling workers and operators. The most numerous professions are waste removal and recycling, waste sorting, lorry drivers and incineration plant operators. Median wages are, in the case of the first two groups, lower than the national median wage, but for the last two professions, the median wage slightly exceeds the national median in the private sector. Wages in the private sector are slightly higher than in the public sector, except for waste sorting. In general, the majority of workers in the waste management sector work in the private companies[1].



Source: Own compilation based on the ISPV database (MPSV, 2023)

In this sector, workers in the direct manipulation of waste (collection, manipulation (sorting and recycling) of waste) are often exposed to work injuries; the average incidence of injuries is 2.5 injuries per 100 workers, while the average for the country is 1.02. *"The most frequent injury is to drivers when a wrong foot or skid occurs when*

[1] It is not possible to provide exact numbers, but for instance there are 3.2 ths waste removal workers, while in the public sector i tis 0.3 ths. Similarly, there are 2.1 ths drivers in the private sector and only 0.1 in the public. Numbers does not reflect the whole population, but only workers with 30 and higher monthly contract and those not being on unpaid leave (for details see (MPSV, 2023)).

stepping on the ground while getting out or getting out of the cab of a delivery vehicle (kukavan). Another very frequent and very dangerous injury in terms of consequences is standing or moving on the running board on the rear of the back of the kukavan. The handling of waste containers of all kinds is another high-profile and no less serious cause of occupational accidents." (Váchová & Bulínová, 2019), p11.

Digitalisation and automatisation in the sector are expected to decrease some of the health risks. Nevertheless, the progress in this respect is invisible. Currently, only two automated lines for waste sorting are implemented in Brno and in Ostrava, while another 120 sorting lines are manual. In Prague, the new automated line was supposed to be launched in 2023, but because of the problems on the supplier side, the capital still sorts the waste manually (Buřívalová, 2024). The lack of digitalisation in the sector also hinders efficiency in recycling.

Table 4 ***National classification of professions in waste management***

Name of the profession	Health risks	Risk category	Education level	Median wage (2020)
Specialist technician in waste management, waste management engineer	Risk of overload of small muscle groups, mental health risks, and visual health related risks	1	University	50 995 CZK
Recycling engineer		1-2	University	50 995 CZK
Waste management technician		1-2	Secondary (with maturity)	37 991 CZK
Waste and recycling technician		1-2	Secondary (with maturity)	32 269 CZK
Waste collection and recycling equipment operator	Overall increased health risks in exposure to low and high temperatures, noise,	1-2	Secondary (without maturity)	23 244 CZK in private organisations, 24 227 CZK in public organisations

	vibrations, and increased risk of injury			
Waste collection and recycling workers	Increased exposure to noise (level 3 out of 4)	1-3	Secondary (without maturity)	23 244 CZK in private organisations, 24 227 CZK in public organisations

Source: own compilation based on the (www.nsp.cz, 2024)

4. Characteristics of social dialogue organisations in the sector

Social partnership in the sector is characterised by weak involvement of both employers and employees and by collective bargaining held only at the company level. On the employee's side, there is a trade union in services (OS UNIOS), which reports having 34 trade union organisations covering 3.3 ths employees in 34 companies in waste management. Some of the employees in the waste management are associated with the Transportation trade union (OS Doprava), especially drivers (e.g. trade union organisation in AVE)

On the employer's side, there is the Czech Waste Management Association (Česká associate odpadového hospodářství) with more than 20 members, including big multinational companies. Some of these companies have local branches established as independent entities. Thus, the overall number of associated companies is 95. Their members employ approximately 7,700 people in more than 240 waste management locations. The organisation does not participate in social dialogue in the waste management sector.

Challenges related to working conditions and social dialogue in the sector evolve around low wages and severe labour shortages, seasonal work and high turnover of employees. As reported by the trade union representative, even in unionised workplaces, it is challenging to attain a higher wage, as many workplaces are falling under the regulation of wages in the public sector, which limits opportunities for gains in collective bargaining. Data in this respect are inconclusive, showing 200€ higher wages in the private sector for waste removal and recycling workers but 180€ higher wages in the public sector for waste sorters. Drivers in waste collection earn slightly higher wages in the private sector.

Organising in the sector is challenging, as perceived by the trade union representative: "*It's not easy to do good union work in technical services. Considering the predominance of the activity performed - garbage collectors - and, therefore, the lower level of education, it is difficult to find a "capable" trade union representative. As a sector-level union, we help in their union work; we do a lot, especially administrative activities, preparing collective agreements, public registry, conducting collective bargaining.*" Company-level bargaining thus requires a lot of personal and professional capacity to improve working conditions and produce heterogeneous results within the sector.

Low support of trade union work in legislation is also seen as a drawback and reason for low trade union density: *"The status of unions in our legislation is also not conducive to some robust union organising. A union official does union work for free, in his spare time, but most importantly, he is dependent on his employer and often has to be very brave to stand up to the "fight" with the employer." (TU representative)*

Good practices are rare, and trade unions consider success if a good collective agreement is concluded. *"The success or failure depends on the personality of the trade union chairman and the whole trade union committee [at the company level], the ability to communicate with the employer*." (TU representative).

An emerging topic that can help promote the importance of social dialogue in the workplace is occupational health and safety (OSH). Sector-level trade unions employ specialists in the field, which can provide control at the workplace to help company-level trade unions recognise and name the main issues in OSH. This is also valuable for employers, as they are required to ensure a safe workplace. In practice, however, the OSH is outsourced by the employer, and thus, the control is done by the person who rarely visits the workplace. "*Trade union specialists are in many cases welcomed by the employer, but in some other workplaces, they have even denied access to the workplace," claimed a* trade union representative.

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

Collective agreements in the sector are heterogeneous, as these are concluded at the level of organisations (or establishments). "*Collective bargaining agreements are either elaborated in detail or just a copy of the Labour Code,"* pointed out the representative of trade unions. Collective agreements usually have a general section on cooperation between the parties (right to information, consultation, co-decision), then elaborate on working conditions (working hours, leave, remuneration, sometimes extra pay, important personal obstacles to work beyond the scope of the order. 590/2006 Coll.) continuing about cooperation in OSH, and final provisions.

The type of organisation determines the level of attainment of improvements in the collective agreement when public-owned organisations (by municipalities) are bound by the budget and by the wage tariffs agreed by the government, and thus, it is a bit difficult to attain gains in collective bargaining. At private companies, tariffs are not applied; more, it is a strength of the trade union organisation. It is quite common for employers to refuse to sign collective agreements, and only after the reminder about their obligations to bargain written in the labour legislation do they start negotiations.

For the purpose of the research and analysis in this report, we can use only one collective agreement available, covering employees in the Pražské služby [Prague services]. The company employs more than 1700 workers and is one of the four biggest companies in Czechia. Two-thirds of its employees are directly in the waste management sector; the rest are in road repair, road marking, and public space cleaning and maintenance. Three trade union organisations in the company regularly conclude collective agreements.

The collective agreement contains detailed specifications of employment relations. In the following table, we introduce the most important regulations:

Table 5 Topics of collective agreement of Prague Services

Topic	**CBA regulation no.**	**Content (commentary)**
Working time	4.3.	Working time is reduced to 37.5 hours per week, compared to 40 hours in Labour Code
Overtime work	4.7.	150 hours (in Labour Code the maximum is 400 hours yearly)
Holidays	4.10.	5 weeks (4 week in the LC)
Severance payments	4.12	Regulation of various situation, in general higher severance payments than in the Labour Code

Wage increase	5.1.	The wage increase for 2024 is 8% for blue-collar workers and 7.8% for white-collar workers. The actual increase in the wage of a particular employee is dependent on the manager's decision. Wages in the company are composed of claimed wages and non-claimed parts (based on employer decision). **The claimed part** is composed of a basic tariff—9 levels reflecting the difficulty of work and six tariff grades reflecting personal remuneration and payment for overtime work and weekends. The basic first-level tariff is 9900 CZK, personal remuneration is a minimum of 6500 CZK, and the statutory minimum wage for 2024 is 18900 CZK.
Wage supplements	5.6.	Additional payments are provided for overtime work, night work, weekends, work in a smog situation, work with loads, work in highs, work with dangerous waste, work in the historical city centre for difficult working conditions, work with biological waste, etc. All these supplements are higher than in the LC, or are specific one not mentioned in the LC
Payments for standby regime	5.7.	If no work is assigned to the employee, the employer is obliged to pay 60% of the wage
Contractual wages (individual wages not regulated by collective agreement)	5.8.	Contractual wages are allowed. Employers regulate contractual wages in a separate document on remuneration rules, where professions that can conclude contractual wages are specified. Nevertheless, the employer can conclude a contractual wage with any employee if necessary.

Employer contributions	5.14.- 5.25.	Employer may contribute to: digital tachometers, to attainment and change of the driver's licence, pension insurance, free time vouchers, public transport vouchers, etc.
Food contributions	6.	110 CZK per meal (*approximately two-thirds of the value of lunch in Prague)*
Healthcare of employees	7.	Compulsory medical checks for drivers, employer provides vaccines against flu to all employees who demand so
Occupational health and safety	8.	Cooperation between trade union organization and employers in OSH issues
Active environment protection	9.	In the case of the smog situation in Prague, the employer can order a home office for employees.
Education and upbringing	10.	Employer will support employees in education, employer can conclude an agreement with employee on education (and set conditions for his/her stay at the employer after concluding the higher qualification/education)

Source: own compilation based on the collective agreement of the trade union of Prague Services (Odborová organizace pražských služeb, 2024)

Conclusions and recommendations for the sectoral social partners

The relevant **study about the future impacts** on employment in the sector is missing. In Czechia, the significant decrease in landfilling can result in higher waste incineration, but some efforts are also aimed at increasing the circular mode of waste management, which is also associated with a higher number of highly qualified jobs.

The large spread of **subcontracting** of waste management services can represent an opportunity for the improvement of social dialogue and working conditions in the case of the application of social clauses in public procurement. Moreover, recent empirical research has confirmed that contrary to common assumption, there are no significant differences in efficiency between public and private waste operators (Kirov & van den Berge, 2012).

Health and safety are very important factors in working conditions. Statistics suggest a high level of injuries in the sector, and thus more intensive social dialogue about OSH could be beneficial

Part of this dialogue should also focus on **new technologies** that would improve the OSH in the sector and help increase the qualification level of the employees (e.g., automated triage lines). However, these are very rarely implemented, and trade unions are rarely informed about the planned installations of automated and digitalised components in waste management. Related to equipment upgrading in waste processing, **training of employees** should also be a topic for social dialogue

Trade union representatives at the national level would **benefit from the EU-level SD regulating the sector, especially when it comes to OSH** and its consultation with employee representatives or topics related to information access about new technology implementations. For instance EU level social partners can agree on recommendations covering these topics in the sector.

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