

CELSI Research Report No. 20



CELSI Research Report No. 20
April 2016





Table of Contents

Introduction.....	3
1. Precarious work in context	5
1.1 Overview of the Czech labour market	5
1.2 Legal developments	6
1.3 Form and incidence of precarious employment in the economy.....	7
1.3.1 Fixed-term contracts.....	7
1.3.2 Part-time contracts	9
1.3.3 Dependent self-employment.....	10
1.3.4 Work performed outside an employment relationship.....	11
1.3.5 Temporary agency work	13
1.3.6 Working hours account.....	15
1.3.7 Kurzarbeit.....	16
1.3.8 Employee sharing and job sharing.....	16
1.3.9 Home work and telework	17
1.4 Conclusions	17
2. Precariousness and social partner initiatives in the sectors	18
2.1 The construction sector	18
2.1.1 Forms of precarious work in the construction sector.....	20
2.1.2 Union and employers' initiatives to tackle the precarious employment	22
2.1.3 Analytical conclusion.....	24
2.2 The healthcare sector	24
2.2.1 Forms of precarious work in the healthcare sector.....	26
2.2.2 Union and employers' initiatives to tackle the precarious employment	29
2.2.3 Analytical conclusion.....	31
2.3 The metal sector	32
2.3.1 Forms of precarious work in the metal sector.....	33
2.3.2 Union and employers' initiatives to tackle the precarious employment	38
2.3.3 Analytical conclusion.....	40
2.4 The retail sector	41
2.4.1 Forms of precarious work in the retail sector.....	42
2.4.2 Union and employers' initiatives to tackle the precarious employment	46
2.4.3 Analytical conclusion.....	47
2.5 Temporary agency work	48

2. 5. 1	Forms of precarious work in the TAW sector	50
2. 5. 2	Union and employers' initiatives to tackle the precarious employment	54
2. 5. 3	Analytical conclusion.....	56
3.	Conclusion	58
	References	62
	Annex 1: List of conducted interviews	65

Introduction

The rise of the alternative forms of employment in the Czech Republic (herein Czechia) was driven by the foreign direct investments and its hunger for flexible workforce at the beginning of 2000s. Initial unsatisfactory level of control caused unprecedented increase of non-standard jobs together with law infringement, especially in case of work agencies or work agreements. This led to enhancement of labour law regulations. Changes have been driven mostly by the trade unions as reaction to the increasing precarious character of employment in some sectors. Despite the regulation of the non-standard forms of work, situation on the post-crisis labour markets boosts incidence of this type of employment in the interest of preservation of the work places.

Flexible or non-standard forms of employment offer several advantages besides flexibility. Stránský for example argues that in Czechia, agreement contracts for work outside an employment relationship offer more flexible and simple rules of termination of contracts, a possibility to work without pre-determined schedule of shifts and lower costs associated with the absence of social contributions (until certain wage level) (Stránský 2010). On the other hand, flexible forms are often seen as precarious from the worker's point of view, for its uncertain, unpredictable and risky nature (Kalleberg in Kahancová and Martišková 2015).

This report analyses the rise of the precarious employment and responses of social partners on dualization of the labour market in Czechia. For the purpose of this study we follow the analytical framework of this project¹ and apply the definition of the precarious work as contrasting to standard employment. Standard employment is defined as a full-time contract of indefinite duration allowing decent living (Heery 2009, Aust and Horst 2007) and thus precarious or non-standard form of work goes below the standards of the full-time long-term contract. We adopt “two dimensions to precariousness” approach that considers both the formal employment status of an employee and quality of his working conditions (see Table 1). The report is divided into several chapters. The first chapter starts with a brief overview of the Czech labour market and legal developments of precarious employment in Czechia, followed by the description and statistics of the most common flexible forms of employment. The second chapter analyses developments and social partners' initiatives in five sectors: **construction sector, healthcare sector, metal sector, retail and temporary agency work sector**. We base our analysis on 15 interviews with social partners, conducted face-to-face by the authors over the period 2015-2016 (see Annex 1). In addition, we present statistical evidence of trends in sectors and where relevant, media coverage, current discussions, legal acts and other materials are mapped. The final chapter provides a comparative overview on sectoral findings and draws conclusions on social partners' role in addressing precarious forms of employment in Czechia.

¹ Project No VS/2014/0534 supported by the European Commission, DG Employment, Social Affairs and Inclusion

Table 1 Two dimensions to precariousness

	Quality of working conditions dimension					
The formal employment status dimension		Wages	Working time	Job security	Social security	Voice
	Open-ended contract					
	Fixed-term contract Part-time contract					
	Marginal part-time contract					
	Work agreement contract					
	Temporary agency work					
	Bogus self-employment					
	Working hours account					

1. Precarious work in context

We start the first chapter by a brief overview of the Czech labour market. Next, legal developments concerning flexible forms of employment are presented. Third part of this chapter discusses forms and incidences of precarious forms of employment: fixed-term contracts, part-time contracts, dependent self-employment, work performed outside an employment relationship, temporary agency work, employment with working hours account, kurtzarbeit, employee sharing and job sharing, and home work and telework.

1.1 Overview of the Czech labour market

Czechia has one of the most stable labour markets within the post-socialist countries. During 25 years of its independence, unemployment rate peaked at 8.8 per cent in 2000 which is still the lowest in the region. However, labour market suffer from the low participation rate of women, especially those aged 25 – 40, and also lower rates of participation of young people and people over 50.

Before the crisis in 2008, unemployment level in Czechia was 4.4 per cent and this figure almost doubled to 7.3 per cent two years later. During the crisis, government formed by the center right-wing parties introduced austerity measures aimed at decreasing the budget deficit from 6 per cent of GDP in 2009 to under 3 per cent of GDP. Even though this was reached within four years, public spending cuts together with reduction of public investments caused another economic stagnation in 2012 and 2013, when GDP dropped by 0.7 per cent. Unemployment rate remained at 7 per cent in both years of stagnation.

As anywhere else in the EU, young people and people above 50 experience difficulties to find a job, however the extent is different compared to Greece or Spain. Another vulnerable group on the labour market are women with children. Participation rates of women between 25 and 40 fall behind the EU average. Systematically low spending on children facilities such as nurseries and kindergartens does not liberate mothers from home care. Typically, women stay at home for three years or more which decreases their chances to be employed.

Social dialog possesses three levels: company level, sector level and the national level. Membership of both employees and employers in social partner organizations is voluntary, therefore in many companies and sectors no collective bargaining is held. Trade union membership is estimated at 13.5 per cent and employers' organizations cover 48.3 per cent. Collective bargaining coverage is around 33 per cent. The crisis did not affect these figures in any direction.

At the national level, tripartite as a consultative body of the government operates since 1990. Its official name is Council of economic and social accord (*Rada hospodářské a sociální dohody*). It consists of seven representatives of trade unions, seven representatives of employers and eight representatives of the government. Trade unions are represented by two confederations: the biggest confederation Czech and Moravian Confederation of the Trade

Unions (*Českomoravská konfederace odborových svazů*) which represents 366 ths. members, and the Association of Independent Trade Unions (*Asociace samostatných odborů*) representing 107 ths. employees. Employers are represented by the Confederation of Industry of the Czech Republic (*Svaz průmyslu a dopravy ČR*) and Confederation of Employers' and Entrepreneurs' Unions of the Czech Republic (*Konfederace zaměstnavatelských a podnikatelských svazů ČR*).

Even though tripartite operates since 1990, its voice is partially dependent on the willingness of the government to listen. Social democrats traditionally support social dialog more than center right-wing parties. For instance, current social democratic government strengthened its position as a consultative body. Since 2015 proposals and comments to proposed legislation could not be disregarded by the government and should be resolved with cabinet members in the separate discussion, if necessary mediator could be engaged. This even strengthened social partners' strategy to resolve precarious labour conditions primarily through legislation. We follow this issue in detail in this study.

1.2 Legal developments

The Czech labour law is governed by the three basic acts: the Labour Code (the LC), the Collective Bargaining Act and the Employment Act. The Collective Bargaining Act regulates collective negotiations between the state and the social partners and the Employment Act (Act No. 435/2004 Coll., as amended) regulates provisions of the state's employment policy. The Czech Labour Code (Act No. 262/2006 Coll., as amended) is Czechia's fundamental act regulating labour relations. Other important regulations include the act stipulating further requirements for health and safety at work, the labour inspection act, the sickness insurance act and the social security act².

Provisions regulating non-standard, flexible forms of employment are mostly governed in the Labour Code. In January 2012, the most substantial change in Czech labour law since 2007, the so-called "major amendment" (Act No. 365/2011 Coll.) came into force. Initiated by an expert group of the Ministry of Labour and Social Affairs headed by Jaromír Drábek, the amendment's objectives based on the consensus with the trade unions and employers were set to address the challenges brought by the economic crisis (Veverková 2012; Nekolová 2015). According to Drábek, the amendment aimed to increase labour market flexibility and thus support further job creation process³.

In the context of precarious employment, the amendment made several major changes to the Labour Code. First, *the extension of maximum length of fixed-term contract* from two to three years was introduced and the maximum number of prolongations decreased from three to two. Second, the limit for number of *hours performed under the agreements to perform a job was increased* from 150 to 300 hours and *income higher than 10 000 CZK per agreement to*

² See all important acts governing labour relations in Czechia here:

http://portal.mpsv.cz/sz/zahr_zam/pravnipredpisy_zz

³ Jaromír Drábek in Prima TV, 2011. The transcription of the interview available in Czech (by the Ministry of Labour) available here: <http://www.mpsv.cz/cs/11000>

perform work is now *subjected to the mandatory social contributions*. Third, the *trial period for managerial positions has been increased* from three to six months. Fourth, it introduced *lower severance pay* in case of the termination of employment due to organisational reasons. Previously, severance pay was equal to three months' pay regardless of the length of the employment relationship which has been changed to proportional system based on the number of years worked for an employer. Fifth, *new reasons for dismissal* have been introduced and employer can now dismiss an employee if he breaches obligation arising from being temporarily unfit for work. The amendment also regulates several provisions concerning *working hours* and so-called *working hours account* (see part 1.2).

1.3 Form and incidence of precarious employment in the economy

Precarious employment in Czechia as a form of non-standard, flexible contracts is mostly regulated within the Labour Code. In this report, we compare flexible forms of employment with standard employment contract. Defined in part two of the Labour Code, standard employment contract shall last for an indefinite period (open-end) unless a fixed term of its duration has been expressly agreed (LC, §39). The length of standard weekly working hours is 40 hours per week.

Following section presents the most common forms of precarious employment in Czechia, namely fixed-term contracts, part-time contracts, dependent self-employment, work performed outside an employment relationship, temporary agency work, employment with working hours account, kurtzarbeit, employee sharing and job sharing, and home work and telework.

1.3.1 Fixed-term contracts

A fix-term employment relationship is defined in the section 39 of the Czech Labour Code. The 2011 amendment to the Labour Code increased the maximum duration of the fixed-term contract from two to three years and it can be now renewed no more than two consecutive times, as opposed to three times before the 2011 amendment. In other words, the 2011 amendment increased the maximum length of the fixed-term contract from six to nine years. This step thus increased precariousness of fixed-term contracts, since their use often means employment uncertainty for workers (Broughton et. al 2010).

Any previous employment for a fixed term which ended more than three years ago is disregarded and after the expiration of fixed-term contract, the employment relationship for an indefinite period shall apply. The Czech Labour Code recognizes two exceptions from this rule: concerning a fixed-term employment agreed between an employment agency and an employment where employees perform work at another employer (temporary agency work and employee sharing). In addition, an exception can be made in particular circumstances in which an employer cannot provide the open-ended contract for substantial reasons (e.g. seasonal work). Subsequently, a written agreement concluded between an employer and a trade union must include the specification of reasons, as well as rules for negotiating a repetition of fixed-term contracts, number of affected employees and duration of agreement. The written agreement can be replaced by an internal regulation with the same specifications

only in case of absence of the trade union (LC, §39). This provision is welcomed by the employers who demand flexibility (SP ČR1 2015).

The proportion of employees with fixed-term contracts in Czechia has grown since 2011, with the latest number reaching almost 10 per cent. Most fixed-term contracts last from seven to twelve months (see Table 2 and Table 3). The Czech workers most commonly agree on temporary contracts because they cannot find a permanent job (see Table 4). It shall be noted that presented statistics include all temporary workers without specific distinction between TAW or workers with agreement contracts⁴.

Table 2 Temporary employees as percentage of the total number of employees

	2009	2010	2011	2012	2013	2014
European Union (28 countries)	13.5	13.9	14.0	13.7	13.7	14.0
Czech Republic	7.5	8.2	8.0	8.3	9.1	9.7
Slovakia	4.3	5.6	6.5	6.7	6.8	8.8

Source: Eurostat

Table 3 Temporary employees and duration of their work contract (in %)

	2009	2010	2011	2012	2013	2014
Less than 1 month	0.9	0.8	0.6	0.5	0.5	0.6
From 1 to 3 months	6.2	7.2	7.5	6.2	5.3	4.8
From 4 to 6 months	13.5	17.1	17.3	15.8	13.8	13.4
From 7 to 12 months	39.7	40.9	38.8	39.6	40.1	42.0
From 13 to 18 months	11.7	11.6	12.2	11.5	11.8	13.3
From 19 to 24 months	6.1	6.5	7.4	8.4	8.7	8.2
From 25 to 36 months	7.9	6.0	6.8	9.2	9.0	8.5
Over 36 months	13.9	9.7	9.2	8.7	10.7	9.2

Source: Eurostat (update 06.05.2015)

Table 4 Having temporary job, reason: could not find a permanent job

In %	2009	2010	2011	2012	2013	2014
European Union (28 countries)	60.3	61.6	60.5	60.9	61.9	62.2
Czech Republic	67.2	75.2	80.1	82.5	82.4	82.5
Slovakia	79.5	76.1	84.5	84.6	86.9	87.3

Source: Eurostat

⁴ **Employees with temporary contracts** are those who declare themselves as having a fixed term employment contract or a job which will terminate if certain objective criteria are met, such as completion of an assignment or return of the employee who was temporarily replaced.

1. 3. 2 Part-time contracts

Part-time workers constitute smaller number of working population, but growing in recent years (see Table 5). As confirmed by personal agencies, part-time work is widely preferred among women with small children, students and retired people. Employers do not prefer to employ under this type of contract, however. The reasons are threefold: expected lower productivity and effectiveness of part-time workers, complicated personal management of such workers and increased costs of this type of flexible employment (Formánková et al. 2011). Employees, on the other hand, refuse part-time because of low earnings and low social contributions which do not provide for decent living standards.

The LC assigns part-timers the same rights as full-time employees. They are protected from job loss by three months dismissal period, all social contributions are deducted. It is more common, however, that part-time contracts are for definite time period compared to full-time contracts (Kotíková et al. 2012).

According to the LC, employers are obliged to fulfil requests of employees on shorter working time if operational conditions allow it. This provision in the LC is especially suited for “female employee taking care of a child who is under 15 years of age or a pregnant female employee” (LC § 241, 2).

It is also observed that part-timers work flexible hours which often leads to overtime works. Overtime work is rarely paid in the case of part-time. The average hours worked on part-time were, according to Eurostat, 21.2 per week in 2014 which slightly declined since 2009 when average hours worked were 22 hours per week. Average working hours are higher in manufacturing (22 hours per week) or construction (21.7 hours per week).

Around 77 per cent of the part-time contracts employ women. Part-time contracts occur mostly in small companies (up to 10 employees) and intellectually demanding or administrative positions. Only few we found in production, crafting of managerial positions (Formánková et al 2011).

Shorter working time is used for job-sharing or other flexible forms of employment (e.g. homework) because special legislative regulation on job-sharing or homework is missing. Involuntary part-time constitute 20 per cent of all part-timers which is below the EU average⁵.

Table 5 Share of part-time workers on all employees, in %

	2009	2010	2011	2012	2013	2014
Part-time	4.8%	5.1%	4.7%	5.0%	5.8%	5.5%

Source: Eurostat

Social partners consider part-time work as an opportunity to employ vulnerable groups on the labour market. In order to attract attention of employers, tax deductions and lower social contributions were proposed but not implemented so far (Formánková et al, 2011). As

⁵ Source: Eurostat

representative of SP ČR claims, for employers it is easier to employ on regular contract than on part-time (SP ČR1, 2015).

1. 3. 3 Dependent self-employment

Dependent self-employment is recognized as illegal by Act No. 435/2004 on employment (§5, part e) under a punishment fee ranging from CZK 250 ths. to 1 million. This section explicitly defines that dependent work performed by natural person outside basic employment relationship is illegal. Dependent work is defined in the Labour Code as “work that is carried out within the relationship of the employer’s superiority and his employee’s subordination in the employer’s name and according to the employer’s instructions (orders) and that is performed in person by the employee of this employer” (LC, §2). At the same time, dependent work is paid work for wage, salary or other remuneration and it should be carried out exclusively within basic employment relationship which rules out self-employment.

In most of the cases, dependent self-employment is hard to uncover by the state control institutions. In Czechia, the State Labour Inspection Office (SLIO) provides control of all types of illegal work including dependent self-employment, in Czechia also called “Svarcsystem”. In its annual report, SLIO claims that the self-employment is often used as an alternative form of employment for foreigners, mostly because when working as self-employed they are not required to have work permission. Revealed cases are from industry when “entrepreneurs” provide manual unqualified work on assembly line, in construction or in services, e.g. restaurants. However, as reported by the SLIO in 2013, from 3170 illegal foreigners 196 were accused of dependent self-employment (SLIO, 2014). However, controls of the SLIO are not aimed at bogus self-employment and closer statistics on reported cases are not available.

Therefore we build statistical evidence on official numbers of self-employed provided by the Czech Statistical Office (CZSO) and Eurostat. According to the CZSO, a number of self-employed is lower than in the Eurostat database. The difference may be caused by different methodologies both statistics apply. While the CZSO build on data provided by the national registers, Eurostat provide data based on labour force survey. According to the CZSO, self-employed were almost 700 thousands in 2014. According to Eurostat, share of self-employed is lower; around 17 per cent (see Table 6).

Self-employment is widely spread in construction, where small entrepreneurs constitute almost 23 per cent of all employed. Wholesale and retail employ another 16 per cent of self-employed and manufacturing another 11 per cent (see Table 7).

Table 6 Development of self-employed workers, in ths.

	2008	2009	2010	2011	2012	2013	2014
Self-employed (CZSO)	596,3	614,2	658,3	677,8	706,8	669,1	693,5
Self-employed (Eurostat)	752.2	771.1	808.1	825.6	843.3	801.8	832.0

Source: Czech statistical office and Eurostat

Table 7 Self-employed in sectors

In 1000	2009	2010	2011	2012	2013	2014
Manufacturing	86.2	79.1	88.6	99.3	95.3	92.6
Construction	178.5	185.8	179.3	172.4	172.6	162.8
Wholesale and retail	138.5	134.6	127.3	132.4	141.0	132.7
Health	18.5	24.8	25.9	25.7	30.5	29.6
In %	2009	2010	2011	2012	2013	2014
Manufacturing	11.5%	10.3%	11.0%	12.0%	11.3%	11.5%
Construction	23.7%	24.1%	22.2%	20.9%	20.5%	20.3%
Wholesale and retail	18.4%	17.5%	15.8%	16.0%	16.7%	16.6%
Health	2.5%	3.2%	3.2%	3.1%	3.6%	3.7%

Source: Eurostat

1. 3. 4 Work performed outside an employment relationship

The Czech Labour Code in its part three recognizes agreements on work performed outside an employment relationship (in Czech “*dohody o pracích konaných mimo pracovní poměr*”), also called work agreements (herein also “agreement contracts” or “work agreements”). They have a long tradition and were stipulated in Czechoslovak law as far as in 1966. Agreement contracts are to be used for occasional work of limited scope and nature as a more flexible alternative to the strictly regulated standard employment contracts, however, with a lower level of employee protection (Pláničková and Havelková 2012).

The Labour Code further specifies two types of agreement contract: agreement to complete a job (“*dohoda o provedení práce*”) and agreement to perform work (“*dohoda o pracovní činnosti*”). Agreement to complete a job shall be used for the extent of work that does not exceed 300 hours in a calendar year. More specifically, the employee under this type of agreement usually delivers specific tasks in a certain limited period of time, such as writing a report in 10 days. On the other hand, agreement to perform work is used for repetitive tasks that do not exceed half of the standard weekly working time, thus 20 hours per week (LC, §75-76). Under the both agreement contracts, an employer is not obligated to schedule employee’s working time (LC, §74 part 1).

Number of these types of contract rose significantly in the post-crisis period. Especially in 2010 and 2011 number of agreements to perform work rose by 10, respectively 17 per cent (see Table 8). Since this type of agreement allow for similar arrangement as regular part-time,

this suggest that in the time of crisis many employers replaced part-time, or even full-time with this form of contract which allows for higher flexibility in case of dismissal.

Table 8 Number of agreements performed outside employment relationship

	2009		2010		2011		2012		2013	
	DPP	DPČ	DPP	DPČ	DPP	DPČ	DPP	DPČ	DPP	DPČ
Total	875, 369	321, 814	1,200, 423	355, 723	1,110, 551	378, 834	1,021, 027	373, 235	1,280, 058	329, 856

Source: CZSO, 2015

Note: DPP - agreement to complete a job (“*dohoda o provedení práce*”), DPČ - agreement to perform work (“*dohoda o pracovní činnosti*”).

The section 77 of the Labour Code states that provisions regulating performance of work in an employment relationship shall also apply to agreement contracts. However, employees under the agreement contracts do not enjoy the same level of social protection as employees with standard employment contracts. They are not entitled to severance pay, annual leave and the termination period is shorter⁶. Until 2012, employers were not obliged to pay social contributions for employees with agreements to complete a job. That changed with the 2011 amendment to the Labour Code as well as other laws regulating sickness insurance and social contributions, and according to the new rules, agreements to complete a job with income higher than 10,000 CZK (approx. 364 EUR) are subjected to mandatory social and health insurance contribution (see Table 9 for the overview of social contributions).

Table 9 Overview of the social contributions under the agreement contracts

Agreement to complete a job: social contributions			
Monthly wage	Income Tax	Social Insurance	Health Insurance
< 5000 CZK	W: 15 %	No	No
5000 – 10 000 CZK	A: 15 %	No	No
> 10 000 CZK	A: 15 %	Yes	Yes
Agreement to perform work: social contributions			
Monthly wage	Income Tax	Social Insurance	Health Insurance
< 2500 CZK	W: 15 %	No	No
2500 - 5000 CZK	W: 15 %	Yes	Yes
>5000 CZK	A: 15 %	Yes	Yes

Source: Pláničková and Havelková 2012 (own translation)

W (withholding tax): not required to file a tax return, the tax he has already deducted.

A (advance tax): an employee who receives income from several employers at the same time and his income from the agreement exceeds 5,000 CZK must file a tax return no later than 31. 03 of a calendar year.

For the lower employee protection, especially in terms of termination of work, the Czech trade unions alongside with some lawyers and scholars see agreement contracts as the

⁶ For the list of all provisions regulating employment relationship that do not apply to agreement contracts, see the section 77, part 2 of the LC.

precarious form of employment (Stránský 2010; ČMKOS 2013). According to the ČMKOS, the 2012 changes to the agreement contracts did not increase flexibility of such forms but at the same time did not increase precariousness of this type of employment. However, they add that in practice, employers may push employees to conclude agreements with lower income to save money on now mandatory social contributions (ČMKOS 2013).

1.3.5 Temporary agency work

Possibility to assign employees through temporary work agency to “user” employer was introduced in legislation in 2004 by the Act No. 435/2004 Coll. on employment. Before, temporary assignment was allowed between two employers (employee sharing) only, but de facto this provision was used as temporary agency work without sufficient control of the state (Šubrt 2008). From then on, temporary work agency as a legal entity recognized in legislation is allowed to assign their employees to the third party. Reason for this change was the need for flexibilization of the labour market. As Šubrt (2008) points out, demand for flexibilization was stipulated mostly by the foreign investors who were coming to Czechia massively in those years.

Initial conditions for establishing temporary work agency were rather liberate. Permission issued by the Ministry of Labour and Social Affairs (MoLSA) was required based on the application of the agency. Such applications were only formally considered and in addition the fee for registration was very low. As a consequence, number of temporary agencies increased rapidly. At the end of 2005, the number of agencies was 1147 and it doubled within three years (see Table 10). For such a small labour market as it is in Czechia, this number is too high and it thus prevents satisfactory supervision and suspension of the agencies. Insufficient control exposes temporary workers to unprecedented vulnerability and low labour-law enforceability. Therefore, further legislative changes to better regulate this sector were inevitable.

As a response to increasing number of temporary work agencies, amendment of the Act on employment no. 382/2008 Coll. aimed to increase control over the agencies with an issued permission and ruled out agencies which provide their services insufficiently. As of 2009, the permission needs to be approved by the two institutions, the MoLSA and the Ministry of Interior. Permission could be withdrawn by the MoLSA, if a temporary agency does not provide an annual report of numbers of assigned workers and if it does not possess bankruptcy insurance, or in any other cases of law infringement. In case of withdrawal, representatives of the temporary agency are not allowed to apply for a new permission within three consecutive years. Before 2009, withdrawal of permission was not an obstacle to apply for a new permission. Amendment no. 367/2011, effective since 2012, also obliged agencies to have compulsory bankruptcy insurance. This provision is aimed to eliminate those cases in which bankruptcy of the agency results in unpaid wages for the temporary workers. Insurance should cover wages of all employees of the temporary agency for three months.

Another legislative changes concern foreigners and disabled people. Foreigners (from third countries, i.e. outside the European Union) cannot be employed by temporary work agencies unless they possess another special permission. Since 2012, disabled persons were excluded

from the services of temporary agencies. However, since 2015 disabled are again available for temporary agency work.

Precariousness of agency work

Here we list the risks agency work bear for employees and which contribute to precariousness of the temporary agency work in Czechia.

Equal treatment

According to the SLIO, the most common problem reported by controls is derogation from the equal treatment rule. Temporary agency workers are guaranteed equal treatment as regular workers on employer's site (LC, §309 part 5). This provision covers all elements of salary, including bonuses, shares of profits, and potentially thirteen and fourteen salaries. Other perks such as additional holidays or food provided by employer to its regular workers should be accessible to agency workers as well. Collective agreement provisions are, however, not necessarily applied to temporary workers (Šubrt 2008).

Definite time duration contract

Legislation prevents employment under the work on agreements to complete jobs, only agreements to perform work and regular employment relationship are allowed. Regular employment relationship could be agreed on limited or unlimited amount of time however, the latter is rarely used. Temporary worker can work for the same user employer maximum 12 months.

Fixed-term contract is regulated by the section 24 of the Labour Code. This provision defines maximum two prolongations of such contract. According to the section 39 part 6 of the Act on employment, this limitation does not apply to temporary agency workers. The duration of the contract for TAW may be specified as limited to the duration of assignment to user employer which, however, can be also unknown. In such case, the duration of the contract is defined as duration of assignment to user employer.

Work on agreements to perform work

Around 30 per cent of all temporary employees work under agreements to perform work. This form of work contract is legal, but often abused by employers. Under this type of agreement earnings up to 2500 CZK (around 92 EUR) are not subject of taxation or social contributions (so called employment of low extent⁷). As reported by social partners, employers, in some cases, avoid paying social contributions by establishing several entities and employing one person on three or more agreements signed with different entities with earnings up to 2500 CZK each. As a consequence, no social contributions are paid for employee who may work even full-time (Hejduková et al. 2015).

⁷ From Czech “zamestnání malého rozsahu”.

Overtime work

Temporary agency work is sometimes misused to cover overtime work above the level defined in legislation. Employee who works on regular contract is through agency assigned to same employer in order to cover over-time work without extra payments as defined in LC (Hejduková, J. et al., 2015).

Work on call

Temporary workers may be employed on agreement to perform work. In this case, requirement to specify working hours by employer in labour contract is abandoned (§74 part 2 LC) and therefore this contract may be used for “on call” work (Šubrt 2008).

Short-term employment

In case of very short-term assignment to user employer, temporary workers possess even lower social protection since the length when social contributions are paid is too short and does not entitle them to claim its payment in case of unemployment or injury (Hejduková, J. et al., 2015).

1. 3. 6 Working hours account

Working hours account (or working time account; in Czech “*konto pracovní doby*“) is defined as a flexible method of distributing working hours. It was introduced to the Czech labour law to increase flexibility by performing work according to the tasks in time and actual needs of an employer, rather than having fixed working hours. This method may only be used on the basis of a collective agreement or, where there is no trade union, on the basis of the internal regulations (LC §86, part 1).

Working hours account is not widely spread and in practice it is often replaced by the uneven spread of working time also stipulated by the LC. Main difference is that working hours account may be agreed with employee on individual basis, while uneven spread of working time is arrangement that employer uses at the workplace long-term. WHA is for employer much more flexible, employer should inform employees about the schedule minimum one week before, while if uneven spread of working time is applied, minimum period is 2 weeks.

The Labour Code stipulates a settlement period for the working hours account, as well as for uneven spread of working time, for 26 consecutive weeks. This period may, however, be extended up to a maximum of 52 weeks by the relevant collective agreement (LC §86, part 3). In other words, within the given period, an average amount of working hours per day should equal to hours worked as in regular working contract, e.g. 8 hours per day. Important is that working hours account cannot be used for public sector employees.

Employers moreover talk about unsatisfactory length of settlement period, while trade unions observe practices which go beyond the scope of legal regulations. According to the ČMKOS, working hours account can have its own risks in terms of negative influence on the level of severance pay, as well as on the average wage and income that an employee receives during

this period (ČMOKS 2013). Moreover, based on actual needs of an employer, this flexible method is highly unpredictable and thus influences work-life balance of employees, for whom it becomes more difficult to organize their free time. WHA and uneven spread of working time are used mostly in the metal sector and we cover this issue in greater detail in the section about metal sector.

1. 3. 7 Kurzarbait

Compared to previous employment form, this one has been recently implemented into the labour legislation by amendment No. 203/2015 of the Act on employment. Inspiration for such a measure came from Germany where it was widely used during the crisis. It was proposed by employers and trade unions together. For both of them it is a tool to reduce unemployment and support economy. In practice, employer who is facing difficulties may reduce working contract of the employees to minimum 70 per cent of which 50 per cent will be paid by employer and rest of employee's wage is paid by the state. However, for employees the compensation paid by the state is low, maximum 12.5 per cent of the national average wage, which is equal to CZK 3000. This does not provide motivation nor for employers neither for employees to participate in this program. Employers have another possibility how to reduce labour costs for short-time period; they could employ workers for 60 per cent of their contract. This is, according to SP ČR representative, more feasible option for employers compared to 50 per cent compensation within the "kurzarbait" regime accompanied with difficult administration.

1. 3. 8 Employee sharing and job sharing

Temporary assignment of an employee to another employer (in Czech "*Dočasné přidělení zaměstnance k jinému zaměstnavateli*", herein temporary assignment), as a specific type of employee sharing was re-introduced into the Labour Code by the 2012 amendment (ČMKOS 2013; Nekolová 2015). Nekolová claims that it was based on consensus proposed by the employers and trade unions to overcome the economic crisis and promote employment. In addition, "*the measure was supposed to help businesses preserve employment vis-à-vis temporary decline of sales and demand for work by assigning their labour force to other employers for limited periods of time. The priority was to keep temporarily redundant workers as members of staff and thus prevent the growth of unemployment and at the same time preserve the employer's competitiveness.*" (Nekolová 2015).

According to the section 43a of the LC, an employee can be temporarily transferred to another employer earliest after the six months from the commencement of the employment relationship. The remuneration for such assignment is not allowed (LC §43a, part 1-2). During the time of an assignment, the working and salary conditions cannot be worse than those of a comparable employee of the employer to whom the employee is temporarily assigned. The Labour Code prohibits application of the regulation of temporary assignment to employment of employees by employment agencies (TAW) (LC §43a, part 6-8).

Job sharing ("*sdílený pracovní úvazek*"), on the other hand, is not specifically regulated in the Czech Labour Code. Nevertheless, inspired by other European countries, it has recently

been emerging as a good practice of some companies (Nekolová 2015; Eurofound 2015). The Czech Ministry of Labour for example promotes job sharing on its webpage via a leaflet (mostly) targeting mothers with children⁸. For the lack of specific regulations in law, workers that share their job may experience higher job insecurity. In addition, comparably to the workers with agreements outside an employment relationship, job sharers may in reality be expected to work full-time, with job sharing used only formally as a cheaper alternative to the standard working contract. Since in most EU countries job sharers are entitled to the same social protection benefits as part-timers (Eurofound 2015), job sharers experience similar level of precariousness as any part-time employees.

1.3.9 Home work and telework

These forms of work contracts have not been yet implemented in the legislation, it is, however, already used in practice. Mostly MNCs used this form of regulations to encourage employees to stay at home and work. This possibility is, on the one hand, considered as one of the perks provided by employer. On the other hand, employers are missing clear rules which would guide their internal regulations. Upcoming amendment of LC in 2016 should narrow this practice.

1.4 Conclusions

As a response to the crisis, various new forms of flexible employment emerged through the legislative changes. To mitigate problems in the production related to instable demand, flexible working hours arrangements within the full-time contracts were introduced. Outside regular employment, temporary agency work and agreement on work performed outside a regular employment relationship has significantly increased. Therefore, we may conclude that labour legislation rather intensified precariousness of work than reduced it. Precarity of some forms of employment also stems from insufficient control mechanisms, which is especially visible in the temporary agency work sector.

Current trends on the labour market enhanced the cooperation among social partners. They openly discuss precariousness steaming mostly from the legislative provisions directly or from the law infringement and insufficient control mechanisms. Even though the list of flexible forms of work is not short, there is still missing legislation on homework and telework as well as job sharing. These are expected to be introduced into the legislation soon.

Concerning flexible forms of work in the researched sectors, temporary agency work is widespread in production, namely automotive and related industries. Flexible working hours arrangement is widely used in the metal sector. Construction sector as well as retail sector experience high number of self-employed and employees with work agreements. In the healthcare sector, standard open-ended contracts are the most common form of employment and precariousness may be seen in worsening of working conditions of employees. In the next chapter we analyse the situation in the particular sectors in greater detail.

⁸Available here: http://portal.mpsv.cz/upcr/media/tz/2015/04/2015_04_10_tz_alternativni_pracovni_uvazky.pdf

2. Precariousness and social partner initiatives in the sectors

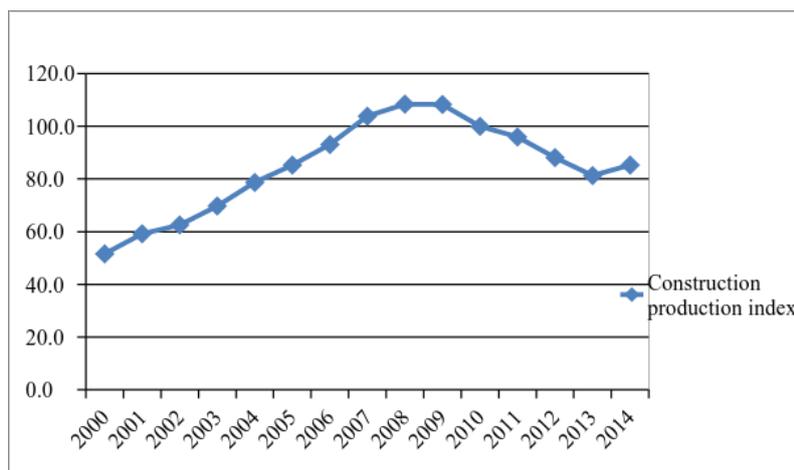
This section investigates social partners' responses and views on precarious forms of work described in the first part of the study. We cover five selected sectors, construction, healthcare, metal, retail and temporary agency work. Each of these sectors underwent different developments and therefore incidence of precarious forms of work as well as social partners responses vary to a great extent. In order to present a relevant picture of the recent developments in the sectors we conducted interviews with stakeholders involved in shaping working conditions in the sectors. In most cases, representatives of relevant sectoral trade unions and employers' organizations were interviewed. If several employers' or trade unions' organizations operate within one sector, we tried to contact all of the partners. We support the stakeholders' evidence with relevant statistics on incidence of precarious work as well as with media coverage of the most recent issues in the sector.

The case studies are structured as follows. After an introduction to the sector's basic employment characteristics and trends in the past five years, we evaluate the incidence and types of precarious employment forms. Next, we present social partner initiatives to address precariousness or to regulate employment conditions in the sector. Using the project's analytical framework, we conclude with an evaluation of the trends in each sector and effects of the social partners' initiatives to tackle precarious work.

2.1 The construction sector

The construction sector in Czechia experienced a "year of boom" in 2008. The construction production index was at its peak and on average, 410,927 workers were employed in the sector (see Figure 1 and 2). This milestone is important even seven years later, since employers and trade union representatives still base their statistical comparisons on year 2008 (CONSTR 1, CONSTR 2). As a result of the economic crisis, the production in construction decreased sharply and employers were forced to reduce the number of workers. This trend stopped only in 2014 and even though the construction output still dropped by 22.1 % compared to 2008, a year-on-year (y-o-y) comparison shows that production increased by 2.3% in 2014.

Figure 1 Construction production index for Czechia

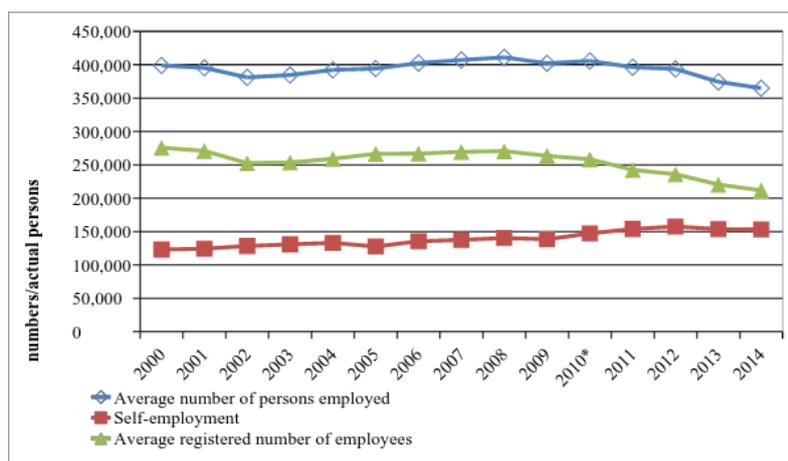


Note: The **construction production index** is a basic indicator of business statistics of construction. Its calculation is based on the development in the general construction work converted into fixed prices. The index is primarily calculated as a month base index, at present related to the average month of 2010. The base indexes serve as a basis for annual indices and potential accumulation over time (quarterly, half-year, annual). It is published for the whole population of enterprises with construction as principal activity.

Source: Czech Statistical Office

In June 2015, the Czech Statistical Office reported that the construction production grew thanks to the engineering work with a y-o-y increase by 7.8%. However, increase in production was not yet reflected in an increased employment in the sector, which according to the Statistical Office continues to decline (see again Figures Figure 1 and Figure 2). Nevertheless, as the demand increases, the Czech media reported that almost half of the construction companies expect to hire new employees in year 2016⁹.

Figure 2 Employment in the construction sector



Source: Czech Statistical Office, https://www.czso.cz/csu/czso/sta_ts

Note: The **average number of persons employed** includes besides the registered employees also persons working under agreement contracts and people who do not have a contract of employment, especially working owners of enterprises. The **average registered number of employees** includes all permanent and temporary employees having a contract of employment, excluding agency workers.

⁹ Source: CT24, available at: <http://www.ceskatelevize.cz/ct24/ekonomika/1628290-stavari-brzdi-prilisny-optimismus-stavebnictvi-poroste-jen-o-45-procenta>, accessed: 28.12.2015

The average gross wage in the whole construction sector for the first quarter 2015 was 21,585 CZK (approx. 799 EUR) which is below an average gross wage in Czechia. However, the picture looks brighter in enterprises with more than 50 employees, where the average gross wage is above the average wage in Czechia and equals to 30,418 CZK (approx. 1127 EUR). After a small decline in 2013, in bigger enterprises the average wage increased in both 2014 and 2015 (see Table 10).

Table 10 Average wage in the construction sector

Year	2008	2009	2010	2011	2012	2013	2014	2015*
Average wage in CZK/ Construction total	20 706	21 819	21 999	22 515	22 589	22 050	22 451	21 585
Average wage in CZK/ Enterprises with 50+ employees	N/A	28 079	28 763	29 184	29 997	28 997	29 776	30 418
Average gross wages in CZK/ Czechia total								26 287

Source: Czech Statistical Office

*first quarter; 1 EUR= 27.030 (09/04/2015, Czech National Bank)

2. 1. 1 Forms of precarious work in the construction sector

The most precarious type of employment in construction sector is bogus self-employment (or so-called “švarcsystem”). While during the period 2009-2015 the number of average people employed in construction declined, self-employment in the sector increased. Currently, the Czech Statistical Office reports 153,094 self-employed persons in the construction sector (see Figure 2). This may indicate that some employees could have been “forced” to switch to another form of employment in order to stay in the sector. In other words, when production decreased, employers had to lower the number of their employees and most probably, those then chose to work as self-employed as a trade-off. Although we do not have the statistics that would confirm it, trade union representatives believe that it is not reasonable for a new entrepreneur to enter the construction sector while it is in decline (CONSTR 1). This trend is also observed when looking at the database of annual national accounts that is based on statistics collected by the enterprises.

According to the trade unionists, part-time contracts, work agreement contracts and temporary agency workers are not common in the construction sector (CONSTR 1). However, the Czech Statistical Office reports more than 43,000 people working on the basis of agreement contracts in 2013 in the construction sector (see Table 12). An ongoing survey initiated by the Trade Union of Building Workers of the Czech Republic (OS STAVBA) aims to establish the number of temporary agencies operating in a particular company. Partial outputs point to the fact that agency work is not used by the construction companies where OS STAVBA has its representatives and statistically, TAW is at the level of zero (CONSTR 1). This in respondents view can differ in construction of building materials where they suspect TAW to be more common. However, building materials statistically belong to industry sector, thus are not covered by the statistics on the construction sector.

The data from the Labour Force Survey show that the number of temporary employees in the construction sector declined from 23,600 workers in 2013 to 20,800 in 2014 (see Table 11).

LSF statistics on temporary employment, however, lumps together workers with fixed-term contract and those that are temporarily assigned or have agreement contracts. More detailed analysis of the data is not available. As can be seen from Table 11, part-time contracts in construction are not common (9,000 workers). To remind, the share of all part-time workers in Czechia was 5.5% in 2014.

Table 11 Temporary and part-time employment in the construction sector, in thousands

Temporary employees							
GEO/TIME	2008	2009	2010	2011	2012	2013	2014
European Union (28 countries)	2 576,9	2 167,7	2 058,1	1 984,4	1 756,7	1 625,1	1 641,6
Czech Republic	18,3	18,4	18,6	17,0	18,7	23,6	20,8
Part-time							
GEO/TIME	2008	2009	2010	2011	2012	2013	2014
European Union (28 countries)	1 137,1	1 114,1	1 122,6	1 179,5	1 190,1	1 225,9	1 210,6
Czech Republic	8,2	10,8	8,2	8,5	9,8	10,6	9,0

Source: LFS

Table 12 Number of persons with agreement contracts in the construction sector

	2009		2010		2011		2012		2013	
	DPP	DPČ								
Total	38,367	8,579	42,976	4,497	46,511	5,062	38,539	4,090	40,500	2,996

Source: CZSO, 2015

Note: DPP – Agreement to complete a job (Dohoda o provedení práce), DPČ – Agreement to perform work (Dohoda o pracovní činnosti)

The results of the trade union's analysis of collective bargaining in construction companies show that during the crisis, social partners agreed to a more frequent use of flexible work schedules in their CBAs, particularly models with an uneven/flexible distribution of working time and working hours account. While in 2009 OS STAVBA reported uneven distribution of working time¹⁰ in 61.5% of company level CBAs, in 2014 this number has grown to 73.5%. Thus, trade unionists conclude that the decrease in production not only caused dismissal of employees or their transformation to self-employed entrepreneurs, employees were also "forced" towards greater flexibility of their working time (CONSTR 1). The most common precarious forms of employment are summarized in the Table 13.

¹⁰ Uneven distribution of working time is sometimes confused with working hours account and vice-versa. We do not have the exact statistics on which type of flexible working hours arrangement companies use more often.

Table 13 : Employment and precariousness in the construction sector

		Quality of working conditions dimension					
Regulated by:		Wages	Working time	Job security	Social security	Representation (voice)	
The formal employment status dimension	Labour Code	FT open-ended contract	<ul style="list-style-type: none"> - Most common employment form - Higher average wages for enterprises with 50+ employees, wages exceed national average - Below national average for construction in total - Minimum wage guaranteed - Unpaid wages mostly in small companies 	<ul style="list-style-type: none"> - Regulated by the LC (standard: 40 hrs/week) 	<ul style="list-style-type: none"> - Defined in the LC 	<ul style="list-style-type: none"> - Paid based on the wage of employee 	<ul style="list-style-type: none"> - Trade unions represent mostly workers in bigger, 50+ companies - Most of them have FT open-ended contract
		Fixed-term contract	<ul style="list-style-type: none"> - Not common - Minimum wage guaranteed 			<ul style="list-style-type: none"> - Full social contributions paid 	<ul style="list-style-type: none"> - Union membership not common - low motivation to join TUs
		Part-time contract	<ul style="list-style-type: none"> - Not common 				
		Work agreements	<ul style="list-style-type: none"> - Wage most often lower compared to full-time contract employment - Often misused to reduce labour costs - Often used at small companies 	<ul style="list-style-type: none"> - Allows for flexible and unpredictable working time 	<ul style="list-style-type: none"> - 15 days of notice period - No reason for notice is needed 	<ul style="list-style-type: none"> - Low social contributions, up to wage CZK 2500 per month - no social contributions paid 	<ul style="list-style-type: none"> - Union membership not common - low motivation to join TUs
		TAW	<ul style="list-style-type: none"> - Minimal importance, statistically zero 				
		Working hours account (within full-time contract)	<ul style="list-style-type: none"> - Increasingly used during the crisis - can have negative influence on the average wage and income during uneven distribution of working time and the settlement period 	<ul style="list-style-type: none"> - Flexible method of distributing working hours with defined settlement period (within max. 26 weeks - or 52 when agreed in CBA - should be on average 8 hrs./day) 	<ul style="list-style-type: none"> - Defined in the LC 	<ul style="list-style-type: none"> - can have negative influence on the level of severance pay 	<ul style="list-style-type: none"> - Represented by the trade unions, usually standard employees that agreed to work on WHA in times of lower production/crisis
	Non Labour Code	Self-employment, bogus self-employment ("švarcsystem")	<ul style="list-style-type: none"> - Second most common after open-ended contracts: up to one-third of workers in the construction are self-employed - Offers higher net wage on the expense of low social contributions - Mostly occurs at small companies 	<ul style="list-style-type: none"> - Flexible with no regulation 	<ul style="list-style-type: none"> - No notice period, nor reason for notice defined 	<ul style="list-style-type: none"> - Most usually only minimum social contributions paid - Cases of unpaid work reported 	<ul style="list-style-type: none"> - Excluded from the formal representation by the trade unions
		Civil contracts	Similar to self-employment				
		Business contracts	Similar to self-employment				
		Others	-	-	-	-	-

2. 1. 2 Union and employers' initiatives to tackle the precarious employment

The construction sector, as opposed to the majority of sectors in Czechia, has a valid higher-level collective agreement (sectoral CBA). The main trade union - Trade Union of Building Workers of the Czech Republic (OS STAVBA) partners with the employer organization - Association of Building Entrepreneurs of the Czech Republic (ABE) since 1990 (see Table 14). In addition, a president of the OS STAVBA as well as the employers' association ABE meet not only at the sectoral level, but are both members of the national tripartite committee and can thus have an influence on the shape of the national social dialogue. According to the OS STAVBA, social partners share their general opinions on the national economy, however, with increased production in the construction sector, their opinions start to divert in certain issues (CONSTR 1). Usually, CBAs are concluded for the period of three years with the clause on wages valid for one year. The current sectoral CBA is valid to 31. 03. 2016 and the new collective agreement is in its negotiating process.

Table 14 Industrial relations in the construction sector

Trade union	The Trade Union of Building Workers of the Czech Republic – OS STAVBA (<i>Odborový svaz stavba České republiky – OS STAVBA ČR</i>) The Union of Workers in Transport, Roads and Vehicle Repair of Bohemia and Moravia* (<i>Odborový svaz pracovníků dopravy, silničního hospodářství a autoopravárenství Čech a Moravy – OS DOSIA</i>)
Trade union density with regard to the sector	N/A (OS STAVBA has its base organizations in approx. 200 companies)
Association of employers	Association of Building Entrepreneurs of the Czech Republic – ABE (<i>Svaz podnikatelů ve stavebnictví v ČR</i>); cover 60-70% companies in construction
Dominant bargaining level for collective agreements	Sectoral level and establishment level
Sectoral bargaining coverage	N/A

* In construction sector, OS DOSIA represents highway construction

Source: own contribution

When it comes to precarious types of employment in construction, TU representatives believe that it should be tackled by the legislation and therefore do not specifically address this issue in their negotiations over CBA. CBAs typically include only general statements on precariousness with no particular tools or measures. Part of it is because in companies where OS STAVBA has its base organizations (medium and big enterprises), this problem seems to be marginal since majority of employees have an open-ended contract. Thus, trade union claims that there are very little or no cases of employees with precarious forms of employment in companies where OS STAVBA operates (CONSTR 1).

Another aspect is that the second most common category of workers in construction, self-employed, are not members of trade unions. This to some extent limits the possibility of addressing the issue of bogus self-employment, since TUs have to primarily focus their activities on their members. Additionally, common practice of sub-contracting in the construction sector makes it further difficult to estimate how many self-employed people can be classified as bogus. Anecdotal evidence suggests that at some construction sites, the ratio of standard vs. sub-contracted workers can be 50:50, however, it remains a speculation

(CONSTR 1). Thus, trade unions call for better control and most importantly, compliance with laws. This again highlights the trade union's view that bogus self-employment is a problem best addressed by the legislation.

Although out of their scope, trade unions consider bogus self-employment as highly precarious especially since it is hard to establish the exact number of people working as self-employed. For the trade unionists, "švarcsystem" means that companies try to get rid of the standard, full-time employees by "forcing" them to become self-employed, however, they continue to assign work to them (CONSTR 1). Sometimes companies hire workers from abroad (Slovaks, Ukrainians), which further complicates the issue. As a result, TU acknowledge the problem and organize informative actions to educate workers in construction about (dis)advantages of being self-employed, such as paying their own social contributions or taking responsibility of their safety at the workplace.

The reliance on legislation is further enhanced by already mentioned participation in the national tripartite, through which social partners gain access to issues discussed at the national level. In addition, trade unions regularly comment on legislative proposals concerning the construction sector within a public comment period. Here, the attitude of politicians and relations with the government play an important role and are another important aspect highlighted by both employers association and trade unionists. As an example, trade union states that Mr. Andrej Babiš, a current Czech Deputy Prime Minister, is open to cooperation with both TUs and employers, since they share lot of common goals - for example they both want to push companies to pay taxes, improve public procurement process, etc. (CONSTR 1, CONSTR 2). In addition, the current government program declaration incorporated several of the social partners' proposals and goals (CONSTR 2).

Besides bogus self-employment, OS STAVBA reported a rise in pressure to reduce the number of employees in the sector during the times when production in the sector was hit significantly. The general strategy of OS STAVBA was to uphold the employment at the expense of shortening working days from five to four, a more frequent use of working hours account, or lowering the amount of benefit payments (CONSTR 1). All of the above were results of cooperation with employers and usually further specified in company collective agreements. With a current higher construction production, the situation looks brighter and benefits are again in use (CONSTR 1).

Employers, on the other hand, focus on minimum wage tariffs when negotiating CBAs with OS STAVBA. Considering precarious employment, Association of Building Entrepreneurs (ABE) similarly to the OS STAVBA associates bigger companies and thus claims that those adhere to the law. Bogus self-employment or svarcsystem is in their eyes mostly problem of small companies and/or part of grey economy. In addition, statistics differentiates between small companies and companies with 50+ employees which leaves the former group without any, or very little data. Since ABE covers 60-70% of construction companies from small to the biggest, they claim to be more interested in other issues such as rules of public procurement, production in the sector and similar. They claim that the current government is

open to their recommendations in the construction sector. Employers welcome economic recovery in construction but also see that with higher production, a shortage of employees may soon be a problem (CONSTR 2).

2. 1. 3 Analytical conclusion

The construction sector in Czechia experiences *the highest number of self-employed workers* from all studied sectors, reaching up to one third of all workers. Despite the lower production in the sector after the year-of-the-boom in 2008, the number of self-employed in the construction remained stable and even increased in the period 2008-2014. At the same time, economic crisis lowered the production in the construction and brought cuts in the number of employees that were subsequently forced to change their formal status and become self-employed. However, the exact number of bogus self-employed in the construction sector remains unknown.

Social partner *exclude precarious workers* from their agenda, since they are either statistically insignificant (TAW agency workers, part-timers) or self-employed and thus not members of the trade unions. In addition, the members of the trade unions usually come from medium and large companies (with 50+ employees) where trade unions do not report precarious types of employment among its members. The common practice of sub-contracting in construction further complicates the possibility to establish the number of bogus self-employment in the sector and control the quality of working conditions.

Exclusion of the precarious workers is accompanied by their belief that *only through the legislation social partners can improve the working conditions of non-standard employees*. Nevertheless, via formal or less-formal daily interaction with its members, trade union *regularly inform their members* about potential problems of bogus self-employment (“švarcsystem”) and hence, to a certain degree *indirectly target precarious workers*. On the other hand, standard, regular employees are covered by the higher-level collective agreement that is, as opposed to other sectors in Czechia, regularly concluded in the construction sector.

Both employers and trade unions not only *rely on the legislation and active involvement during the public comment periods*, but they also highlight the *importance of cooperation with the government*. Both social partners sit in the national tripartite which further enables them to discuss and negotiate at the national level. Social partners believe that the “openness” of the government to social partners’ concerns and willingness to have an open and regular discussion significantly improves the conditions in the sector.

2.2 The healthcare sector

Healthcare sector in Czechia can be characterized as a sector subjected to continuous political pressures on privatization, transformation of hospitals and general reforms in a health insurance system (Eurofound 2011). According to the source of financing it can be divided into private healthcare facilities, which dominates in numbers, and public – mainly hospitals

and highly specialized medical institutions owned by the state, regional authorities or municipalities. It is based on universal compulsory insurance system (ibid.).

The total number of persons working in health services (employees on payroll, employers and contract workers) was 250,233 by the end of 2013 and this number did not substantially changed in recent years (see Table 15). According to the Czech Health Statistic Yearbook 2013 which is published by the Institute of Health Information and Statistics of the Czech Republic (UZIS), almost 97% of all workers were employees on payroll and employers.

The number of contract workers, i.e. persons who do not belong to employees on payroll or to employers and persons temporarily assigned from other organizations (internships) increased in 2013 by 13.5 % to 8,037 (see again Table 15). According to UZIS, contract workers mostly work on basis of agreement contracts (outside an employment relationship), contracts based on commercial or civic code or “as collaborating family members” (UZIS, 2013). Professions with the highest share of contract workers are physicians with 41% of all physicians working as contract workers and dentists. One fifth of contract workers are general nurses and midwives (ibid.).

Table 15 Number of employees in healthcare sector

Category	Employees on payroll and employers (full time equivalent)		
	Total	by founder	
		Ministry of Health	Region
Total	242,196	58,483	24,540
Professional health personnel	201,192	46,434	20,100
Category	Contract workers (full time equivalent)		
	Total	by founder	
		Ministry of Health	Region
Total	8,037	1,301	1,233
Professional health personnel	6,212	510	1,145

Source: UZIS, 2013

In Czechia, employees in health services receive either salary (public, established by the state, municipality, city, or other state organ) or wage (private providers). Salaries of employees in public healthcare are paid according to the valid salary regulation, while employees receiving wage sign standard employment contract (in accordance to the LC). In 2013, 37% of workers were paid according to the salary regulation which means that majority of workers in healthcare don't have their income regulated by the state. Since 2012, it is possible to remunerate even public employees by either valid salary tariff or by contracted wage. However, from all employees in this category, only 1.09 % received contracted wage (UZIS 2013). The average monthly salary and wage is presented in Table 16.

Table 16 Average monthly salary and average monthly wage of healthcare workers in Czechia, in CZK

Year	Average monthly salary	Average monthly wage
2010	27,733	23,660
2011	29,188	24,740
2012	30,403	25,439
2013	30,174	25,314

Source: UZIS, 2013

2. 2. 1 Forms of precarious work in the healthcare sector

In healthcare, there is no detailed statistics on occurrence of all identified precarious forms of employment, as outlined in the previous part. UZIS claims that almost 97% of all healthcare workers in 2013 were either employees on payroll or employers (see again Table 15). The statistics on the rest of the workers (contract workers) does not further specify numbers of employees with agreement contracts or with contracts based on the commercial/civic code. However, looking at the data from the Czech Statistical Office on the number of people with agreement contracts in the healthcare sector, we see that in 2013 more than 100,000 people worked on the basis of agreement contracts (see Table 18). This difference is due to the fact that healthcare workers accumulate several contracts, but employers usually report only full time open-ended contract to the UZIS and their statistics is therefore not reliable (HEALTH 2, 3).

Table 17 Temporary and part-time employment in human health and social work activities, in thousands

Temporary employment							
GEO/TIME	2008	2009	2010	2011	2012	2013	2014
European Union (28 countries)	2 739,5	2 772,2	2 827,0	2 837,1	2 835,7	2 832,3	2 889,4
Czech Republic	24,0	23,1	20,7	20,0	22,5	23,0	28,5
Part-time							
GEO/TIME	2008	2009	2010	2011	2012	2013	2014
European Union (28 countries)	6 629,2	6 846,5	7 135,9	7 240,4	7 347,4	7 514,2	7 742,3
Czech Republic	21,2	25,0	30,6	26,7	32,8	32,5	35,6

Source: LFS

Table 18 Number of persons with agreement contracts

	2009		2010		2011		2012		2013	
	DPP	DPČ								
Total	42,276	36,377	42,424	34,848	37,693	38,359	44,062	35,125	70,822	34,541

Source: CZSO, 2015

Note: DPP – Agreement to complete a job (Dohoda o provedení práce), DPČ – Agreement to perform work (Dohoda o pracovní činnosti)

According to Eurostat, in 2014 there were more than 35,000 part-time workers in the healthcare sector and little less (28,500) temporary workers (see Table 17). Self-employed persons in healthcare constitute only 3.7% of all workers (see Table 19).

Table 19 Self-employment in healthcare and social work

	2008	2009	2010	2011	2012	2013	2014
Number of self-employed in Czechia	22,966	22,787	21,604	21,462	21,116	19,935	19,459

Source: Czech Statistical Office, Annual National Accounts

While most of the healthcare employees have standard, open-ended contracts, the quality of their working conditions may differ according to the type of employer (public, private, small, bigger), profession (doctors vs. nurses and midwives). Other aspects such as presence of trade unions and legislation setting their wage also play role. Most commonly, employees in the

healthcare sector approach the trade union representatives with questions regarding the quality of working conditions such as payment for overtime work, scheduling of their working hours, its length and their salary/wage (HEALTH 1).

One of the most “precarious” issues in the Czech healthcare sector is overtime work. Due to the combination of migration of healthcare workers and an underfinanced system, healthcare workers usually work overtime, for which their employers are reluctant to pay. The legal limitation of overtime work set to 416 hours per year did not apply to medical doctors till the end of 2014 and doctors could double their overtime work. Although later legally abolished, in 2015 doctors still work more than officially allowed. Usually, overtime work of doctors is solved by signing additional contract of a different type – most commonly agreement contract (HEALTH 2, 3). Similarly, during the financial crisis, nurses complained that their overtime work is rarely compensated¹¹. The common employers’ practice was to give them a second contract of a lower scale, which would reduce their labour costs. Hence, nurses had to sign an additional contract, usually for a position of medical assistant that requires lower qualification and receives lower salary/wage, but were expected to perform the work that was equal to those of nurses (HEALTH 1, 2, 3).

Accumulation of several contracts - mostly the combination of full-time contract with work agreement contract or self-employment - is not only the result of creativity used to reduce the labour costs for overtime work, but also an outcome of a system that allows such practice. Usually, medical doctors (but also nurses) work at several places and have more than one contract, however, their working time is calculated only in relation to one employer. In addition, medical doctors sometime work as self-employed in their private practices. However, there is no statistics that would calculate overall hours that doctors work (HEALTH 2).

Wages and salaries of the healthcare workers are another major issue. Since healthcare workers are remunerated either according to the salary regulations or according to the wage regulations, their income differs. As can be seen from Table 16, the UZIS data show that since 2010, employees remunerated according to the Labour Code receive lower wage than their colleagues who receive salary. While the average salary of healthcare worker in 2013 was 30,174 CZK, the average wage in 2013 was only 25,314 CZK (see Table 16). Table 20 below summarizes the employment forms and precariousness in the healthcare sector.

¹¹ Source: http://zpravy.idnes.cz/nova-vyhlasaka-zhorsila-postaveni-zdravotnich-sester-pfc-/domaci.aspx?c=A120823_184827_domaci_hv, accessed: 21. 08. 2015

Table 20 : Employment and precariousness in the healthcare sector

		Quality of working conditions dimension						
Regulated by:			Wages	Working time	Job security	Social security	Representation (voice)	
The formal employment status dimension	Labour Code	FT open-ended contract	- Dual remuneration system: salaries and wages - Salaries (based on salary tariffs set by the law) higher than the national average - Wages (set by the market mechanisms) lower than the national average - Minimum wage guaranteed	- High overtime work (often undeclared) - Night shifts - Limited remuneration of the overtime work	- Defined in the LC	- Paid based on the wage of employee	- Common union membership	
		Fixed-term contract	- Not common in the healthcare sector - Minimum wage guaranteed			- Full social contributions paid	- Union membership not common - low motivation to join TUs	
		Part-time contract	- Not common in the healthcare sector					
		Work agreements	- Common as a second, additional contract next to the full-time contract - Wage most often lower compared to standard contract employment - Often misused to reduce labour costs	- Allows for flexible and unpredictable working time	- 15 days of notice period - No reason for notice is needed	- Low social contributions, up to wage CZK 2500 per month no social contributions paid	- Union membership not common - low motivation to join TUs	
		TAW	- Not common in the healthcare sector					
		Working hours account (within full-time contract)	- Not common in the healthcare sector					
	Non Labour Code	Self-employment, bogus self-employment	- Common as a second, additional contract next to the full-time contract, mostly concerning doctors - Offers higher net wage on the expense of lower social contributions	- Flexible with no regulation	- No notice period, nor reason for notice defined	- Most usually only minimum social contributions paid	- Excluded from the formal representation by the trade unions	
		Civil contracts	Similar to self-employment					
		Business contracts	Similar to self-employment					
		Others	-	-	-	-	-	

2. 2. 2 Union and employers' initiatives to tackle the precarious employment

Several employers' organizations operate in the sector, however, there is no higher-level association that would allow for negotiations at the sectoral level. Hence, the Czech healthcare sector is not covered by a sectoral collective agreement and social partners sign CBAs only at the establishment level (see Table 21). As a result, the main trade union, the Trade Union of the Health Service and Social Care of the Czech Republic (OSZSP) addresses the issues and problems of its members at the level where they appear (regional level, in concrete hospital, etc.) (HEALTH 1). OSZSP is also involved in tripartite social dialogue through its membership in the Czech-Moravian Confederation of Trade Unions (CMKOS). Several different associations of employers in the healthcare sector (see Table 21).

Table 21 Industrial relations in the healthcare sector

Trade union	The Trade Union of the Health Service and Social Care of the Czech Republic – OSZSP (<i>Odborový svaz zdravotnictví a sociální péče ČR</i>) Professional and Trade Union of Medical Workers of Bohemia, Moravia and Silesia (<i>Profesní odborová unie zdravotnických pracovníků Čech, Moravy a Slezka, POUZPČMS</i>) Medical Doctors Trade Union Club – Union of Czech Doctors – LOK-SCL (<i>Lékařský odborový klub – Svaz českých lékařů</i>)
Trade union density with regard to the sector	N/A
Association of employers	Association of Hospitals of the Czech Republic (<i>Asociace nemocnic ČR</i>) The Association of Czech and Moravian Hospitals – ACMN (<i>Asociace českých a moravských nemocnic</i>) Association of Regional Hospitals (<i>Asociace krajských nemocnic</i>) Union of Private Hospitals – SSN ČR (<i>Sdružení soukromých nemocnic České republiky</i>) Association of Social Service Providers of the Czech Republic (<i>Asociace poskytovatelů sociálních služeb, APSSCR</i>) Association of mental health care community services (<i>Asociace komunitních služeb v oblasti péče o duševní zdraví, AKS</i>) Association of Hospice and Palliative Care Providers (<i>Asociace poskytovatelů hospicové paliativní péče, APHPP</i>)
Dominant bargaining level for collective agreements	only establishment level
Sectoral bargaining coverage	no sectoral CBAs (company-level CBAs: 74%)*

Source: own contribution

* Estimates based on the OSZSP's data (Eurofound 2009)

Two topics – working conditions and wages – are at the centre of trade unions' attention. In particular, one of the most important issues influencing working conditions in healthcare and also heavily criticized by the OSZSP was already described practice that allowed nurses to have two contracts, one for lower qualification. In 2012, trade union representatives united with professional organisations threatened employers with legal actions, claiming that nurses were forced to accept such conditions in at least eight hospitals¹². OSZSP pointed out that besides lower pay and more work, nurses with such contracts are not legally protected in case

¹² Source: http://zpravy.idnes.cz/nova-vyhlaska-zhorsila-postaveni-zdravotnich-sester-pfc-/domaci.aspx?c=A120823_184827_domaci_hv, accessed: 21. 08. 2015

of any misconduct. The representative of the Association of Czech and Moravian Hospitals stated that employers do not agree with practices like these, however, the only other possibility to lower expenditures and reduce costs would be at the expense of patients¹³.

Similarly, on the pressure of the Medical Doctors Trade Union Club – Union of Czech Doctors (LOK-SCL), work agreements were prohibited in the healthcare institutions directly financed by the state in 2015 (HEALTH 2). However, as trade unionists and employers jointly state, not every employer follows this regulation (HEALTH 2, 3). As a result, LOK-SCL complains that doctors still sign agreement contracts in addition to their general contract as a way of dealing with overtime work and do not understand that paid overtime is financially more attractive than any additional contract (HEALTH 2). From the employers' perspective, payment for overtime work is hardly predictable and hence less attractive. Therefore, employers that usually operate within an underfinanced system, search for alternative ways to reduce their labour costs (HEALTH 3).

Remuneration of the healthcare workers and call for higher wages is one of the major issues for the trade unions. The biggest trade union that unites all workers in the healthcare sector - the OZSPZ – is proud that they were able to stabilize salaries and wages in the healthcare sector, which were not lowered during the financial crisis (HEALTH 1). However, wages were not increased either and therefore, in 2010-2011 the Medical Doctors Trade Union organized an unprecedented campaign “Thank You, We Are Leaving” (“*Děkujeme, odcházíme*”) that called for more funding in the healthcare sector, better medical education, but especially higher wages. More than 3,837 doctors submitted their resignation letters which affected 78 out of approximately 200 hospitals in Czechia. The campaign attracted media and general public and led to a petition “SOS Healthcare” (“*SOS Zdravotnictví*”) that called for major reforms in the sector. The campaign ended in February 2011 after LOK-SCL signed a memorandum of cooperation with the Ministry of Healthcare, in which the promise of higher wages for doctors was stipulated. LOK-SCL argues that protests and demonstration that force the government to act are far more effective than negotiations with individual employers (HEALTH 2).

The common sign in campaigning for the fair salary/wage increase is that the trade unions focus their attention on the legislation. They hope that an increase for workers remunerated according to the salary tariffs set by the law will also translate into an increase for workers receiving wage. Through the national level social dialogue, OSZSP fights for the common salary tariffs that would allow healthcare workers to be paid equally, regardless of the type of healthcare provider and the type of employer. Currently, according to the OSZSP, wages and salaries can differ up to 5000 – 6000 CZK (up to 220 EUR) on average (ibid.). Similarly, LOK-SCL calls for a unified remuneration system in the healthcare sector since any wage increase set by the law concerns only those workers that are remunerated according to the salary tariffs. Healthcare providers which remunerate their employees according to the

¹³ Source: http://zpravy.idnes.cz/nova-vyhlasaka-zhorsila-postaveni-zdravotnich-sester-pfc-/domaci.aspx?c=A120823_184827_domaci_hv, accessed: 21. 08. 2015

Labour Code are legally not obliged to follow recommended increase, which is in LOK-SCL's view not fair (HEALTH 2).

Because of the dual remuneration system, employers that do not remunerate their employees according to the valid salary tariffs claim to regularly negotiate wage increases with trade union partners instead. As one employer puts it:

“Our hospital doesn't have a tariff-based obligation to increase wages. Employees' wages are based on the volume of care provided, its quality and the actual payments for it. Regardless of the promises of others we are trying to improve and increase wages of the hospital's staff, especially doctors. We will do so in 2016. We will, as in previous years, negotiate wages with employees and we will certainly reach an agreement.”¹⁴

With no association at the sectoral level that would unite employers' voice, their action is not united either and employers' responses to precarious working conditions remain fragmented and hard to aggregate. The representative of the Association of Czech and Moravian Hospitals (ACMN) states that the main problem behind low wages, overtime work and accumulation of contracts is a shortage of medical personnel (doctors and nurses) and underfinanced healthcare system. Regarding the accumulation of contracts, employers believe that the health insurance companies to a certain extent oversee the number of contracts of the healthcare workers and try to eliminate their accumulation. On the other hand, they acknowledge that the control over the overall working hours of doctors is limited (HEALTH 3).

Underfinanced healthcare system is identified by both employers and trade unionists as a main factor contributing to precarization of working conditions in the sector and can in their eyes only be tackled by the legislative changes and reforms by the government. Missing united voice of employers at the sectoral level means, that any “higher-level solutions” need to be addressed at the national level. Therefore, employers and trade unions both perceive that via influencing legislation, they can improve the conditions in the sector. Trade unions in addition believe that collective bargaining at the sectoral level is a question of far future and thus focus their activities on the action that they perceive as quicker and more effective (HEALTH 1, 2).

2. 2. 3 Analytical conclusion

Although the majority of workers in the healthcare sector are covered by standard, open-ended contracts, the quality of working conditions in the healthcare remains under the pressure. Healthcare workers, especially nurses and doctors often work overtime. To eliminate the overtime payment, accumulation of several contracts has been observed. Nurses often work for a lower qualification than the nature of the work requires which may lead to

¹⁴ Authors' translation of the quote by Mr. Josef Mašek, Director of the Hospital Kadaň, s. r. o. Available here: <http://www.tribune.cz/clanek/37294-prinese-uhradova-vyhlasaka-nemocnicim-dostatek-penez-na-platy-a-mzdy>, Accessed: 7.1.2016

potential legal problems in case of any misconduct. Doctors on the other hand work at several workplaces at the same time, however, their overall working time is not monitored.

Overtime work and underfinanced system with low increase of wages and salaries are at the centre of trade unions' attention. The main trade union, OSZSP tries to improve working conditions of its members via regular negotiations with its partners at the national and institutional level. On the other hand, the campaign for higher wages organized by the doctor's trade union illustrates more active approach, focused on mobilisation of its members and general public. In both cases, trade unions *include the questions of precarious working conditions and lower wages* into their agenda.

The lack of unified employers' voice prevents negotiations of social partners at the sectoral level, which in return influences strategies that trade unions chose to improve working conditions of its members. *Therefore, via protest, demonstrations, public involvement and political lobbying*, trade unions *focus on influencing legislation*. Most importantly, trade unions call for a unified remuneration system set by the law that would prevent current differences between salaries and wages of healthcare workers.

Similarly, since government regulations define salary tariffs and salary increase in the sector, *shaping legislation is the crucial part of employers' agenda*. In addition, both trade unions and employers agree that the underfinanced healthcare system is a main factor contributing to precarization of working conditions and hence, *highlight the need for legislative changes and reforms* introduced by the government.

2.3 The metal sector

The metal sector is an integral part of the Czech economy producing significant part of the GDP and employing more than 741 thousand people¹⁵. It consists of several industries with rather different performance as well as different working conditions and wages. Data for the metal sector as such are not available since NACE classification offers broader category of manufacturing where branches of the metal sector are included but not distinguished for many indicators. Therefore, for the purpose of this study we either use data for the whole manufacturing sector or we extract data for the most relevant industries of the metal sector in Czechia, i.e. automotive and electronics.

Automotive industry is the biggest employer in the sector, with 236 thousand of employees¹⁶, 1.25 million of car produced and 7.4 per cent share on Czech GDP¹⁷. Because of its size and performance, automotive industry partially forms the labour relations in the sector. It sets a benchmark for wages and working conditions in related branches. An average wage in the

¹⁵ Eurostat, 2015

¹⁶ Eurostat, 2015, data for NACE categories C29 and C30 (Manufacture of motor vehicles, trailers and semi-trailers and Manufacture of other transport equipment)

¹⁷ AutoSAP data, 2015, data for 2014

sector is above the national average (in 2015 it was 25,000 CZK¹⁸). In the first half of the 2015 it was 33,209 CZK, blue collar workers gained 27,270 CZK¹⁹.

Electronics with 146 thousand employees is traditionally well established industry with diversified production from ICT components to engine components and power-current components. An average wage depends on the branch, employees in ICT have salaries far above the national average (in 2013 it was 45,000 CZK. compared to national average of 23,000 CZK. in that year) while wages in production of electronic components and computers oscillate around the average with 27,000 CZK²⁰.

During the crisis, the metal sector was hit deeply and between the 2008 and 2009, employment dropped by 76 thousand employees. It recovered quickly; pre-crisis employment was reached in 5 years later (see Table 22).

Table 22 Employment in the manufacturing/metal sector

	2008	2009	2010	2011	2012	2013	2014
Manufacturing sector	719.9	643.7	636.3	671.2	701.2	699.8	741.2
- Automotive	189.3	177.8	185.9	200.2	215.0	213.0	236.0
- Electroindustry	143.1	130.5	127.5	134.3	136.8	146.9	146.1

Source: Eurostat

Note: Data for the NACE codes of group C24 to C30 of manufacturing section.

As a response to the production volatility, flexible working contracts became inevitable in the whole manufacturing. Temporary contracts have risen by 23 per cent within one year²¹ and working hours account gained attention of the employers. Temporary agency work gained dominance in the manufacturing, where 76 per cent of all temporary workers are employed. The use of working agreements has risen as well. We describe these developments in greater detail in the following section.

2. 3. 1 Forms of precarious work in the metal sector

Precarious forms of work differ within the metal sector according to the industry. Majority of the employees are employed on standard, open-ended full time contracts. As declared by the representatives of the employers in the automotive and electronics, employers are willing to offer open-ended contracts because of the lack of the qualified workforce in specialized positions. As employers representatives of both industries claim, insufficiency of qualified workforce leads in many cases to more attractive working conditions. However, this is true for the specialized positions only and we see the different story in manual, blue collar jobs, where new flexible forms of work are emerging rapidly.

¹⁸ CZSO, 2015

¹⁹ AutoSAP, 2015, <http://www.autosap.cz/zakladni-prehledy-a-udaje/#mzdy>

²⁰ CZSO, 2015, data for 2014

²¹ Eurostat, 2015, data for 2014

Between the 2013 and 2014, the number of temporary employed in the manufacturing increased significantly, by 23 per cent (Eurostat 2015)²². It reflects the post-crisis situation in the sector which is marked by instable demand and production. As OS KOVO representative said, almost no company is willing to recruit blue-collar workers on indefinite contracts and prefers temporary contracts from which only part is later transformed to open-ended. The reason is instability in the sector, where highly volatile automobile production dominates.

Large share of the temporary workers are agency workers. The issue of agency workers dominates in the automotive industry, where companies recruit core staff almost solely from those who came as agency workers. Their number in manufacturing has doubled in 5 years, from 25,000 in 2009 to 50,000 in 2014 (CZSO, 2015). In the electronics, temporary work occurs in production of IT components and computers. According to the representatives of the Czech and Moravian Electrical and Electronic Association, mostly computers assembly companies such as Foxconn are depending on such flexible labour force.

Work agreements are used for short-term need of labour or for small jobs related to the production. Number of persons working on agreements in the sector rose especially in 2010 (see Table 2) as a reaction to changed working conditions after the economic downturn. In the last years, numbers are still high but decreasing. It is questionable whether this is compensated by the increase of the full-time open-ended contracts, or other flexible contracts have emerged. From the statistics available, the number of temporary agency workers in the manufacturing is increasing (see Table 4 Number of temporary workers employed) and therefore, compensation towards open-ended contracts is rather limited and agreements are being replaced with another flexible form of employment.

Table 23 Number of persons working on agreements in the metal sector

	2009		2010		2011		2012		2013	
	DPP	DPČ								
Total	127,966	29,035	185,260	35,939	152,377	35,740	145,323	29,099	163,821	28,272

Source: CZSO, 2015

Note: DPP – Agreement to complete a job (Dohoda o provedení práce), DPČ – Agreement to perform work (Dohoda o pracovní činnosti)

After the crisis, working hours account (WHA) has spread into the many production lines. As OS KOVO representative suggests, its application goes often beyond the scope of the current legislation. In many cases, settlement period is longer than 26 weeks stipulated in the LC, or there is no settlement period at all. This arrangement rather corresponds to the uneven spread of working time. The difference is that while the WHA should be agreed with the employee in advance for a defined period, uneven spread of working time could be defined by the employer without worker's agreement or even without agreement of the trade union organization operating at the workplace. This practice is confirmed by the representative of the Confederation of the Industry of the Czech Republic (CISZ) as well. "Employers often do

²² Data for the whole manufacturing.

not use working hours account, but rather uneven spread of working hours. It is more flexible and comfortable to them”, explains the representative of the SP ČR (SP ČR 1).

Even though statistics on this issue is not available, OS KOVO representative assumes that there is a difference between workplaces with and without established trade unions. Trade unions at the workplace may control application of the WHA. The workplaces where such control is not provided are suspected that implementation of the WHA is “bad from the beginning to the end and under the threat of unemployment those employees agree on anything” (METAL 1).

The rise of the flexible type of contracts inhibits activity of the trade unions as we will report in the following sections. Employers’ organizations are not standing behind, and are present at the discussions with the trade unions. In the following table we summarize dimensions of precarity of the identified flexible contracts prevailing in the metal sector. Then we introduce actors of the social dialog and describe their initiatives in the field of flexible work arrangements within the metal sector. We summarize precarious practices in the sector in the Table 24).

Table 24 Employment and precariousness in the metal sector

		Quality of working conditions dimension					
Regulated by:			Wages	Working time	Job security	Social security	Representation (voice)
The formal employment status dimension	Labour Code	FT open-ended contract	<ul style="list-style-type: none"> - Prevailing form of the contract in the sector - Minimum wage guaranteed, in most of the cases, wages exceed national average 	<ul style="list-style-type: none"> - Regulated by the labour code, - Overtime work often misused as WHA or uneven spread of the working time 	<ul style="list-style-type: none"> - Defined in the LC 	<ul style="list-style-type: none"> - Paid based on the wage of employee 	<ul style="list-style-type: none"> - Unionization in the metal sector is one of the highest, mostly FT workers are members
		Fixed-term contract	<ul style="list-style-type: none"> - Gained importance in recent years - Minimum wage guaranteed, in most of the cases, wages accede national average 		<ul style="list-style-type: none"> - Legislation allows for three prolongations for three years, i.e. maximum tenure of fixed term contract is 9 years. - Reasons for layoffs defined in LC, notice period of at least two months 	<ul style="list-style-type: none"> - Full social contributions paid 	<ul style="list-style-type: none"> - Union membership allowed, not so common
		Part-time contract	<ul style="list-style-type: none"> - Not common in the sector - Lower wages 		<ul style="list-style-type: none"> - Often concluded for definite duration 	<ul style="list-style-type: none"> - Contributions are paid regularly - Lower social contributions compared to FT 	
		Work agreements	<ul style="list-style-type: none"> - Wage most often lower compared to FT contract 	<ul style="list-style-type: none"> - Allows for flexible and unpredictable working time 	<ul style="list-style-type: none"> - 15 days of notice period - No reason for notice is needed 	<ul style="list-style-type: none"> - In case of agreement to perform work no social contributions paid up to wage CZK 2500 per month - In case of agreement to complete a job no social contributions are paid with agreed salary up to CZK 10 ths. 	
		TAW	<ul style="list-style-type: none"> - Guarantee of equal treatment for agency staff - In case of no assignation to user employer, no compensation wage is paid 	<ul style="list-style-type: none"> - Most usually flexible and unpredictable 	<ul style="list-style-type: none"> - Assignation to user employer defines the length of the working contract, no notice period 	<ul style="list-style-type: none"> - Should be the same as for regular employment. - Social contributions are none or low in case of the unlawful TAW 	

		Quality of working conditions dimension				
Regulated by:		Wages	Working time	Job security	Social security	Representation (voice)
Labour Code	Working hours account/uneven spread of the WT	- Overtime work not paid - Work stoppage caused by employer not compensated to employees	- Partially unpredictable			- Without trade unions application possibly wrong
Non Labour Code	Self-employment, bogus self-employment	- Offers higher net wage on the expense of low social contributions -No regulation on income	- Flexible with no regulation	- No notice period, nor reason for notice defined - Flexible working hours	- Most usually only minimum social contributions paid	- No trade unions
	Civil contracts	Similar to self-employment				
	Business contracts					
	Others	-	-	-		

2.3.2 Union and employers' initiatives to tackle the precarious employment

Because of the broadness of the metal sector, we find several employers organizations, each one specializing on different industry. On the employees' side, trade union KOVO (OS KOVO) operates and covers industries within the metal sector. However, collective bargaining at the sector level appears only in three industries, electrotechnics, airplanes and foundry. For automotive industry, the biggest part of the metal sector, no collective agreement is signed. Nevertheless, OS KOVO cooperates with the AutoSAP, employers' organization in the automotive sector. Representative of the AutoSAP claims that collective agreement for the whole automotive would not capture the diversity within the highly heterogeneous sector, where several professions cooperate and where wages are diversified.

Instead of collective agreement, OS KOVO and AutoSAP signed a Memorandum which partially replaces sectoral collective agreement. It declares mutual cooperation of the partners on the emerged issues. However, agreement is not legally binding and does not cover specific forms of employment either. AutoSAP does not perceive collective bargaining as useful. "Coverage by collective agreement does not secure higher wages in the company, as the survey among our members confirmed," claimed AutoSAP representative (METAL 2).

Regarding the initiatives of the social partners in the sector, we identify legislative activity as prevailing, since social partners perceive it as crucial for the regulation of working conditions. However, while trade unions seek the ways how to modify the legislation, employers prefer stable legislative environment with as few amendments as possible. As expected, employers demand higher flexibility of employees, for instance the length of working hours account balance period is unsatisfactory, also firing procedure or severance payment are inflexible. "Nevertheless, rather than initializing labour legislation changes, we prefer stable legislative environment and we adjust to current legal setting." (METAL 2).

Table 25 Industrial relations in the metal sector

Trade union	Metallurgy federation (OS KOVO)
Trade union density with regard to the sector	N/A
Associations of employers	Confederation of the Industry of the Czech Republic (<i>Svaz průmyslu a dopravy ČR</i>) – SP ČR (roof association) Automotive industry association (AutoSAP) (<i>Sdružení automobilového průmyslu</i>) (member of the SP ČR) Union of foundries (<i>Svaz sléváren</i>) (member of the SP ČR) Association of airplane producers (<i>Asociace leteckých výrobců</i>) (member of the SP ČR) Czech-moravian electrotechnic association (<i>Českomoravská elektrotechnická asociace</i>) (member of the SP ČR)
Dominant bargaining level for collective agreements	Company level
Sectoral bargaining coverage	N/A For automotive: 52 per cent of companies in automotive have collective agreement

Source: own compilation

In the effort to fight precarious type to contracts such as working agreements, trade unions have tried to open discussion on transformation of these contracts to the full-time type with shortened number of hours worked. This, according to the CMKOS representative, would limit precariousness because the regular full-time establishes compulsory social contributions and job security provisions are applied regardless its extent (CMKOS 1). However, such a solution is unfeasible for employers. Importance of the agreements has risen; it is mostly because of its quick hire and fire procedure which would be restricted under the proposed arrangement.

Employers suggest a new category of employees, so called key workers, who work irregular hours. It is aimed at managers or IT developers who work much more flexible, according to the needs of their position, and thus official registration of their working time does not correspond to hours actually worked. Key workers are those who bear know-how important for the company and therefore should use benefits of flexible working arrangements. This is in reality true in many specialized positions, but is based only on the agreement among employee and employer on flexible working time arrangement. For trade unions, such provision is unacceptable, as they are afraid of flexibilization of the full-time contracts with a risk of unpaid overtime and unclear rules on whom such a provision would apply. For employers, this is the way how to apply flexible working time arrangement according to the needs of key employees.

Reflecting an increasing number of unorganized workers who wish to establish trade unions but employers intimidate them or make obstacles, OS KOVO has launched a new membership mode which permits membership outside the workplace level. This allows employees to launch collective bargaining with the trade union members without revealing their names to employer. Upon request, corresponding sectoral trade union hires professionals who bargain instead of the employees.

In the last years, cooperation among the social partners in the sector was inhibited through the projects financed by the European social fund, part of the Structural funds of the European Union. Several projects aimed at enhancing social dialog and cooperation of the social partners have been launched. As representative of the SP ČR claims, those projects are very useful and many of the results are later used as arguments for legislation changes concluded with the social partners. It also serves as a space for open discussion on issues social partners are trying to resolve, including precarious work. "We do not reach the compromise always, but this activity is very useful for us. We have opportunity to discuss the issues and find compromise possibly acceptable for all parties," claims the SP ČR representative.

Within one of such projects, 240 discussion roundtables with more than 20 participants on each have been organized. Issues discussed were aimed at application of the Commercial and Labour Code and the health and safety provisions at the workplaces. As a result, a list of suggested solutions in the legislation have been prepared and later used as a relevant input into the discussion on the legislative changes. Through such projects, social partners are able to find compromise before even suggesting the changes to the government. This type of

activities stands behind the correct relationships among trade unions and employers at the national and sector level. “We do not say we are in accord in everything, our positions are in fact very different, but we are trying to find compromise. Trade unions are stronger, they can demonstrate, while employers will do that unlikely. We are rather coexisting together and trying to find compromise,” claims representative of the SP ČR.

2. 3. 3 Analytical conclusion

Metal sector consists of different branches with highly diverse employment arrangements. When considering working conditions of the employees’ distinction on white and blue collar workers apply. Because of scarcity of specialists, white collars are granted decent working conditions, manual workers who are employed on non-standards forms of contract and face precarisation more often.

Trade unions’ activity is aimed at fighting precarious types of work in the sector, almost solely through legislation. Cooperation with employers’ organization is on the level of consultations or rather informal initiatives such as Memorandum on cooperation with temporary agencies association or Agreement on cooperation with employers in automotive industry. Nevertheless, precarious forms of work are not tackled in those materials. Recruiting activities concentrate on increased protection of trade union members by introducing anonymous membership mode. Special campaigns aimed at recruitment of precarious workers are not perceived as relevant and efficient.

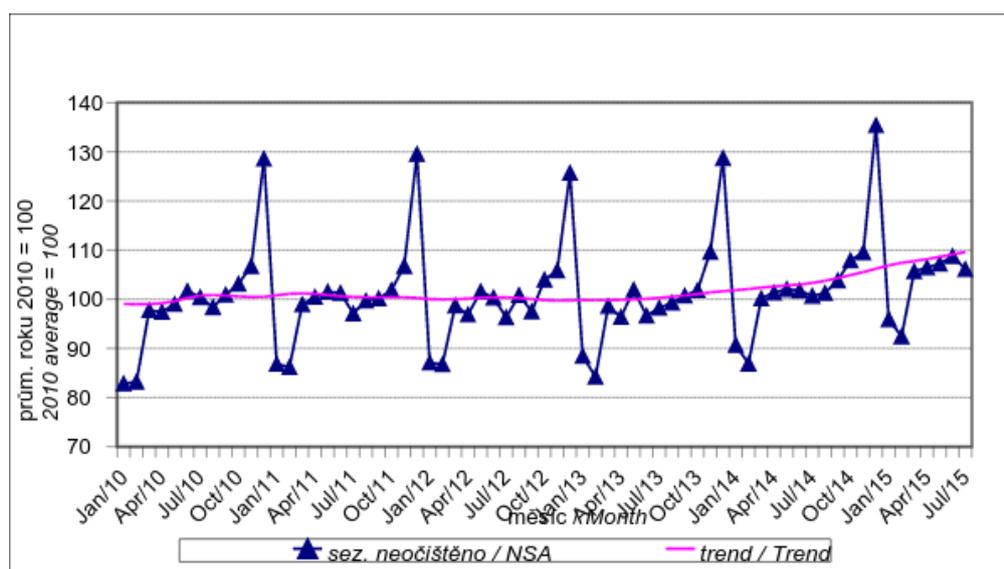
Trade unions do not try to recruit precarious workers, but follow the problems they face at the workplace and try to solve them mostly through legislation. Trade unions’ approach to fight precariousness might be assessed *as separation of the precarious workers with aim to eliminate precarity in the sector*. The most common tool is consultation and advice on the legislation together with political lobbying aimed at social partners and government representatives. Services of the empowerment are offered to the precarious workers at the particular workplaces only.

Employers in the sector claim that more flexibility is needed in order to adjust changed markets after the crisis. At the same time, they perceive as precarious the work which is abusive or law breaking and require even more flexibility in employment contracts. Their legislative activity is, however, limited, as they prefer stable legislative environment even if it is not satisfactory. As they claim, adjustment to the new legislation is costly. *Political lobbying and advice on legislation are the most commonly used instruments to influence legislation*. Thanks to joint discussions and projects with the trade unions, they partially try to *shape benchmarks on the employment standards*, e.g. in case of the temporary agency work.

2.4 The retail sector

Statistical monitoring of the retail sector in Czechia is generally underdeveloped. Besides the basic figures on sales in retail, the Czech Statistical Office does not differentiate between the wholesale and the retail sectors in most of its statistics, including figures on employment. The data on retail are also collected by a private for-profit company Incoma GfK, however, publically accessible information is very limited. According to the available data, sales in retail trade are relatively stable over the years with a recent increase by 6.7% in 2015, adjusted for calendar effects, year-on-year comparison (see Figure 3).

Figure 3 . Sales in retail trade excluding automotive fuel (fixed base indices)



Source: CSU, 2015

From the top ten lists of retail chains according to the number of customers, almost all chains were multinational companies in year 2013 (see Table 26). During the period 2011-2014, the overall employment in the retail sector decreased. Current numbers show that in 2014 y-o-y change of employment decreased by 2.1% (see Table 27).

Table 26 Top 10 retail chains in Czechia according to the number of customers

1. 5. 2 Kaufland	2.-3. Penny Market	2.-3. Albert	4. Tesco	5. Lidl
6. Coop	7. Globus	8. Billa	9. Interspar	10. Hruška

Source: Incoma, 2014

Table 27 Percentage change*of people employed in retail trade

GEO/TIME	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
European Union (28 countries)	1,4	1,0	1,6	1,1	-2,0	-0,8	0,4	0,0	-0,9	0,3
Czech Republic	1,3	-0,8	1,2	2,5	-2,3	1,4	0,6	-1,4	-2,0	-2,1

*compared to same period in previous year

Note: Numbers exclude motor vehicles and motorcycles

Source: Eurostat

2. 4. 1 Forms of precarious work in the retail sector

The retail sector experiences high level of flexible forms of employment but the majority of workers have standard, full-time contract (RETAIL 2). From identified precarious types of employment in the Czech economy, part-time jobs, fixed-term contracts, agreement contracts, TAW and self-employment are common in the retail sector. In addition, as a trade-off between less employees or shorter working time, shortening of standard working contracts have been observed during the economic crisis. Thus, workers in the retail sector work for example 7 instead of 8 hours per day (RETAIL 2). According to the trade union representatives, up to 70% of all workers in retail have their working hours shortened against their will²³.

The number of temporary employees and employees working part-time reached in 2014 more than 45,000 (see Table 28). Self-employment in retail and wholesale together reaches almost 17 % according to the Eurostat, which is the second highest number after the construction sector (see Table 7 again). High number of people work under the agreement contracts (agreement to complete a job and agreement to perform work) with more than 160, 000 workers in 2013 according to the Czech Statistical Office (see Table 29). Due to the general shortage of labour (esp. certain professions such as a baker) and less prestigious type of sector, employers also hire temporary agency workers (RETAIL 2). The number of employees with flexible contracts may also differ regionally, with more such workers in the capital city due to the higher sales. However, this employers' view is not supported by any official statistical evidence (RETAIL 2). The retail sector also experiences high fluctuation of workers which is often accompanied by the less loyal type of employees (RETAIL 1, 2).

Table 28 Temporary and part-time employment in wholesale and retail trade; repair of motor vehicles and motorcycles, in thousands

Temporary employees							
GEO/TIME	2008	2009	2010	2011	2012	2013	2014
European Union (28 countries)	3 339,8	3 156,0	3 242,2	3 220,7	3 176,6	3 174,1	3 310,7
Czech Republic	32,7	37,2	37,1	34,9	39,6	47,1	46,6
Part-time							
GEO/TIME	2008	2009	2010	2011	2012	2013	2014
European Union (28 countries)	6 824,0	6 660,0	6 738,2	6 829,7	6 981,7	7 144,4	7 178,5
Czech Republic	38,8	38,5	39,3	40,1	39,2	48,0	47,0

Source: Eurostat

Table 29 Number of persons with agreement contracts in the retail sector

	2009		2010		2011		2012		2013	
	DPP	DPČ	DPP	DPČ	DPP	DPČ	DPP	DPČ	DPP	DPČ
Total	97,764	32,632	112, 674	46,566	93,053	49,017	89,026	44,984	120, 482	45,395

Source: CZSO, 2015

Note: DPP – Agreement to complete a job (Dohoda o provedení práce), DPČ – Agreement to perform work (Dohoda o pracovní činnosti)

²³ Source: <http://www.rozhlas.cz/zpravy/domaciekonomika/zprava/1325800>, Accessed: 20.12.2015

Working conditions in the retail sector are for a long time among the worst in the Czech economy (Eurofound 2012). Moreover, they are worsened by an overtime work for which employees are rarely compensated. Often, employees are expected to work according to the flexible working time arrangements, with common shift work, weekend work, and evening and night work. In addition, the retail sector has to be responsive to the seasonal peaks when the retail sales increase, for instance during the Christmas period. Therefore, employees are expected to work according to the flexible working hours without prior notice (Eurofound 2012; RETAIL 2). Similarly to the healthcare sector, trade unionists also report the use of additional contracts, usually work agreements, instead of paid overtime within the full-time contract. In other words, after an employee finishes his eight hours shift, he continues to work on the basis of a “new” contract (RETAIL 1).

Wages in retail are among the worst in the Czech economy and below the national average. According to the trade unions, a full-time employee earns approximately 14,000 CZK (518 Eur). This means that with the contracts often shortened, employees earn only slightly more than the minimum wage, which is since January 2016 at the level of 9,900 CZK (RETAIL 1). In addition to questionable working conditions and low wages, employees report several other precarious issues. Table 30 illustrates common problems that employees face, as reported by the Union of Commercial Employees (OSPO) representatives. Most commonly, employees approach trade unions with questions regarding their working time and its evidence, including problems of compliance with the mandatory rest breaks. Table 31 summarizes employment forms and precariousness in the retail sector.

Table 30 Lists of common problems in retail reported by the trade union members

A)	an employer installs cameras at the workplace without giving notice to employees
B)	an employer “forces” employees to accumulate overtime work for a resting day in which, according to the valid monthly schedule, employee was expected to work
C)	an employer post-hoc modifies the attendance sheet of employees
D)	non-compliance with the prescribed rest breaks during work hours
E)	an employer forces employees to pay for a stolen good even if an employee did not breach his duties

Source: OSPO, 2015

Table 31 Employment and precariousness in the retail sector

		Quality of working conditions dimension						
Regulated by:			Wages	Working time	Job security	Social security	Representation (voice)	
The formal employment status dimension	Labour Code	FT open-ended contract	<ul style="list-style-type: none"> - Wages lower than the national average - Minimum wage guaranteed with employers strongly against its increasing 	<ul style="list-style-type: none"> - Weekend work, evening work, longer hours during the high seasons - Limited remuneration of the overtime work (use of additional work agreement instead of paid overtime) - Rest breaks violations 	<ul style="list-style-type: none"> - Defined in the LC 	<ul style="list-style-type: none"> - Full social contributions paid - Often low because paid based on the wage of employee 	<ul style="list-style-type: none"> - Concluded higher-level collective agreement that set only minimum standards, not extended, covering only member organizations and their permanent employees (workers on flexible contracts not covered) 	
		Fixed-term contract	<ul style="list-style-type: none"> - Wages usually lower than in the FT open-ended contract - Used often, especially at the beginning of the employment contract 	<ul style="list-style-type: none"> - Weekend work, evening work, longer hours during the high seasons - Limited remuneration of the overtime work - Rest breaks violations 	<ul style="list-style-type: none"> - Short-term contracts causes job instability 	<ul style="list-style-type: none"> - Full social contributions paid - Often low because paid based on the wage of employee 	<ul style="list-style-type: none"> - Union membership not common - low motivation to join TUs - Not covered by the higher-level CBA 	
		Part-time contract	<ul style="list-style-type: none"> - Low wages - Used for special groups of employees such as women with small children, retired, disabled 					<ul style="list-style-type: none"> - Union membership not common - Not covered by the higher-level CBA
		Work agreements	<ul style="list-style-type: none"> - Wage most often lower compared to standard employment - Often misused to reduce labour costs 	<ul style="list-style-type: none"> - Allows for flexible and unpredictable working time 	<ul style="list-style-type: none"> - 15 days of notice period - No reason for notice is needed 	<ul style="list-style-type: none"> - Low social contributions, up to wage CZK 2500 per month no social contributions paid 	<ul style="list-style-type: none"> - Not accepted as union members - Not covered by the higher-level CBA 	
		TAW	<ul style="list-style-type: none"> - Guarantee of equal treatment for agency staff - In case of no assignment to user employer, no compensation wage is paid 	<ul style="list-style-type: none"> - Depends on the form of working contract - Most usually flexible and unpredictable 	<ul style="list-style-type: none"> - High fluctuation 		<ul style="list-style-type: none"> - Not accepted as union members - Not covered by the higher-level CBA 	

		Quality of working conditions dimension					
Regulated by:		Wages	Working time	Job security	Social security	Representation (voice)	
	Labour Code	Working hours account (within full-time contract)	- not stable monthly wage, only average wage for settlement period should be stable	-Partially unpredictable		- can have negative influence on the level of severance pay	
	Non Labour Code	Self-employment, bogus self-employment	- Common - Offers higher net wage on the expense of low social contributions	- Flexible with no regulation	- No notice period, nor reason for notice defined	- Most usually only minimum social contributions paid	- Excluded from the formal representation by the trade unions
		Civil contracts	Similar to self-employment				
		Business contracts	Similar to self-employment				
	Others		-	-	-	-	-

2. 4. 2 Union and employers' initiatives to tackle the precarious employment

To improve working conditions of employees in the commerce sector, the OSPO concludes a higher-level collective agreement with the Czech Confederation of Commerce and Tourism – SOCR ČR (see Table 32). However, it only regulates minimum standards in the sector (Eurofound 2012). The sectoral collective agreement is not extended and is valid only for the signatory parties. In addition, it covers only the permanent employees (members of the unions) and excludes workers with the flexible forms of contracts. Hence, precariousness of any type is not the subject addressed in the collective agreements and flexible forms of employment are “left for individual negotiation and agreement between an employer and employee” (RETAIL 1).

Table 32 Industrial relations in the retail sector

Trade union	Union of Commercial Employees – OSPO (<i>Odborový svaz pracovníků obchodu</i>)
Trade union density with regard to the sector	N/A
Association of employers	Czech Confederation of Commerce and Tourism – SOCR ČR (<i>Svaz obchodu a cestovního ruchu ČR</i>)
Dominant bargaining level for collective agreements	establishment level (with marginal sectoral CBA)
Sectoral bargaining coverage	N/A

Source: own contribution

Concerning the different types of precarious employment, the sectoral trade union claims that for its long-term downward trend temporary agency work together with bogus self-employment “were relevant questions 10 years ago” and are now outside of their attention (RETAIL 1). Accumulation of several contracts instead of paid overtime is in the trade union’s view praxis that should be controlled by the State Labour Inspection Office (ibid.). Trade union however acknowledges the problem of fixed-term employment in the sector and inadequate working conditions of employees (ibid.). Nevertheless, in connection with non-standard forms of employment, they avoid the term “precarious”.

In 2015, the OSPO stated that during the collective bargaining for 2016, trade unionist will advocate a 5% wage increase in the retail sector, arguing that the workers in the retail earn low wages and are often endangered by the poverty²⁴. However, a recent example shows that employers may have a different opinion on trade unions’ demands. In January 2016, trade union representatives from the retail chain Albert medialized the information that during the collective bargaining, employer did not agree with their demand for a 3% wage increase and instead, as an increase offered vouchers for goods. Yet, the average wage of a full-time employee in retail chain Albert is according to the trade unionists 12,000 CZK while the average national wage in Czechia is more than 25,000 (and median 21,000 CZK)²⁵.

²⁴ Source: <http://www.denik.cz/ekonomika/odborari-obchodu-budou-na-pristi-rok-pozadovat-rust-mezd-o-5-procent-20151007.html>, accessed: 20.12.2015

²⁵ Source: <http://zpravy.aktualne.cz/ekonomika/albert-nabidl-zamestnancum-misto-rustu-platu-nakupni-poukazk/r~3f08b37aa7f111e5bfa90025900fea04/>, accessed: 7.1.2016

Trade unionists are very active in campaigning for the regulation of the opening hours in retail. The OSPO for a long time advocated regulation of working hours and in 2013, OSPO supported a proposal for closing shops during the public holidays, introduced by Senator Frantisek Bublan. In their press release, OSPO quotes their internal survey that claims 75% public support for such a regulation²⁶. On the other hand, according to the results of a survey conducted by a private company Incoma Gfk and supported by the employers association SOCR ČR, more than 52% of Czech households were against the closure of shops during public holidays²⁷. The Association of Small and Medium-Sized Enterprises and Crafts (employers association; doesn't negotiate with social partners) did not support closure of shops either, stating that such a regulation will not benefit anyone. The long OSPO's fight for the restricted opening hours may be over in 2016 when the proposal is expected to be addressed by the Parliament in the second reading.

The long-term involvement of the trade union in campaigning for the legislative change reflects the attitude of social partners that via legislation, they can influence the working conditions of employees in the retail sector (RETAIL 1). Likewise, the employers in the sector regularly comment on various legislative proposals during the public commenting period. They specifically follow the debate on minimum wage and are firmly against its increase, as well as against already mentioned regulation of opening hours in shops (RETAIL 2).

Trade union representatives highlight the importance of international cooperation with multinational companies, which allows for the improvement of working conditions in retail at the higher scale (RETAIL 1, 2). The cooperation with the management of the multinationals is according to the OSPO very good, with regular meetings being held every year (RETAIL 1). Trade unionists closely cooperate with several retail chains from the list of top ten chains according to the number of customers, namely Billa, Tesco, Interspar and Penny Market. These "projects" as they call them focus on the exchange of information between the trade union representatives and employers, and organizing workshops and meetings for employees.

2. 4. 3 Analytical conclusion

Retail sector *is one of the most precarious sectors* in the Czech economy. Although majority of the workers still have a regular, full-time contract, they receive low wages and work under unsatisfactory working conditions. To avoid paying for overtime work, accumulation of two contracts has been observed in the sector – the practice that was also reported in the healthcare sector in Czechia. High number of employees work under the non-standard, flexible forms of employment of which the most common are fixed-term contracts and work agreement contracts. Retail also reports a high number of self-employed people.

²⁶ Source: OSPO Press release, available here: <http://www.ospo.cz/tiskove-zpravy.html>, accessed: 12.10.2015

²⁷ Source: SOCR ČR Press release from 3.12.2014, available: <http://www.socr.cz/clanek/vetsina-cechu-si-nepreje-omezeni-oteviraci-doby/>, accessed: 12.10.2015

Trade unions *not only exclude certain types of precarious workers from their agenda* arguing that their numbers are low (TAW, bogus self-employed), temporary agency workers and employees with work agreement contracts are in addition not accepted as members of the union. Rather than focusing on different types of employees in the sector, trade union addresses the most important issues such as low pay and poor working conditions in the sector.

In addition, sectoral trade union understands the concept of precarious employment differently than the authors of this study, claiming that *non-standard contracts are rather flexible than precarious* – the rhetoric more known from the employers perspective. Thus, in their view precarious work is not a problem of the retail sector.

More than in other sectors in the Czech economy, social partners in retail see *legislation as the most powerful tool to improve working conditions of their employees*. Social partners closely follow relevant legislative acts and *engage in political lobbying*. For a long time, trade union has been advocating for the legislation regulating opening hours of shops and similarly, employers closely follow the legislation on the minimum wage.

Social partners conclude a higher level collective agreement in the sector and negotiate separate collective agreements at company level, almost solely with multinational companies. Therefore, trade union highlights the *importance of international cooperation* which allows them to address their concerns and issues at the higher level. In addition, regular cooperation and meetings with the employers are held.

2.5 Temporary agency work

During the last years, temporary agency work has gained importance, especially in the post-crisis period (see Table 33) and its further rise is expected. This is connected to two important factors. First, initial liberalize regulation of the temporary agency work influenced high number of providers and thus raise in their recruitments activities. Second, as we suggested previously, automotive industry which is a dominant branch in the Czech economy, demands flexible workforce and uses temporary work extensively.

Initial liberalize legislation on temporary employment might stand behind the perception of the sector as highly precarious. The reason is twofold: first, labour legislation allowed to employ temporary agency workers on highly precarious types of contracts such as agreements with very low social protection and job stability. Second, many of the established agencies operate outside the scope of the labour legislation and thus offer precarious working conditions. Therefore, temporary agency work as a sector is not so important because of its size but rather because of the cases of law infringement and thus precariousness in the sector.

The numbers of temporary workers are provided by the Ministry of Labour and Social Affairs (MoLSA) and by the Czech statistical office (CZSO). The statistics provided by the MoLSA capture the number of workers employed by the temporary agencies in given year. Data are provided by the temporary agencies themselves in their annual reports, submitted to MoLSA.

Data depict all persons employed as temporary workers in the given year and if one person has worked for two agencies, he is counted twice (one per each agency). According to this data, the number of the agency workers has risen in the post-crisis period, between 2011 and 2014 by 48 per cent. This increase is according to the MoLSA unjustified since economy is growing and thus temporary agency contracts should be transformed to regular contracts. In 2015 the Ministry proposed a law amendment which shall limit the number of agency employees at the workplace to 15 per cent. This is, however, not acceptable for employers and this provision is thus not expected to be approved by the Government.

Table 33 Number of temporary work agencies and temporary workers registered

	Number of agencies	Number of workers	of which Czech citizens
31.12.2005	1,147		
31.12.2006	1,510		
31.12.2007	1,811		
31.12.2008	2,228	230,455	
31.12.2009	2,214	164,507	
31.12.2010	1,714	195,586	
31.12.2011	1,458	171,787	
31.12.2012	1,491	201,184	159,182
31.12.2013	1,592	223,808	174,349
31.12.2014	1,587	254,947	193,831
19.10.2015	1,654		

Source: MoLSA, 2015

Another statistics is provided by the Czech Statistical Office (CZSO). Data are collected from user companies and capture a number of employed agency workers in the given year. Each worker is counted only once, even if he or she worked for the same company several times. Numbers are much lower compared to those provided by the MoLSA and most probably depicts the real use of agency workers (see Table 34). According to the CZSO, the number of temporary workers has risen even more dramatically, by 64 per cent between 2009 and 2014. This increase mostly applies to the metal sector.

Table 34 Number of temporary workers employed

	2009	2010	2011	2012	2013	2014
Metal sector	63%	74%	73%	70%	73%	76%
Construction	0%	1%	0%	0%	0%	1%
Wholesale and retail	5%	4%	5%	5%	5%	5%
Information and communication activities	7%	8%	8%	9%	10%	8%
Total number of temporary workers	39,848	46,403	51,458	51,155	56,465	65,490

Source: CZSO, 2015

Alternative measurement of the size of the sector counts the daily average number of workers (FTE) provided by the Association of providers of personal services - APPS. Estimation for Czechia is around 35 to 40 thousand for 2014. Around 20 per cent of those workers are employed less than 30 days, 60 per cent from one to three months and 20 per cent more than 3 months (TAW 1).

In 2015, ČMKOS conducted a survey among employers on the usage of agency workers. Sample of more than 15,000 of employers from four regions in Czechia answered the questions whether and how they employ agency workers. Results showed that from 30 to 40 per cent²⁸ companies use agency work very often, of which 21 to 30 per cent long-term. Motivation of the companies is twofold. First, there is no administration when hiring and firing employees and employees are available when needed. Second, 19-25 per cent of agency work is a cost-reducing way of employment. This, apparently, is the main cause of precariousness in the sector, since lower labour costs for agency workers are achieved only through law infringement. Detailed survey results are presented below in the Box 1.

Box 1: Survey on the usage of agency work among employers by SANEP

Sample: 15,463 from 220,000, around 7% of the potential respondents (HR and related managers of the companies)

Regions: Prague, Pilsen, Moravian – Slezian, South Moravia

Main results:

- 30-40% of companies use temporary agency work (TAW) very often, 11-31% sometimes, 38-50% rarely and exceptionally.
- 21-30% of companies use TAW long-term, okolo 50% seasonally or shor-term.
- 15-53% hire more than one TAW, regionally different.

Motivation:

- 8-15% no administration, 12-15% employees when needed.
- 19-25% because of the lower labour costs, 16-21% for no dismissals of employees.
- Only 46-51% companies follow the equal treatment rules.
- 7% of the companies reveal hiring TAW by using illegal practices
- Transition from agency work to core staff is rare, mostly qualified workforce 4-22%, 21-66% exceptionally, 28-64% rarely.
- In 85-96% of companies, no trade unions are present.

Source: ČMKOS conference on TAW, November 2015

Regarding trade unions activity in the sector, in majority of the companies trade unions are not present. This is confirmed by the statistics of MoLSA, according to which company collective agreements cover temporary agency work only in 2.2 per cents of all company level agreements (ISPV 2015).

2. 5. 1 Forms of precarious work in the TAW sector

As we reported in the previous part, temporary agency work does not constitute large share of the labour market, but is rapidly growing in recent years and became inevitable for some

²⁸ Number depends on the region

sectors. Temporary agency work is for many employers perceived as a cost-reducing form of employment, which motivates providers to search ways, legal or illegal, how to reduce labour costs at the expense of job security and decent working condition of temporary workers. This inhibits effort of the social partners to regulate the sector and guarantee satisfactory working conditions within the limits of the agency work.

TAW sector suffers from various cases of law breaking and maltreatment which makes this form of employment highly precarious (for detailed evidence see the first part of this study). Employing outside of the scope of TAW regulation is attractive for both employers and employees. Employers save 34 per cent of their costs and employees gain 11 per cent more to their net wage. “If end user hires legal agency, temporary worker gets net income from 65 CZK to 79 CZK per hour and company pays 134 CZK per this hour. In case of pseudo agencies, worker gets 85 to 100 CZK while end user pays 100 CZK and bonus to the agency.” (TAW 1 2015). All of this is a result of not paying social contributions and taxes and employing on highly precarious types of work, such as work agreements or even business licenses that are beyond the scope of the TAW regulation. As one representative of MoLSA warns, many of the temporary agencies are owned by the same person which allows them to use various entities and thus avoid controls (TAW 3 2015).

Law breaking cases led social partners in the TAW sector to discuss changes in the legislation which would eliminate illegal practices of the temporary agencies. Current proposal is a result of the consensus of the trade unions and employers’ organizations. Act on employment, no. 435/2004 Coll. and Act No. 251/2005 Coll. on labour inspection are proposed to change. Changes are expected to be applied from 2016 and react on the cases of law breaking (precarization) of the agency work. The proposal aims at decreasing number of temporary agencies by increasing registration fee and establishing special commission on registration. It also limits number of temporary contracts for agency workers which is now unlimited. We summarize the changes in the following Table 35.

Table 35 Current changes in the TAW regulation

Problem in the TAW sector	Proposed solution in legislation
High number of temporary agencies	<ul style="list-style-type: none"> - In order to avoid increasing number of temporary agencies, caution for the entry of 500 ths. CZK is proposed. This measure should also eliminate current number of agencies. The argument is that only real agencies which are successfully providing services would be able to pay it. - Fee for agency registration will be set to 15 ths. CZK which is similar to Slovakia's or Germany's registration fee (1000 EUR or 750 respectively). - The new commission established by the General Director of the Labour Office will provide permissions to operate on the labour market. - Financial capacity of the temporary agency will be considered; if financial capacity is insufficient, the permission for temporary agency can be withdrawn.
High number of agency workers	<ul style="list-style-type: none"> - Quota of 15 per cent of agency workers at one workplace is proposed, but employers refuse this provision and it is not expected to be approved.
Employing one person on several contracts with different agencies in order to avoid social contributions payment	<ul style="list-style-type: none"> - Statutory representatives of the agency have to be employed at least part-time by the agency. Statutory representative should represent only one agency.
User employer responsibility (equal treatment rule derogation)	<ul style="list-style-type: none"> - User employer will be responsible for the correct application of the equal treatment rule, since in many cases temporary agencies could not influence the working condition of their employees at the user employer. - Since equal treatment is not precisely defined in the legislation, Labour inspectorate will prepare guidelines of what is considered to be a correct application of the equal treatment rule.
Using temporary agency to hide over-time work	<ul style="list-style-type: none"> - Temporary employee could not be assigned to the employer with whom he already has a valid working contract. This is to avoid using temporary work for over-time work outside the scope of the regular contract.

Source: own compilation based on data from social partners (CMKOS, APPS, APA) and MoLSA

Political orientation of the government plays significant role in influencing legislation amendments, as confirmed by the TU representatives in the interviews. Presence of the social democrats in the current government enables trade unions to negotiate more ambitious legislation proposals. As they claim, the environment for negotiation is much more in 2015. The new amendment proposed in 2015 is the result of long discussion among all involved under the auspices of MoLSA, which is led by the social democrats. We summarize precarious forms of employment in the Table 36.

Table 36 Employment and precariousness in temporary agency sector

		Quality of working conditions dimension						
	Regulated by:		Wages	Working time	Job security	Social security	Representation (voice)	
The formal employment status dimension	Labour Code	FT open-ended contract	- FT rarely used - Guarantee of equal treatment					
		Fixed-term contract	- Widely used in TAW - Guarantee of equal treatment for agency staff	- Guarantee of equal treatment for agency staff - Often flexible and unpredictable working time	- Legislation allows for unlimited time of temporary contract prolongations for TAW workers - Low, job duration depends on assignation to user employer - Reasons for layoffs defined in LC, notice period of at least two months	- Full social contributions paid - In case of pseudo agencies, no social contributions paid		
		Part-time contract						
		Work agreements	- Wage most often lower compared to fixed term contract employment - Often misused to reduce labour costs	- Allows for flexible and unpredictable working time	- 15 days of notice period - No reason for notice is needed	- Low social contributions, up to wage CZK 2500 per month no social contributions paid		
		TAW	- Guarantee of equal treatment for agency staff - In case of no assignation to user employer, no compensation wage is paid	- Depends on the form of working contract - Most usually flexible and unpredictable	- Depends on the form of employment contract		- Social partners meet at national level - Hard to organize temporary workers, few of them are members of TU	
	Non Labour Code	Self-employment, bogus self-employment	- Offers higher net wage on the expense of low social contributions - No regulation on income - So called pseudo temporary agencies use this form of work (outside legal scope)	- Flexible with no regulation	- No notice period, nor reason for notice defined - flexible working hours	- Most usually only minimum social contributions paid		
		Civil contracts	Not relevant for TAW					
		Business contracts	Not relevant for TAW					
		Others						

2. 5. 2 Union and employers’ initiatives to tackle the precarious employment

As described in the previous part, social dialog in the TAW sector is vivid, even though it does not lead to the collective bargaining at the sectoral level. Common effort of the trade unions and employers’ associations is rather aimed at regulations through legislation. We summarize industrial relations in the following table (see Table 37). The description of the attitude of the social partners follows.

Table 37 Industrial relations in the TAW sector

Trade union	Metallurgy federation (OS KOVO)
Associations of employers	Association of the providers of personal services (Asociace poskytovatelů personálních služeb – APPS) Association of the personal agencies (Asociace personálních agentur – APA)
Trade union density with regard to the sector	N/A
Dominant bargaining level for collective agreements	2,2 per cent of the company level agreements cover issue of agency workers (ISSP, 2013)
Sectoral bargaining coverage	N/A

Source: own contribution

Agency employees do not form their own trade union nor are they organized in another sectoral trade union. Despite this, OS KOVO, the biggest sectoral trade union operating in the metal sector represents agency workers and engages in discussion about their working conditions. The reason is that many temporary workers are employed in automotive and related branches (more than 70 per cent) and therefore, OS KOVO members often deal with the issues related to agency employment at the workplaces. However, this was not always the case. Initial disregard of the temporary workers in mid-2000s changed to an increased interest and action to protect those workers only in recent years. As confirmed by the TU representative from OS KOVO, agency workers have become an inclusive part of many workplaces and therefore, unionists at the workplace level could not ignore them anymore. “They realized that agency worker is like any other employee and that nowadays, anyone could become agency employee” (METAL 1). Hence, trade unions recognized the need for equal representation of agency workers and full-time employees. This changed strategy from exclusion of temporary workers to their inclusion is similar to Slovakia’s development in TAW sector, described in detail by Kahancová & Martišková (2015).

However, trade unions are unsuccessful in recruiting temporary workers. According to the representative of OS KOVO, organize temporary workers is not easy because they can work in several sectors and in different regions, usually within a very short period. Therefore, no sectoral trade unions are able to attract them permanently. At the same time, trade union representative claims that temporary workers themselves are not interested in self-representation. OS KOVO therefore approaches them through already established structures at the workplace level, where temporary workers can contact union representatives even

without TU membership. This is the most common way of interaction with temporary workers and also the source of evidence of their maltreatment by employers. Campaigns which would raise awareness about the rights of temporary workers or attract them to join trade unions are seen as too costly and inefficient.

In order to regulate the sector, OS KOVO exercised its influence in its roof organization ČMKOS, whose representatives are members of the tripartite, the advisory body of the government. ČMKOS recognized the problems in the agency work as important and internalized it into its nation-wide agenda. ČMKOS took a stand for legislative changes in the temporary agency work and consequently, got involved in activities that support bargaining with social partners. ČMKOS's attitude is supported by the following quotation: “Agency work could not be abused as a tool of precarisation and social dumping” (Janíčko 2015).

In 2015 ČMKOS launched and financed a campaign for decent working conditions in agency work. Through the year, two conferences with participation of the social partners from Czechia, Germany and Slovakia have been organized. In order to understand problems in the sector, several workshops with employers, temporary agency representatives, workers, labour inspectors and other relevant actors in the regions have been conducted as well. The particular aim was to consult legislative changes on agency work with all relevant stakeholders before proposing them to the government. These activities were supplemented by the survey among employers about the use of agency work. Results are summarized in the first part of this section (Box 1).

Employers in the TAW sector, as opposed to the workers, form their own structures in the two organizations. The first one, the Association of Providers of Personal Services (APPS), groups mostly big multinational HR companies. The share of its members on the market is around 50 per cent. The second organization, Association of Personal Agencies (APA), associates smaller, local temporary agencies operating usually only in the one or two regions. Detailed description of the two organizations is provided in the table below (see Table 38).

Table 38 Structure of employers' associations in the TAW sector in Czechia

Name	Number of member organizations	Legal status	Affiliation to a peak-level employers' organization
Association of providers of personal services (Asociace poskytovatelů personálních služeb – APPS)	25 members, most of the MNC, cover 50 % of the TAW sector	Independent legal entity associating legal persons, no entitled for collective bargaining	Confederation of industry of Czech Republic (Svaz průmyslu a dopravy ČR)
Association of personal agencies (Asociace personálních agentur – APA)	23 members mostly smaller staffing agencies from Moravia and Slezia, and Pilsen regions	Established as an association of legal entities, no entitled for collective bargaining	Association of Small and Medium-Sized Enterprises and Crafts of the Czech Republic (Asociace malých a středních podniků a živnostníků ČR)

Source: own contribution

The two organizations differ in their position towards agency employment. While APPS supports the idea of stricter regulation of agencies through legislation, APA, on the contrary, aims at deregulating the sector. As APA claims, tighter regulation of the temporary agency work contributes to undeclared and thus precarious activities in the sector. “Costs are rising with high degree of regulation and staffing agencies in order to remain competitive on the market are thus forced to breach the law”, claims APA’s representative (TAW 3).

In 2014 APA launched own initiative to control all registered temporary agencies through publicly accessible databases. As they found, many of them did not possess all the documents required by the law and therefore, MoLSA should consider withdrawal of their license. The purpose of this initiative was to show that even current regulation of the agencies is sufficient to provide control over the number of agencies and their compliance with the law.

Both, APPS and APA have created their own standards for agency employment which should be binding for their members. Those documents include provisions on equal treatment of temporary workers, following legal provisions on temporary work, or avoiding unlawful actions to decrease costs of temporary work.

None of the employers’ organizations bargain sectoral collective agreement. APPS and APA, however, differ in their attitude towards cooperation with trade unions. While APPS have signed Memorandum of cooperation with OS KOVO, APA does not consider cooperation with trade unions relevant or helpful and they rather concentrate on legislation proposals and amendments. One of the aims of the signed Memorandum is to report illegal activities in the sector to the Labour Inspectorate and thus eliminate the number of temporary agencies using unlawful practices. Both cooperate with MoLSA as well. Cases of maltreatment could be reported to MoLSA representatives and those cases should be solved immediately.

Despite signed Memorandum, APPS representatives do not consider further steps, such as collective agreement as relevant for the improvement of the situation in the sector. They prefer cooperation with trade unions on the basis of informal meetings and in creating efficient legislation rather than forming social dialog in the sector.

2. 5. 3 Analytical conclusion

Temporary agency work is still expected to rise in Czechia. Therefore, activity of social partners is expected to develop as well. *However, weak tradition of social dialog at the sector level in Czechia redirects their activities to either legislative regulations or to less formal forms of cooperation such as memoranda or informal dialog.* Government recognizes the need for cooperation and facilitate dialog among social partners through working group on legislative regulation of temporary agency work.

Social partners in the TAW sector are active in uncovering and threatening precarious practices. For this purpose, they are open to cooperation with ministries, labour inspectorate and employers. Trade unions initiate discussions about precarious work in the sector, trying to identify the problems and propose solutions. They seek cooperation with employers’

organizations at the sector level, however, sectoral collective agreement is out of the scope of their discussion and as a result, all of the social partners' activity is transformed into legislative proposals. ***Legislation is according to the social partners the most powerful tool how to eliminate precarious practices in the sector.***

Trade unions approach precariousness in the sector actively and according to their own words, they are open to any form of cooperation which would ***eliminate precarity and improve working conditions of temporary employees***. Their attitude might be assessed as inclusive in the sense of representation. In the issue of recruitment they are rather passive, but not refusing temporary workers for their members. At the particular workplaces, trade unions provide service-oriented activities towards temporary workers regardless of their TU membership.

In order to improve working conditions, trade unions exert several instruments. With other social partners and stakeholders they work on shaping benchmarks on employment standards. They also exert their political power and try lobbying to shape the legislation for which they mostly aim at government representatives and social partners.

Employers' organizations follow the same aim - ***to reduce precarity*** in the agency work sector. They are, however, fragmented in their approaches to fulfil this aim. While one of them fights inappropriate working conditions through stricter legislative regulation in the sector, the second one sees the cure in the deregulation of the sector with argument that with deregulation, less law infringements will be reported. Nevertheless, both seek to fulfil their aims through legislation.

To sum up, selected strategy of the social partners in the TAW sector is to eliminate precarious work through legislation. For this purpose consultation, advice on legislation and political lobbying are used as instruments. Both, trade unions and employers' association meet in their strategies since they find common aim to reduce precarity in the sector.

3. Conclusion

This study presented post-crisis developments in precarious work in Czechia and reported responses of the social partners on the rise of the dual market. The first chapter of the study introduced labour market in Czechia and legal developments concerning precarious forms of employment. Next, forms and incidences of precarious employment in the economy supported by the statistical evidence were presented. Based on interviews with social partners' representatives in five sectors, the second chapter focused on the case studies in the construction sector, healthcare, metal sector, retail and temporary agency work.

Drivers of the dualization of the labour market stems from employers demand for flexible workforce. Those employers mostly represent foreign capital and seek the labour costs-reducing ways of employment in order to maintain their competitiveness within or between the multinational corporations. The Labour Code offers a list of atypical forms of contracts and working arrangements that enable employers to optimize. Since labour legislation plays a crucial role in this process, we argue that the post-crisis increase of non-standard forms of employment was even enhanced by the labour legislation. In recent years, however, social partners claim their willingness to fight precariousness embedded in the legislation, especially in the sectors with high increase of atypical forms, such as metal sector and TAW.

As shown in the first part of the study, various flexible forms of employment have grown in recent years. This was mostly influenced by the flexibilization of the labour legislation demanded by employers who have faced instable demand in economic downturn. As a result, temporary contracts, bogus self-employment, agency work and work on agreements have grown. Flexible working hours arrangement emerged within the full-time employment which increased unpredictability of the hours worked for employees.

Similarly to findings of Kahancová and Martišková (2015) for Slovakia, in each of the studied sectors in Czechia, different form of precarious work dominates. For construction, dependent self-employment is observed as the prevalent form of precarious work which has grown in the post-crisis period. In the metal sector, flexibility of labour force became crucial for producers and thus working hours account and agency work gained an importance. In healthcare, working conditions of full-time, standard employees have worsened. In retail, pressure on flexibility and availability of employees on request resulted in greater use of fixed-term contracts and agreement contracts. We summarize the main developments in each of the five sectors in Table 39.

		Main development since 2008		Strategies: precarious work		
Sector	LM segmentation; trends/why?	Forms	Dimensions	Unions	Employers	Others/specific
Construction	-increasing/ small companies	- self-employment and bogus self-employment	- social security, health and safety, job stability	-exclusion/ status quo	- exclusion/ status quo	- left for legislation; only informative campaigns
Healthcare	- limited/ labour shortage	- overtime work, accumulation of contracts	- low wages, overtime work	- reduce/ inclusion (working conditions of full-time employees)	- reduce/ inclusion (working conditions of full-time employees)	- focus on legislation (wage and salary increase, reforms of the whole system)
Metal	- increasing/ need for flexibility	-agency work, working hours account	- working time, job instability	- eliminate/ separation	- eliminate/ separation	
Retail	- widespread/ need for flexibility	- fixed-term contracts, work agreements, self-employment	- low wages, job instability	- exclusion/ status quo	- exclusion/ expand	- left for legislation; - focus on legislative changes to improve working conditions
TAW	- increasing/ Regulated by law	- agency work, equal treatment rule infringement	- job instability, social security if law infringement	- reduce/ separation and inclusion	- eliminate/ separation and inclusion	- own initiatives in the sector
National level	- increasing/ allowed through legislation	- for each sector different	- low wages and job instability	- reduce/ separation	- eliminate/ Separation	

Source: own compilation

Worsening working conditions are not only observed outside the regular full-time contracts, but slowly appear within them as well. Imprecise implementation of working hours account, especially in the metal sector, causes unpredictability of hours worked and thus instability of income for employees. Shorter working time, e.g. seven or six hours per day, reduces wages even below minimum wage in retail. Moreover, overtime work, often unpaid, is reality in many hospitals. All of these results in deteriorating working conditions of the group of employees previously sheltered from precariousness.

Social partners' responses and strategies to address precarious work

Social partners' responses on the rise of precarious work differ among the sectors. We argue that sectors with established collective bargaining, in our case construction and retail, rather exclude workers on non-standard contracts and protect working conditions of standard workers. This may stem from a tradition of representation of the core staff. Trade unions here opt out for protection of their members on the expenses of non-standard workers. Employers follow this setting and bargain over working conditions of the core staff and compensate their need for flexibility through employing non-standard workers. Nevertheless, trade unions are aware of the precarity in those sectors and try to improve working conditions, but solely through legislation.

On the other hand, sectors without established sectoral collective bargaining deal with precarious work more actively using various channels to address the issue. Collective agreement is however, unfeasible form of cooperation among social partners. We argue that this is because of the low tradition of the social dialog in these sectors. Since legislative setting dominates labour relations in Czechia in general, social partners aim directly at legislation amendments or use softer forms of cooperation, most typically in form of memoranda. In both automotive and agency work sectors, social partners signed Memorandum of cooperation, which is not legally binding and rather declare mutual interest in cooperation. Besides, in temporary agency work sector, both trade unions and employers initiate their own activities to reduce precarity in the sector, such as conferences or own scanning of the registered temporary agencies and their compliance with law.

The healthcare sector in Czechia, in this sense, represents a mixture of both above patterns. Although sectoral level collective agreements are not concluded in healthcare, company level collective agreement reaches up to 74% (Eurofound 2009). The healthcare sector also represents the only public sector analysed in the study. Because of the importance of government regulations in salary setting mechanism and the need for more finances and general reforms in the sector, trade unions and employers focus their activities on shaping legislation at the national level and persist in collective bargaining at company level.

Workers on atypical contracts are not members of the trade unions in any of the analysed sectors except the healthcare sector where atypical contracts are not common. Although aware of the cases of precariousness in the sector, trade unions do not consider recruitment of precarious workers because of their high fluctuation and difficult approachability. In this sense, temporary agency work sector is an interesting case, because trade unions took a stand for agency workers but only insignificant number of them is trade union members.

In each of the sectors, social partners are aware of presence and increased use of flexible forms of work. While employers find precarity only in the unlawful employment, most trade unions understand precarity in the broader sense, similarly to the definition used for the purpose of this study. The only exception is trade unions from retail sector where flexible forms of work are widespread. Even though trade unions deal with many cases of precarity in the sector, they prefer not to call it precarious.

With no exception all social partners perceived legislation being the most powerful tool to influence labour relations. However, law enforcement of certain legal provisions is often questioned. In the TAW sector, employers' organization APA criticized proposed changes in legislation as inefficient and with no impact on reduction of precarity. Absence of the powerful control mechanisms is presented as the main problem of insufficient law enforcement and hence, increased activity of the control institutions is considered as the only cure to problems in the sector.

In order to influence legislation social partners exert their influence in their roof organizations which are members of the national tripartite body. The most visible case is the TAW sector, where the biggest trade union confederation CMKOS, a roof organization of OS KOVO, facilitates dialog among relevant stakeholders to shape legislation on agency work. Employers also use tripartite channel to negotiate legislative changes, however, they prefer stable legislation and as a result, legislative changes are invoked by trade unions more often.

In sum, social partners of all studied sectors focus their activities on legislation and its amendments and perceive it as the most effective tool for addressing precarious issues within the sector. For that, political lobbying and openness of the government towards social partners' proposals play a crucial role which in turn has a direct impact on empowerment of the social partners. Current government lead by the social democrats strengthen the voice of the social partners during the public comment periods of law proposals, which further confirmed their persistence on the selected strategy.

Although sectoral collective bargaining takes place only in two out of five analysed sectors and is not perceived as a tool for overcoming emerging problems in the sectors, social partners persist on some form of social dialog and claim it is both fruitful and important for labour relations in the country. This gives hope for the social dialog to remain important in reduction of the precarious work in Czechia.

References

- Bičáková, O. (2010) Připravované změny v agenturním zaměstnávání, available: [http://www.danarionline.cz/archiv/dokument/doc-d26915v35280-pripravovane-zmeny-v-agenturnim-zamestnavani/?search_query=\\$index=1182&order_by=&order_dir=&type=&search_results_page=1](http://www.danarionline.cz/archiv/dokument/doc-d26915v35280-pripravovane-zmeny-v-agenturnim-zamestnavani/?search_query=$index=1182&order_by=&order_dir=&type=&search_results_page=1)
- Broughton, A., Biletta, I. and Mats Kullander (2010) Flexible forms of work: ‘very atypical’ contractual arrangements, European Observatory of Working Life, available: <http://www.eurofound.europa.eu/observatories/eurwork>
- Czech Statistical Office, “Retail Trade – July 2015“, available at: <https://www.czso.cz/csu/czso/cri/maloobchod-cervenec-2015>
- Czech Statistical Office, “Construction – June 2015“, available at: <https://www.czso.cz/csu/czso/cri/stavebnictvi-cerven-2015>
- Czech Statistical Office, Construction – time series, available at: https://www.czso.cz/csu/czso/sta_cr
- Czech Statistical Office, Database of Annual National Accounts, available at: http://apl.czso.cz/pll/rocenka/rocnkavyber.makroek_pracov
- ČMKOS (2013) Informace o využívání a dopadech překérních forem práce, available: <http://www.kros-jmk.cz/images/stories/materialydoaktualit/2013/cmkos/informace%20o%20vyuvn%20a%20dopadech%20prekrnch%20forem%20prce.pdf>
- Eurofound (2011) Czech Republic: Industrial Relations in the Health Care Sector, available at: <http://www.eurofound.europa.eu/observatories/eurwork/comparative-information/national-contributions/czech-republic/czech-republic-industrial-relations-in-the-health-care-sector>
- Eurofound (2009) Representativeness of the European social partner organisations: Hospitals – Czech Republic, available at: <http://www.eurofound.europa.eu/observatories/eurwork/comparative-information/national-contributions/czech-republic/representativeness-of-the-european-social-partner-organisations-hospitals-czech-republic>
- Eurofound (2012) Czech Republic: EWCO CAR on Working conditions in the retail sector, available at: <http://www.eurofound.europa.eu/observatories/eurwork/comparative-information/national-contributions/czech-republic/czech-republic-ewco-car-on-working-conditions-in-the-retail-sector>
- Eurofound (2009) Restructuring in the construction sector, available at: <http://www.eurofound.europa.eu/observatories/emcc/comparative-information/restructuring-in-the-construction-sector>

Eurofound (2009) Czech Republic: Self-employed workers, available at: <http://www.eurofound.europa.eu/observatories/eurwork/comparative-information/national-contributions/czech-republic/czech-republic-self-employed-workers>

Eurofound (2015) New Forms of Employment, available: http://www.eurofound.europa.eu/sites/default/files/ef_publication/field_ef_document/ef1461en_3.pdf

Formánková, L. et al. (2011) Bariéry a možnosti využití flexibilních forem práce v ČR z komparativní perspektivy. Sociologický ústav AV ČR, Praha.

Hejduková, J. et al. (2015): Aktuální problémy zamestnanosti z pohľadu zamestnavateľů a zamestnanců. (*Current problems of employment in the view of employers and employees*) ČMKOS, available at: http://www.spcr.cz/images/stories/Projekty/Aktualni_problemy_zamestnanosti.pdf

Janičko, P. (2015): Shrnutí výsledků šetření agentury SANEP (*Results from the survey of the SANEP agency*) Presentation at the CMKOS conference on TAW, November 2015, Available at: <http://cmkos.cz/obsah/219/zavery-konference-agenturni-prace-socialne-odpovedna-firma/14317>

Kahancová, M. and Martišková, M. (2015) Bargaining for social rights at the sectoral level: The case of Slovakia, *CELSI Research report no.9*, available online: http://celsi.s3.amazonaws.com/media/research_reports/CELSI_RR_9_final_1.pdf

Kotíková, J. et al. (2012): Analýza vybraných forem práce ve vybraných zemích. (*Analysis of selected forms of work in selected countries.*) Study prepared by the Research institute of labour and social affairs on the order of Confederation of industry of Czech Republic as a part of the project no. CZ.1.04/1.1.01/02.00012 financed through European funds, available at: http://socialnidialog.cz/images/stories/Analzy/Analzya_Flexibilni_formy_prace-final.pdf

Nekolová, M. (2010) Vliv nových forem zaměstnávání v ČR a zemích EU na vývoj pracovního práva, available at: http://praha.vupsv.cz/Fulltext/vz_308.pdf

Nekolová, M. (2015) New forms of employment: Employee sharing, Czech Republic. Case study 7: Policy analysis, *Eurofound*, available at: http://www.eurofound.europa.eu/sites/default/files/page/field_ef_documents/07_-_ef1461_-_cz_-_labour_pools_-_assignment_of_employees_-_final.pdf

Pláničková, Z. and Havelková, T. (2012) Změny v úpravě dohod o pracích konaných mimo pracovní poměr a úpravě funkčních požitků ve vztahu ke zdravotnímu a sociálnímu pojištění od 1. 1. 2012. Bulletin. [online], available at: <http://osz.cmkos.cz/cz/clanky/28-2-2012-zmeny-v-dohodach-o-pracich.aspx>

Pojer, P. (2014) Czech Republic: Industrial relations profile. Eurofound, *European Observatory of Working Life*, available at: <http://www.eurofound.europa.eu/observatories/eurwork/comparative-information/national-contributions/czech-republic/czech-republic-industrial-relations-profile>

SLIO (2014) Roční souhrnná zpráva o výsledcích kontrolních akcí v roce 2013 (*Yearly report about controls results in 2013*), available at: http://www.suip.cz/files/suip-24569bb38275fcbd313b8f0c21af7cb3/rocni_souhrnna_zprava.pdf

Stránský, J. (2010) Dohody o pracích konaných mimo pracovní poměr – flexibilita za každou cenu?. In Pracovní právo 2010: flexibilní formy zaměstnání: sborník příspěvků z mezinárodní vědecké konference Zámecký hotel Třešť. Brno: Masaryk University, available at: <https://www.law.muni.cz/sborniky/pracpravo2010/Stransky.html>

Šubrt, B. (2008): Agenturní zaměstnávání, In: Práce a mzda 2008/4, available at: http://www.danarionline.cz/archiv/dokument/doc-d3512v4750-agenturni-zamestnavani/?search_query=agenturn%C3%AD+zam%C4%9Bstn%C3%A1v%C3%A1n%C3%AD&order_by=&order_dir=&type=12&search_results_page=1

Veverková, S. (2012) Cautious welcome for changes to Labour Code. Dublin: European Foundation for Improvement of Living and Working Conditions, available at: <http://www.eurofound.europa.eu/eiro/2012/01/artic les/cz1201019i.htm>

The Institute of Health Information and Statistics of the Czech republic (2013): Czech Health Statistic Yearbook 2013, available at: <http://www.uzis.cz/en/system/files/zdroccz2013.pdf>

Legal acts:

The Act No. 365/2011,
available: http://www.mpsv.cz/files/clanky/11911/zakon_365_2011.pdf

The Act No. No. 262/2006 Coll., as amended (The Labour Code)
available: <http://portal.gov.cz/app/zakony/zakonPar.jsp?idBiblio=75451&fulltext=&nr=365~2F2011&part=&name=&rpp=15#local-content>; in
English: http://www.mpsv.cz/files/clanky/3221/Labour_Code_2012.pdf

The Act No. 435/2004 (Employment Act),
available: https://portal.mpsv.cz/sz/obecne/prav_predpisy/akt_zneni/zoz_-_22._1._2015.pdf

Databases:

AutoSAP data on automotive industry, available at: <http://www.autosap.cz/zakladni-prehledy-a-udaje/>

CZSO Czech statistical office

EUROSTAT databases - Labour force survey statistics

ISPV Informační systém o průměrném výdělků (*Information system on average earnings*)
available at: <http://www.mpsv.cz/clanek.php?lg=1&id=1928>

ICTWSS database, version 5.0. Amsterdam: Amsterdam Institute for Advanced Labour Studies AIAS. October 2015. Available at: www.uva-aias.net/208

Annex 1: List of conducted interviews

Label	Sector	Category	Organization name	Interview respondent position	Date
CONSTR 1	Construction	Trade union	The Trade Union of Building Workers of the Czech Republic (OS STAVBA) (<i>Odborový svaz stavba České republiky – OS STAVBA ČR</i>)	President, Vice-president, HR Manager	28.07.2015
CONSTR 2	Construction	Employers	Association of Building Entrepreneurs of the Czech Republic (ABE) (<i>Svaz podnikatelů ve stavebnictví v ČR</i>)	President	28.07.2015
HEALTH1	Healthcare	Trade union	Trade Union of the Health Service and Social Care of the Czech Republic (<i>Odborový svaz zdravotnictví a sociální péče ČR</i>)	President	17.02.2015
HEALTH 2	Healthcare	Trade union	Medical Doctors Trade Union Club – Union of Czech Doctors (<i>Lekarský odborový klub – Svaz českých lékařů</i>)	President	20.10.2015
HEALTH 3	Healthcare	Employers	The Association of Czech and Moravian Hospitals – ACMN (<i>Asociace českých a moravských nemocnic</i>)	Vice-president	9.12.2015
METAL 1	Metal	Trade Union	Metal workers federation (OS KOVO) (<i>Odborový svaz KOVO</i>)	senior specialist – wages and economy	19.6.2015
METAL 2	Metal	Employers	Automotive industry association (AutoSAP) (<i>Sdružení automobilového průmyslu</i>)	Internal Relations and Statistics	23.6.2015
METAL 3	Metal	Employers	Czech-moravian electrotechnic association (<i>Českomoravská elektrotechnická asociace</i>)	Director	16.10.2015
TAW 1	TAW	Employers	Association of providers of personal services (APPS) (<i>Asociace poskytovatelů personálních služeb</i>)	President	21.7.2015
TAW 2	TAW	Employers	Association of personal agencies (APA) (<i>Asociace personálních agentur</i>)	President	18.8.2015
TAW 3	TAW	Government	Ministry of Labour (MoL) (<i>Ministerstvo práce a sociálních věcí</i>)	Director of Labour Market Services Department	20.8.2015
RETAIL 1	Retail	Trade Union	Union of Commercial Employees – OSPO (<i>Odborový svaz pracovníků obchodu</i>)	President	26.10.2015
RETAIL 2	Retail	Employers	Czech Confederation of Commerce and Tourism – SOCR ČR (<i>Svaz obchodu a cestovního ruchu ČR</i>)	President	21.12.2015

SP ČR 1	General	Employers	Confederation of Industry of the Czech Republic (<i>Svaz průmyslu a dopravy ČR</i>)	Department of labour market and legislation	30.10.2015
CMKOS 1	General	Trade unions	Czech Moravian Confederation of Trade Unions (<i>Českomoravská konfederace odborových svazů</i>)	Vice-president of CMKOS	29.10.2015



CELSI