Czech Republic: Developments in working life 2016

Developments in working life in Europe: EurWORK annual review 2016

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Contents

Political context affecting working life aspects.................................................................1
Developments in social dialogue and collective bargaining 2016......................................3
Policies and actions to address pay-inequalities...............................................................9
Promoting the reconciliation of working families and caregivers....................................15

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Eurofound reference number: WPEF17010

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### Political context affecting working life aspects

No information.

### The government(s) in office during 2016

<table>
<thead>
<tr>
<th>Government</th>
<th>Since 29 January 2014 till now.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Name of the head of government (prime minister / chancellor / …)</td>
<td>Prime minister Bohuslav Sobotka (ČSSD)</td>
</tr>
<tr>
<td>Name all the parties that are forming this government</td>
<td>Czech social democratic party (Česká strana sociálně demokratická, ČSSD) – 8 members, Political movement ANO (Politické hnutí ANO, ANO) – 6 members, Christian and Democratic Union – Czechoslovak People's Party (Křesťanská a demokratická unie – Československá strana lidová, KDU-ČSL) – 3 members</td>
</tr>
<tr>
<td>List the changes in the composition of the government in 2016</td>
<td>Since 1 December 2016 Minister of Health Svatopluk Němeček (ČSSD) has been replaced by Miloslav Ludvík (ČSSD), a head of Prague hospital. Since 1 December 2016 Minister of the Czech Republic’s Government for Human Rights, Equal Opportunities and Legislation Jiří Dienstbier has been replaced by Jan Chvojka (ČSSD).</td>
</tr>
<tr>
<td>Additional comments</td>
<td>Political representation remained stable in 2016, except of changes in the composition of the government mentioned above there were no other important changes.</td>
</tr>
</tbody>
</table>

### Elections and referenda

#### Czech Senate elections

<table>
<thead>
<tr>
<th>When did the elections take place?</th>
<th>7 and 8 October 2016 (together with the regional elections, see below) with a second round on 14 and 15 October 2016.</th>
</tr>
</thead>
<tbody>
<tr>
<td>What kind of election it was? (parliamentary / presidential / referendum / local / …)</td>
<td>Senate elections (Senate is the upper chamber of the Parliament of the Czech Republic).</td>
</tr>
</tbody>
</table>
| Outcomes of the election (mention also % of the votes achieved by the major participants in the election) | The governing coalition of the ČSSD, ANO and the KDU-ČSL retained a majority in the full Senate, with the KDU-ČSL making the largest gains (6 seats), while the ČSSD incurred the greatest losses, retaining only two of their twelve seats up for re-election. ANO won the first round with fourteen candidates advancing, but only three of them were elected. The most successful opposition party was the centre-right Civic Democratic Party (Občanská demokratická strana, ODS) with six seats. Voter turnout in the first round was 33.54%, in the
second round was very low – 15.38%.

Additional comments
The Senate has 81 members, elected for six years, every two years one third of them, in one-seat constituencies through two rounds majority system (the second round is between two candidates with highest number of votes from the first round – if no candidate obtains 50+% majority in the first round).

<table>
<thead>
<tr>
<th>Czech regional elections</th>
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</thead>
<tbody>
<tr>
<td>When did the elections take place?</td>
</tr>
<tr>
<td>What kind of election it was? (parliamentary / presidential / referendum / local / …)</td>
</tr>
<tr>
<td>Outcomes of the election (mention also % of the votes achieved by the major participants in the election)</td>
</tr>
<tr>
<td>Additional comments</td>
</tr>
</tbody>
</table>

**Forthcoming significant elections or political events in 2017**

The next Czech legislative elections are expected to be held in October 2017. All 200 members of the Chamber of Deputies of the Parliament of the Czech Republic will be elected and the leader of the resultant government will become the new Prime Minister.

**Reactions from the social partners on new government’s working life policies**

Not relevant.
Developments in social dialogue and collective bargaining 2016

Major developments in national/peak-level social dialogue 2016

Changes affecting the social dialogue actors and institutions in 2016

Representativeness
No changes.

Major developments affecting the main actors
No changes.

Legislative or institutional changes to the main social dialogue institutions
No changes.

Changes in the social dialogue processes
No changes.

Main social dialogue topics and outcomes in 2016

<table>
<thead>
<tr>
<th>Themes</th>
<th>Description of issue</th>
<th>Main result</th>
</tr>
</thead>
<tbody>
<tr>
<td>General labour market topics</td>
<td>No (major) issue debated in this area in national/peak-level social dialogue during 2016.</td>
<td></td>
</tr>
<tr>
<td>Job creation, reduction of unemployment</td>
<td>New allowances were introduced in 2016 to support regional mobility as part of the Active Labour Market Policy. One of the allowances is aimed at supporting regional mobility with respect to the long-term unemployed (more than 12 months) who find employment outside the area in which they reside. The amount of the allowance depends on the commuting distance and remuneration, and is provided at a flat rate. The one-off moving allowance (CZK 50,000, EUR 1,838) is intended for those unemployed who find a new job more than 50km from their current place of residence and move there.</td>
<td>Act No. 435/2004, on employment, as amended</td>
</tr>
</tbody>
</table>
These allowances were discussed at tripartite meetings; however, employers do not consider these measures sufficient and would prefer other measures to be taken. See also debate 1.

**Benefits (unemployment, sickness schemes)**

At the tripartite level, social partners discussed the increasing of the sickness benefit during periods of prolonged incapacity. The Ministry of Labour and Social Affairs of the Czech Republic believes that the current system discriminates against long-term ill persons and proposes an increase in these benefits. Employer and employee representatives agree with the increase; however, it has not yet been decided by how much the benefit will be increased and for how many days of illness.

Debate to be continued;

**Taxation and non-wage related labour costs**

No (major) issue debated in this area in national/peak-level social dialogue during 2016.

**Pension reforms**

No (major) issue debated in this area in national/peak-level social dialogue during 2016.

**Labour market participation of different groups**

See debate 1.

**Working life related themes**

**Wage setting systems, including the setting of minimum wages**

In 2016 the tripartite again discussed the raising of the minimum wage. The current government in its policy statement pledged to increase the minimum wage to a level of 40% of the average wage (vývoj minimální mzdy – development of the minimum wage in the Czech Republic). The unions demanded an increase in the minimum wage from 1 January 2017 to CZK 11,500 (EUR 426); employers generally agreed

Legislation passed – Government Regulation no. 336/2016 Coll., on the minimum wage (interannual increase of MW was CZK 1,100).
with increasing the minimum wage, but at a slower pace – the SP ČR proposed an increase of CZK 700 (EUR 26) per year. The government finally decided that from 1 January 2017, the minimum wage would be increased to CZK 11,000 (EUR 407).

| Working time regulations | On 1 October 2016, the Act on Retail and Wholesale Opening Hours came into effect. The act regulates the opening hours of businesses during certain public holidays (eight days per year in total). However, there are some exceptions: businesses whose sales space does not exceed 200 square metres, filling stations selling fuels and oil products, pharmacies, airports, train stations etc. In case of a violation of the ban, a penalty could be imposed on the business. The reasons provided in the explanatory report to the act include a positive social impact, especially with respect to balancing work and family life, since employees working on holidays currently cannot devote their time to their families or hobbies. The Czech Chamber of Commerce (Hospodářská komora ČR,HK ČR) and the Czech Confederation of Commerce and Tourism (Svaz obchodu a cestovního ruchu ČR, SOCR ČR) are preparing an appeal to the constitutional court as they deem the bill to be discriminatory against entrepreneurs with large-scale stores and against sector of commerce. Additionally, they consider the proposal to be a bureaucratic intervention to the market mechanisms, which goes against European trends. | Act No. 223/2016 Coll., on Retail and Wholesale Opening Hours, debate to be continued |
They further argue that such regulation would result in drop in sales and VAT payments, and in job losses for those employees who have difficulties in the labour market and who are often among those who work during bank holidays. Employers also refer to workers who have financial motivation to work during public holidays as it is better remunerated. The proposal would be acceptable for the employers if the decision about the restriction was delegated to the local public administration level. On the other hand, trade unions, in particular Trade union of workers in commerce (Odborový svaz pracovníků obchodu, **OSPO**), have been supporting the proposal in long-term arguing that it should help employees reconcile their professional and family lives.

<table>
<thead>
<tr>
<th>Terms and conditions of employment, including different forms of contracts</th>
<th>No (major) issue debated in this area in national/peak-level social dialogue during 2016.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Health, safety and well-being at work</td>
<td>No (major) issue debated in this area in national/peak-level social dialogue during 2016.</td>
</tr>
<tr>
<td>Work-life balance related themes, incl. family leaves</td>
<td>No (major) issue debated in this area in national/peak-level social dialogue during 2016.</td>
</tr>
<tr>
<td>Skills, training and employability</td>
<td>See debate 1.</td>
</tr>
</tbody>
</table>
| **Any other relevant themes/topics addressed in the national level/peak level social dialogue** | **Labour shortage**
Czech companies struggle in last months with severe labour shortages (see major social dialogue debate 1).

Measures introduced, debate to be continued, consultation ongoing. |
| National initiative Industry 4.0 | Document published by the Ministry of Industry and Trade |
| | Document published, tripartite agreement |
The Initiative includes measures to promote investment and standardization as well as applied research, and deals with issues related to the cyber security, logistics and normalization (see major social dialogue debate 2).

Examples of selected significant social dialogue debates

Labour shortages

Czech employers have struggled over the last few months with severe labour shortages. The most intensive discussion in this respect involved the severe lack of nurses in Czech hospitals (-3,000); nevertheless, many industrial and services sectors have reported a lack of both qualified and unqualified workers. Problems with labour shortages have even been reported by small and medium-size company representatives. This issue was discussed at almost every tripartite meeting held in 2016.

In addition to intensifying active labour market policy and labour office efforts to mobilise the long-term, disabled and excluded unemployed, the government has also introduced a pilot project called “Special procedures for highly-skilled professionals from Ukraine” or the “Ukraine Project” (Zvláštní postupy pro vysoce kvalifikované zaměstnance z Ukrajiny, Ukraine project), the aim of which is to help employers fill some of the more serious gaps in the Czech labour market, especially with respect to highly-skilled technicians. The project is primarily aimed at those Ukrainians with a university education. The target of the pilot project is to recruit up to 500 Ukrainians a year; however, by the beginning of January 2017, only 268 Ukrainians had been employed in the Czech Republic. The pace of recruitment is slower than anticipated mainly due to the lengthy administrative process and a sophisticated mafia network which is profiting from the situation in the country of origin.

In addition, the middle of 2016 saw the introduction of “the special treatment for skilled workers from Ukraine” programme (Režim zvláštního zacházení pro kvalifikované zaměstnance z Ukrajiny) regarding which the original quota of 3,800 workers has almost been filled; at the tripartite level, employers have requested that the programme be extended for a further 3,800 job positions.

According to the president of the Confederation of Industry of the Czech Republic (Svaz průmyslu a dopravy České republiky, SP ČR) Jaroslav Hanák, the project was not extensive enough to respond to the needs of Czech industry – it offered the prospect of recruiting a few thousand skilled technicians when Czech companies were actually facing a shortfall of around 20,000 such workers.

Social partners also discussed other measures at the tripartite level aimed at remediating labour market imbalances. Employers demanded that the educational system and the retraining system supported by labour offices become more responsive to labour market needs. In addition, they urged that more support should be provided to encourage greater labour mobility. The trade unions, conversely, do not support the employment of workers from foreign countries, but applaud the government’s efforts to integrate long-term unemployed and disadvantaged persons into the labour market.
Industry 4.0
In February 2016, the Ministry of Industry and Trade (MPO) released a comprehensive report entitled “Národní iniciativa PRŮMYSL 4.0” (National Initiative Industry 4.0). The report was prepared by a group of experts from both the business (mainly the production sector) and academic spheres. The report and the topic in general have been discussed over the last few months at a number of meetings, seminars and conferences throughout the Czech Republic. The main objective of the report is to inform stakeholders from different backgrounds (business, government, research, academia etc.) of the most important features of the forthcoming industrial (digital) revolution (INDUSTRY 4.0). Meetings were organised by various institutions coordinated primarily by the MPO and CzechInvest. The “Národní iniciativa PRŮMYSL 4.0” report was also introduced and discussed at a tripartite meeting in March. While the report was positively received, it was strongly recommended that an “executive conclusion”, including an implementation plan, be added. The issue of the so-called new industrial (digital) revolution is a controversial topic for the trade unions, and Czech-Moravian Confederation of Trade Unions (Českomoravská konfederace odborových svazů, ČMKOS) representatives complained strongly about not being invited to participate in the drawing up of the report. Nevertheless, trade union representatives were offered the chance to contribute to the debate at a host of events held on the INDUSTRY 4.0 topic. Moreover, ČMKOS has conducted its own analysis in the form of the WORK 4.0 initiative in response to the challenges presented by the new industrial revolution.

Sectoral and company level social dialogue 2016
ČMKOS notes that in 2016 there was a marked recovery with respect to collective bargaining and that employers are more inclined towards social dialogue, which, according to ČMKOS, has been strongly influenced by the positive approach to this issue of the current government.

Main developments - other than wages and working time - from important collective agreements or bargaining rounds
The main themes contained in collective agreements in the Czech Republic consist of wages and working time while other themes remain relatively marginal. With respect to collective bargaining, ČMKOS recommends devoting attention (in addition to wages and working time) to e.g. the employment of persons older than 50 years, further employee development, the creation of family-friendly environments for employees, the promotion of equal opportunities and anti-discrimination measures, etc. According to ČMKOS, these objectives were only partially attained in 2016, i.e. there was no increase in the number of company collective agreements containing provisions related to these topics during the year.

Examples of innovative collective agreements (at any level) made during 2016
Collective bargaining in the Czech Republic is stable and somewhat conservative. There have been no important changes in aspects mentioned above.
Policies and actions to address pay-inequalities

The recent public debate on pay gaps at the workplace

Pay inequalities are addressed in public debate in the Czech Republic particularly in the following areas:

1) Gender-related pay inequalities: Over the long-term, the Czech Republic has had one of the highest long-term GPG of any EU member state; the GPG figure currently stands at 22.5%. The high level of the gender pay gap reflects the relatively prolonged caring role of Czech women. Recently, this problem has also been discussed in the context of subsequent inequalities between men and women in terms of the amount of retirement benefit (Šatava, 2016; Volejníčková, 2015).

2) Temporary employment agency work: pay inequalities related to agency workers are currently being discussed with respect to a number of contexts:

- Employment agencies deduct a portion of worker salaries in the form of commission for their mediation services, which is in fact illegal. Act no. 435/2004 Coll., on Employment sets out in Section 58, para. 3, that, with respect to the mediation of employment for a fee, deductions from the wage or other remuneration paid to the worker for work performed are prohibited.

- Employment agencies avoid the statutory obligation to ensure that temporary agency workers are assigned by the “user” the same conditions and treatment enjoyed by permanent staff employed by the “user”. This law is circumvented especially through so-called hidden agency work (disguised agency employment) whereby the hiring party (user) negotiates a subcontracting relationship with the agency on the basis of a commercial contract in place of the mediation of agency employees. Employment agencies are, however, in such cases subordinate to the direction of the “quasi hiring party” and are fully engaged in its employment structure. The subcontracting relationship between the two commercial entities, on the other hand, does not constitute an obligation to abide by the law on employment or to ensure that such employees enjoy equal conditions, including with respect to remuneration.

- The above example is connected to a further Czech “speciality”, i.e. the possibility to conclude so-called agreements on work performance (dohoda o provedení práce) with employees, which allow employers to lower their tax burden. In the case of agency employment, however, this form of employment relationship is prohibited.

3) To a lesser extent, issues concerned with the salaries of foreign workers originating from within the EU (mainly Bulgarians and Romanians) are discussed in the wider context of the generally precarious working conditions of this group of workers.

4) In relation to the issue of unequal pay, social partners together with Labour Offices have drawn attention to the problem of significant differences between the amount of wages paid in different regions of the Czech Republic. In their view, it makes up practically the same (and perhaps even more acute) problem as when employees receive different wages for performing the same work (cf. Válková, 2016).


Positions regarding the posted workers directive

Positions of trade unions
The Czech-Moravian Confederation of Trade Unions (Českomoravská konfederace odborových svazů, ČMKOS) supports the measures proposed in the revised Directive. ČMKOS rejects the current situation in which posted Czech employees generally receive lower wages than in other EU member countries. They feel that the improved protection of posted workers, including the alignment of their wages, may lead to the significant limitation of the long-term abuse of posted employees and the occurrence of the fictitious posting thereof. The second largest TU ASO ČR support this standpoint, too.

Positions of employers organisations
According to the Confederation of Industry of the Czech Republic (Svaz průmyslu a dopravy ČR, SP ČR) employers and entrepreneurs feel that there is no need to revise the Directive on the posting of workers. The SP ČR believes that on the basis of the original Directive 96/71/EC, which forms part of Act no. 262/2006 Coll., the Labour Code, a balance was achieved between the flexibility of services provided across borders and the ensurance of a high level of protection for posted workers.

According to employers, the proposed amendment to the Directive may lead to the loss of jobs due to the inability to provide services across borders and, at the same time, will maintain or support increases in existing wage differentials within Europe.

Position of Chamber of Business of the Czech Republic (Hospodářská komora ČR, HK ČR) is following: “This revision goes against the principle of the freedom to provide services and against the principles of market economy. HK ČR warned against administrative burdens that this revision of directive would mean for businesses”.

Employers also point to the administrative burden associated with the implementation of the Directive. According to the Association of Road Carriers (Sdružení automobilových dopravců ČESMAD BOHEMIA), the introduction of the Directive will complicate the situation in specific sectors such as road transport. Employers therefore suggest that this sector be exempted from the provisions of the Directive.

The costs of compliance may, according to employers, lead to the extensive circumvention of the new regulations through illegal work practices or the disguising of employment relationships through self-employment.

Position of the government
The upcoming revision of Directive 96/71/EC will, in effect, work against the priorities of the Government of the Czech Republic, which include the strengthening and effective functioning of the EU internal market. The introduction of the measures proposed in the Directive will threaten the competitiveness of posting businesses (especially small and medium-sized enterprises) in economically less-developed Member states. The transport sector will be most affected. Given the specific character of this sector, the Czech government proposes that it be exempted from the provisions of the Directive on posted workers. The secondary impacts of the proposed measures will consist of a negative impact on employment, the disruption of economic and social convergence and an overall increase in the administrative burden.

Given that the issue of the posting of workers concerns, in particular, the verification of compliance with labour legislation covering the transnational provision of services, as well as the area of employment, the Czech Ministry of Labour and Social Affairs (Ministerstvo práce a sociálních věcí, MPSV) last year submitted a draft bill amending Act no. 435/2004 Coll. on employment, Act no. 251/2005 Coll. on labour inspection and Act no. 262/2006 Coll., the Labour Code. The Czech government at its meeting of 7 November 2016 adopted Resolution no. 979, which approved the said bill.
The subject of the changes to the afore-mentioned Acts consisted of the implementation of European Parliament and Council Directive 2014/67/EU of 15 May 2014 on the enforcement of Directive 96/71/EC on the posting of workers in the framework of the provision of services, and amending Regulation (EU) no. 1024/2012 on administrative cooperation through the exchange of information on the internal market. The changes mainly concern: the identification and monitoring of genuine posted workers (providers of transnational services must have in their workplaces copies of documentation in the Czech language proving the existence of an employment relationship with posted employees in the context of the Directive in the Czech Republic),

the calling to accountability of recipients of transnationally provided services (the concept of the liability of legal or natural persons receiving the transnational provision of services in the Czech Republic for the withholding of wages by employers posting their employees in the context of the transnational provision of services),

the introduction of rules concerning administrative cooperation between the competent authorities of the member states of the European Union concerned, including the cross-border enforcement of pecuniary administrative sanctions or fines.

Currently the bill is being considered by the Chamber of Deputies of the Czech Parliament (Poslanecká sněmovna Parlamentu České republiky). As part of discussions on the bill, the Committee for Social Policy has submitted an amendment to the bill limiting the concept of liability to selected professions in the construction industry.

Pay gaps at the workplace

Evidence

There is no specific recent literature addressing workplace level pay gaps. However, there are some recent studies looking into gender pay and pension gaps:


The Gender Studies, o.p.s NGO together with the Open Society (Otevřená společnost, o.p.s.) NGO published analysis entitled “Gender inequalities in income and pensions” as one of the outcomes of a joint project named “Fair earnings, fair pensions”; the author of the study was Romana Volejníčková. The analysis revealed that relatively extensive vertical and horizontal gender segregation persists in the Czech labour market. The GPG in 2013 stood at 22% which is substantially higher than the EU average. The study also emphasised that the impact of parenthood on the employment of women remains one of the most significant in the EU. The GPG figure also reflects the relatively long periods over which Czech women assume a caring role. The study revealed that the GPG at the age of 35-44 years (i.e. after the return to work of women on parental leave) is almost 30%. Gender pay differences over a person’s active working life consequently influence gender differences in terms of the old-age pension. The Czech pension system disregards life course differences between men and women, with respect to which it is not exceptional for women to be absent from the labour market caring for their children for as long as 6 years. The average pension for men in the Czech Republic in 2013 stood at CZK 12,149 (approx. EUR 450) while it was a mere CZK 9,551 (approx. EUR 354) for women. With concern to the overall trend in the GPG, the Czech Republic is moving in the opposite direction to its fellow EU members, with regard to which, in general, the GPG is shrinking. Therefore, it is hardly surprising that poverty in retirement is predominantly a female phenomenon in the Czech Republic.

This report provides an analysis of the impact of parenthood on wage differences via quantitative analysis using individual SILC data from 2012. The author presents a basic descriptive analysis of both the monthly and hourly wage gaps between men and women according to age, number of children in the family and the age of the youngest child. Deeper analysis subsequently identifies the factors and mechanisms through which parenthood affects the gender pay gap. The largest gender wage differences can be found for employees in age categories most likely to be affected by motherhood and parenthood duties (35–39 age group). The gender wage gap increases with each additional child in the family. Whereas for childless employees, the difference in median monthly wages equals to 15 per cent, the wage difference between men and women with three or more children reaches is more than double (36 per cent). Gender wage gaps is highest when children need most care and are fully dependent on their parents. The older the children, the lower the difference; however, the pay gap does not close down when children reach adulthood; in fact, it still remains higher than the difference in median wages of childless employees. The gender gap in median monthly wages is around 39 per cent for parents with children aged 3–5. For parents with adult children in the household, the difference is around 24%. This figure, however, significantly exceeds that for childless persons, i.e. just 15%. The segregation of women into lower paid professions explains approximately 13% of the total wage gap with respect to workers aged 20-49 years. Results of analyses using individual SILC data have revealed a statistically significant negative association between career interruption caused by long parental leave, and the person’s subsequent wages.


Further studies:

Inspections concerning equal treatment and non-discrimination in the workplace have, for several years, formed a standard part of the annual plans of State Labour Inspection Office (SUIP) inspection activities. To date, wage discrimination inspections have been conducted only in case of the reporting of a complaint in this respect. Moreover, the number of inspections aimed at detecting unequal treatment regarding pay is based on whether in a particular year action was taken specifically at e.g. discriminatory treatment, employment agency work, etc. Unfortunately, the development of the frequency of cases of unequal pay cannot be determined from SUIP annual reports (e.g. in 2010, 117 cases of unequal pay were discovered, whereas in 2014 and 2015, in which years inspections focused more on illegal employment, only 31 and 13 cases were discovered respectively). SUIP began to concentrate more intensively on the targeted monitoring and inspection of the wage gap between men and women only in 2016 on the initiative of the Ombudsman, Anna Šabatová and the Minister of Labour and Social Affairs, Michaela Marksová who took on board European Commission recommendations on strengthening policy on equal pay for men and women through greater transparency. A list was drawn up of entities which had been identified by experts on gender issues, trade union organisations and other stakeholders, especially from the non-profit sector, as potentially problematic. A list was drawn up of entities which had been identified by experts on gender issues, trade union organisations and other stakeholders, especially from the non-profit sector, as potentially problematic. Subsequently, during May and June 2016, regional Labour Inspectorates carried out inspections directed specifically at this issue with concern to 17 such entities in different regions of the country. These targeted inspections revealed only two cases of gender pay inequality.

With respect to inspection visits, regional Labour Inspectorates admit that it is often difficult to compare wages within organisations, particularly with regard to the ambiguity of the
definition of “work of equal value”. The absence of methodology and other tools available to the courts and controlling authorities means that these institutions are hampered in terms of conducting effective inspections of unequal pay and subsequently punishing offenders.

**Policies to address pay inequalities at the workplace**

1) The Czech government has recently introduced a number of initiatives aimed at reducing the gender pay gap; in 2016, the Minister of Labour and Social Affairs launched a five-year project called ‘22% to fairness’ (22% being the average gender pay gap in the Czech Republic). The most frequently discussed and visible part of the project consists of:

- Systematic inspections specifically focused on screening and pay discrimination. Specially-trained State Labour Inspectorate experts will be responsible for conducting salary inspections.

- The development of a digital auditing tool for employers to objectively detect gender pay differences within their companies.

- A manual for employees on how to negotiate wage increases.

- An information campaign

- Public opinion surveys and examples of good practice

The project has been criticised by the Chamber of Commerce (HK), which is opposed particularly to the enhancement of the personal capacity of SUJP to conduct inspections concerning equal remuneration for men and women and what it sees as a waste of resources with respect to the awareness campaign.

2) Salary growth in the highly-feminised sectors of education, health and social services (indirect measure)

- Effective from September 2016, the salaries of teachers were increased by an average of 8% and further increases are expected over the next three years (to 2020) so as to eventually attain a level of 130% of average earnings in the Czech Republic.

- There have been two relatively recent increases in the pay scales of workers in the social services sector (1 November 2014 and 1 January 2015 amounting to a total of around 7.5%). In January 2017, the pay scales of employees of health services providers were increased by 10%. The same salary increase applied to nurses in the social services sector.

3) The Ministry of Labour and Social Affairs (MoLSA) introduced a proposal concerning stricter rules for employment agencies. It is expected that this proposal will result in amendments to Act No. 435/2004 Coll., on employment, and Act No. 262/2006 Coll., Labour Code. The text of the proposal has been revised a number of times since 2014. The government approved the revised proposal in August 2016 and the bill is scheduled for negotiation in parliament. The current versions of the proposed amendments set out stricter rules concerning the registration of employment agencies, sanctions for employers who apply unequal working conditions with respect to agency and core employees (at present sanctions concern only employment agencies), measures to prevent the evasion of legislation on working time, rest breaks, social and health insurance etc.
Social partner's involvement in addressing pay inequalities at the workplace

Social partners have been very active in terms of planned legislative changes relating to employment agencies. Changes to legislation have been promoted particularly by the trade unions, which participated in meetings organised by the Ministry of Labour and Social Affairs (MLSA) and tripartite working groups. An integral part of the activities of social partners consisted of participation in various thematic conferences and workshops.

A special bilateral agreement on general cooperation between the Association of Personnel Service Providers (APPS) and the Metallurgical Union Confederation (KOVO) focused on combating the practices of disguised employment agencies involving the unequal treatment of “agency” employees compared to regular employees on a daily basis. This first contractually stipulated cooperation ever between representatives of work agencies and trade unions occurred in March 2014. The aim of the general agreement is active cooperation of both parties in terms of enforcement of dignified working conditions.

The first company level collective agreement ever concluded between trade union and work agency in the Czech Republic followed in May 2014. Trade union KOVO MB operating in ŠKODA AUTO, Mladá Boleslav concluded CLCA with work agencies the company cooperates with, i.e. ManPower, Trenkwaldar and DP Work. Collective bargaining resulted in provision of similar social benefits as the other employees of the ŠKODA car producer have and in a wage increase.

With regard to the issue of wage inequality according to gender, it can be stated that trade union organisations (especially ČMKOS), while including the fight against gender discrimination with regard to remuneration in their national policies (viz Plán na podporu prosazování principu rovnosti mužů a žen v podmínkách ČMKOS a jednotlivých odborových svazů - Strategy for the support of the enforcement of the principle of equality between men and women under ČMKOS and individual trade union conditions), have lagged behind somewhat regarding the implementation of this strategy. Regional Labour Inspectorates and the Office of the Ombudsman have confirmed that no suggestions regarding unequal pay have been put forward by the trade unions to date (Válková, 2016). The majority of trade union organisations do not have sufficient evidence concerning unequal treatment for them to effectively propose a solution to this issue.

Local stakeholder partnerships are focusing on actively tackling unequal pay in the framework of short-term projects (e.g. “Let’s Give (Wo) men a Chance” – “Dejme (že)nám šanci” and Fair Pay). However, long-term cooperation at the local level would appear to be a more effective approach.

Information on working conditions based on an analysis of collective agreements from 2016 (Information on working conditions negotiated in collective agreements, IPP) obtained by the MLSA revealed that equal treatment and the prohibiting of discrimination (not only with respect to wages) was specifically mentioned in less than one third of the collective agreements analysed.
Promoting the reconciliation of working families and caregivers

Recent policies

The legislative recognition of groups of children
In 2014, Act no. 247/2014 Coll., on the provision of childcare services with respect to groups of children was approved. The Act was further amended and modified significantly in 2015. The Act establishes the basic legal framework for providing childcare services for so-called groups of children. Providers of such services are entered into a register of providers and are required to meet statutory requirements regarding hygiene standards and the professional competence of personnel. Such a service consists of providing regular child care from the age of one year to the start of compulsory school attendance. Those providing services for groups of children must allow attendance of at least 6 hours per day. The legislation was aimed at responding to the critical shortage of places available at subsidised care facilities for children under three years of age and, in some areas, even for children younger than four years. Such groups of children must contain no more than 24 children.

Tax relief for the parents of children attending registered pre-school facilities
Since 1 January 2015, parents who place their children in a registered group of children in the same way as in an accredited pre-school facility have been entitled to an annual tax deduction of the costs of pre-school care up to the amount of the minimum wage (currently CZK 11,000, approx. EUR 407)

Changes in legislation are expected in 2017. Two important amendments are currently being discussed in parliament related to parental leave and parental benefits.

New benefit for fathers
In May 2016, the Czech government approved an amendment to Act No. 187/2006 on sickness insurance. The amendment concerns the introduction of one week’s paternity leave in the six weeks following the birth of a child. The aim of this period of leave is to strengthen the bond between the child and its biological father. It is assumed that men will be entitled to the same amount of benefit while on one week paternity leave as women on maternity leave.

In January 2017, the amendment progressed to its second reading and is awaiting parliamentary approval. It is expected that the new benefit will take effect at the end of 2017 depending on the pace of the legislative process.

More flexible drawing of parental allowance
During this year changes are also expected with regard to the parental allowance. A new provision is intended to allow women to draw the parental allowance more quickly and without restrictions connected with the nursery attendance of the child. The amount of the monthly allowance will continue to be related to the previous earnings of the father or mother, however, the monthly upper limit will be raised. It is planned that the maximum amount paid monthly will not exceed a limit of CZK 32,640 (EUR 1,208). Thus, those parents with above average earnings will use up the maximum amount of the allowance (CZK 220,000) over a shorter period of six months. Currently the maximum monthly amount stands at CZK 11,500 (EUR 426), which means that the amount of CZK 220,000 is exhausted no sooner than within 19 months. Currently attendance is monitored with respect to children under two years of age when they attend a preschool facility for a maximum of 46 hours per calendar month. The new provision will cancel this condition and only the ordinary care of the child in the family will be monitored.

Measures are being prepared to support persons caring long-term for dependent family members.

The aim of the amendment is to provide long-term family carers with a special benefit that will allow for the covering of the costs of at least their basic standard of living. The Ministry of Labour and Social Affairs proposed the introduction of long-term leave for reasons of care
which will comprise leave from work limited to a maximum of 90 days (currently 9 days only). It is assumed that such carers will be entitled to a benefit in the amount of 60% of the daily assessment base. The new legislative proposal entered the interdepartmental comments procedure in December 2016.

The draft amendment of Labour Code No.262/2006 Coll. includes provision relating to an easier return to work after parental leave and provision which aims to make denial of employees’ request for shorter working hours more difficult.

The draft amendment of the Act was approved by the government in August 2016 and the bill is now scheduled for negotiations in the Parliament. The amendment of the Labour Code should become effective, if approved, in July 2017.

Rights to request special working time arrangements, place of work etc.

A new provision is intended to support a right of employees returning from parental leave to return to work **to the same or an equivalent position they held prior to parental leave**. The entitlement to parental leave applies to the mother of a child upon termination of her maternity leave (28 or 37 weeks) and to the father of a child from the day when the child is born and it is granted within the scope as applied for, but no longer than until the day when the child reaches the age of three years.

Currently, employer is obliged to protect employment (**doesn’t mean the same position**) for parents returning from parental leave until their child is three years old but **the same position** must be protected for 28 weeks (37 weeks in case of multiple births) only.

Another provision in the amendment concerns a right of an employee taking care of a child younger than 15 years to work part-time. According to current labour legislation if such employee requests to work only part-time or requests some other suitable adjustment to her or his weekly working hours, the employer is obliged to comply with such request unless this is prevented by serious operational reasons. The amendment newly stipulates that employers are required to justify in writing, their decision not to be able to meet the requirement of an employee in that matter.

The role of collective agreements

Industrial relations in the CR are to a large extent legally based on the **Labour Code** (Act No. 262/2006 Coll., Labour Code). National work legislation has also been shaped by key social partners negotiating at regular tripartite meetings and during focused negotiations of trade unions and the representatives of employers with Parliament and the government (in particular, with the Ministry of Labour and Social Affairs). The representatives of social partners also comment on proposals for work legislation within the intersectoral consultation process. Work relations in the CR are further shaped by collective bargaining at lower levels. Collective bargaining in the CR mainly occurs at the corporate level. It is estimated that higher level collective agreements cover only one fourth of all employees. Although the 2006 **Labour Code** significantly increased the possibilities of regulating industrial relations in collective agreements, in terms of their importance, collective agreements at all levels are only complementary to the existing labour legislation (Haškova, Kyzlinková, 2016).

Company-level collective agreements not publicly available, therefore it is difficult to trace information on how measures aimed at promoting the harmonisation of work and personal life and support for persons caring for a family member are formulated in such agreements. According to the monitoring of the content of collective agreements IPP (Information on working conditions based on an analysis of collective agreements - Informace o pracovnách podmínkách sjednaných v kolektivních smlouvách) only 5.3% of collective agreements in 2016 included specific programmes concerning the return to work of persons following a
period of parental leave. A specified sample in 2016 selected data about wage and working conditions were analysed from 1,728 collective agreements from 27 different trade unions (TU), which represented almost 813 thousand employees. In 2016, 20 higher level collective agreements were also analysed and evaluated. Conditions for specific forms of work and work regimes such as working from home, job sharing or so-called working without a “permanent desk” were negotiated in less than 1% of collective agreements. The vast majority of such provisions related to working from home. The flexible working hours were agreed in 26.7% of collective agreements. In 2007, this working arrangement was included in only around 16% of company-level collective agreements. Therefore, there is a clear positive trend towards the setting of flexible working hours as a tool to facilitate the harmonisation of family and working life being included in the collective bargaining process. No information on particular clauses is available.

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