Trade union influence in the Czech Republic

Martin Myant, ETUI, Brussels

mmyant@etui.org
Introduction

• Post-comm; not obviously strong, but very hard to measure,

• numbers, deceptive. Look at specific points they changed, means take one country only, as all specific,

• set within how society has developed, important in taking initiatives/setting agendas, leading to/from ‘dependent’ capitalism.
Czech trade unions

- 1989, only mass organisations, universal membership, high expectations?
- Decline (maybe 7% of employees, 40% + bargaining coverage, incl public sector, more +ve in polls), presence in public services, ind and transport, some institutionalised political influence (tripartite, but consultative)
- ČMKOS, biggest, direct inheritor, over 300,000 members, but incl pensioners,
- ASO, broke away for very diverse reasons, claims 80,000, incl railway workers,
- Smaller, independent, may get higher wages but no political weight.
Weakness from historical legacy

- key is in state socialist past; no tradition of militancy, of representing, or negotiating, no inherited core of militant activists, weak commitment to united trade unions,
- fragmentation, guard autonomy, exist as tiny organizations, stronger under ČMKOS umbrella,
- mergers, reorg, less likely than splitting off,
- changing economy, hard to maintain/create new organisations,
How to follow influence

• Not membership numbers. Influence not quantifiable,
• methods and challenges differ over periods, quite substantially, divide into 4 (+ the present), big difference with gvt in power.
‘Extraordinary’ politics 1990-1992

• Term from Leszek Balcerowicz, period for a small elite free of outside control,
• NOT following main focus for political science (development/consolidation of democracy),
• CS elite; took policy decisions, but driven by theories, ideologies, simple critique of past,
• MOST decisions taken in gvt, parliament, without much outside influence.
Employment law

• Exception, and unions arguably set agenda, idea of ‘European’ model,
• strategy of; no party politics, tripartite (Portugal as model), new employment law (ILO etc), collective bargaining, replaces laws,
• strength from; international (European) advice and stamp of approval, fears of labour unrest, friends in that part of gvt,
• narrowly passes parliament (Dec 1990),
• then hoped for broad social pact and partnership on macroeconomic sphere.
Macroeconomics

• General Agreement; wage restraint for gvt commitment on indexation of minimum wages,
• broken in mid 1991, unions could only make feeble protests (not even united), end of tripartite as basis for corporatism,
• consultative body only, parliament decides,
• arguments of tripartite as sham?
‘Czech capitalism’ 1993-1998

• Privatisation of big enterprises into Czech ownership, not generally anti-union (peace for privatisation, place in tripartite),
• collective bargaining, but cautious and much follows laws, benefits modelled on past,
• right-wing gvt, plans for employment law changes, dropped (big employers not interested, not priority),
• gvt moves to social policy, pension reforms (unions opposed through tripartite, no progress),
• new tactics (petition, mass demonstration, token general strike, claims 10% participating),
• trying to influence MPs, public opinion, but fail,
• tripartite downgraded, employers lose the most.
End of Czech capitalism, 1997/8

- Economic difficulties led to collapse of major banks and enterprises,
- coalition dividing, PM revives tripartite as before, shelves employment law changes,
- key point; frightened by railway strike; lesson, only listen to unions political voice when there is a threat,
- demonstration calling for new gvt, claims 100,000; agenda setting? Gvt falls regardless? SD gvt.
- paradox; railway workers leave ČMKOS.
Social Democrats and inward investment 1998-2006

• Rising dominance of MNCs, they have little interest in tripartite,
• wages 15% de levels, some battles for recognition, in manuf generally accept TUs (weapon is not strikes, but publicity, moderation),
• room for wage increases, above average,
• tripartite institutionalised (why now?), complex structure, permanent consultation on employment, economic, social policy issues,
• joining EU, issues of state budget and employment law, used to support social element.
Rising neo-liberalism? 2006-2014

• Different society from 1990... high-income individuals, against progressive taxation introduced in 1990s (for flat tax), welfare reforms, pay for services,

• employers’ organisations, few big cz businesses, some MNCs, but they have other means,

• right-wing gvts with neo-liberal agenda; employment law; agenda from politicians (arbitrary dismissal, restrict powers over H&S, restrict bargaining),

• not shared by MNCs (don’t need that fight, bad publicity), conditional agreement with TUs in tripartite (forms of flexibility allowed, often if TU agreement).
Holding back neo-liberalism?

• Big battles in state-budget sphere,
• ČMKOS produces detailed critiques of policies (developed expertise and making comments),
• public demonstrations, claiming significant participation (biggest 50,000), even a token general strike (claimed 900,000, in some form),
• as many as ever? fewer members but more committed? A lot of scepticism too,
• doesn’t change gvt policies, shows alternative?
And now?

• From 2014, coalition gvt, SD + ANO, contradictory directions? Tripartite consultations and no case for big protests,
• ‘End of cheap labour’, 2015, emphasis on collective bargaining outcomes,
• National campaign, backed by evidence (28% de wage level, NOT catching up soon), targets of 5% for 2016 (reality 3.9% nominal and 3.7% real) and 5.5% for 2017, ‘where possible’. 
Ending even more cheap labour?

- Broadens, taken up in public sector (education for 10%), spreads message towards lowest paid (not just union members), even gvt ministers impressed (issue of men-women pay gap),
- strikes (very rare before), but also aggressive bargaining, cases of employers ignoring negotiation deadlock, paying out an increase, conceding more when majority ready to strike; TPCA, 10% increase.
Summarising influence

- Big role in creating legal framework for employment relations, much of this persists but hard to enforce (unenforceable?) with declining membership,
- maybe role in holding back neo-liberal tide, but always hard to prove,
- reality of ‘dependent’ economy, MNCs outsourcing, so issues of relative pay levels, of kind of work outsourced, of potential for domestic economy,
- pay campaign, part of a real alternative economic policy? Needs more policies.