

Expert study

DECENT WORK

JUNE 2023

The study was prepared as part of the project of the Association of Independent Trade Unions 'The Future of Collective Bargaining in the Czech Republic and the Effects of Technological Changes as a Result of Digitalization and Automation on the Requirements for Work Competence of Employees', financed from the contribution to activities pursuant to Section 320a(a) of Act No 262/2006 Sb., the Labour Code, as amended, to promote social dialogue.

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INTRODUCTION

Decent work is well rewarded, does not endanger the health of employees and leaves them enough free time for themselves and for their family. According to the International Labour Organization, decent work is also a fundamental concept of the quality of working life and is included in the goals of the 2030 Agenda for Sustainable Development as part of the United Nations Program.

The Association of Independent Trade Unions focuses its activities in 2023 on the future of collective bargaining in the Czech Republic, the impact of technological changes as a result of digitalization and automation on requirements for employee competencies and on aspects of decent work, thus contributing to sustainable economic growth and elimination of the consequences of the COVID-19 pandemic. Therefore, **the aim of this study is to identify the areas on which trade unions should focus their attention** on the application of the principles of decent work in the Czech Republic.

As part of the study, the idea of **decent work is put in the context of the economic crisis** because a number of negative aspects appear on the labour market and employees become more vulnerable in the period of economic downturn. This is why respect for decent work is now becoming increasingly important. This issue is addressed in the **first chapter**.

The second chapter analyses all aspects of decent work in the conditions of the Czech Republic. Attention will be paid to employment opportunities, fair income, decent working hours, work-life balance, safe work, equal opportunities in employment, job security and social protection.

Since social dialogue clearly contributes to respecting the principles of decent work, the **third chapter** is focused on the **importance of social dialogue in achieving the goals of decent work**.

To conclude, the most important findings will be summarized and the areas of activities and the role of trade unions in efforts to respect decent work in the Czech Republic will be emphasized.

1 DECENT WORK IN THE CONTEXT OF THE ECONOMIC CRISIS

This chapter deals with the importance of respecting the principles of decent work during the economic crisis. First, it presents the definitions of decent work, partial aspects of decent work and the approach to this issue from the point of view of international organizations.

Decent work is a concept of quality working life that is recognized by many international organizations. As already mentioned in the introduction, **the United Nations (UN)** included decent work and economic growth among its sustainable development goals.¹ The UN has defined 17 goals of sustainable development for 2015–2030. Under this program, the UN and its members seek to promote sustained, inclusive economic growth, full and productive employment and decent work for all. The specific goal of decent work by 2030 is to achieve full and productive employment and decent work for all women and men, including young people and people with disabilities, and to ensure equal pay for equal work. They also seek to create decent jobs and substantially reduce the proportion of young people who do not work or study. The aim is also to take immediate and effective measures to eradicate forced labour and to protect rights and promote safe and stable working conditions for all workers.

Likewise, the **Organisation for Economic Co-operation and Development (OECD)** addresses a number of topics related to decent work. It monitors indicators of employment protection, health at work, collective agreement coverage or the level of trade union involvement.²

Another international organization that deals with the concept of decent work is the **International Labour Organization (ILO)**.³ According to the ILO, productive employment and decent work are key elements for achieving fair globalization and reducing poverty. The ILO developed a program that focuses on job creation, workers' rights at work, social protection and social dialogue, with gender equality being an essential aspect in all areas. The ILO emphasizes the need to respect these principles, especially in times of economic crisis.

It is the **International Labour Organization that defines individual aspects of decent work and indicators that measure** and compare these aspects both over time and between countries⁴. The aspects of decent work that are also monitored in this study include⁵:

1. Employment opportunities;
2. Fair earnings;
3. Decent working time;

¹The UN. *Důstojná práce a ekonomický růst*, cited: 14. 4. 2023. Available from: <https://osn.cz/osn/hlavni-temata/cile-udrzitelneho-rozvoje-sdgs/dustojna-prace-a-ekonomicky-rust/>.

² OECD. *Employment*, cited 14. 4. 2023. Available from: <https://www.oecd.org/employment/>.

³ ILO. *Decent work*, cited: 14. 4. 2023. Available from: <https://www.ilo.org/global/topics/decent-work/lang-en/index.htm>.

⁴ ILO. *Measurement of decent work based on guidance received at the Tripartite Meeting of Experts on the Measurement of Decent Work*. Cited: 14. 4. 2023. Available from: https://www.ilo.org/wcmsp5/groups/public/-dgreports/---integration/documents/meetingdocument/wcms_115402.pdf.

⁵The International Labour Organization includes work that should be banned, , especially child labour, among the aspects of decent work. As this issue does not concern the Czech Republic, it is not further monitored in this study.

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4. Combining work, family and personal life;
 5. Safe work and job quality;
 6. Equal opportunities;
 7. Job security;
 8. Social protection;
 9. Social dialogue.

Today, as a result of the economic crisis, all these aspects of decent work are becoming increasingly important. This chapter is thus focused on economic development in the Czech Republic, which is closely related to the observance of all aspects of decent work. Indicators such as output per employee, inflation, employee education or employee structure by economic sector will be further analysed from the most recent available data sources.

LABOUR PRODUCTIVITY PER PERSON EMPLOYED

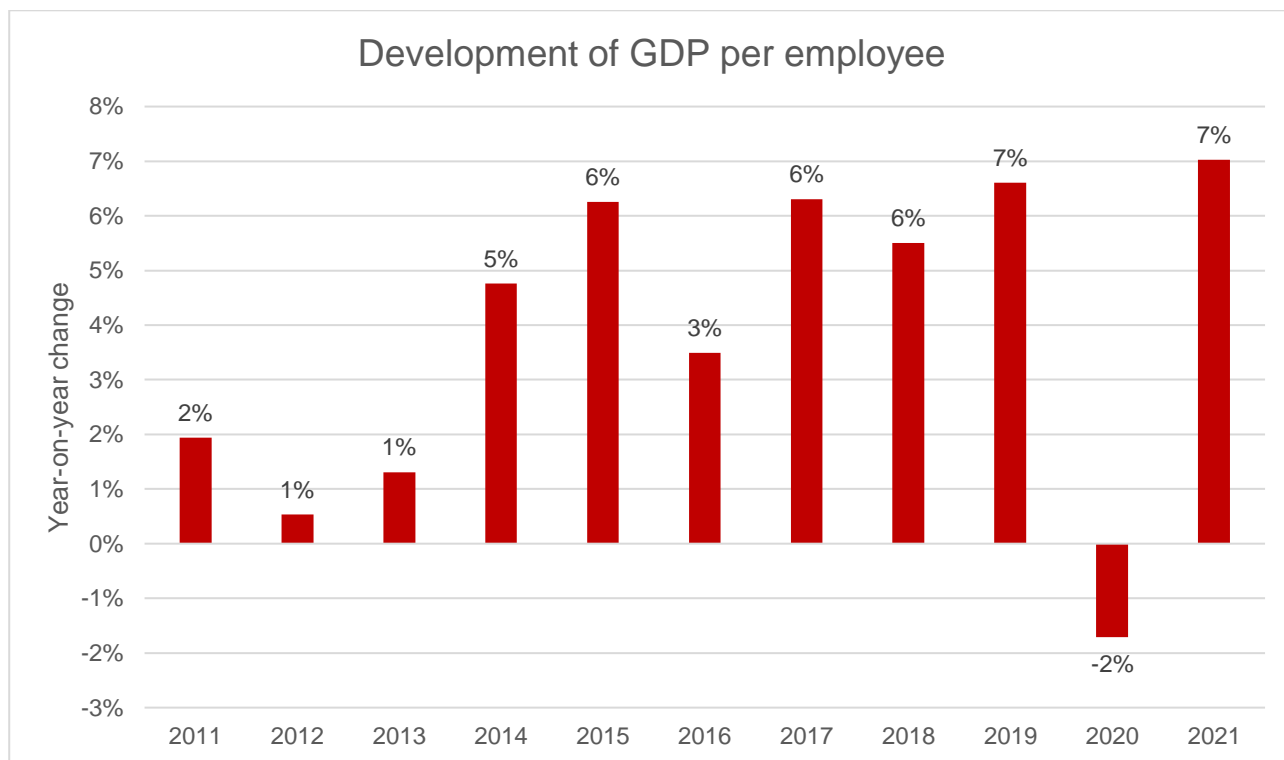
Labour productivity is an indicator that is calculated as the ratio of the total output of the economy in the form of gross domestic product (GDP) to the total number of employees. This is an indicator that simply expresses the ability of the economy to create value from labour inputs (in this case, the unit of work is one employee). The rate of GDP growth per employee represents the rate of economic growth in relation to the development of the number of employees. A low or declining output of the economy per person employed is a signal of economic hardship. **Policymakers may underestimate the importance of individual aspects of decent work in an economy with low or stagnant output.** Wage development is closely related to the development of labour productivity. The higher the productivity of employees, the higher the amount of wages employers are able to pay.

Figure 1 shows the development of labour productivity in the Czech Republic from 2011 to 2021. The rate of output growth per person employed decreases during the period of economic downturn. In particular, these are the years 2012, 2013 and **2020 when there was a year-on-year decline in labour productivity**. The decrease was caused by the COVID-19 pandemic and the subsequent measures against the spread of this disease in 2020 when GDP decreased year-on-year.

INFLATION

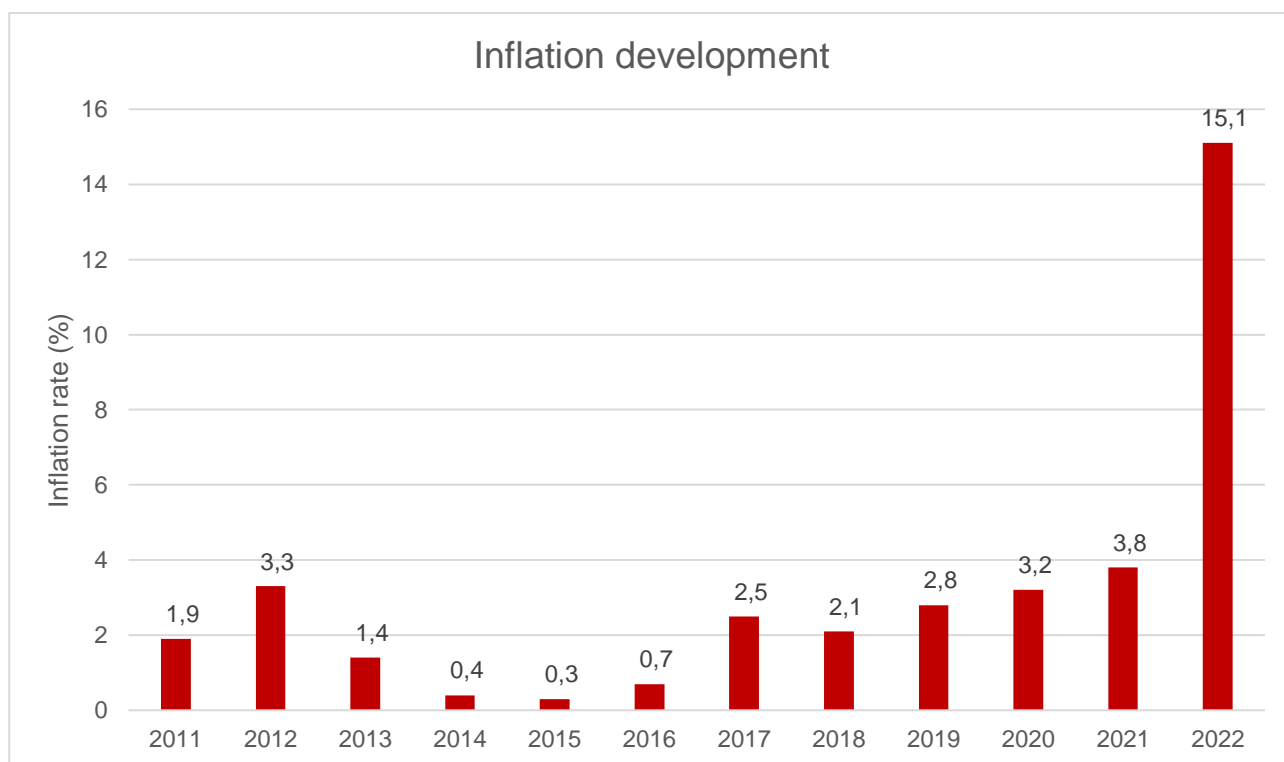
Inflation is an indicator of the national economy which, in the context of decent work, may indicate how difficult it is in a given country to achieve the goals set within the individual aspects of decent work. Improving the labour market position of persons employed in the context of decent work is likely to be more challenging in the presence of high inflation. One of the main aspects of decent work is decent wages. As the labour market reacts to changes in the price level in employees' wages with a delay (because the employee's wage is usually set for a certain period of time), the **real value of employees' wages decreases in a situation of a high price level (purchasing power decreases)**. Another reason why inflation threatens decent work is that inflation may indicate unsustainable government fiscal policies. The unsustainable fiscal situation is often addressed by reducing social protection in countries with high inflation. The specific indicator of inflation in the Czech Republic is the inflation rate. **Figure 2 shows the development of the inflation rate from 2011 to 2022.** In this regard, the most noticeable is **the 2022 inflation, exceeding 15%**. It can be clearly stated that during this period the economy was in an unfavourable situation which may lead to a threat to the purchasing power of employees.

FIGURE 1: DEVELOPMENT OF THE YEAR-ON-YEAR CHANGE IN GDP PER PERSON EMPLOYED FROM 2011 TO 2021



Data source: CZSO; data valid as of 14 June 2023.

FIGURE 2: DEVELOPMENT OF THE INFLATION RATE FROM 2011 TO 2022



Data source: CZSO; data valid as of 14 June 2023.

EDUCATION OF THE POPULATION

Employee education is an important aspect that **affects the quality of every employee's job**. The structure of employees by education in 2012 and 2022 is shown in Figure 3. The largest proportion of employees in the Czech Republic have secondary education with a secondary school leaving certificate (35%) or secondary education without a secondary school leaving certificate (29%). The lowest number of employees attained the bachelor's and higher vocational education (7%). Regarding the change in the last 10 years (since 2012), we observe a **decrease in the share of employees with secondary education and an increase in employees with higher education**, which is a sign of good development in this regard. Instead of a decrease, a negative phenomenon is the observed **increase in the share of employees with primary and incomplete education** (from 6% to 8%).

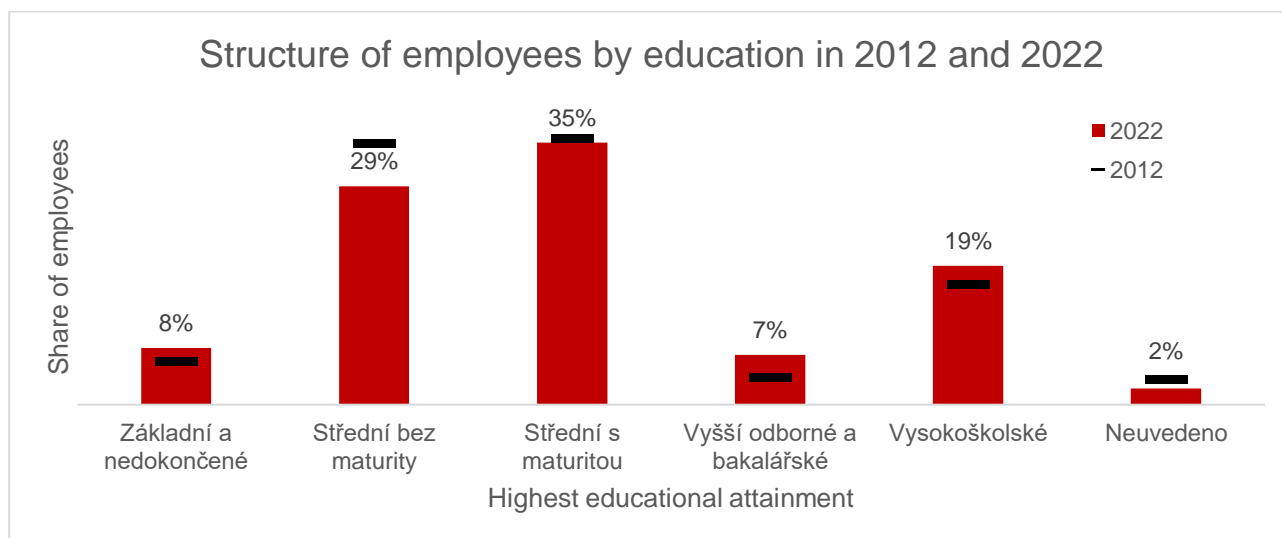
EMPLOYMENT STRUCTURE BY SECTOR

Some sectors of the economy are inherently safer or more likely to provide higher earnings.

Therefore, Figure 4 shows the structure of employees in the wage sphere by sector and the median wages in these sectors. The majority of employees in the Czech Republic work in sector C – manufacturing (34% of employees) and G – wholesale and retail trade; repair of motor vehicles and motorcycles (16% of employees). However, the highest earnings can be observed in sector J – information and communication, where 4% of employees work, and in sector D – electricity, gas, steam and air conditioning supply, where only 1% of employees work.

The largest number of employees in the salary sphere (Figure 5) are employed in sector O – public administration and defence; compulsory social security (41%) and in sector P – education (32%). However, the highest earnings in this sphere are also observed in sector J – information and communication, where only less than two hundred employees work, and in sector M – professional, scientific and technical activities, where 0.5% of employees in the salary sphere are employed.

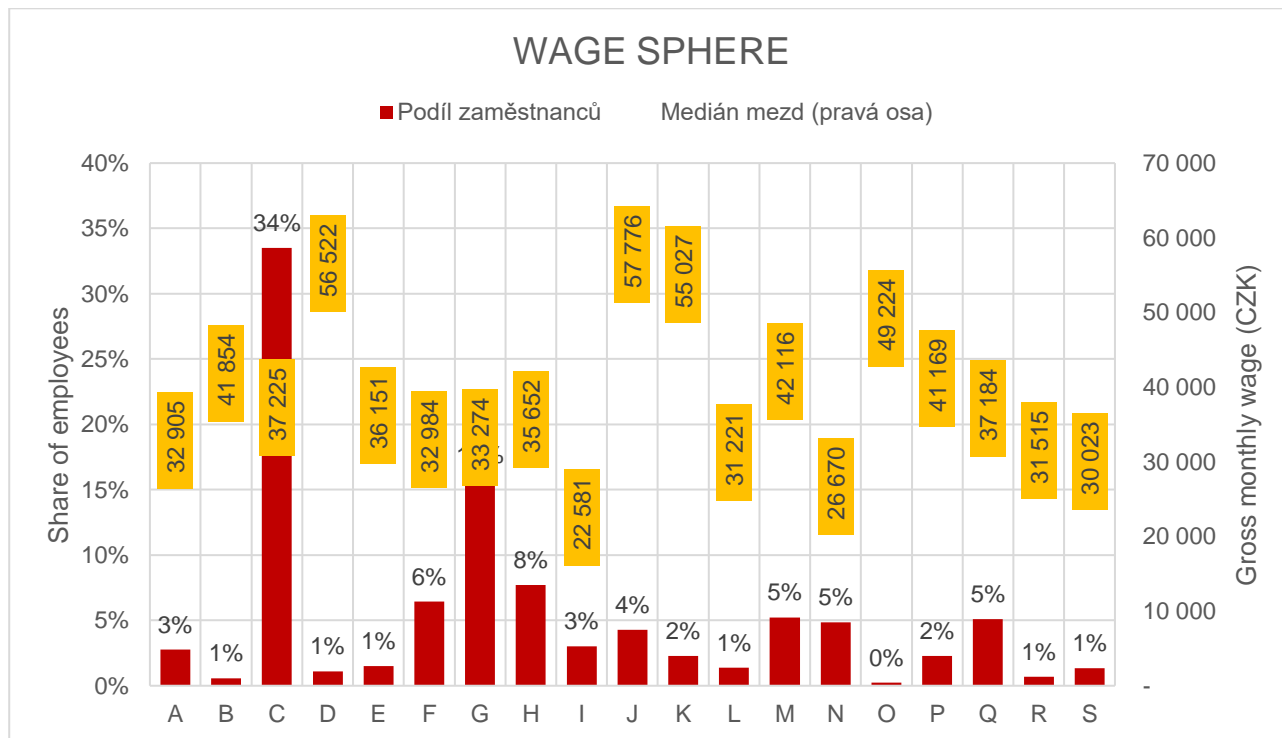
FIGURE 3: STRUCTURE OF EMPLOYEES BY EDUCATION IN 2012 AND 2022 ACCORDING TO ISPV



Source: ISPV (MoLSA), calculations by TREXIMA, spol. s r.o.

Primary and incomplete; Secondary without SSLC; Secondary with SSLC; Higher vocational and bachelor; University; Not stated

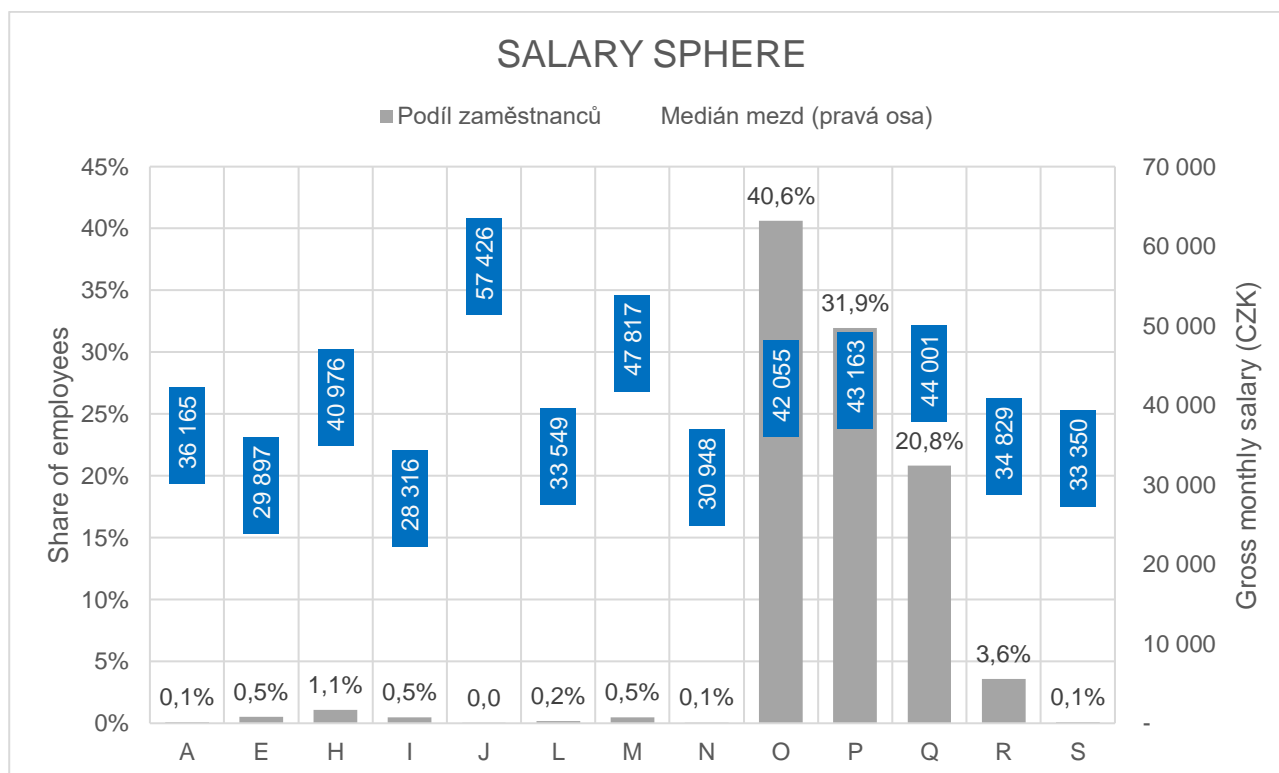
FIGURE 4: STRUCTURE OF EMPLOYEES AND MEDIAN GROSS MONTHLY WAGE BY SECTOR BY CZ-NACE SECTIONS IN THE WAGE SPHERE IN 2022



Source: ISPV (MoLSA), calculations by TREXIMA, spol. s r.o.

Share of employees; Wage median (right axis)

FIGURE 5: STRUCTURE OF EMPLOYEES AND MEDIAN GROSS MONTHLY WAGE BY SECTOR ACCORDING TO CZ-NACE SECTIONS IN THE SALARY SPHERE IN 2022



Source: ISPV (MoLSA), calculations by TREXIMA, spol. s r.o.

Share of employees; Wage median (right axis)

Economic development and the situation on the Czech labour market has been affected by a number of unexpected events in recent years and the impact on employees is very difficult to predict. The previous figures show that in terms the development of labour productivity, the Czech economy was struggling with a decline, especially in 2020, and current data suggest year-on-year increases. Conversely, the **development of inflation may threaten the position of employees in the labour market much more**. The Czech economy recorded a record increase in inflation in 2022, clearly affecting the purchasing power of employees and threatening many employees when achieving a decent wage.

The pictures also dealt with the structure of employees in terms of their education and sector. The higher the education of employees, the more likely they are to get quality jobs with higher earnings. Higher wages or better and safer jobs are also expected in some sectors. The analysed data show that while the **share of employees with higher education has been growing** in the last ten years, the **share of employees with primary and incomplete education has also slightly increased**. As far as sectors with high earnings are concerned, we observe a low share of employees working in these sectors and, on the contrary, the **highest share of employees in the Czech Republic works in manufacturing**. The role of trade unions and collective bargaining is important in the conditions of the Czech Republic and the need to protect employees not only in general, but also while respecting the principles of decent work, has clearly increased in recent years.

2 ANALYSIS OF PARTIAL ASPECTS OF DECENT WORK

It was already stated in the previous chapter that decent work is a set of many aspects defining decent work as a whole. Specific indicators of decent work, used to measure or estimate the quality of aspects of decent work, are defined by the International Labour Organization. Important aspects of decent work include, for example, the quality of work, fair income, decent working hours, employment opportunities, job security, social protection, the guarantee of equal opportunities or the possibility of combining work and family life. Each subchapter in this part of the study thus deals with the analysis of available data on these individual aspects of decent work as defined by the International Labour Organization⁶.

2.1 EMPLOYMENT OPPORTUNITIES

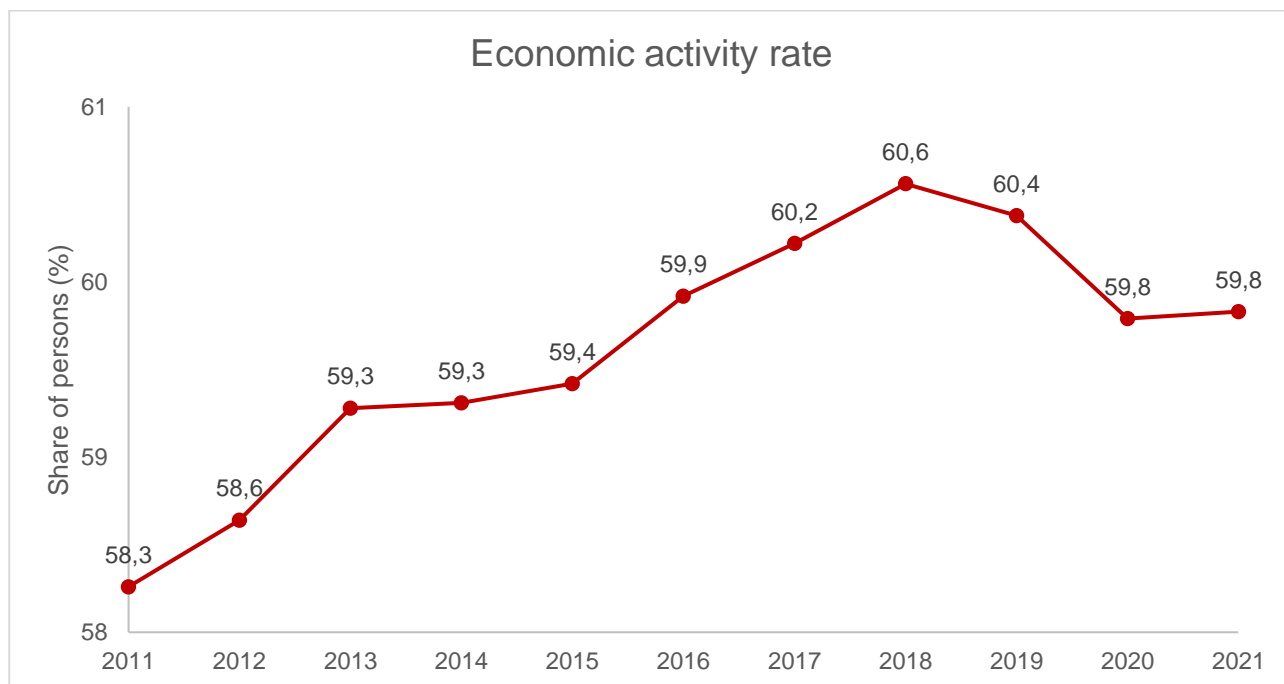
The first aspect of decent work to be addressed in this chapter is employment opportunities. This aspect of decent work assumes that there should be an **opportunity to work for all those who can work and are looking for work**. The basic indicators to measure employment opportunities are the economic activity rate on the labour market and the share of employed persons to the population of a given country. Other indicators are aimed at measuring the lack of employment opportunities such as unemployment or specific groups of the unemployed, e.g. unemployment in youth, men and women, etc.

Figure 6 shows the **level of economic activity** of employees on the labour market. This indicator indicates the extent to which the working-age population is economically active. In other words, the economic activity rate expresses the share of the number of employed and unemployed persons (labour force) in the number of all persons aged 15 years and over. This is an overall indicator of the level of activity in the labour market. The figure shows that the economically **active population increased slightly until 2018** when the economic activity rate reached its maximum (60.6%) and then we observe a **slight decline and the economic activity rate amounted to 59.8% in 2021**. Annex 2 includes the development of the level of economic activity by gender.

The next figure (**Figure 7**) shows the **employment rate of the population** (share of employed persons in the working-age population). This indicator allows you to monitor the extent to which the economy generates labour. The curve has a similar development as the economic activity rate. **The employment rate increased slightly to 59.2% until 2018 and then we see a decrease in the employment rate. The employment rate was 58.1% in 2021**. The chart of development by gender is included in Annex 2.

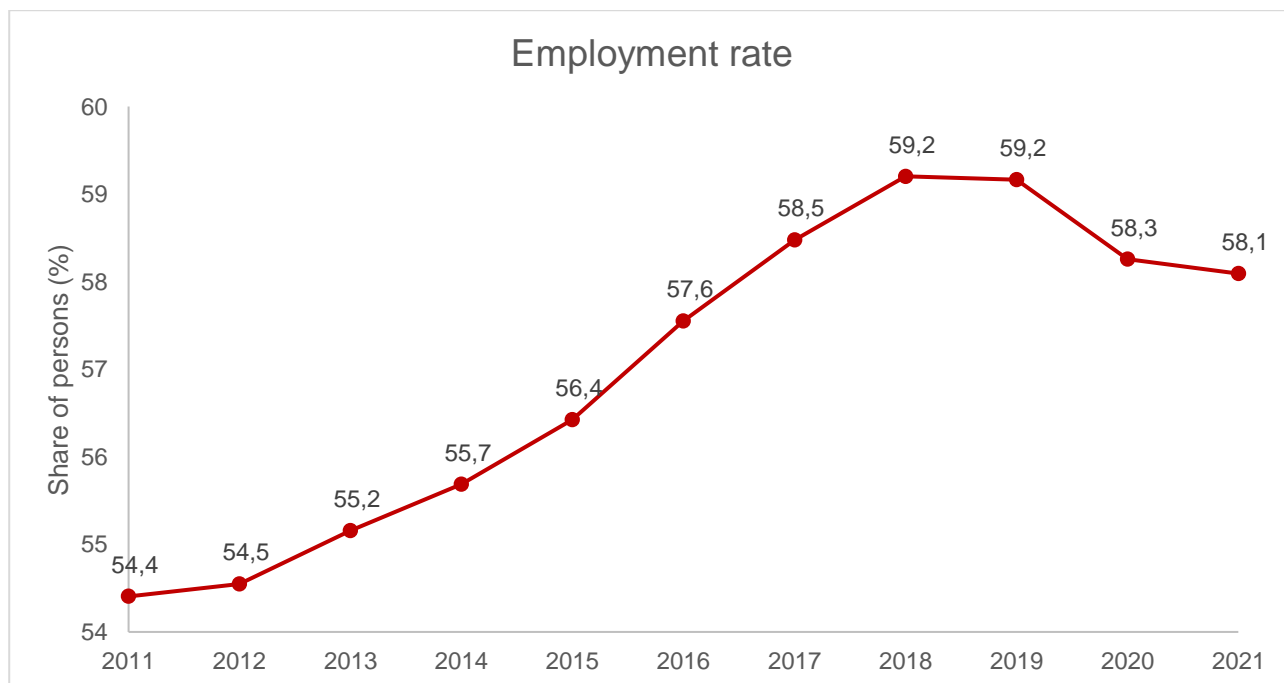
⁶ ILO, *Measuring Decent Work with Statistical Indicators*. 2002. Available from: https://www.ilo.org/wcmsp5/groups/public/---dgreports/---integration/documents/publication/wcms_079089.pdf.

FIGURE 6: ECONOMIC ACTIVITY RATE FROM 2011 TO 2021



Source: CZSO; data valid as of 9 June 2023.

FIGURE 7: EMPLOYMENT RATE FROM 2011 TO 2021

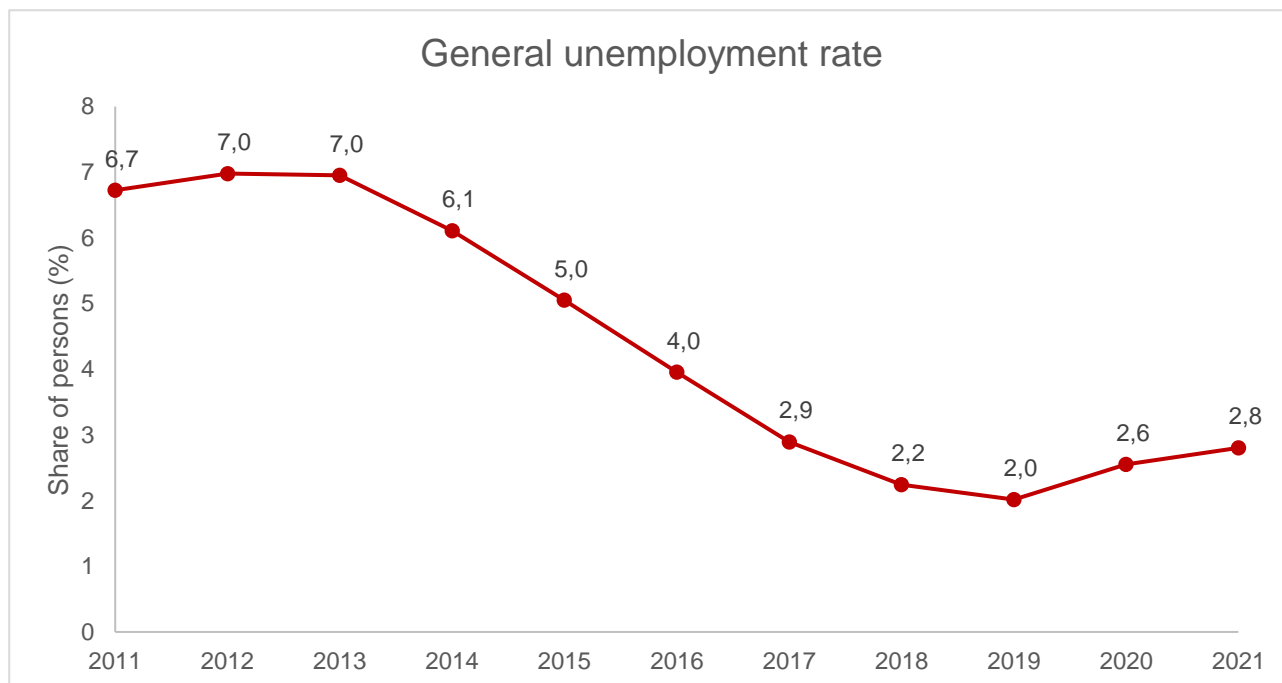


Source: CZSO; data valid as of 9 June 2023.

Figure 8 shows the unemployment rate. The unemployment rate measures the number of unemployed persons as a percentage of the labour force. The figure shows the general unemployment rate according to the statistics of the Czech Statistical Office (CZSO). **The unemployment rate since 2012 fell to its lowest level in 2019** when the unemployment rate was

2%. **The unemployment increased slightly to 2.8% until 2021**, which is still a **very low share of unemployment**, and the labour market in the Czech Republic still rather has labour shortage in terms of the unemployment rate. The chart of development by gender and age is included in Annex 2.

FIGURE 8: GENERAL UNEMPLOYMENT RATE FROM 2011 TO 2021



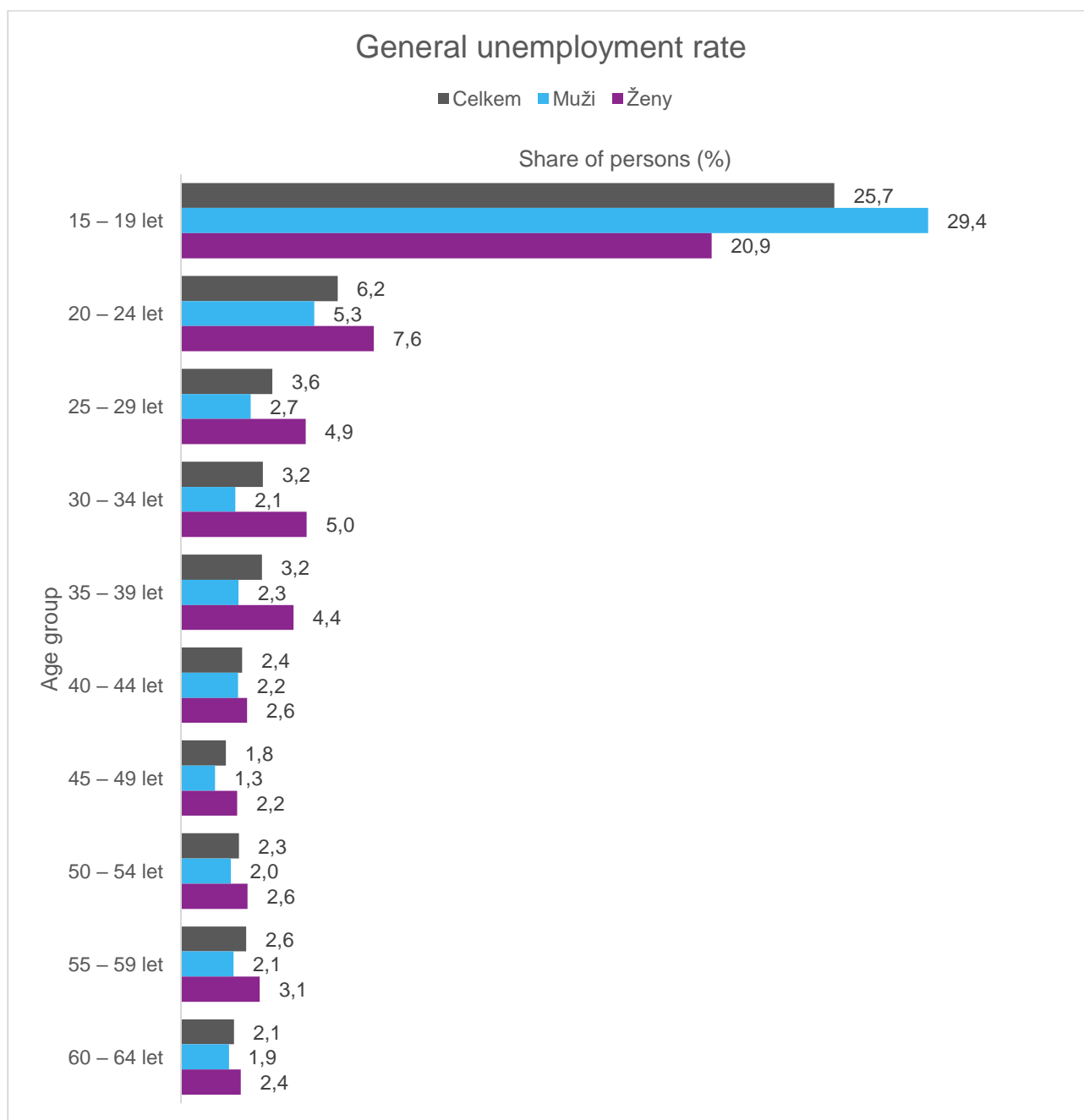
Source: CZSO; data valid as of 9 June 2023.

Figure 9 shows **unemployed persons in groups by gender and age**. It can be seen that **the highest share of unemployed persons is among young people aged 15 to 19 years** (who, however, are generally few on the labour market). The general unemployment rate for these young people is 25.7% (29.4% for men and 20.9% for women). The lowest general unemployment rate is in the 45-49 age group, where it reaches 1.8% (1.3% for men and 2.2% for women).

Figure 10 deals with **unemployment by educational attainment**. **The highest** share of unemployed persons can be observed in the group of employees with **primary and incomplete education**. The general unemployment rate for them is **12.9%** (11.5 for men and 14.4 for women). People **with higher education** have the **lowest** general unemployment rate. Their general unemployment rate is **1.4%** (1.3% for men and 1.4% for women).

Non-working young people and the school system and indicators of informal employment are included in Annex 2.

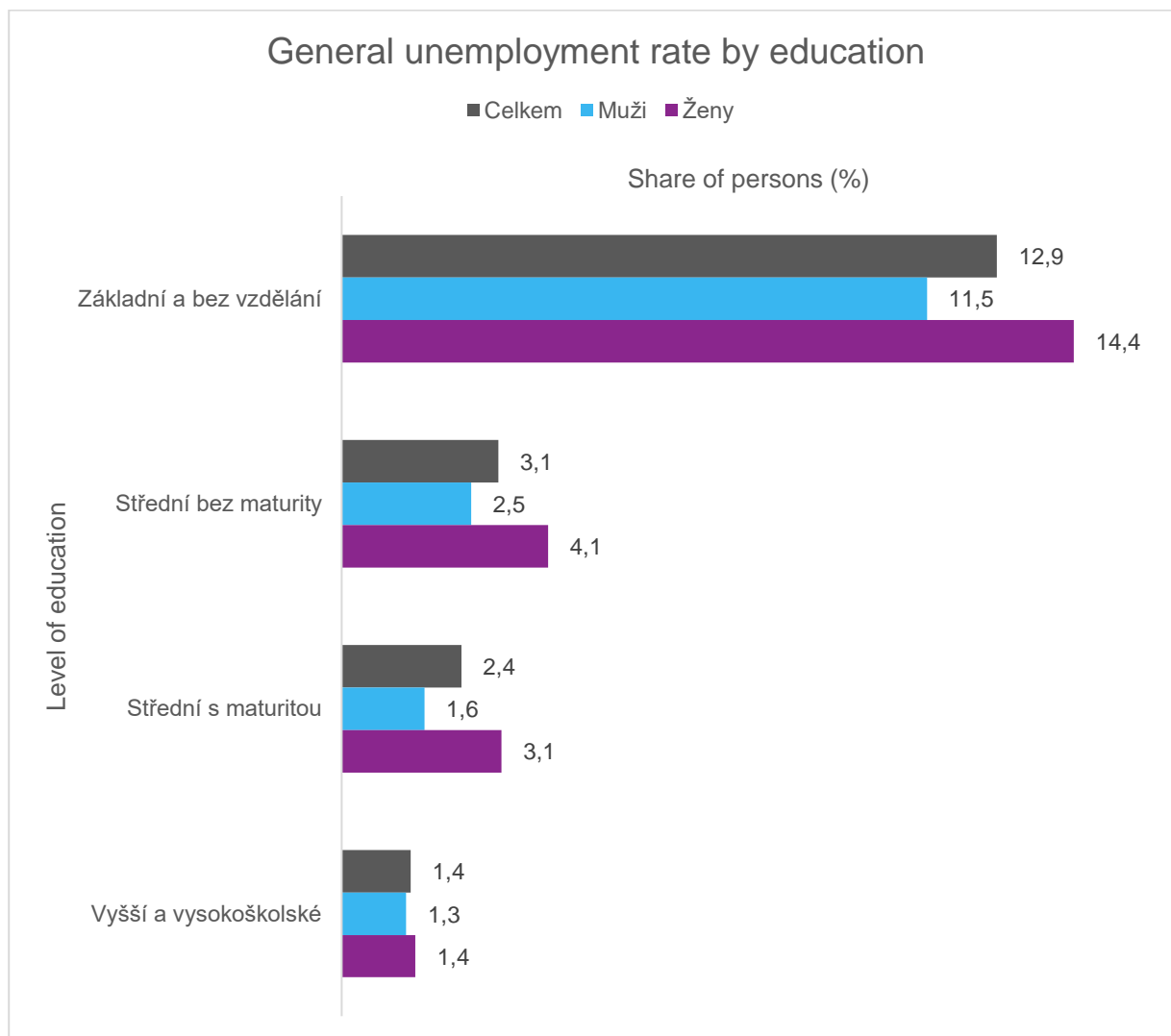
FIGURE 9: GENERAL UNEMPLOYMENT RATE BY GENDER AND AGE IN 2021



Source: CZSO; data valid as of 9 June 2023.

■ Total;
 ■ Men;
 ■ Women;
 ... years

FIGURE 10: GENERAL UNEMPLOYMENT RATE BY GENDER AND EDUCATION IN 2022



Source: CZSO; data valid as of 9 June 2023.

■ Total;
■ Men;
■ Women;

Primary and no education; Secondary without SSLC; Secondary with SSLC; Higher and university

2.2 FAIR EARNINGS

Adequate wages is one of the most important aspects of decent work. Indicators of decent wages include the share of low-income employees (for example, the percentage of employees with earnings below 2/3 of the median) or average earnings for selected groups of jobs.

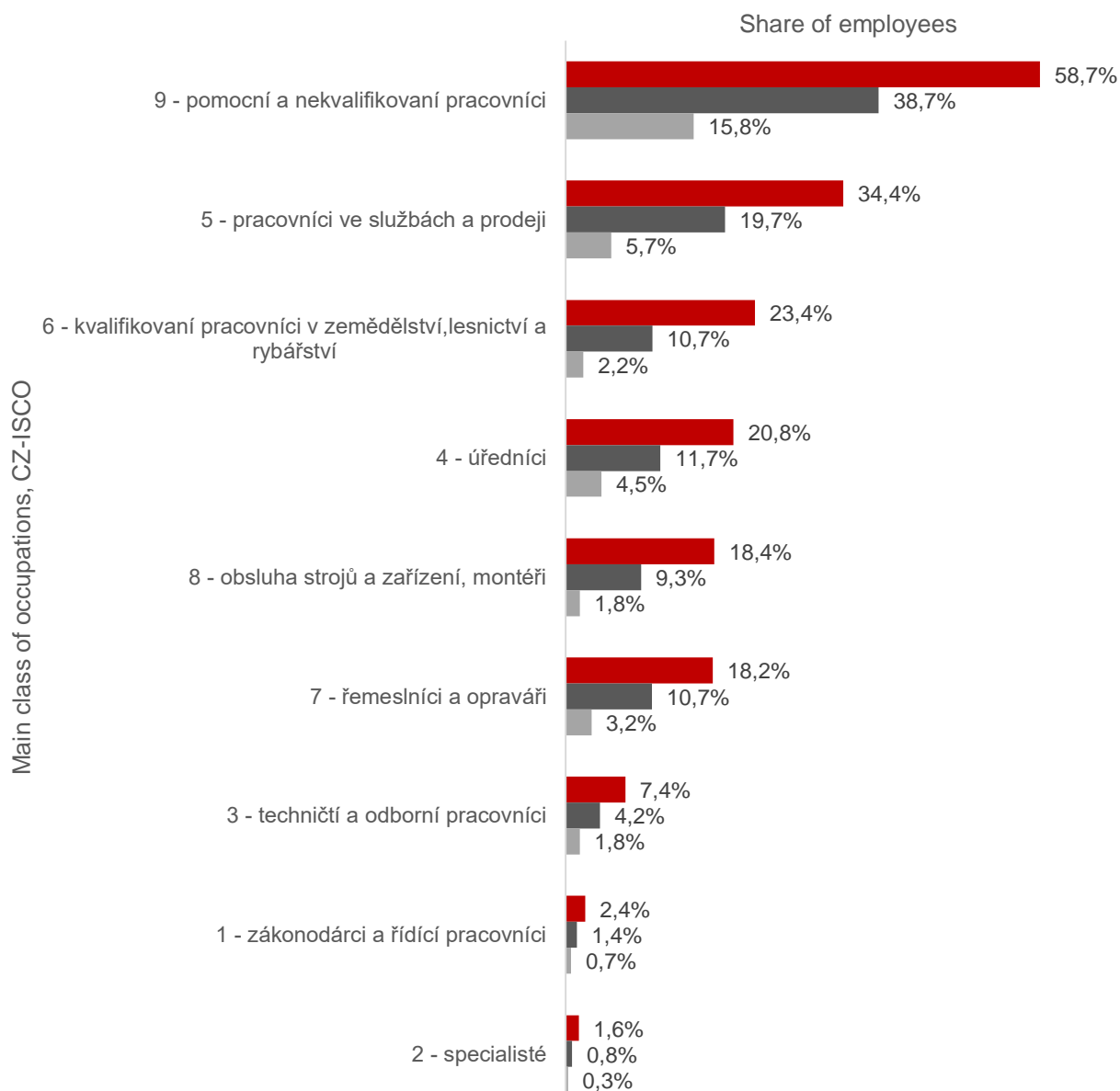
The most appropriate indicator for measuring the level of fair earnings in a given country seems to be the indicator of the share of low-wage employees. The following **Figure 11** shows the **share of employees with earnings below 2/3 of the median, up to the 1st decile and at the minimum wage level** according to the job performed according to the CZ-ISCO classification. **The highest**

share of low-income employees is in employees working in the 9th main class of employment according to the CZ-ISCO classification (**elementary occupations**), where up to 58.7% of employees have wages below 2/3 of the median, 38.7% of employees by the 1st decile and 15.8% of employees are at the minimum wage level. The second group of low-paid employees consists of workers in the 5th main class (**service and sales workers**). Wages below 2/3 of the median are received by 34.4% of employees; 19.7% of employees' earnings are by the 1st decimal and 5.7% of employees have the minimum wage. And the third group with a high share of low-wage employees consists of employees in the 6th main class (**skilled agricultural, forestry and fishery workers**). 23.4% of employees has less than 2/3 of the median wage, 10.7% of employees are in the 1st decile and 2.2% of employees at the minimum wage level.

FIGURE 11: SHARE OF LOW-INCOME EMPLOYEES IN INDIVIDUAL JOB GROUPS ACCORDING TO CZ-ISCO IN 2022

Share of low-income employees

■ Pod 2/3 mediánu ■ Do 1. decilu ■ Na úrovni MM



Source: ISPV (MoLSA), calculations by TREXIMA, spol. s r.o.

■ Under 2/3 of median;

■ Within 1st decile;

■ MW level;

9 – elementary occupations; 5 – service and sales workers; 6 – skilled agricultural, forestry and fishery workers; 4 – clerical support workers; 8 – plant and machine operators and assemblers; 7 – craft and related trades workers; 3 – technicians and associate professionals; 1 – managers; 2 – professionals

There is the so-called **concept of a minimum decent wage** in the Czech Republic, created by an independent and informal expert platform the work of which is available on the website⁷. According to their definition, the **minimum decent wage is the reward for a standard eight-hour work day which provides workers and their households with adequate financial means to live a life that is perceived by the majority of society as the basic standard.**

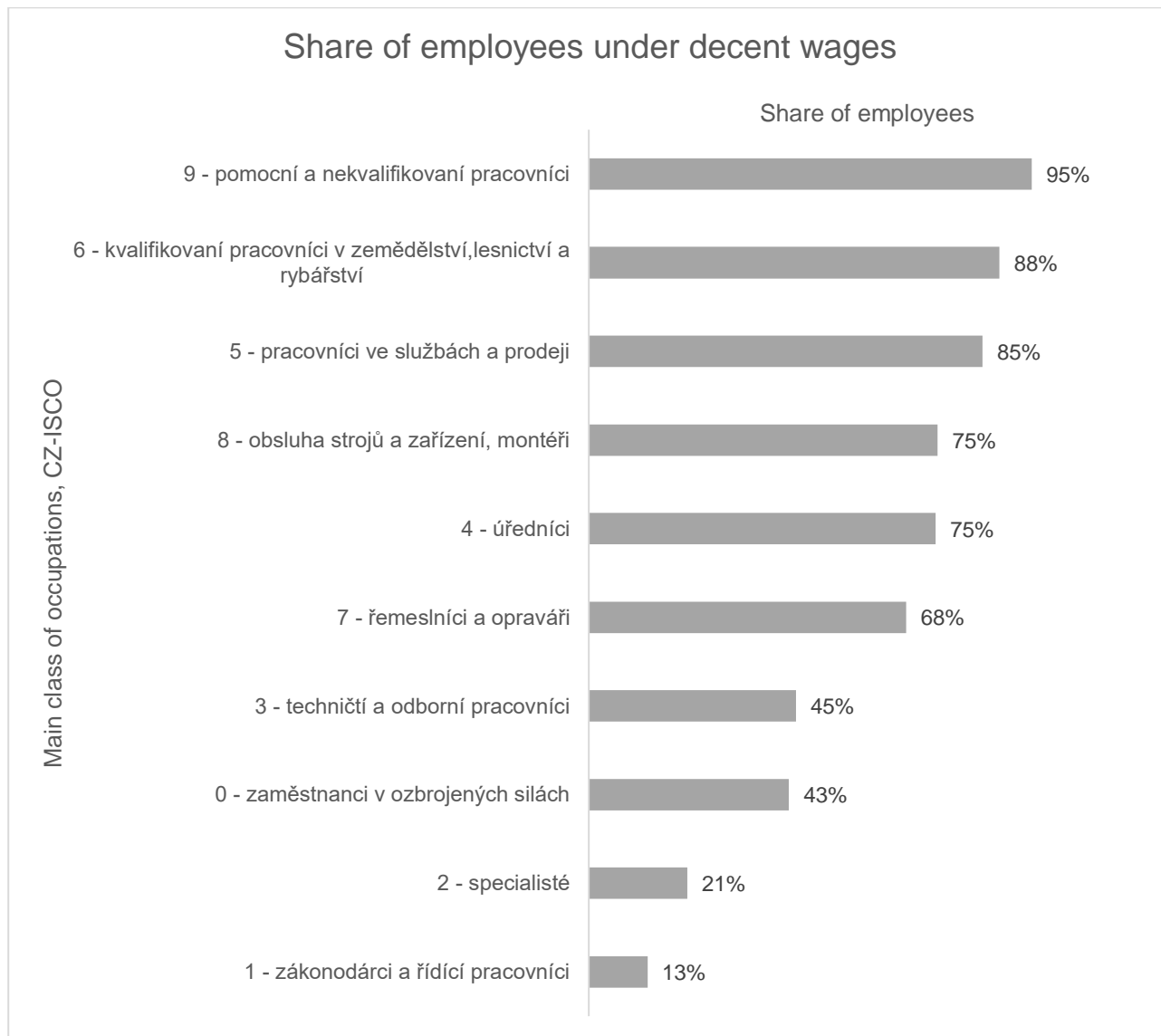
It is intended to cover the costs of food and housing, clothing, transport, healthcare, education and leisure and other important expenses, including savings in the event of unexpected circumstances. It should allow for an ordinary but materially dignified life and to make one feel like a full member of society. **The 2022 minimum gross decent wage was CZK 40,912/month** (CZK 42,776/month in Prague).

Figure 12 shows how many employees in individual job groups **receive less than the minimum decent wage** according to this concept. The highest share of employees with earnings below decent wages is again received by employees in the 9th main class of CZ-ISCO (**elementary occupations**), where up to 95% of employees are below the decent wage level. The second group with the highest share of employees under decent wages are employees in the 6th main class (**skilled agricultural, forestry and fishery workers**), where up to 88% of employees are under the decent wage level. On the other hand, the smallest share of employees under decent wages is in the 1st main class (managers), where 13% of employees receive less than decent wages, and 21% of employees in the 2nd main class (professionals).

Figure 13 shows the **development of median earnings in the main classes of occupations according to the CZ-ISCO classification** in the salary and wage spheres in 2022. **The highest** median gross monthly wage can be observed in the 1st main class of occupations according to CZ-ISCO (**managers**), which amounts to CZK 77,285 in the wage sphere and CZK 69,986 in the salary sphere. On the other hand, employees in the 9th main class (**elementary occupations**) have the **lowest earnings**, the gross monthly median wage is CZK 23,515 in the wage sphere and CZK 22,707 in the salary sphere. The wage level of other groups of employees (by age, education, etc.) is included in Annex 2.

⁷ All information about the minimum decent wage is available here: <https://www.dustojnamzda.cz/>. The methodology and the various components of the calculation of a decent wage are included in Annex 3.

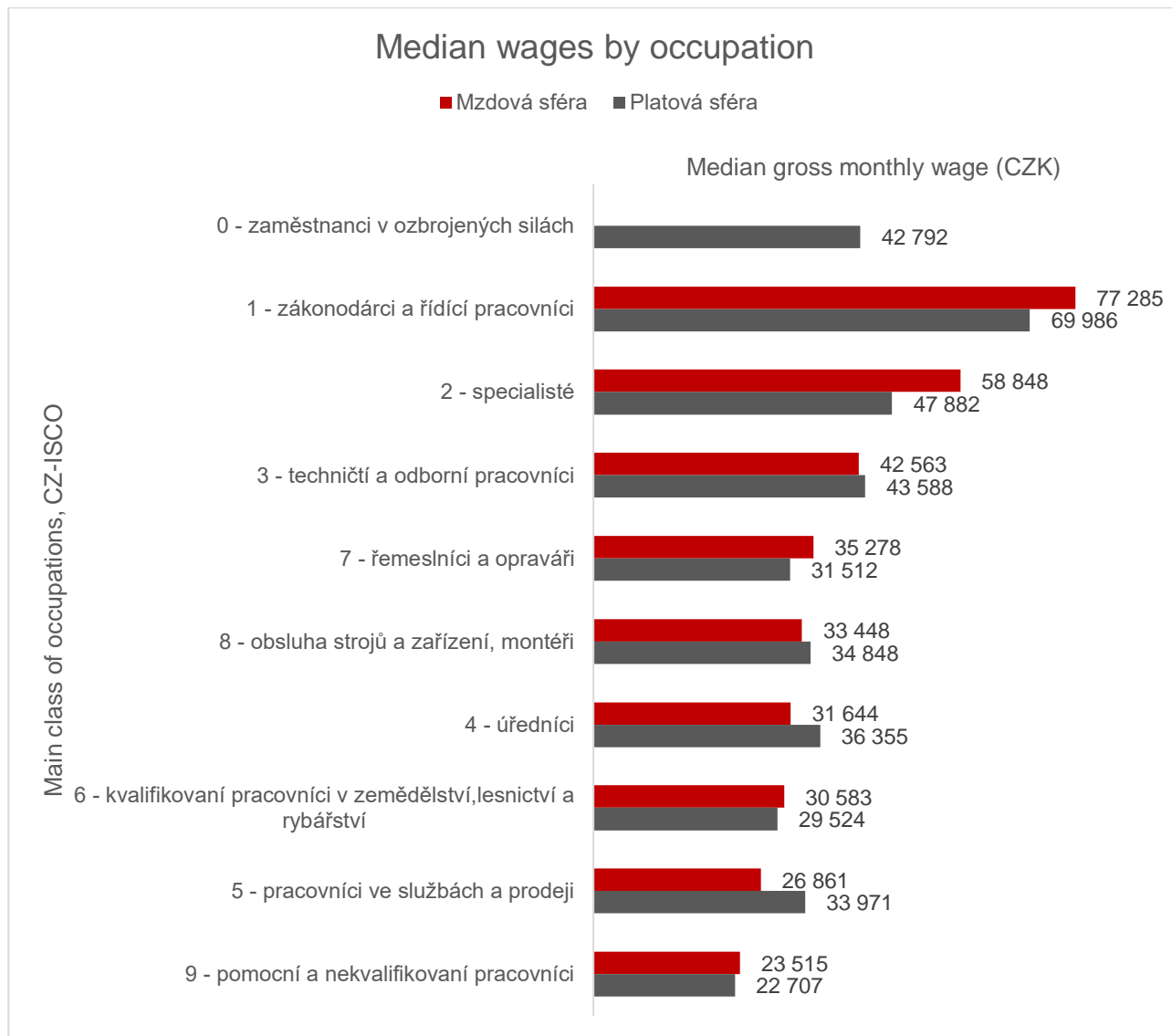
FIGURE 12: SHARE OF EMPLOYEES UNDER THE MINIMUM DECENT WAGE IN INDIVIDUAL JOB GROUPS ACCORDING TO CZ-ISCO IN 2022



Source: ISPV (MoLSA), calculations by TREXIMA, spol. s r.o.

9 – elementary occupations; 6 – skilled agricultural, forestry and fishery workers; 5 – service and sales workers; 8 – plant and machine operators and assemblers; 4 – clerical support workers; 7 – craft and related trades workers; 3 – technicians and associate professionals; 0 – armed forces occupations; 2 – professionals; 1 – managers

FIGURE 13: MEDIAN GROSS MONTHLY WAGES BY EMPLOYMENT ACCORDING TO CZ-ISCO IN THE WAGE AND SALARY SPHERES IN 2022



Source: ISPV (MoLSA), calculations by TREXIMA, spol. s r.o.

■ Wage sphere;

■ Salary sphere;

0 – armed forces occupations; 1 – managers; 2 – professionals; 3 – technicians and associate professionals; 7 – craft and related trades workers; 8 – plant and machine operators and assemblers; 4 – clerical support workers; 6 – skilled agricultural, forestry and fishery workers; 5 – service and sales workers; 9 – elementary occupations

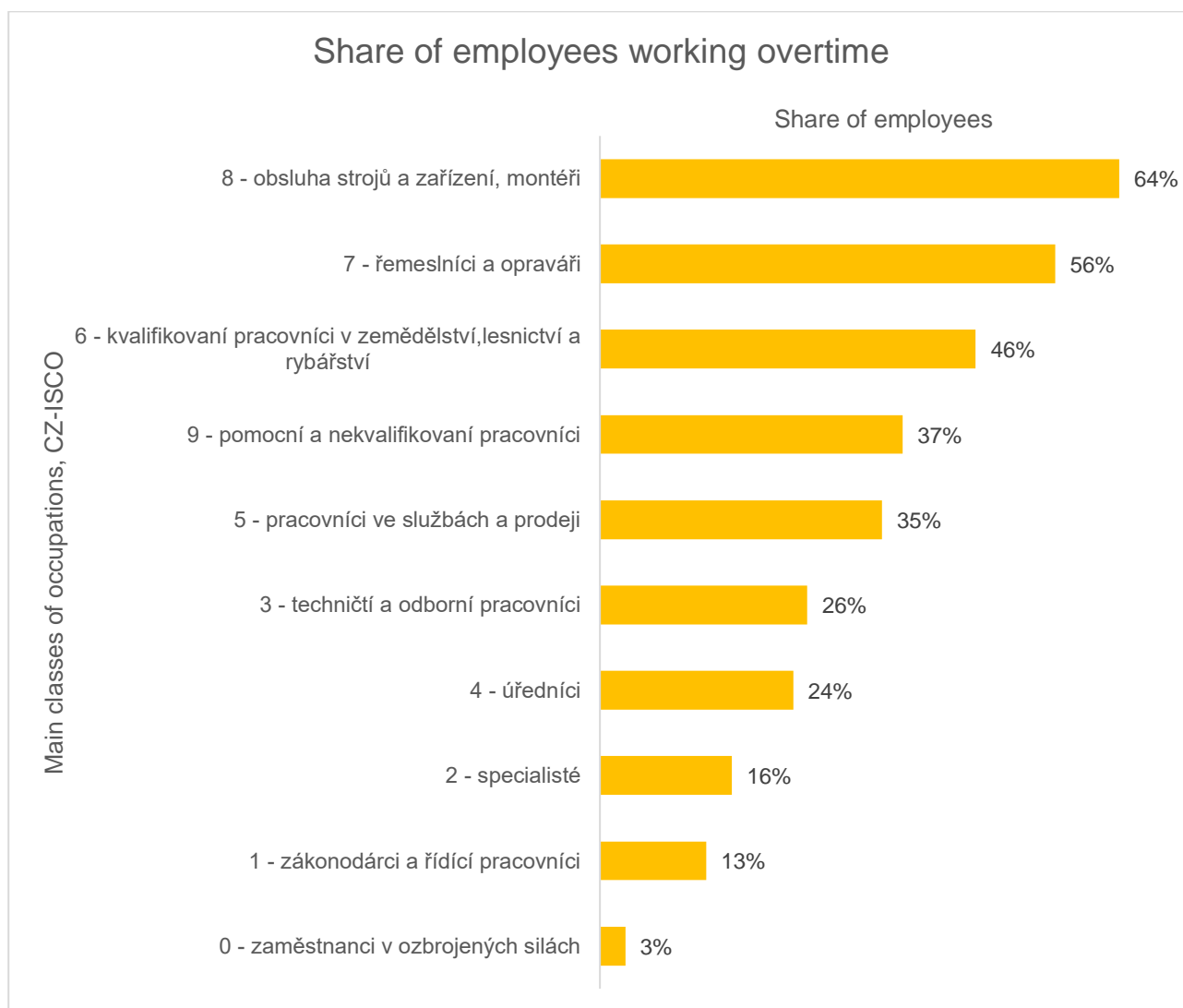
2.3 DECENT WORKING TIME

According to the International Labour Organization (ILO), working time and its duration are important topics that it has also been focused on for a long time. **Excessive working hours** can lead to **damage** to the physical and mental **health** of many employees and **prevent the work-life balance**. Long working hours can be a **sign of insufficient earnings**. Especially if the employee works a

significant part overtime. This is called overtime work for economic reasons when the employee's earnings are not sufficient to maintain well-being. By contrast, **low hours worked** may indicate a **lack of job opportunities**.⁸

The main indicators according to the International Labour Organization are the general rate of hours normally worked and the rate of overtime. **Figure 14** shows **the share of employees working overtime in occupations according to the main classes of the CZ-ISCO classification** in 2022. **The highest share** of employees working overtime in 2022 was in employees in the 8th main class of employment according to the CZ-ISCO classification (**plant and machine operators and assemblers**), where 64% of employees work overtime. Furthermore, more than half of the employees work overtime (56%) in the main class 7 (**craft and related trades workers**). The level of overtime worked by gender and age is included in Annex 2.

FIGURE 14: SHARE OF EMPLOYEES WORKING OVERTIME IN THE MAIN CLASSES OF OCCUPATIONS ACCORDING TO THE CZ-ISCO CLASSIFICATION IN 2022



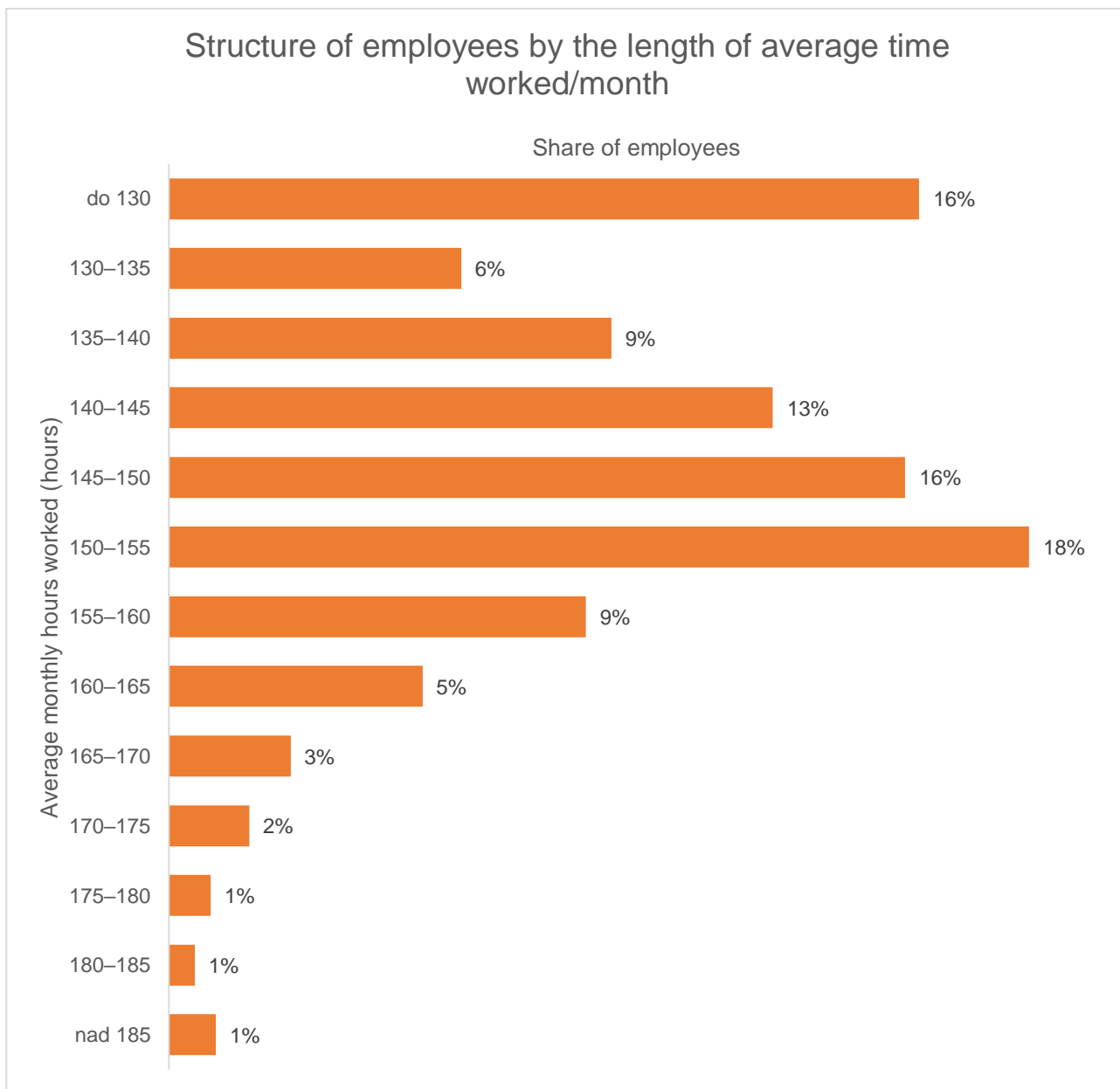
⁸ ILO, *Measuring Decent Work with Statistical Indicators*. 2002, cited 15. 5. 2023. Available from: https://www.ilo.org/wcmsp5/groups/public/---dgreports/---integration/documents/publication/wcms_079089.pdf.

Source: ISPV (MoLSA), calculations by TREXIMA, spol. s r.o.

8 – plant and machine operators and assemblers; 7 – craft and related trades workers; 6 – skilled agricultural, forestry and fishery workers; 9 – elementary occupations; 5 – service and sales workers; 3 – technicians and associate professionals; 4 – clerical support workers; 2 – professionals; 1 – managers; 0 – armed forces occupations

Figure 15 shows the **structure of employees by average monthly hours worked** in 2022. The highest share of employees has average hours worked of 150 to 155 hours per month. **About 2% of employees** have **high average hours worked** compared to other employees on the labour market (over 180 hours per month). **The structure of these employees** with long working hours according to the jobs they work in is shown in **Figure 16**. These are often employees in the 8th main class of occupations according to CZ-ISCO (**plant and machine operators and assemblers – 34%**) and employees in the 5th main class (**service and sales workers – 16%**).

FIGURE 15: STRUCTURE OF EMPLOYEES BY AVERAGE MONTHLY HOURS WORKED IN 2022

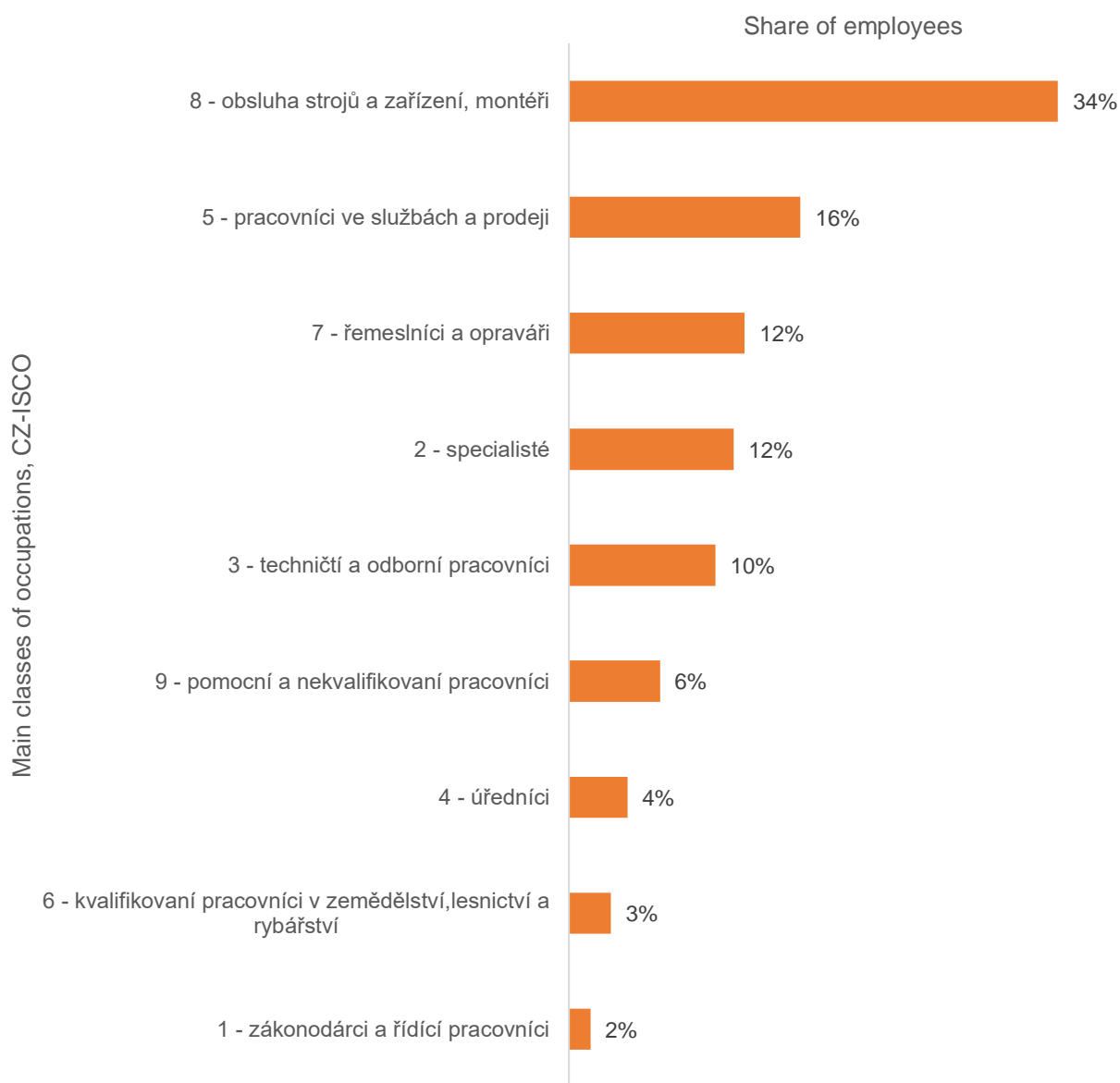


Source: ISPV (MoLSA), calculations by TREXIMA, spol. s r.o.

0–130; ...; over 185

FIGURE 16: STRUCTURE OF EMPLOYEES WITH AVERAGE HOURS WORKED OF MORE THAN 180 HOURS PER MONTH IN 2022 BY MAIN CLASSES OF OCCUPATIONS ACCORDING TO THE CZ-ISCO CLASSIFICATION IN 2022

Structure of employees working more than 180 hours/month on average



Source: ISPV (MoLSA), calculations by TREXIMA, spol. s r.o.

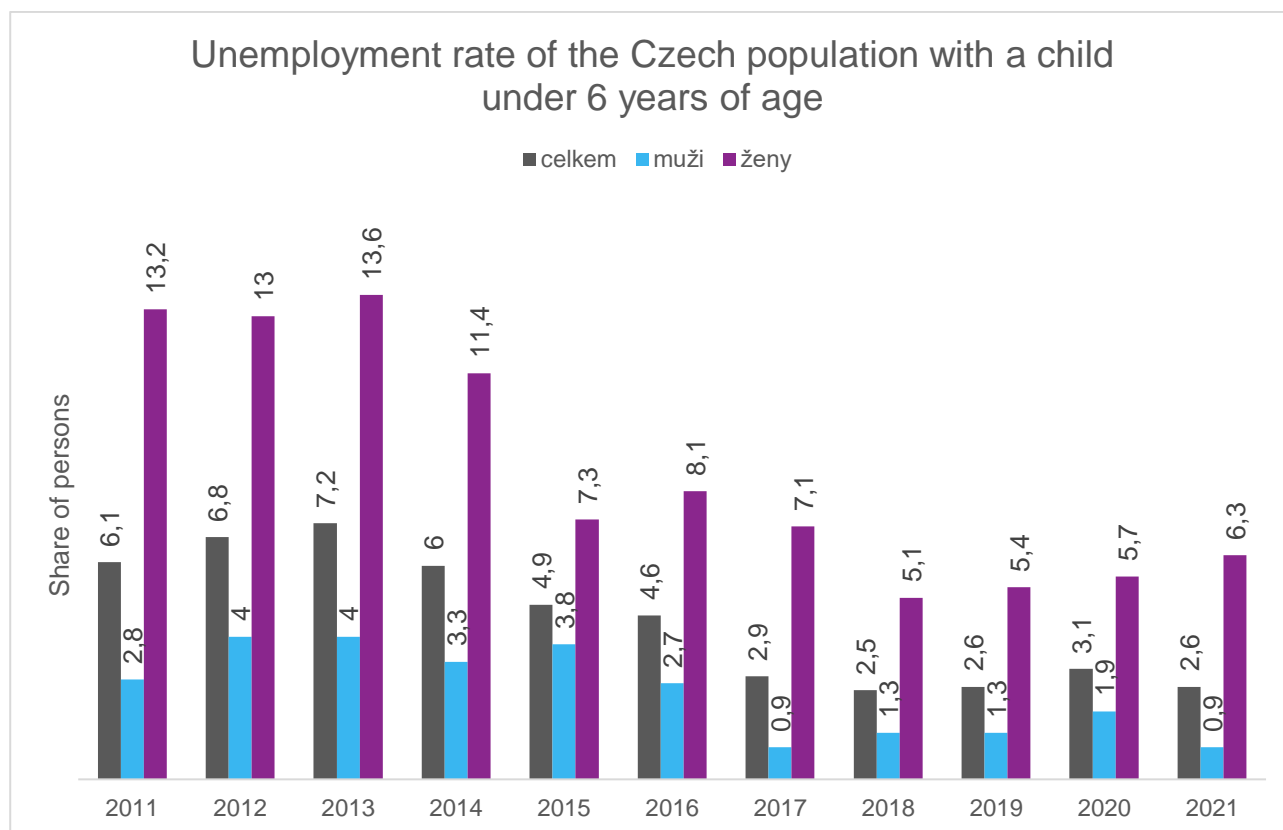
8 – plant and machine operators and assemblers; 5 – service and sales workers; 7 – craft and related trades workers; 2 – professionals; 3 – technicians and associate professionals; 9 – elementary occupations; 4 – clerical support workers; 6 – skilled agricultural, forestry and fishery workers; 1 – managers

2.4 COMBINING WORK, FAMILY AND PERSONAL LIFE

Although the topic of work-life balance has become an important part of achieving decent work in recent years, the degree of possibility of work-life balance can be very difficult to measure. Possible indicators include the employment rate of people with children younger than school age or various indicators of the level of support for parents (statutory provisions on employment protection or cash benefits for parents).

Figure 17 shows the **development of unemployment of the population with children younger than school age** according to the statistics of the International Labour Organization. It can be seen that the unemployment rate of this population group **has decreased since 2011**. While the 2011 unemployment rate of the population with a child under the age of 6 years was 6.1%, it was 2.6% of the population in 2021. There are also significant differences in the unemployment rate by gender. In all monitored years, we observe a **higher unemployment rate in women with a child under 6 years of age than in men**. The 2021 unemployment rate in women with a child under the age of 6 was 6.3% and it was 0.9% in men. The figure shows that the position of women in terms of the possibility of combining work and family life with a child of preschool age in the Czech Republic has long been worse compared to the position of men in terms of the development of unemployment.

FIGURE 17: DEVELOPMENT OF THE UNEMPLOYMENT RATE OF THE CZECH REPUBLIC'S POPULATION WITH A CHILD UNDER 6 YEARS OF AGE BY GENDER FROM 2011 TO 2021



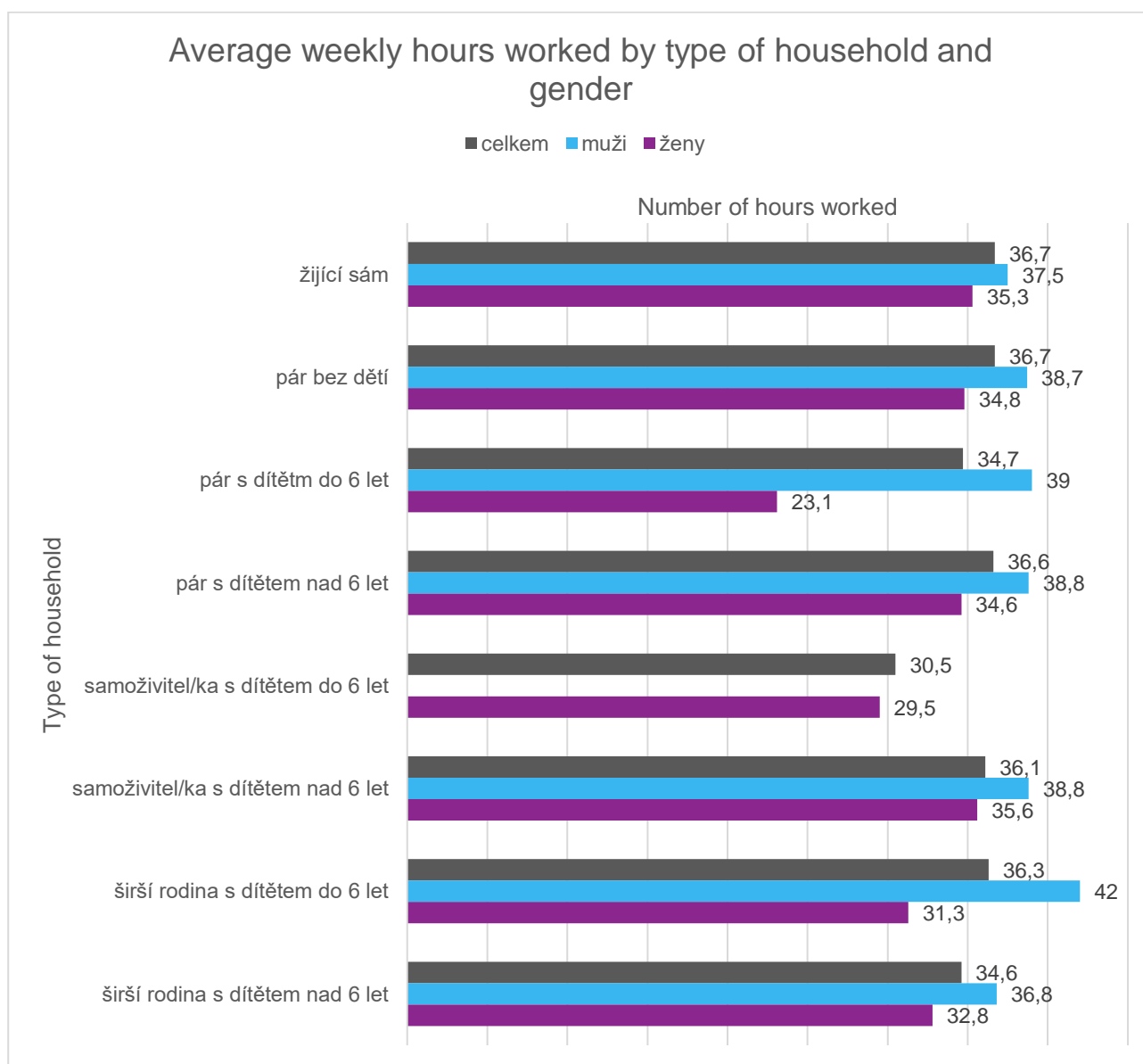
Source: ILO, processed by TREXIMA, spol. s r.o.

■ Total;
■ Men;
■ Women

Figure 18 shows the average weekly hours worked by household type and gender in the Czech Republic in 2021 according to ILO statistics. In general, it can be observed that the **time worked is the lowest in single parents** (30.5 hours per week with a child under 6 years of age; 36.1 hours per week with a child over 6 years of age). On the contrary, **workers living alone in the household and couples without children work the most per week** (36.7 hours per week).

Differences can be seen also in terms of gender. **On average, men work more hours per week in all types of households.** Mostly in households with an extended family and a child under 6 years of age (42 hours per week), men living in a household with an extended family and a child over 6 years of age (36.8 hours per week) work the least. **For women, single mothers with a child over 6 years of age work the most hours per week** (35.6 hours per week), indicating the **need to ensure higher earnings in single mothers.** Women with children under 6 years of age (29.5 hours per week) work the least hours per week.

FIGURE 18: AVERAGE HOURS ACTUALLY WORKED PER WEEK BY HOUSEHOLD TYPE AND GENDER IN 2021



■ Total;
■ Men;
■ Women

Alone; Couple without children; Couple with a child under 6 years of age; Couple with a child over 6 years of age; Single mother/father a child under 6 years of age; Single mother/father with a child over 6 years of age; Extended family with a child under 6 years of age; Extended family with a child over 6 years of age

2.5 JOB QUALITY AND SAFE WORK

This aspect of decent work includes in particular the safety of the working environment or the job quality in terms of the impact of the working environment on general health, efficiency or performance at work. However, these areas are very difficult to evaluate using numerical indicators, which is why the following chapter evaluates the conditions in the field of safety at work. The indicators assessing safety at work include the number of accidents at work or the fatality rate per 100,000 inhabitants. Statistics on accidents at work are provided by the Czech Statistical Office⁹.

Figure 19 shows the development of the number of accidents at work with inability to work longer than 3 days and the number of fatal accidents at work. It is evident that the number of accidents at work is related to the economic cycle. The higher the economic output and the **more workers there are on the labour market, the more often accidents at work occur**. That is why we see more accidents at work at a time of economic growth. Especially from 2015 to 2018, when the number of accidents at work with inability to work for more than three days ranged from 45,600 to 46,900. There were fewer accidents at work in 2013, when the economy was struggling with an economic downturn (42,400 accidents at work), and in 2020, where there is a clear connection with the decline in output and the number of employees on the labour market in connection with the COVID-19 pandemic (40,600 accidents at work).

As far as the incidence of **fatal accidents at work** is concerned, we can see a **rather random development**. In the period under review, the highest number of fatal accidents at work occurred in 2015 (131 fatal accidents at work), while the lowest number of fatal accidents at work occurred in 2021 and 2022 (88 fatal accidents at work).

Figure 20 illustrates the situation in the sectors. The figure shows the number of newly reported accidents at work with inability to work for more than three days per 100,000 insured persons. **The highest number** of accidents at work per 100,000 insured persons occurred in 2022 in **agriculture, forestry and fishery** (2,354 accidents at work). And then in **water supply; sewerage, waste management and remediation activities** (1,958 accidents) and in **mining and quarrying** (1,831 accidents at work). In contrast, the sectors of **financial and insurance activities** (62 accidents at work) and **information and communication** (89 accidents at work) report the **lowest** number of accidents at work per 100,000 insured persons.

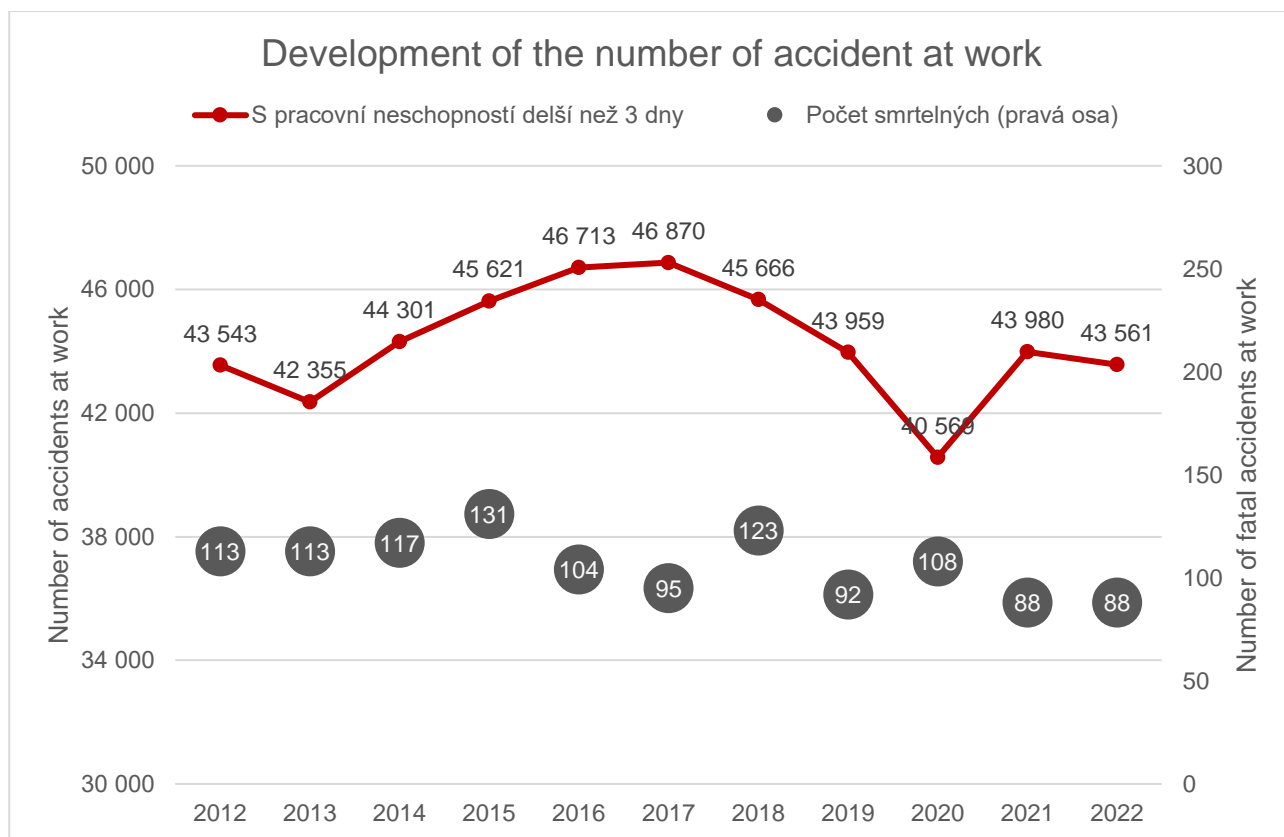
Figure 21 provides a comparison with European countries on the incidence rate of accidents at work. Countries with a higher share of accidents at work with inability to work for more than 3 days include Portugal, France, Spain or Denmark. Conversely, the countries with the lowest incidence rate of accidents at work are Bulgaria, Romania, Greece or Latvia.

⁹ Available from: <https://www.czso.cz/csu/czso/pracovni-neschopnost-pro-nemoc-a-uraz-v-ceske-republice-2022>.

In terms of the number of fatal accidents at work, the **countries with the highest rates are Cyprus, Malta, Bulgaria and Romania**. The lowest rates of fatal accidents at work are observed in countries such as the Netherlands, Sweden, Germany and Finland.

The development of other indicators related to inability to work according to the CZSO statistics are included in Annex 2.

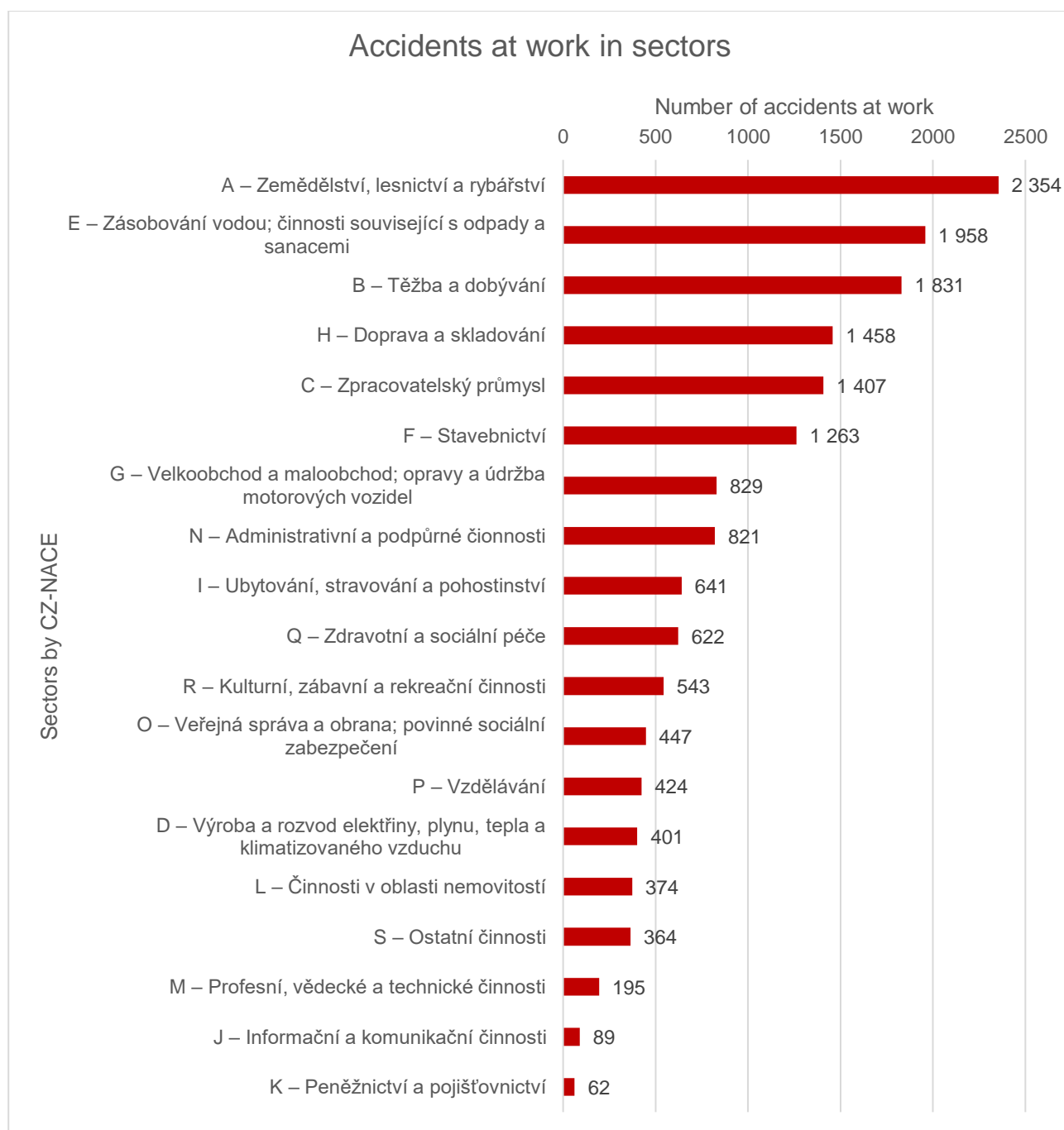
FIGURE 19: DEVELOPMENT OF THE NUMBER OF ACCIDENTS AT WORK WITH INABILITY TO WORK FOR MORE THAN 3 DAYS AND THE NUMBER OF FATAL ACCIDENTS AT WORK FROM 2012 TO 2022



Source: CZSO; data valid as of 7 June 2023.

■ Inability to work for more than 3 days;
 ■ Number of fatal (right axis)

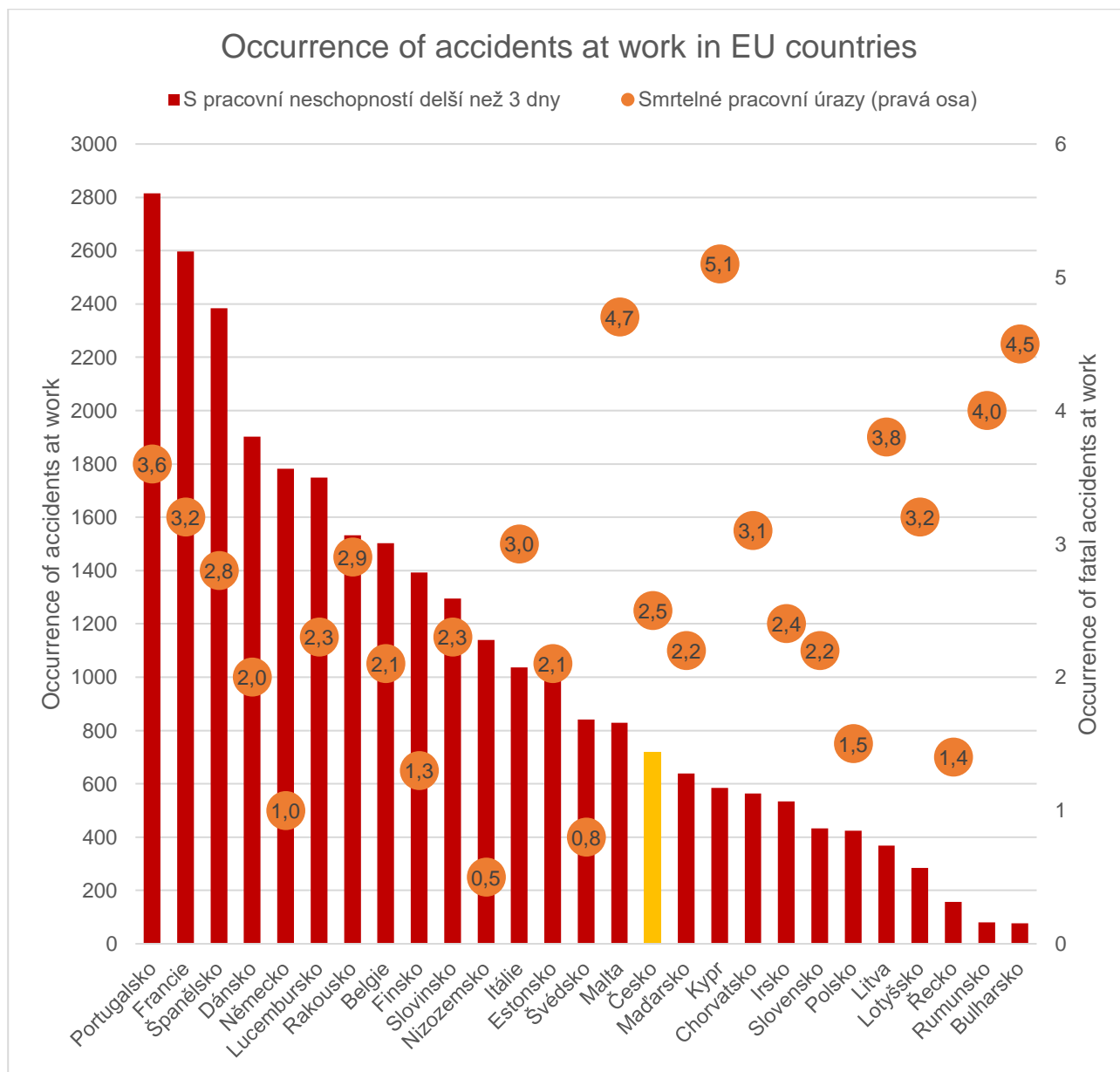
FIGURE 20: NUMBER OF NEWLY REPORTED ACCIDENTS AT WORK WITH INABILITY TO WORK FOR MORE THAN 3 DAYS PER 100,000 INSURED PERSONS IN SECTORS ACCORDING TO CZ-NACE SECTIONS IN 2022



Source: CZSO; data valid as of 7 June 2023.

A – Agriculture, forestry and fishing; E – Water supply; sewerage, waste management and remediation activities; B – Mining and quarrying; H – Transportation and storage; C – Manufacturing; F – Construction; G – Wholesale and retail trade; repair of motor vehicles and motorcycles; N – Administrative and support service activities; I – Accommodation and food service activities; Q – Human health and social work activities; R – Arts, entertainment and recreation; O – Public administration and defence; compulsory social security; P – Education; D – electricity, gas, steam and air conditioning supply; L – Real estate activities; S – Other service activities; M – Professional, scientific and technical activities; J – Information and communication; K – Financial and insurance activities

FIGURE 21: COMPARISON OF THE INCIDENCE RATE OF ACCIDENTS AT WORK PER 100,000 EMPLOYED PERSONS WITHIN THE EU COUNTRIES IN 2020



Source: CZSO; data valid as of 7 June 2023.

- Inability to work more than 3 days;
- Fatal accidents at work (right axis);

Portugal; France; Spain; Denmark; Germany; Luxembourg; Austria; Belgium; Finland; Slovenia; Netherlands; Italy; Estonia; Sweden; Malta; Czech Republic; Hungary; Cyprus; Croatia; Ireland; Slovakia; Poland; Lithuania; Latvia; Greece; Romania; Bulgaria

2.6 GUARANTEE OF EQUAL OPPORTUNITIES

Equal treatment in employment is defined by the International Labour Organization as equal opportunities in employment, equal treatment of persons and the associated equal pay for work of

equal value. In contrast, according to the International Labour Organization, discrimination is defined as any distinction, exclusion or preference based on race, colour, gender, religion, political opinion, national or social origin that results in a violation of equal opportunities or treatment in employment.¹⁰

Attention is often paid to the guarantee of equal opportunities in terms of gender. The term often used is gender segregation in the labour market. There are two types of gender segregation. Horizontal gender segregation refers to the division of people based on gender into different disciplines and professions. Vertical gender segregation refers to the division of people based on gender into different levels of management work and wage.¹¹ The indicators that deal with this issue, especially from a gender point of view, include the share of women in individual groups of occupations, the share of women's wages in men's wages, etc.

Figure 22 shows the **share of men and women in sectors** in 2022 based on data from ISPV (MoLSA) statistics. **The highest share of men can be observed in sectors such as mining and quarrying (85%), construction (83%), water supply, sewerage, waste management and remediation activities (76%) or electricity, gas, steam and air conditioning supply (75%).** On the contrary, typically **female sectors** with a higher share of employed women include **human health and social work activities (81%) and education (77%).**

Figure 23 shows the **share of men and women in occupations according to the main classes of the CZ-ISCO classification.** 88% of **employees in the armed forces occupations are men.** Furthermore, there is a high share of men in **craft and related trades workers (87%) or in plant and machine operators, and assemblers (71%).** Conversely, **higher representation of women** is observed in **clerical support workers (76%), service and sales workers (66%) and elementary occupations (56%).**

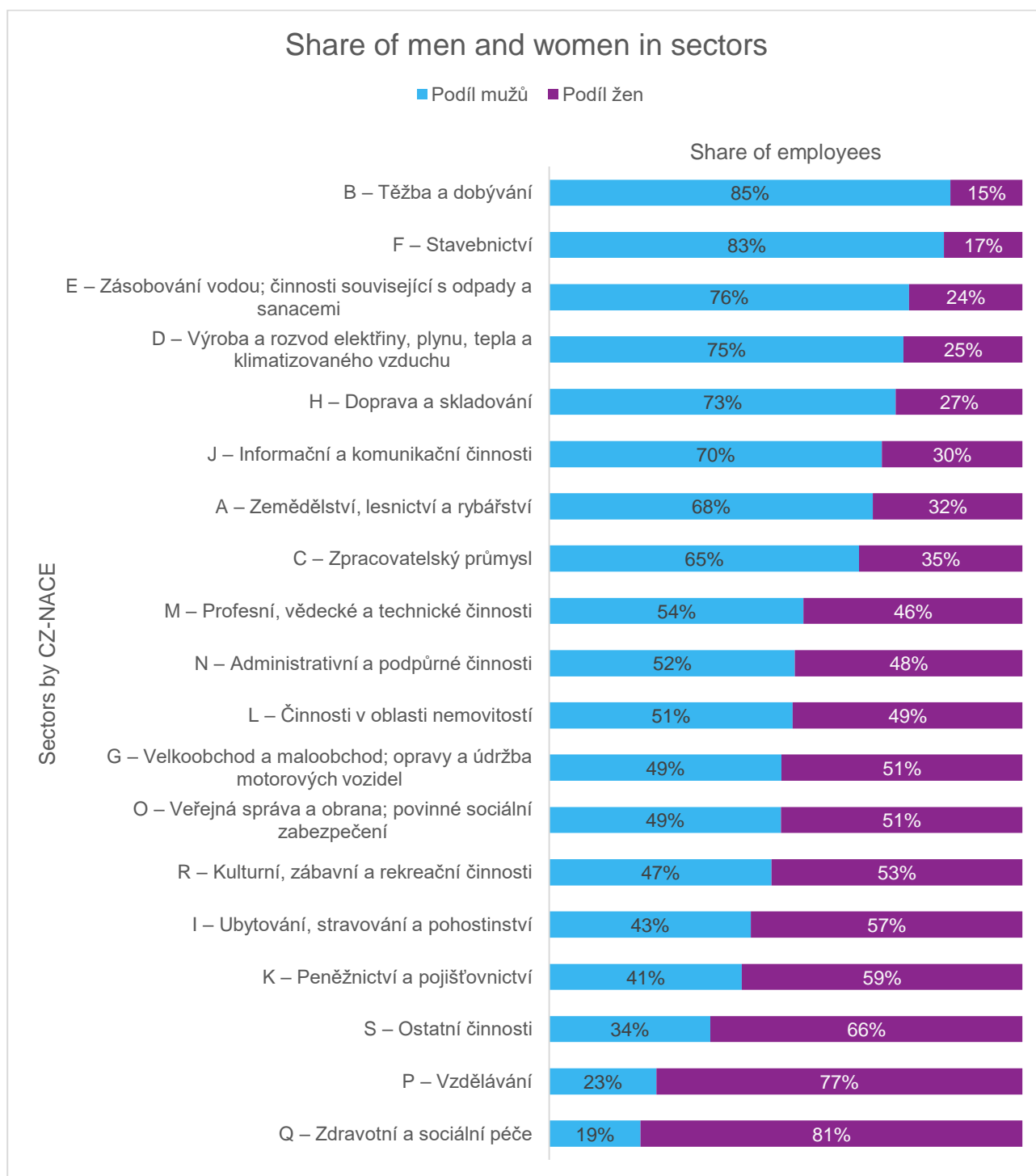
Finally, **Figure 24** adds to the **context the gender pay gap in groups of occupations according to the CZ-ISCO classification.** **The highest percentage difference** in the median gross monthly wage between men and women is in **craft and related trades workers (23%), professionals (20%) and managers (20%).** However, the gender pay gap is not always directly linked to discrimination. Gender Studies, o.p.s.¹² deals in detail with this issue in the Czech Republic and selected results of their research on this topic are included in Annex 4.

¹⁰ ILO, *Discrimination (Employment and Occupation) Convention*, 1958 (No. 111). Cited: 16. 5. 2023. Available from: https://www.ilo.org/dyn/normlex/en/f?p=NORMLEXPUB:12100:0::NO::P12100_ILO_CODE:C111.

¹¹ 22 % k rovnosti, *Slovníček*. Cited: 16. 5. 2023. Available from: <https://rovnaodmena.cz/wp/slovnicek/>.

¹² The research results and publications of the organization are available here: <https://genderstudies.cz/publikace/>.

FIGURE 22: SHARE OF MEN AND WOMEN IN SECTORS BY THE CZ-NACE SECTIONS IN 2022



Source: ISPV (MoLSA), calculations by TREXIMA, spol. s r.o.

■ Share of men;
■ Share of women;

B – Mining and quarrying; F – Construction; E – Water supply; sewerage, waste management and remediation activities; D – electricity, gas, steam and air conditioning supply; H – Transportation and storage; J – Information and communication; A – Agriculture, forestry and fishing; C – Manufacturing; M – Professional, scientific and technical activities; N – Administrative and support service activities; L – Real estate activities; G – Wholesale and retail trade; repair of motor vehicles and motorcycles; O – Public administration and defence; compulsory social security; R – Arts, entertainment and recreation; I – Accommodation and food service activities; K – Financial and insurance activities; S – Other service activities; P – Education; Q – Human health and social work activities

FIGURE 23: SHARE OF MEN AND WOMEN IN OCCUPATIONS BY THE MAIN CZ-ISCO CLASSES IN 2022



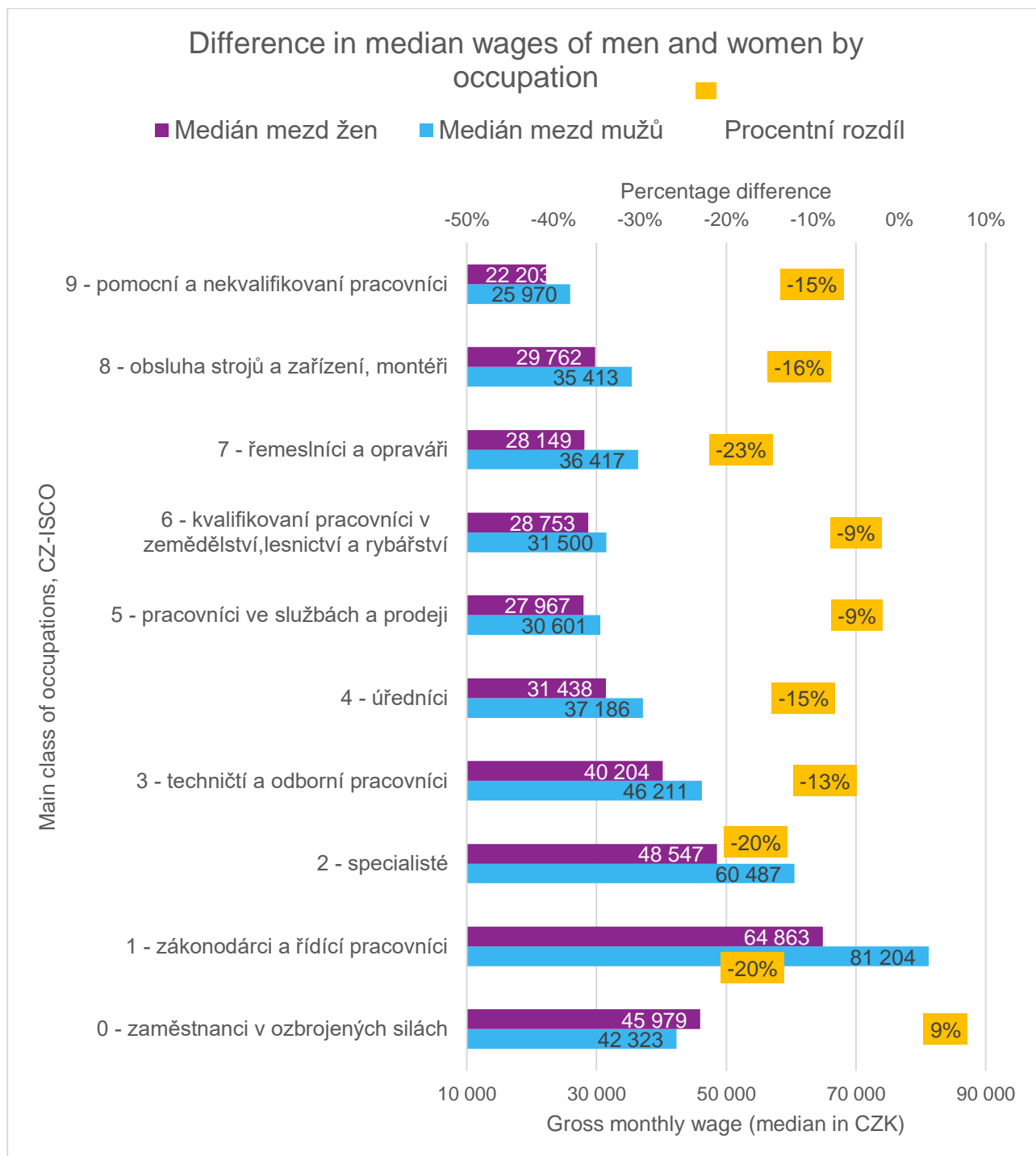
Source: ISPV (MoLSA), calculations by TREXIMA, spol. s r.o.

■ Share of men;

■ Share of women;

0 – armed forces occupations; 7 – craft and related trades workers; 8 – plant and machine operators and assemblers; 1 – managers; 6 – skilled agricultural, forestry and fishery workers; 3 – technicians and associate professionals; 2 – professionals; 9 – elementary occupations; 5 – service and sales workers; 4 – clerical support workers

FIGURE 24: MEDIAN WAGE OF WOMEN AND MEN IN OCCUPATIONS BY THE MAIN CZ-ISCO CLASSES IN 2022



Source: ISPV (MoLSA), calculations by TREXIMA, spol. s r.o.

■ Wage median for women;

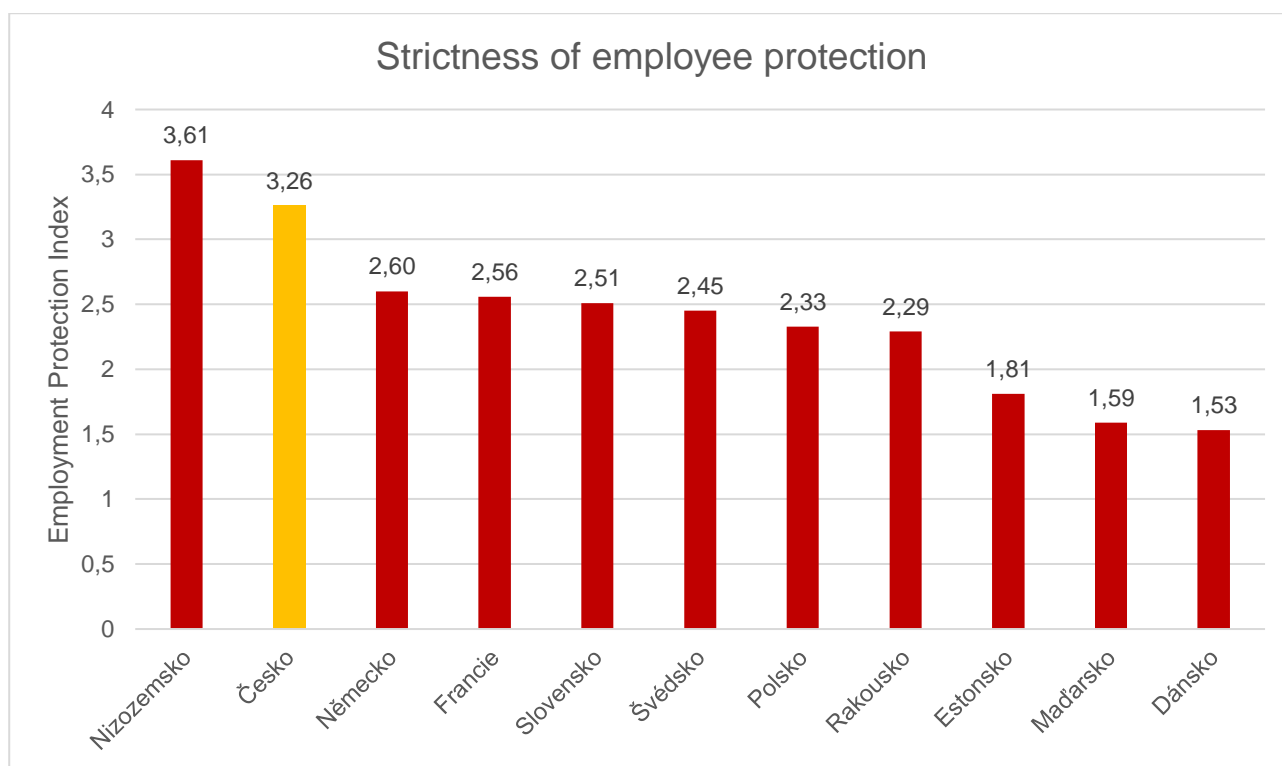
■ Wage median for men;

■ Percentage difference; 9 – elementary occupations; 8 – plant and machine operators and assemblers; 7 – craft and related trades workers; 6 – skilled agricultural, forestry and fishery workers; 5 – service and sales workers; 4 – clerical support workers; 3 – technicians and associate professionals; 2 – professionals; 1 – managers; 0 – armed forces occupations

2.7 JOB SECURITY

Job security is the probability that an employee will not be forced to terminate their employment. According to the International Labour Organization¹³, ensuring job security consists in **protecting workers from income fluctuations due to job loss**. Job losses can occur for a number of reasons, for example, during an economic downturn or as part of a company restructuring. **The most effective protection in this regard is legislation** directly protecting the employees. The use of non-standard forms of work such as agency employment or dependent self-employment (false self-employment) has been on the rise in recent years. These forms of employment can often reduce the level of job security and need to be given greater attention. However, indicators expressing the degree of job security are difficult to measure clearly. The **OECD publishes an indicator of employment protection legislation**¹⁴. **Figure 25** shows this indicator calculated for the Czech Republic compared to other European countries. The higher the index, the higher the employee protection. Regarding this indicator, The Czech Republic ranks among the best, together with the Netherlands or Germany.

FIGURE 25: EMPLOYEE PROTECTION STRICTNESS IN SELECTED EUROPEAN COUNTRIES IN 2019



Source: OECD.

Netherlands, Czech Republic, Germany, France, Slovakia, Sweden, Poland, Austria, Estonia, Hungary, Denmark

¹³ ILO, *Employment security*. 2023. Cited: 15. 5. 2023. Available from: <https://www.ilo.org/global/topics/employment-security/lang-en/index.htm>.

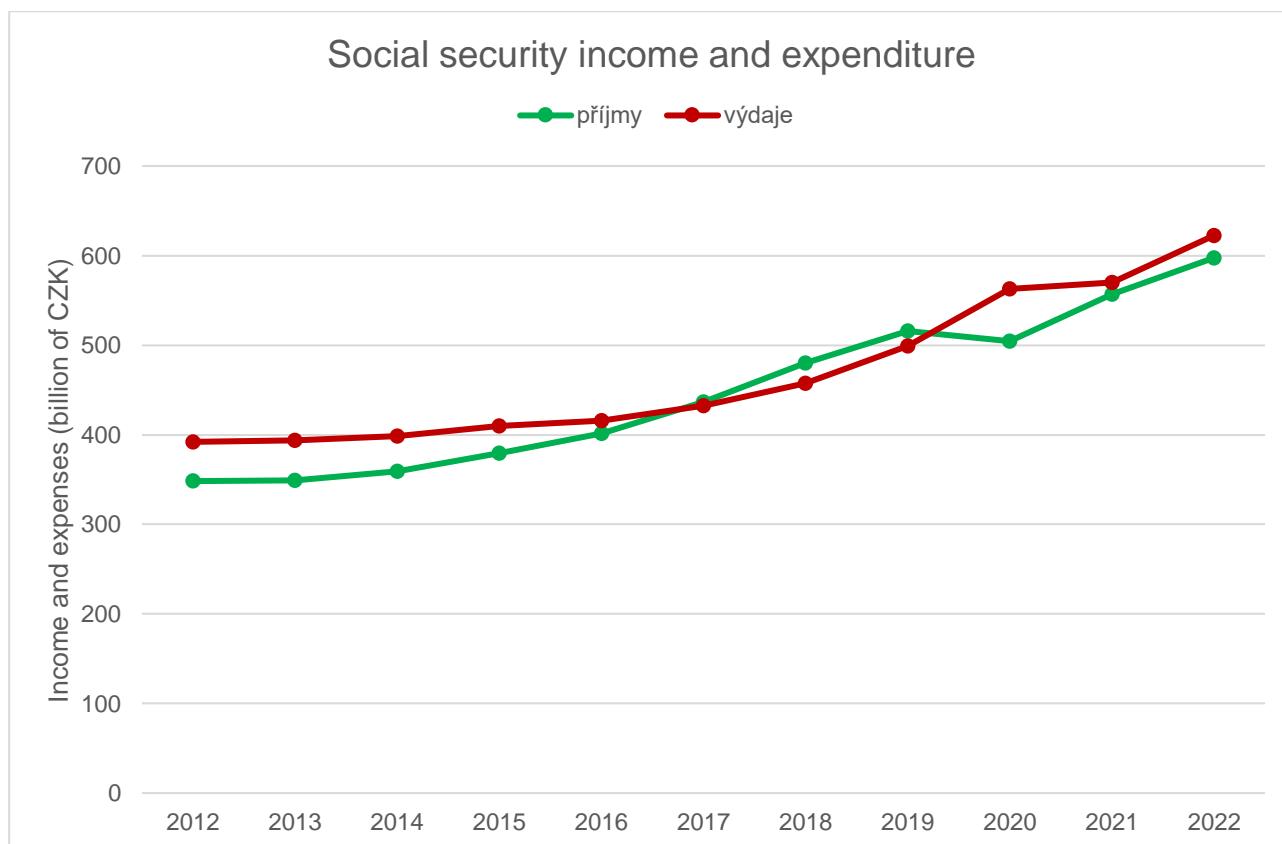
¹⁴ OECD, *Strictness of employment protection*. Online. Cited: 1. 6. 2023. Available from: https://stats.oecd.org/Index.aspx?DataSetCode=EPL_OV#.

2.8 SOCIAL PROTECTION

The International Labour Organization considers the need for social protection of workers as a human right **guaranteeing income security and contributing to the prevention of poverty and inequality reduction and to the promotion of social inclusion and human dignity**.¹⁵ The system of social security in the Czech Republic consists of sickness, pension and health insurance, state unemployment policy and the system of social benefits. Social protection indicators include social security expenditure, income support, the share of the population over 65 who receive an old-age pension, the share of the economically active population contributing to the pension system, the average monthly pension (and its percentage of the median wage), etc.

Figure 26 shows income from insurance premiums and other charges for pension and sickness insurance and expenditure on pension insurance benefits incl. advances and sickness insurance in billions of CZK.¹⁶ The data show that for most of the years under review, **social security expenditures in the Czech Republic are higher than income**. Income was higher than social security expenditures only in 2017, 2018 and 2019.

FIGURE 26: SOCIAL SECURITY INCOME AND EXPENDITURE IN THE CZECH REPUBLIC FROM 2012 TO 2022



¹⁵ ILO, International Labour Standards on Social security. Cited: 15. 5. 2023. Available from: <https://www.ilo.org/global/standards/subjects-covered-by-international-labour-standards/social-security/lang-en/index.htm>.

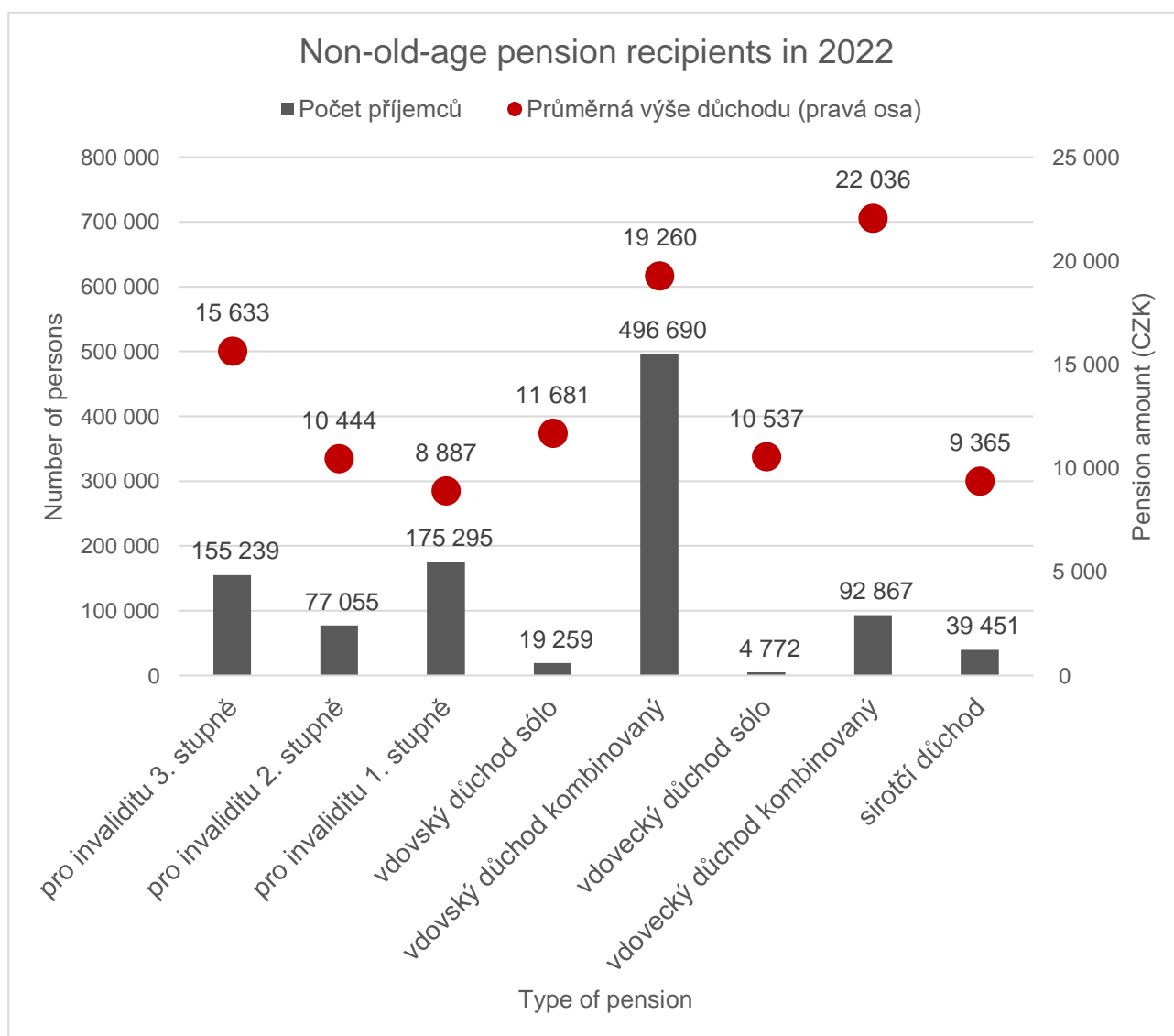
¹⁶ More details about the data available here: <https://data.cssz.cz/web/otevrena-data/graf-prijmy-a-vydaje-na-socialni-zabezpeceni>.

Data source: CSSA.

Income;
Expenditure

Figure 27 shows the number of recipients of a non-old-age pension in 2022 and the average amount of the pension. A combined widow's pension is provided most often (received by almost 500,000 people) in the average amount of CZK 19,260. The second most common is the 1st degree invalidity pension, received by more than 175,000 inhabitants in the average amount of CZK 8,887. The highest average amount is CZK 22,036 for the combined widow's pension.

FIGURE 27: NUMBER OF NON-OLD-AGE PENSION RECIPIENTS AND AVERAGE PENSION AMOUNT IN 2022



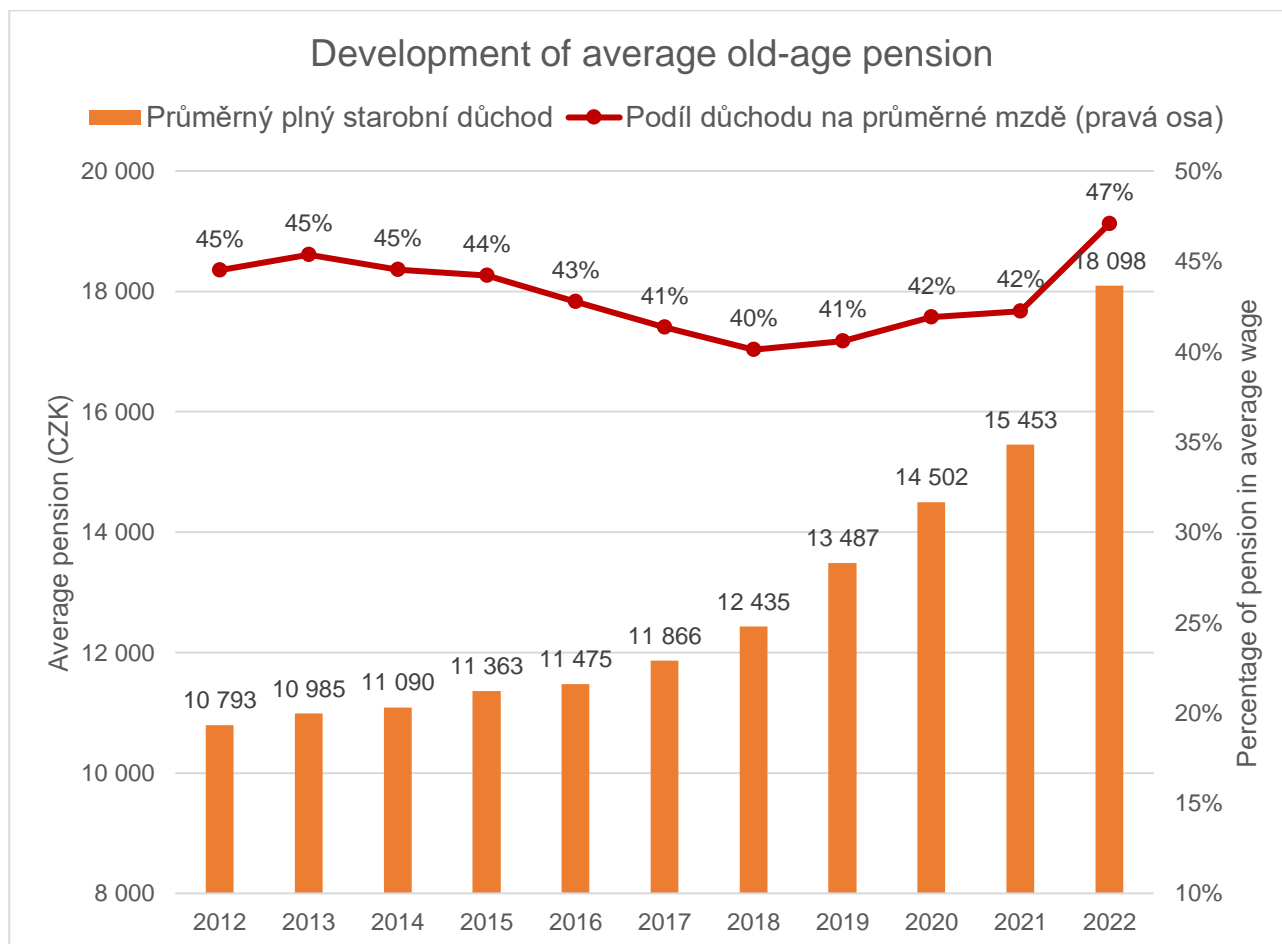
Source: CZSO, calculations by TREXIMA, spol. s r.o.

Number of recipients;
Average pension amount (right axis);
for 3rd degree invalidity; for 2nd degree invalidity; for 1st degree invalidity; only widow's pension; combined widow's pension; only widower's pension; combined widower's pension; orphan's pension

Figure 28 deals with **old-age pensions**. It can be observed that the **share of the pension in the average wage** in the monitored period ranges **from 40 to 47%** in the last year, when the average amount of the old-age pension was **CZK 18,098**.

The figure on the share of old-age pensioners in the economically active population and the annual change in old-age pensions paid is included in Annex 2.

FIGURE 28: DEVELOPMENT OF THE AVERAGE FULL OLD-AGE PENSION AND THE SHARE OF THE PENSION IN THE AVERAGE WAGE FROM 2012 TO 2022



Source: CZSO, calculations by TREXIMA, spol. s r.o.

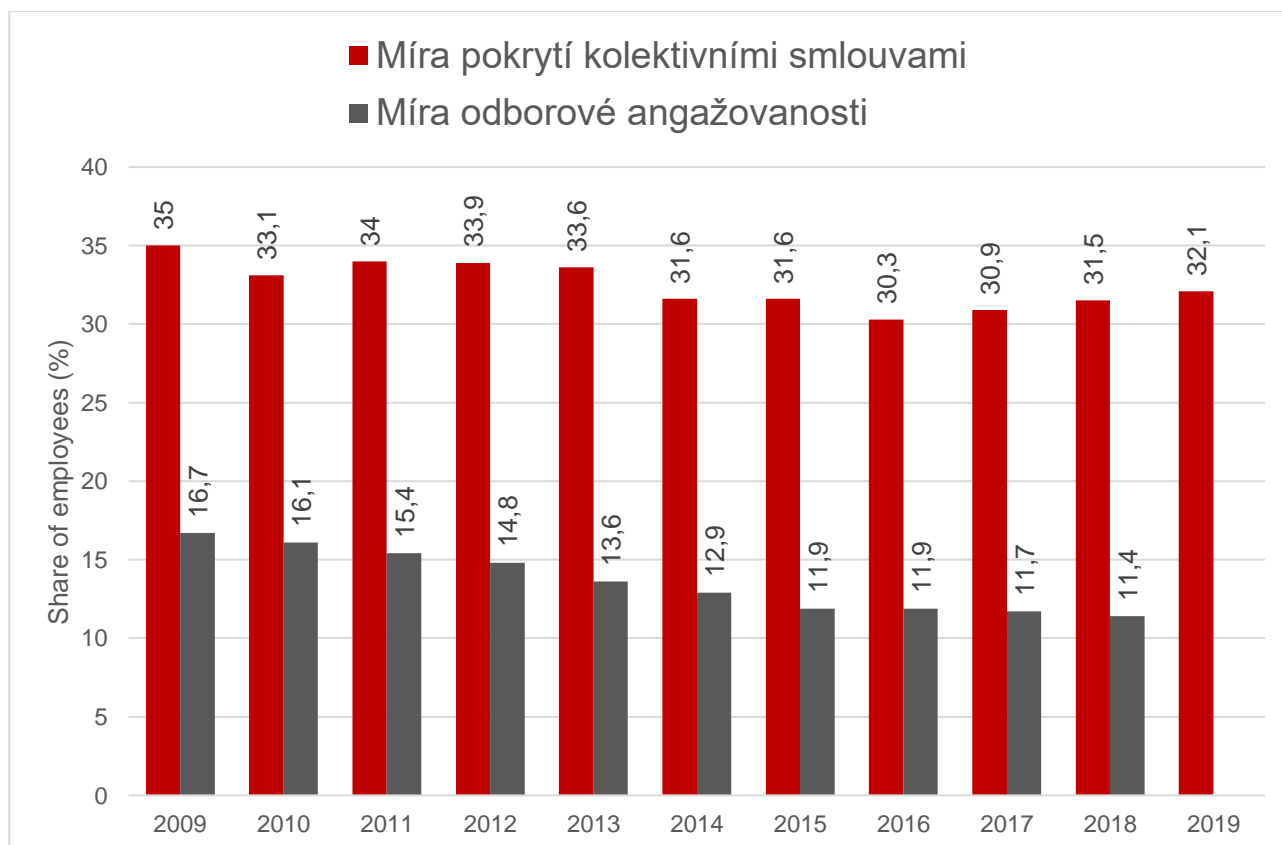
■ Average full old-age pension;
—●— Share of pension in average wage (right axis)

3 AREAS OF ACTION OF TRADE UNIONS

Social dialogue and the role of trade unions in ensuring decent work is one of the important factors that, according to the International Labour Organization, is indispensable in achieving the goals of the concept of decent work. The trade union involvement of employees in the Czech Republic and the role of trade unions in ensuring decent work conditions are analysed in this chapter. The areas on which trade unions should focus their attention will be identified based on the evaluation of the analysis of indicators of partial aspects of decent work.

A substantial part of the concept of decent work is the **opportunity for employees to comment on issues affecting their work and determining their working conditions**. Trade unions play an important role in this regard. The main indicators in this area are the level of trade union involvement and the level of collective agreement coverage. The following **Figure 29** shows these indicators valid for the Czech Republic from 2009 to 2019 according to the International Labour Organization statistics. The level of **trade union involvement has been declining** at a moderate pace since 2009. That is, the share of employees engaged in trade unions. It was **11.4%** of employees in **2018**. The second indicator expresses the **degree of employee coverage by collective agreements**. According to the figure, this indicator ranges from 30% to 35% over the long term. **It was at 32% in 2019**.

FIGURE 29: LEVEL OF COLLECTIVE AGREEMENT COVERAGE AND TRADE UNION INVOLVEMENT IN THE CZECH REPUBLIC FROM 2009 TO 2019

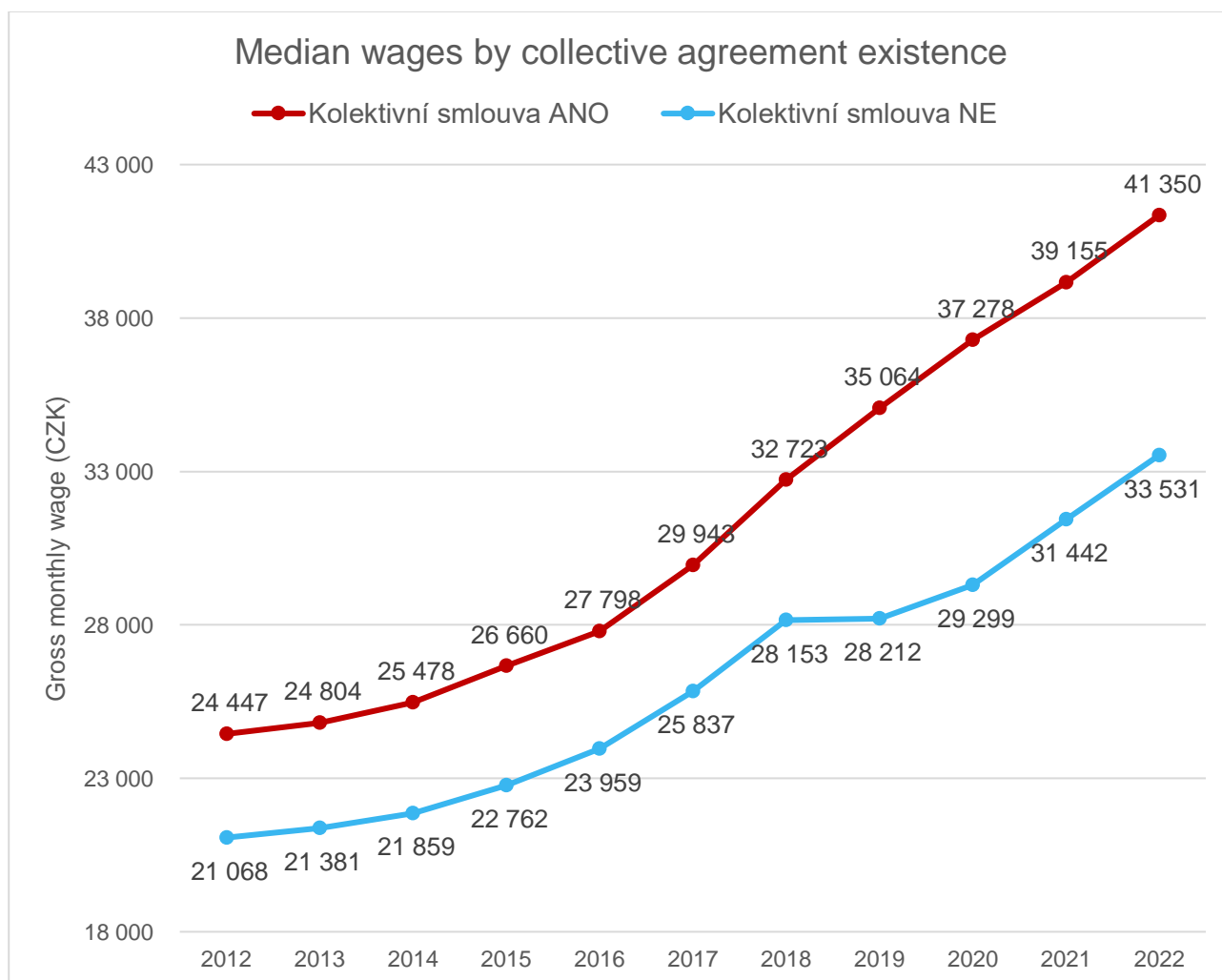


Source: ILO.

■ Collective agreement coverage level;
■ Trade union involvement level

In general, however, employees protected by a collective agreement usually have better working and wage conditions. **Figure 30** shows the **development of median wages of employees according to the existence of a collective agreement** from 2012 to 2022. The figure shows that the **median wage of employees protected by a collective agreement has been at a higher level for a long time** and in recent years it has been possible to observe growing earnings of these groups of employees. The median gross monthly wage of employees protected by a collective agreement was CZK 41,350 in 2022. In the case of employees without a collective agreement, the median gross monthly wage was CZK 33,531. The total **difference between the medians in 2022 amounted to CZK 7,800 per month**. The difference in wages according to the existence of a collective agreement may also be due to the nature of the work typically performed by employees covered by collective agreements.

FIGURE 30: DEVELOPMENT OF THE MEDIAN GROSS MONTHLY WAGE OF EMPLOYEES ACCORDING TO THE EXISTENCE OF A COLLECTIVE AGREEMENT FROM 2012 TO 2022



Source: CZSO; data valid as of 15 June 2023.

■ Collective agreement YES;
■ Collective agreement NO

Based on the results of the analysis in this and the previous chapter, it is possible to identify which aspects of decent work are the most important in the Czech Republic in connection with the recent development and on which activities trade unions should focus their attention.

EMPLOYMENT OPPORTUNITIES

From the point of view of employment development in the Czech Republic, it is possible to see the deterioration of development in the data (especially in 2020 and 2021). The groups of employees who usually face unemployment include young people under 24 years of age and people with primary and incomplete education.

In this regard, according to the International Labour Organization, it is important to focus attention on the mismatch between education and labour market needs. Training programs should respond to the needs of the labour market, with an emphasis on the acquisition of work experience and skills in technical training. It also stresses the need to invest in innovative forms of social protection to improve income security for workers in vulnerable jobs.¹⁷

FAIR EARNINGS

The role of trade unions in negotiating the level of employees' wages at both the corporate and central level in terms of the minimum wage development seems to be the most important. The purchasing power of employees is significantly threatened, especially of those with lower earnings, now when the inflation rate is in double-digit values. Trade unions should therefore emphasise the minimum wage development and thus the protection of the most vulnerable workers on the labour market. The need for timely implementation of the European directive on adequate minimum wages plays an important role in this issue.

At the corporate level, too, it is important to strike a balance between the development of labour productivity and the development of wage tariffs in case of collective bargaining on wage development. According to the results of the analysis, the low-income employees working in positions such as plant and machine operators and assemblers, agricultural, forestry and fishery workers and service and sales workers are the most vulnerable groups. These employees have long belonged to groups with earnings below a decent wage and in these times of high inflation and energy crisis and the associated increase in the cost of both the purchase of goods and energy and housing costs, these employees find themselves in difficult financial situations despite the fact that they have an adequate job.

DECENT WORKING TIME

Data on the length of time worked in the Czech Republic show that the most amount of overtime is reported mainly by employees working in positions such as plant and machine operators and assemblers, craft and related trades workers, skilled agricultural, forestry and fishery workers and elementary occupations. High hours worked (over 180 hours per month) are most often reported by plant and machine operators and assemblers, service and sales workers and craft and related trades workers. These jobs also belong to jobs with lower median wages compared to other job groups in

¹⁷ ILO, *DECENT WORK AND THE 2030 AGENDA FOR SUSTAINABLE DEVELOPMENT*. 2022, cited: 15. 5. 2023. Available from: https://www.ilo.org/wcmsp5/groups/public/---europe/---ro-geneva/---ilo-lisbon/documents/event/wcms_667247.pdf.

terms of wage levels. This may be targeted overtime work due to the need to obtain higher earnings and there is a need to pay more attention to this issue.

A separate topic in this area is the increased use of work from home and remote work in recent years. The impetus for greater use of work from home was the COVID-19 pandemic when it was appropriate from the point of view of employee health protection to use such a way of work wherever the nature of the work performed allowed so. Work from home or remote work has a number of advantages and disadvantages for both employees and employers. In relation to working time, it is necessary to establish clear basic rules on when workers are or are not available for work – and then respect these rules.¹⁸ The OECD states that many workplaces still lack established principles for remote work. For example, nearly 30% of part-time home workers and 25% of full-time home workers report that there was no discussion of remote work and its rules in their company. However, workers covered by these rules show higher levels of satisfaction, better work-life balance and higher mental and physical fitness.¹⁹

COMBINING FAMILY, PRIVATE AND WORKING LIFE

As part of the data analysis, it was found that the time worked is the lowest in single parents. On the other hand, workers living alone in the household and couples without children work the most per week. Differences can be seen also in terms of gender. On average, men work more hours per week in all types of households. Women have higher unemployment rates in people with preschool-age children compared to men.

A better work-life balance is associated with a number of benefits for employees. According to the ILO, it is empirically verified that balance promotes higher job satisfaction and a higher level of job security. A reasonable work-life balance also has significant positive effects on the mental and physical health of employees. It has been empirically verified that work-life balance principles reduce stress levels. On the other hand, if workers are unable to achieve a reasonable work-life balance, this can have a negative impact on their health.²⁰

Other problems related in particular to gender inequality in efforts to combine family and work life came to the centre of attention in the context of the COVID-19 pandemic. In particular, women perform a higher share of unpaid care work in households, leading to lower participation in the labour market, precarious employment, lower wages and, consequently, lower pensions. Situations in the pandemic highlighted shortcomings in current economic and social models that need to be addressed. Therefore, the issue of combining work and family life is closely related to other aspects of decent work, such as promoting gender equality in the labour market, addressing pay inequalities, gender stereotypes and discrimination, regulating remote work, working hours, etc.²¹

¹⁸ ILO, *Keys for effective teleworking during the COVID-19 pandemic*. Online. Cited: 19. 6. 2023. Available from: https://www.ilo.org/global/about-the-ilo/newsroom/news/WCMS_739879/lang--en/index.htm.

¹⁹ OECD, *Teleworking, workplace policies and trust: A critical relationship in the hybrid world of work*. 2023. Available from: <https://www.oecd.org/employment/Teleworking-workplace-policies-and-trust.pdf>.

²⁰ ILO, *Working Time and Work-Life Balance Around the World*. 2022. Cited: 19. 6. 2023. Available from: https://www.ilo.org/wcmsp5/groups/public/---ed_protect/---protrav/---travail/documents/publication/wcms_864222.pdf.

²¹ ETUI, *Reshaping the Work-Life Balance Directive with Covid-19 lessons in mind*. 2022. Available from: <https://www.etui.org/sites/default/files/2021-12/Reshaping%20the%20Work%E2%80%93Life%20Balance%20Directive%20with%20Covid-19%20lessons%20in%20mind-2022.pdf>.

JOB QUALITY AND SAFE WORK

The results of the analysis indicate that the development of accidents at work is closely related to economic development. If the aim is to increase employment, the importance of protecting workers' health in the workplace should grow in direct proportion to this. This is especially true in areas where there is a high level of risk. These include, in the conditions of the Czech Republic, work in agriculture, forestry and fisheries, in the field of water supply, sewerage, waste management and remediation activities and in mining and quarrying, transport and storage and in the manufacturing and construction sectors.

In today's rapidly changing labour market, the European Trade Union Institute (ETUI) emphasizes the importance of continuous monitoring of the development of OSH indicators. According to the ETUI, it is essential to adopt the concept of a lifelong approach to work and health because a number of occupational diseases are the result of long-term development. Therefore, it is crucial for employees to participate in the evaluation and implementation of any changes and to anticipate the problems and difficulties that employees may encounter.²²

GUARANTEE OF EQUAL OPPORTUNITIES

Equality of opportunities for men and women is most often discussed in the area of equal opportunities in the labour market. The data analysed in the previous chapter show that men usually have higher earnings in the Czech Republic and that there is gender segregation on the labour market both in terms of the sector and the employment performed.

According to the 22 % k rovnosti [22% to Equality]²³ project, the gender pay gap is 2% lower in workplaces with a collective agreement. Salaries cannot be negotiated in the public sector. However, by concluding a collective agreement, it is also possible to achieve the introduction of various measures to reduce the pay gap (whether this concerns strengthening transparency, promoting work-life balance, career growth of women or their balanced representation in decision-making positions).

The 2021 proposal for a Directive of the European Parliament and of the Council to strengthen the application of the principle of equal pay between men and women for equal work or work of equal value through pay transparency and enforcement mechanisms also addresses the issue of gender pay. Selected paragraphs from this proposal are included in Annex 4.

JOB SECURITY

Workers in the labour market become more vulnerable and may lose their jobs during adverse economic developments. In addition, the use of non-standard forms of employment, such as agency employment or the use of self-employment in dependent work or alternative employment contracts pursuant to Sections 75 and 76 of the Czech Labour Code, has been growing in recent years. These forms of employment can often reduce the level of protection of workers in the labour market and should be given greater attention.

²² ETUI, *Benchmarking Working Europe*. 2023, cited: 15. 5. 2023. Available from: <https://www.etui.org/sites/default/files/2023-03/Benchmarking%20Working%20Europe%202023%20Towards%20sustainable%20resilience%202023.pdf>.

²³ 22 % k rovnosti. *Sociální dialog*. Online. Cited: 13. 6. 2023. Available from: <https://rovnaodmena.cz/rovne-odmenovani/socialni-dialog/>.

SOCIAL PROTECTION

According to the International Labour Organization, the social security system should provide protection especially in the event of illness, unemployment, during an accident at work, parental responsibilities, invalidity, loss of a family breadwinner and in retirement and old age. In addition to the old-age pension, the widow's pension and the 1st degree invalidity pension are the most frequently used pensions in the Czech Republic. There is a growing need for social protection for workers particularly in times of economic crisis. At present, when nominal household expenditures are increasing in the Czech Republic as a result of inflation and the energy crisis, benefit and pension recipients are also in a difficult situation. Also, the government tries to look for austerity measures as part of its activities in a complicated fiscal situation. Therefore, it is now much more important to pay particular attention to ensuring that the social protection system of this vulnerable group of employees meets their needs and adapts to economic and price developments.

CONCLUSION

The aim of this study was to identify the areas on which trade unions should focus their attention on the application of the principles of decent work in the Czech Republic.

The concept of decent work and its principles are promoted by a number of international organizations. The United Nations has included decent work among its Sustainable Development Goals for 2015–2030. The International Labour Organization focuses on this issue and precisely defines all aspects of decent work and indicators by which these aspects can be measured.

The first chapter analysed the **current situation on the Czech labour market**. There have been a number of turbulent changes recently that the labour market has to adapt to. These include the **decline in labour productivity in connection with the COVID-19 pandemic, high inflation** resulting from the energy crisis and disrupted supply chains. The labour force on the Czech labour market is still concentrated mainly in **manufacturing, trade or transport**. The **share of employees with higher education increased** in the last ten years, but the number of employees **with primary and incomplete education** on the labour market also increased. With all these changes comes **the growing importance of protecting all aspects of decent work**.

The second chapter was devoted to the analysis of individual aspects of decent work.

A slight increase in unemployment can be observed in the area of **employment opportunities** in recent years. Unemployment is highest among workers under the age of 24 years. In this respect, the International Labour Organization warns about the mismatch between fields of education and competences within labour market needs.

Fair income is one of the most important areas of decent work that trade unions are focused on. At a higher level, it is important to pay attention to the minimum wage development. In a situation of high inflation, it is the workers receiving the minimum wage who become the most vulnerable. Low-income employees in the Czech Republic include, in particular, plant and machine operators and assemblers, agricultural workers and service and sales workers.

Another aspect of decent work is **decent working time**. The highest hours worked and overtime work in the Czech Republic are reported by employees working in low-income positions. These employees are the most at risk in this regard.

A better **work-life balance** is associated with a number of positives for employees. The European Trade Union Institute draws attention to the issue of differences between men and women in this area. In the Czech Republic, it can be observed that efforts to combine family and working life have an impact on the time worked and the development of unemployment of inhabitants with children, especially with preschool-age children. The differences are also noticeable between men and women in the Czech Republic.

The number of accidents at work is increasing with the increasing number of employees on the labour market. If the aim is to increase employment, it is also necessary to apply **the principles of safe work**. The European Trade Union Institute also points out that the need for monitoring and evaluation of OSH indicators is growing in importance with the changing labour market in connection with the introduction of new technologies. There is also a higher risk of accidents and occupational diseases in certain sectors. In the conditions of the Czech Republic, we observe a high rate of accidents at work in agriculture, forestry and fisheries, water supply, sewerage, waste management and remediation activities and in mining and quarrying.

Another area that needs attention is **equal employment opportunities**, especially from a gender point of view. Men usually have higher wages than women in the Czech Republic. It has been shown that there are lower differences between the earnings of men and women in the occupations covered by collective agreements compared to employees who are not covered by collective agreements.

Last but not least, it is important to pay attention to **social protection and job security**. The need to protect employees who find themselves in a situation where they have to use the support of the social system is growing especially in times of economic downturn and in a situation of high inflation.

The third chapter focused on the **importance of social dialogue in fulfilling the objectives of decent work**. Employees covered by collective agreements achieve higher earnings in the Czech Republic in the long term. Nevertheless, a decrease in the level of trade union involvement and a decrease in the collective agreement coverage can be observed in the Czech Republic in recent years.

The issue of decent work is intertwined in many areas and **monitoring the development of decent work indicators is important to ensure timely and properly targeted protection of employees**. Trade unions play an important role in this area and this study provides an important basis for identifying areas to which trade unions should pay attention. The results and recommendations are based on data analysis and it is important to continue to monitor the development of all decent work indicators in the Czech Republic in the future.

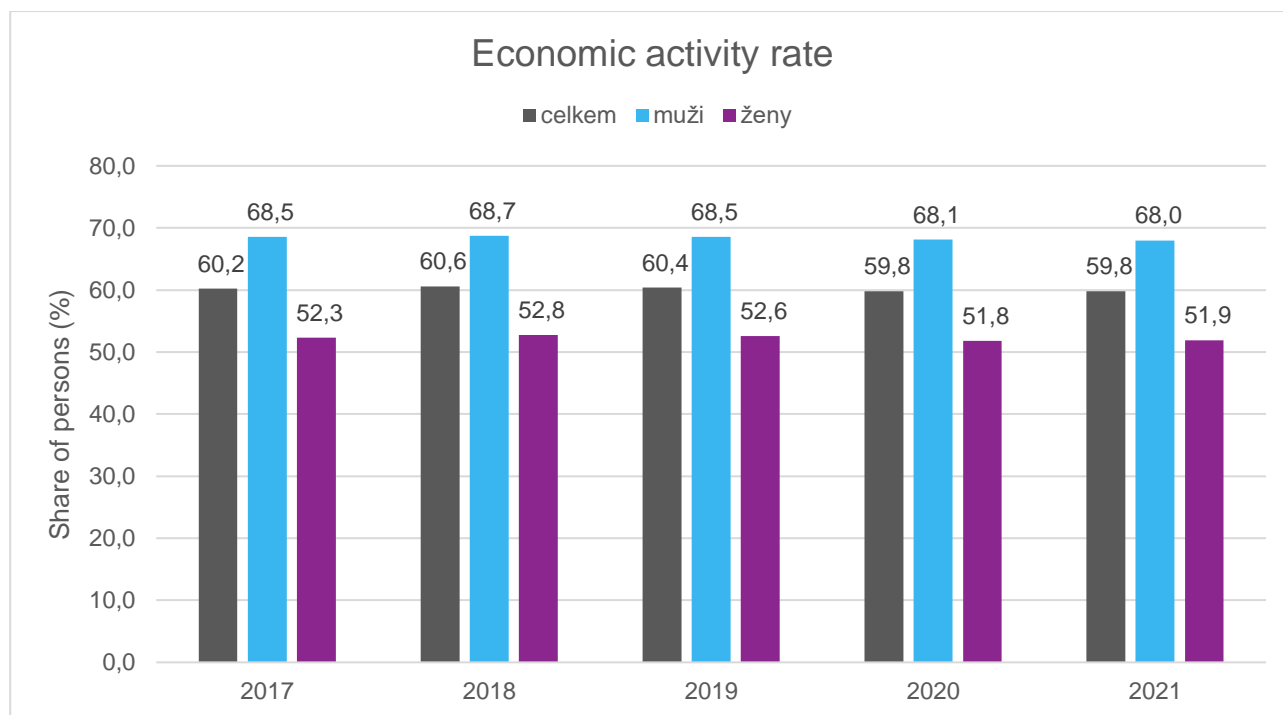
ANNEX 1 – TABLES

TABLE I: CZ-NACE SECTIONS

Sector group	CZ-NACE section	
Agriculture	A	Agriculture, forestry and fishing
Industry and construction	B	Mining and quarrying
	C	Manufacturing
	D	Electricity, gas, steam and air conditioning supply
	E	Water supply; sewerage, waste management and remediation activities
	F	Construction industry
Services	G	Wholesale and retail trade; repair of motor vehicles and motorcycles
	H	Transportation and storage
	I	Accommodation and food service activities
	J	Information and communication
	K	Financial and insurance business
	L	Real estate activities
	M	Professional, scientific and technical activities
	N	Administrative and support service activities
	O	Public administration and defence; compulsory social security
	P	Education
	Q	Human health and social work activities
	R	Arts, entertainment and recreation
	S	Other service activities
	T	Activities of households as employers; undifferentiated goods- and services-producing activities of households for own use
	U	Activities of extraterritorial organizations and bodies

ANNEX 2 – FIGURES

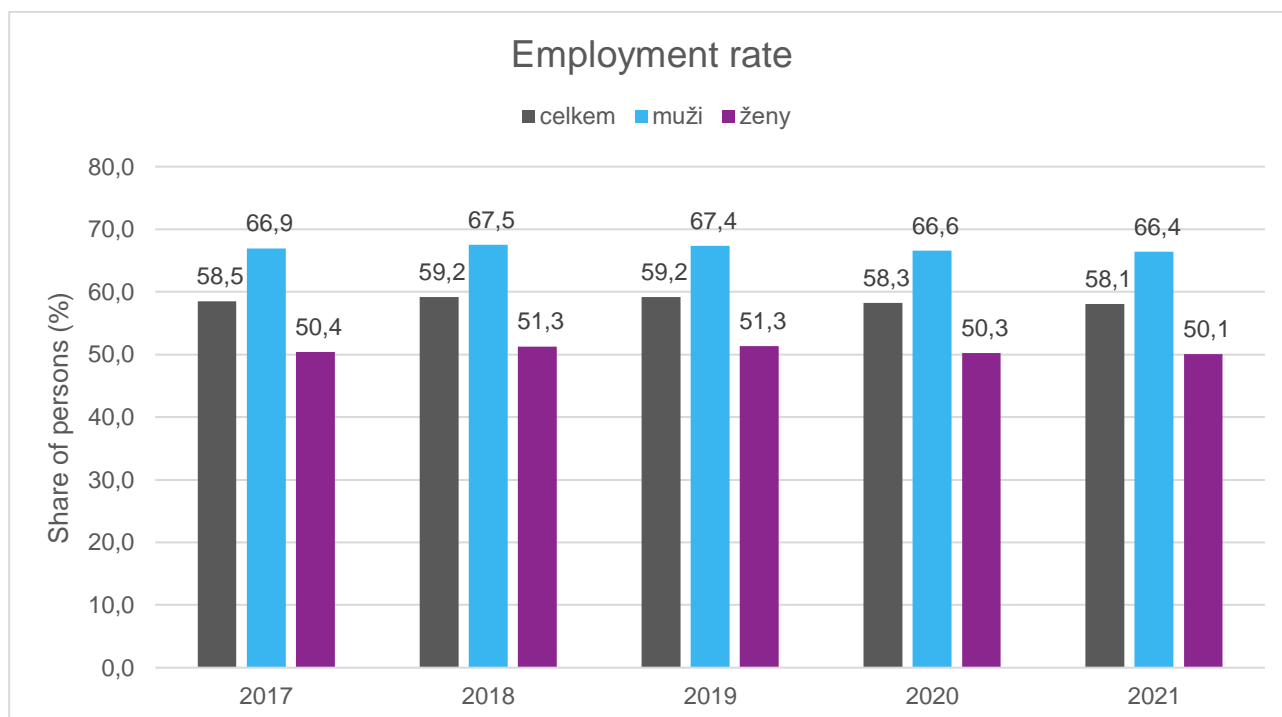
FIGURE I: DEVELOPMENT OF THE ECONOMIC ACTIVITY RATE FROM 2017 TO 2021 BY GENDER



Data source: CZSO.

■ Total;
■ Men;
■ Women

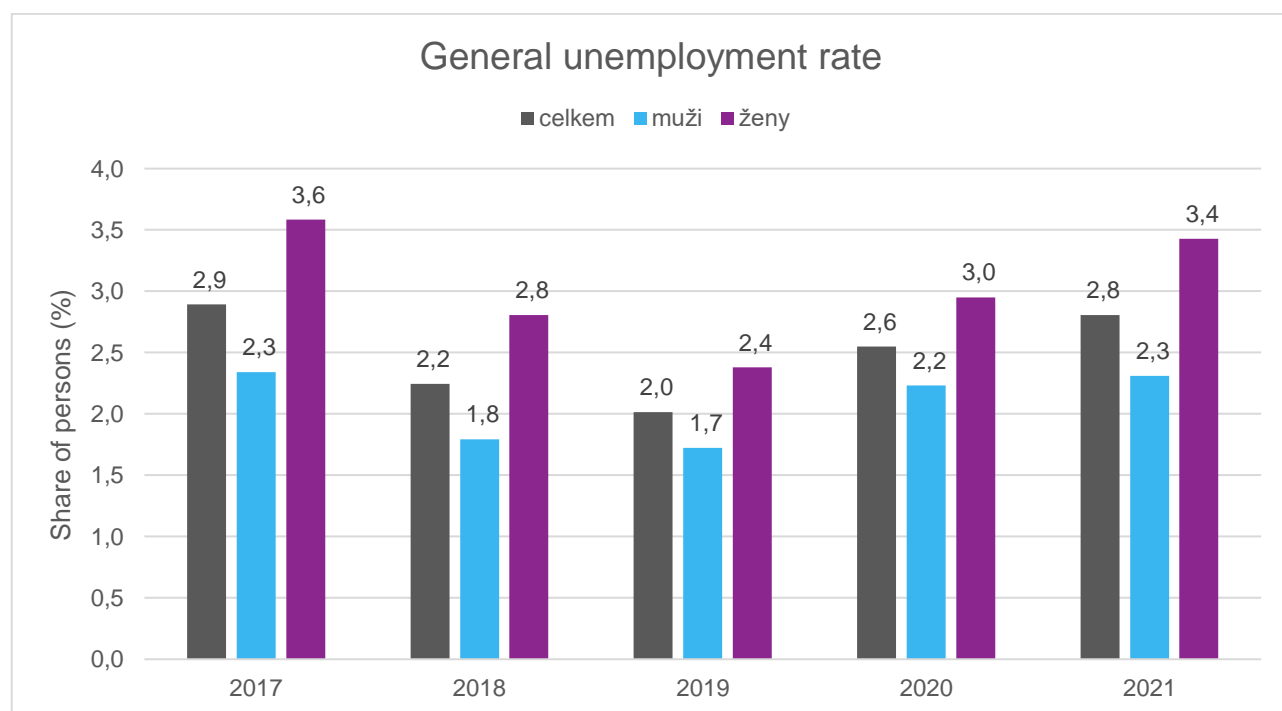
FIGURE II: DEVELOPMENT OF THE EMPLOYMENT RATE FROM 2017 AND 2021 BY GENDER



Data source: CZSO.

■ Total;
■ Men;
■ Women

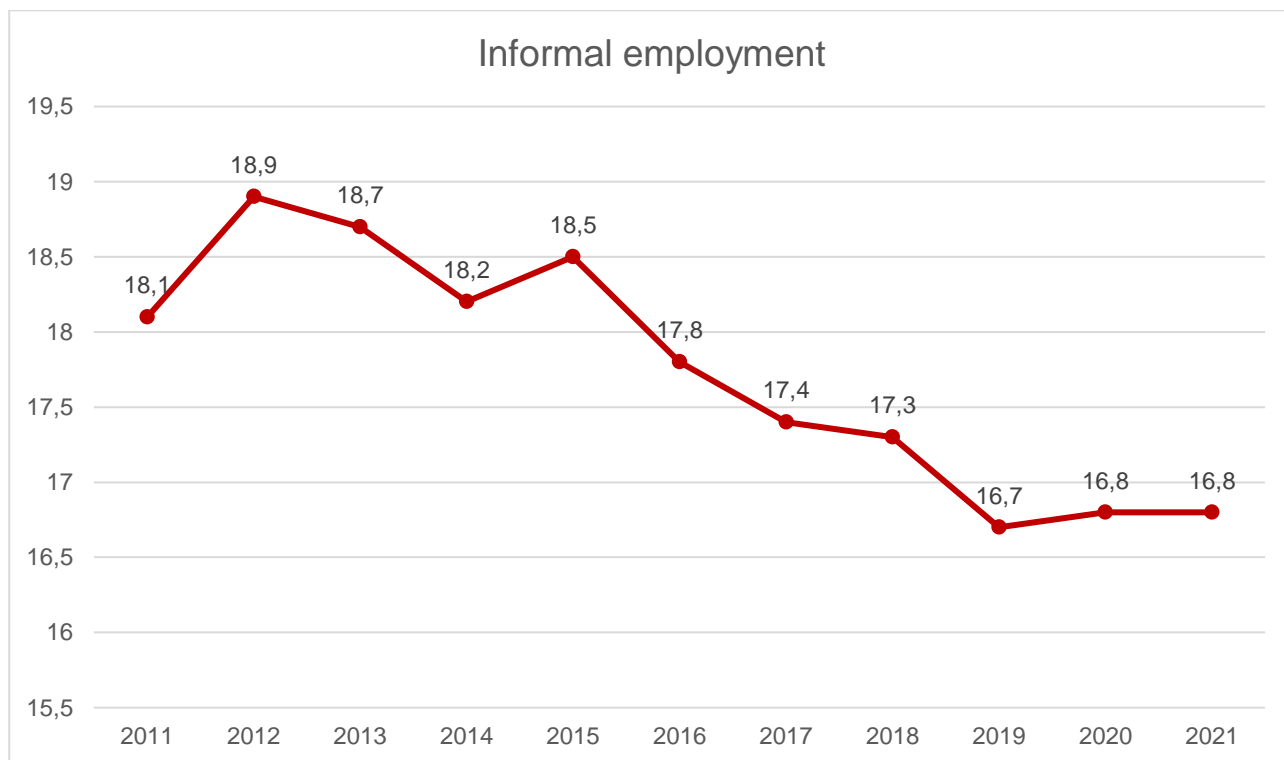
FIGURE III: DEVELOPMENT OF THE GENERAL UNEMPLOYMENT RATE FROM 2017 TO 2021 BY GENDER



Data source: CZSO.

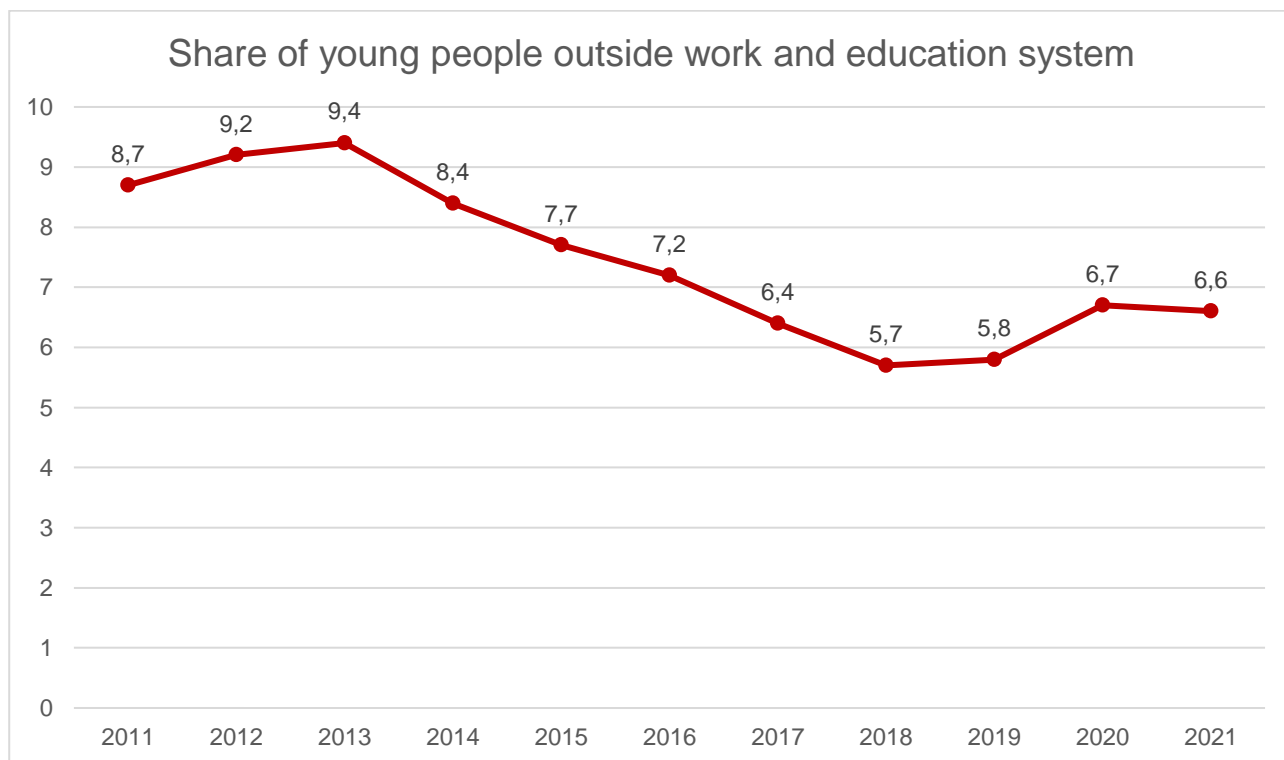
■ Total;
■ Men;
■ Women

FIGURE IV: DEVELOPMENT OF INFORMAL EMPLOYMENT IN THE CZECH REPUBLIC FROM 2011 TO 2021



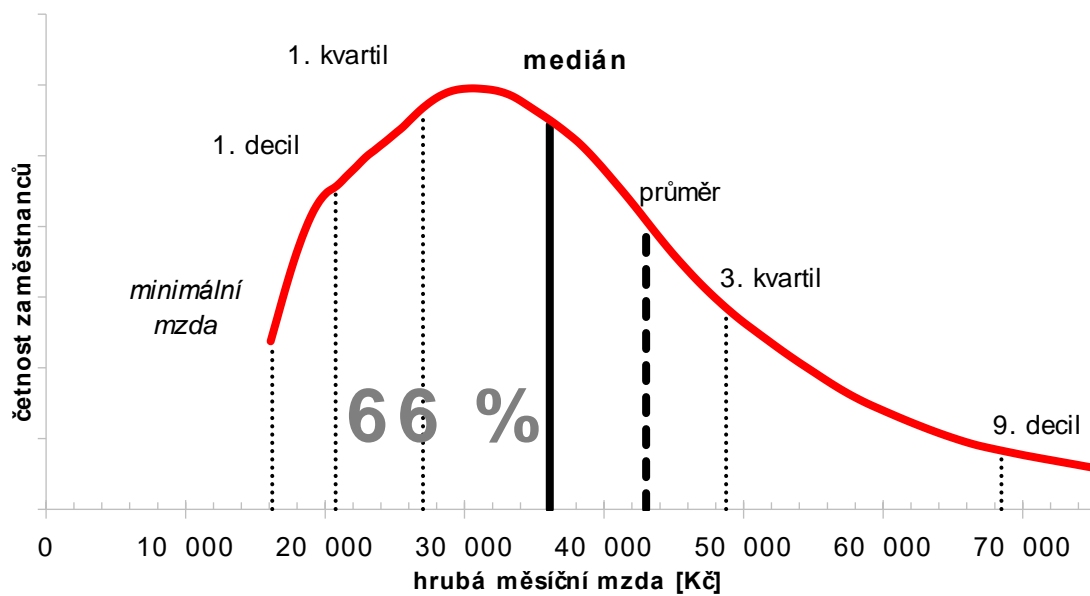
Source: ILO.

FIGURE V: DEVELOPMENT OF THE SHARE OF YOUNG PEOPLE OUTSIDE THE WORK AND EDUCATION SYSTEM IN THE CZECH REPUBLIC FROM 2011 TO 2021



Source: ILO.

FIGURE VI: WAGE DISTRIBUTION IN THE WAGE SPHERE IN 2022



Source: ISPV (MoLSA).

Number of employees; Gross monthly wage [CZK]; minimum wage; 1st decile; 1st quartile ; median; average; 3rd quartile; 9th decile

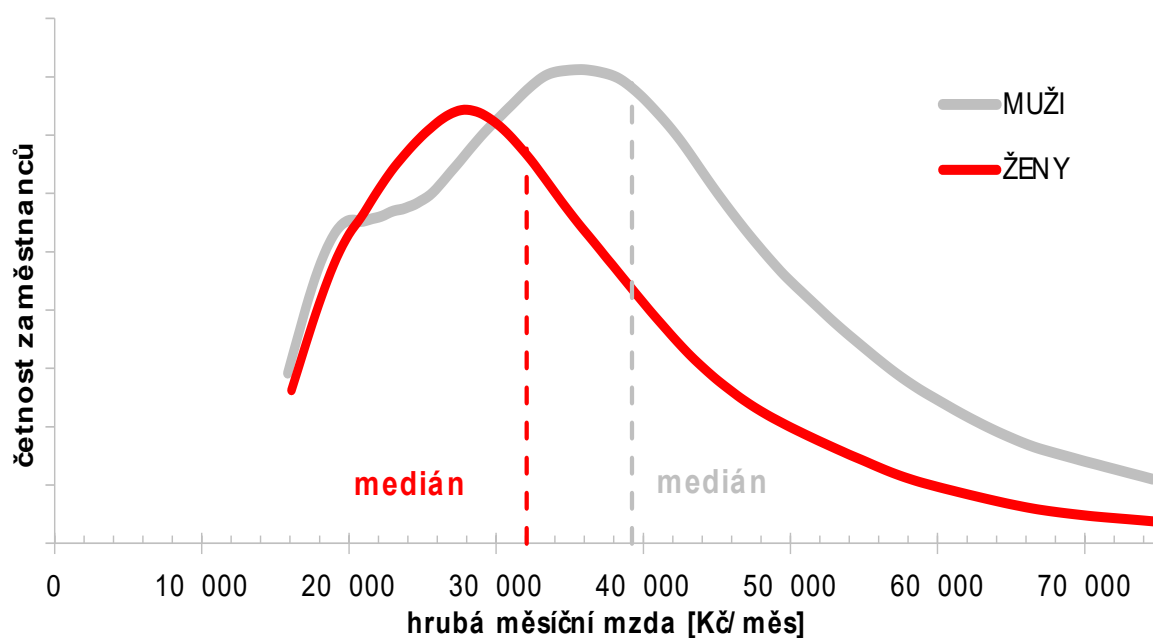
FIGURE VII: MEDIAN GROSS MONTHLY WAGE BY GENDER AND AGE IN THE WAGE SPHERE IN 2022



Source: ISPV (MoLSA).

MEN; WOMEN; under 20 years; ... years; over 60 years

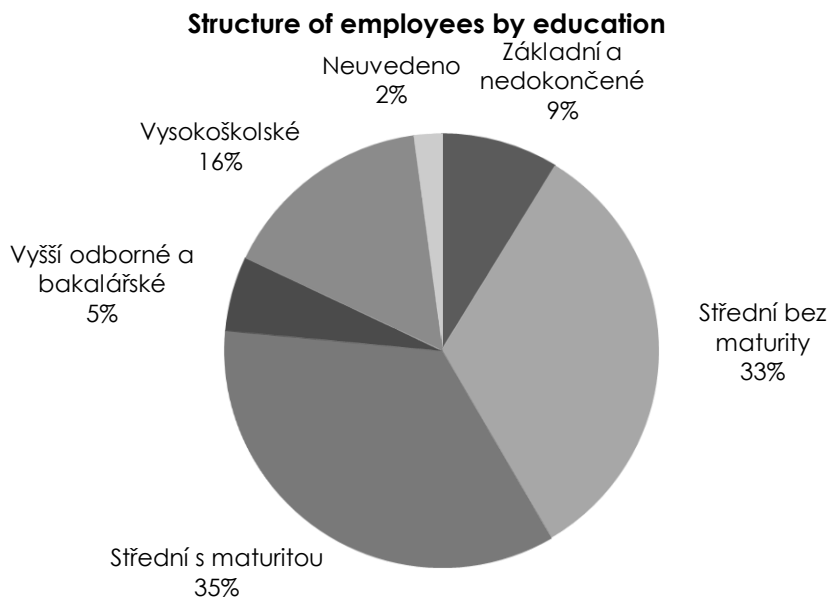
FIGURE VIII: WAGE DISTRIBUTION BY GENDER IN THE WAGE SPHERE IN 2022



Source: ISPV (MoLSA).

Number of employees; Gross monthly wage [CZK/month]; MEN; WOMEN

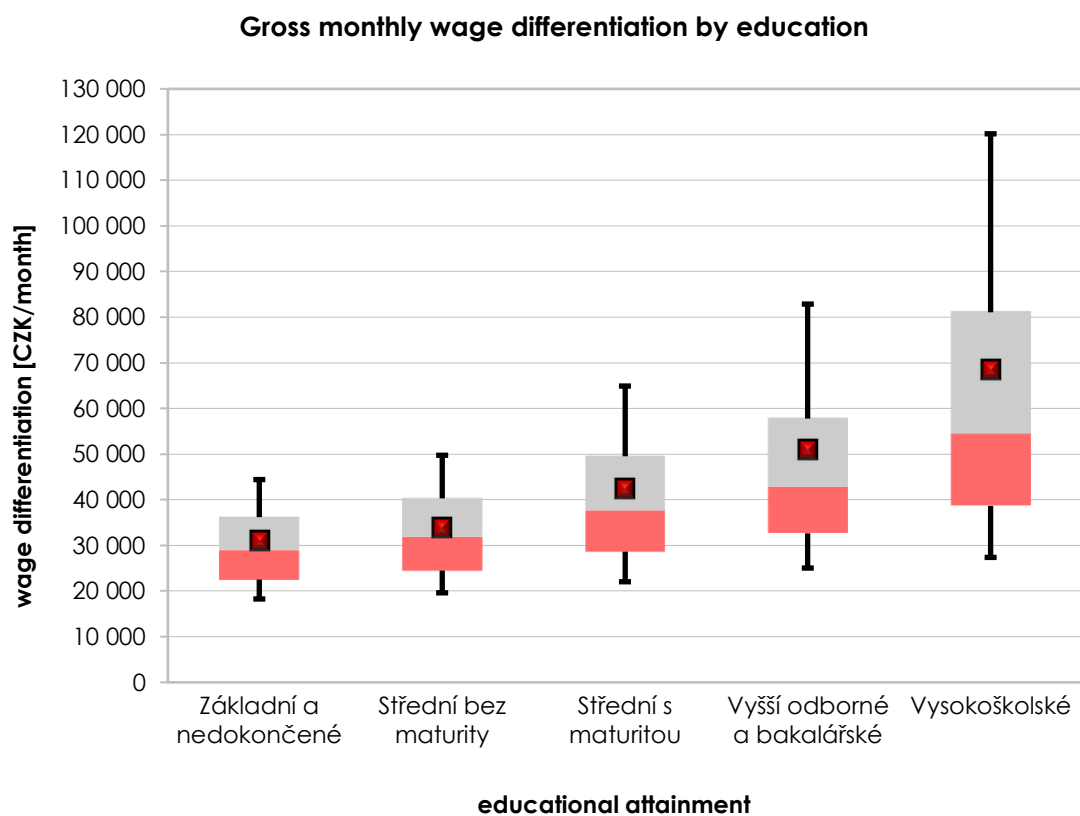
FIGURE IX: STRUCTURE OF EMPLOYEES BY EDUCATION IN THE WAGE SPHERE IN 2022



Source: ISPV (MoLSA).

Primary and incomplete; Secondary without SSLC; Secondary with SSLC; Higher vocational and bachelor; University; Not stated

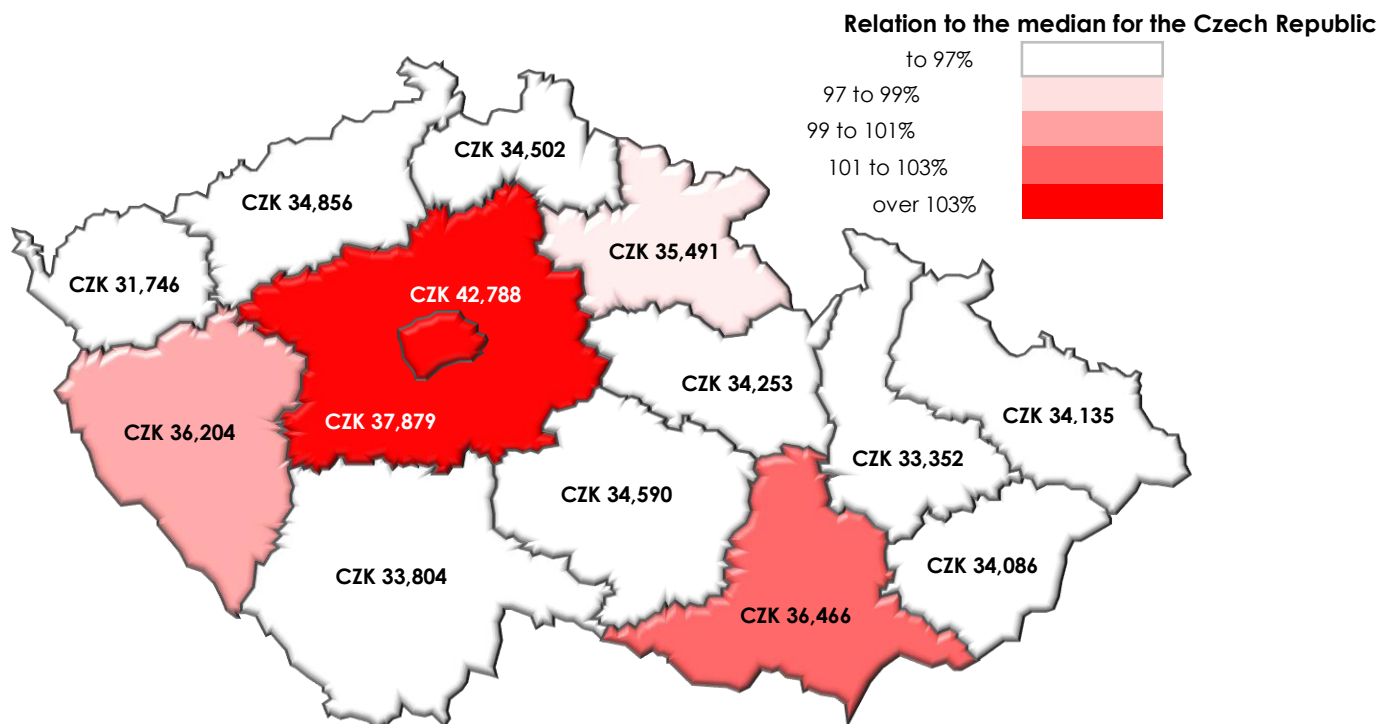
FIGURE X: DIFFERENTIATION OF GROSS MONTHLY WAGE BY EDUCATION IN THE WAGE SPHERE IN 2022



Source: ISPV (MoLSA).

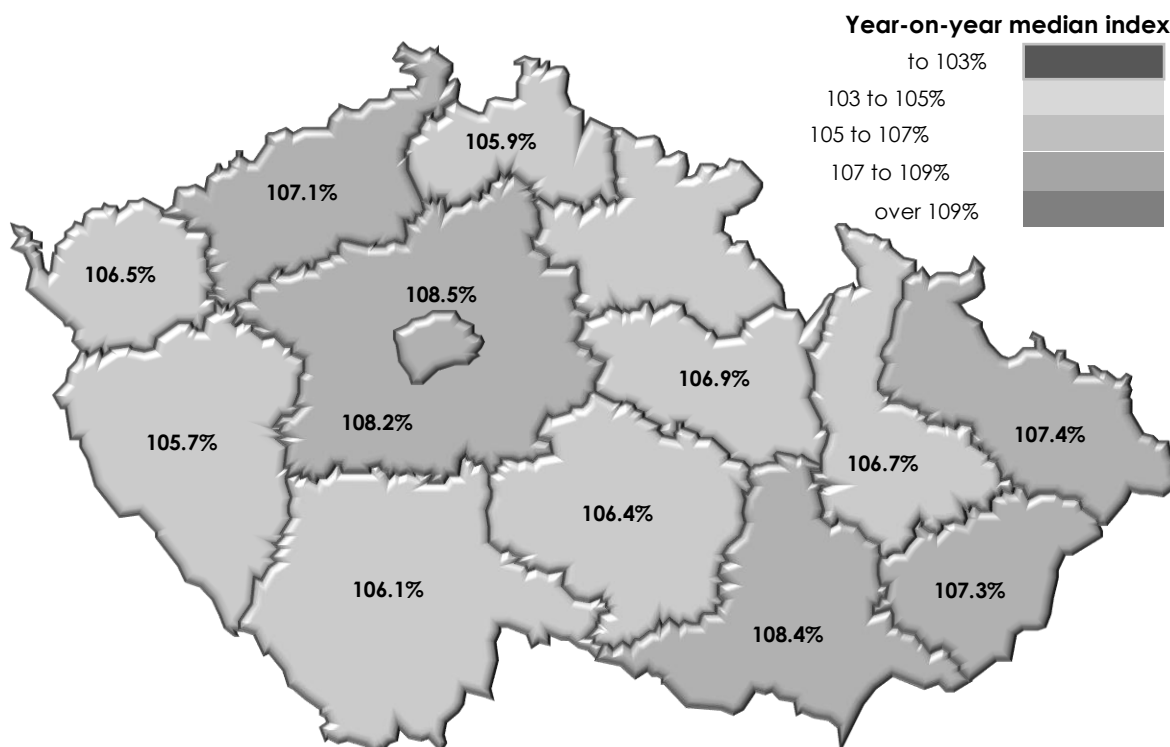
Primary and incomplete; Secondary without SSLC; Secondary with SSLC; Higher vocational and bachelor; University

FIGURE XI: MEDIAN GROSS MONTHLY WAGE IN INDIVIDUAL REGIONS IN THE WAGE SPHERE IN 2022



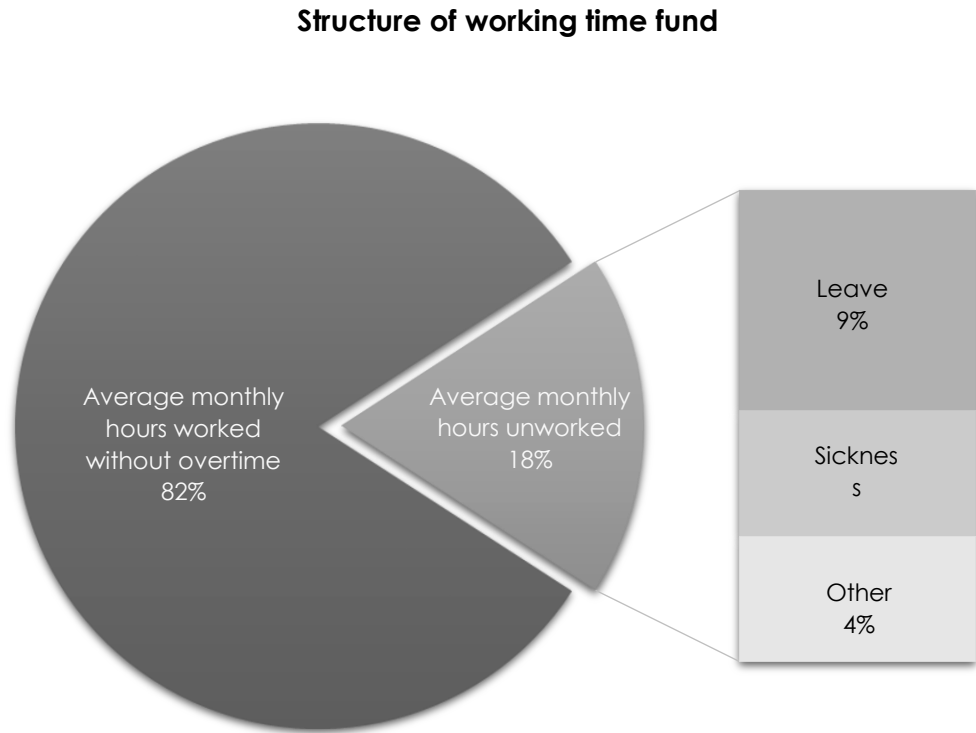
Source: ISPV (MoLSA).

FIGURE XII: YEAR-ON-YEAR CHANGE IN THE MEDIAN GROSS MONTHLY WAGE BY REGION IN THE WAGE SPHERE IN 2022



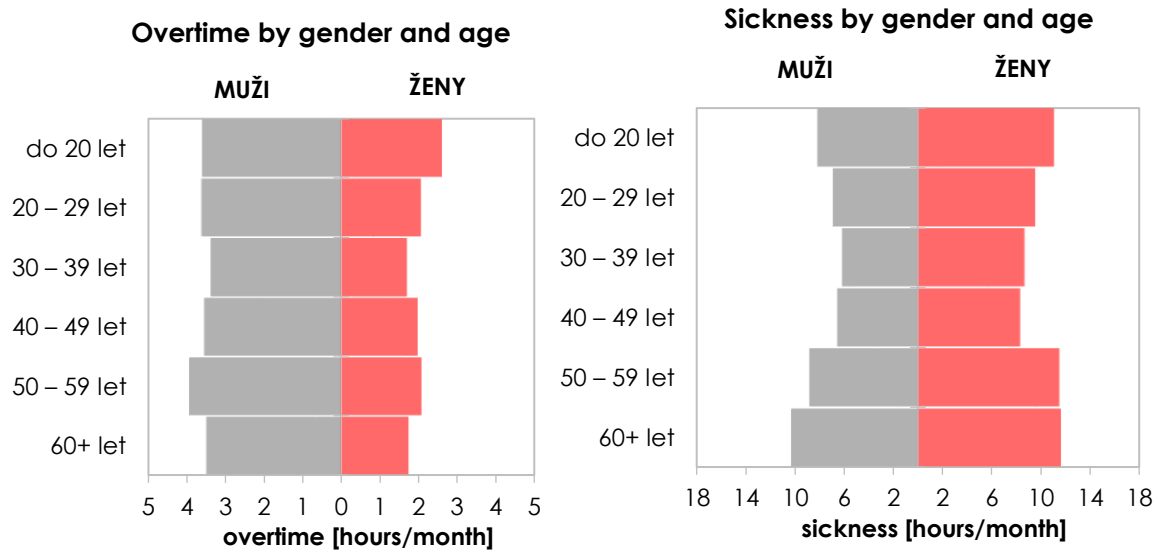
Source: ISPV (MoLSA).

FIGURE XIII: STRUCTURE OF THE WORKING TIME FUND IN THE WAGE SPHERE IN 2022



Source: ISPV (MoLSA).

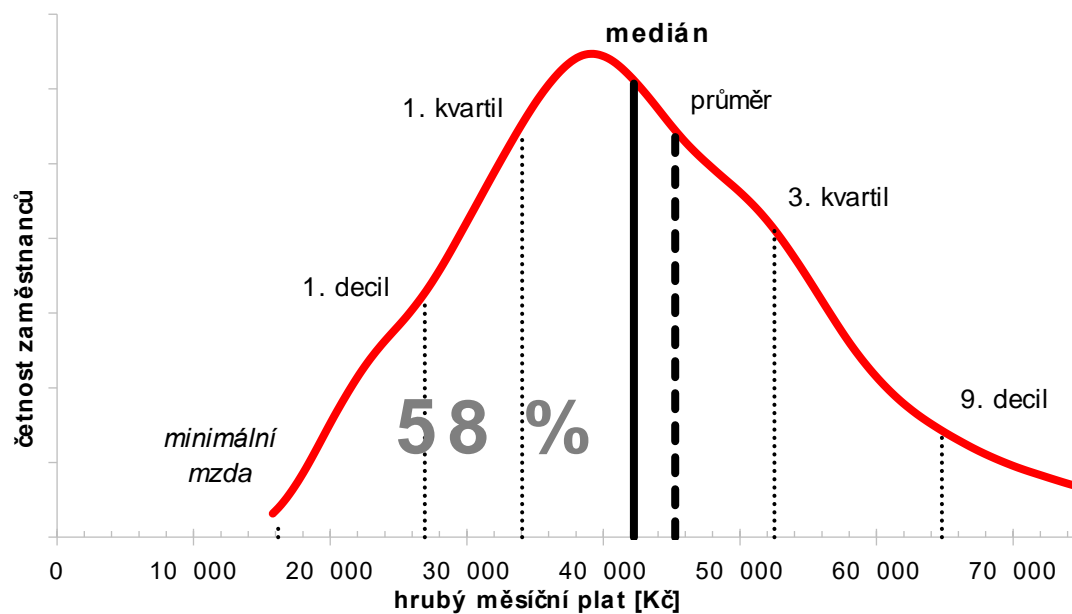
FIGURE XIV: OVERTIME AND SICKNESS BY GENDER AND AGE IN THE WAGE SPHERE IN 2022



Source: ISPV (MoLSA).

■ MEN;
■ WOMEN;
under 20 years; ... years

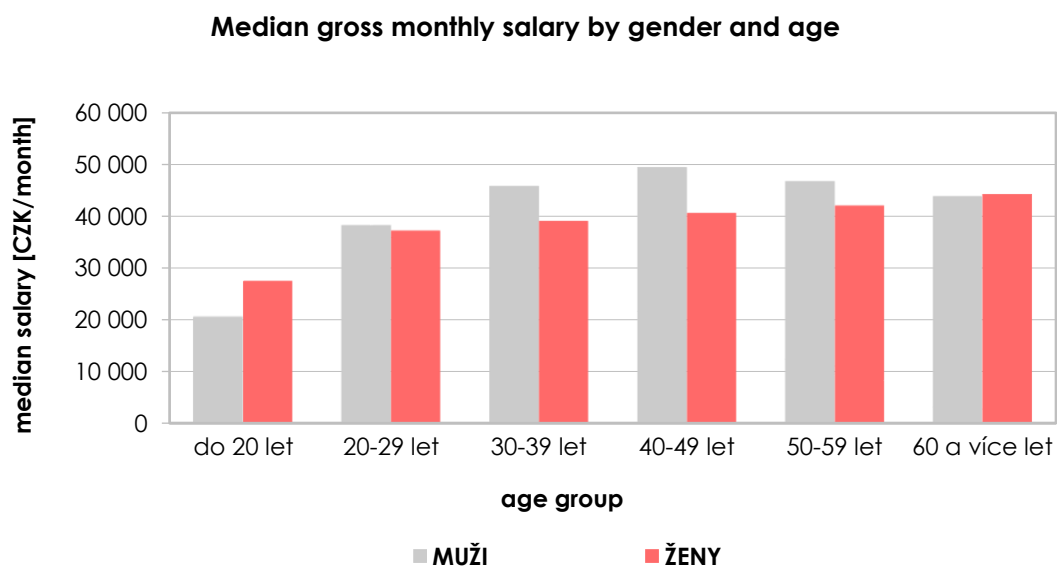
FIGURE XV: DISTRIBUTION OF SALARIES IN THE SALARY SPHERE IN 2022



Source: ISPV (MoLSA).

Number of employees; Gross monthly salary [CZK]; minimum wage; 1st decile; 1st quartile ; median; average; 3rd quartile; 9th decile

FIGURE XVI: MEDIAN GROSS MONTHLY SALARY BY GENDER AND AGE IN THE SALARY SPHERE IN 2022

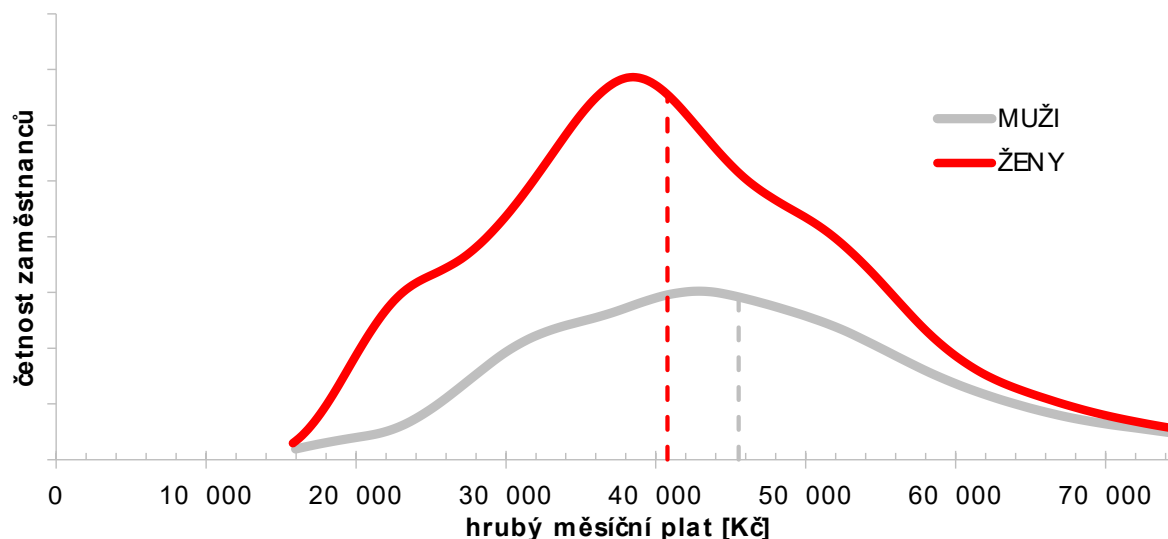


Source: ISPV (MoLSA).

■ MEN;
■ WOMEN;

under 20 years; ... years; over 60 years

FIGURE XVII: DISTRIBUTION OF SALARIES BY GENDER IN THE SALARY SPHERE IN 2022

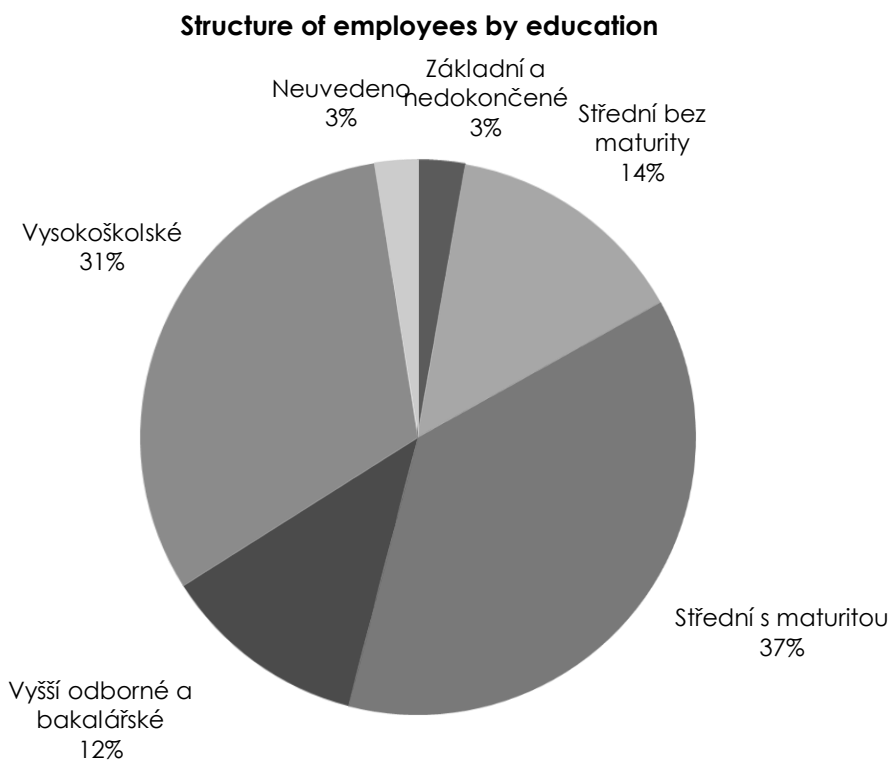


Source: ISPV (MoLSA).

■ MEN;
■ WOMEN;

Number of employees; Gross monthly salary [CZK]; MEN; WOMEN

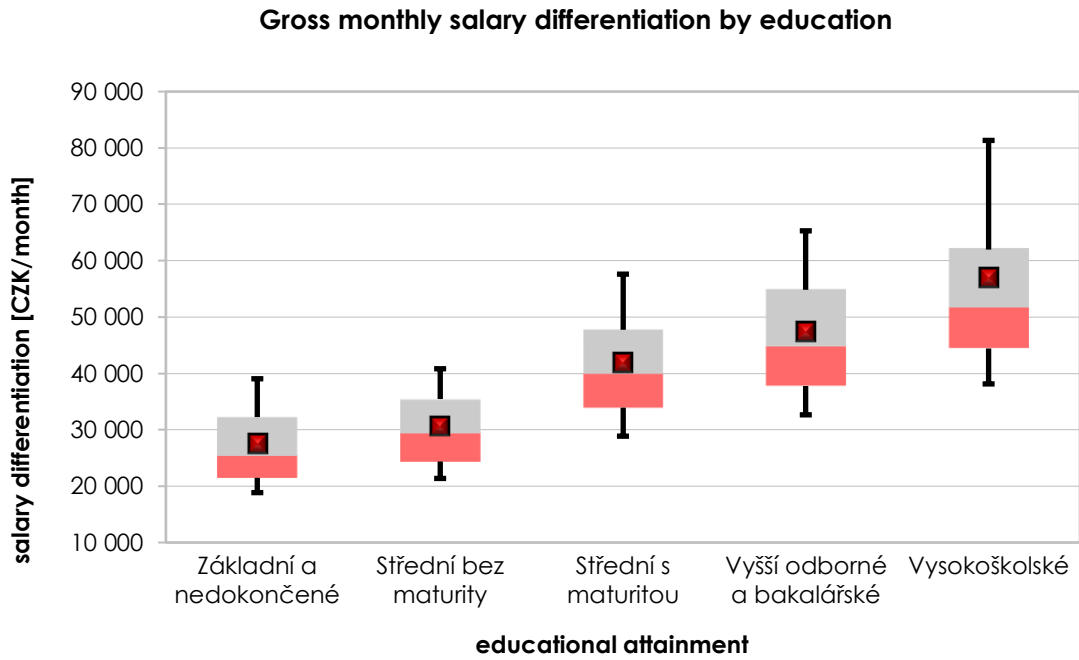
FIGURE XVIII: STRUCTURE OF EMPLOYEES BY EDUCATION IN THE SALARY SPHERE IN 2022



Source: ISPV (MoLSA).

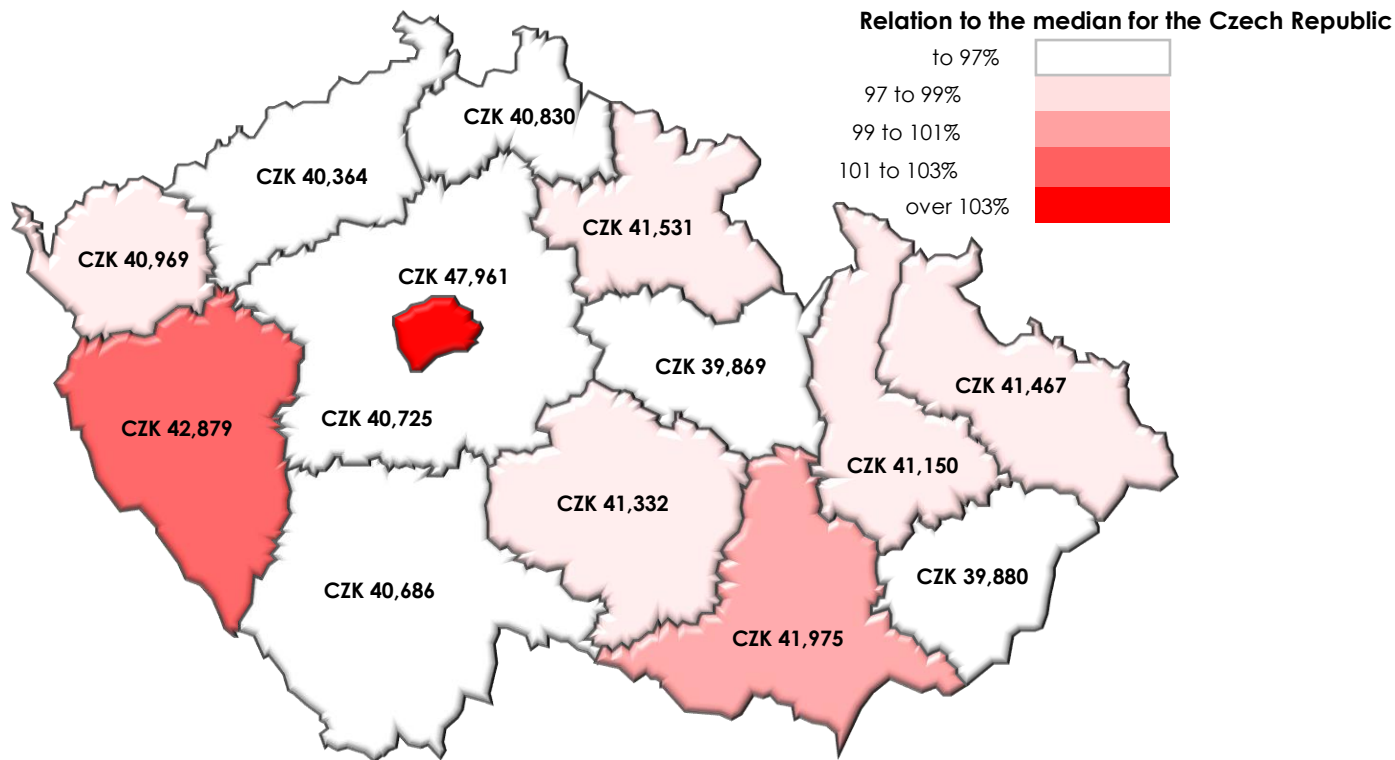
Primary and incomplete; Secondary without SSLC; Secondary with SSLC; Higher vocational and bachelor; University; Not stated

FIGURE XIX: DIFFERENTIATION OF GROSS MONTHLY SALARY BY EDUCATION IN THE SALARY SPHERE IN 2022



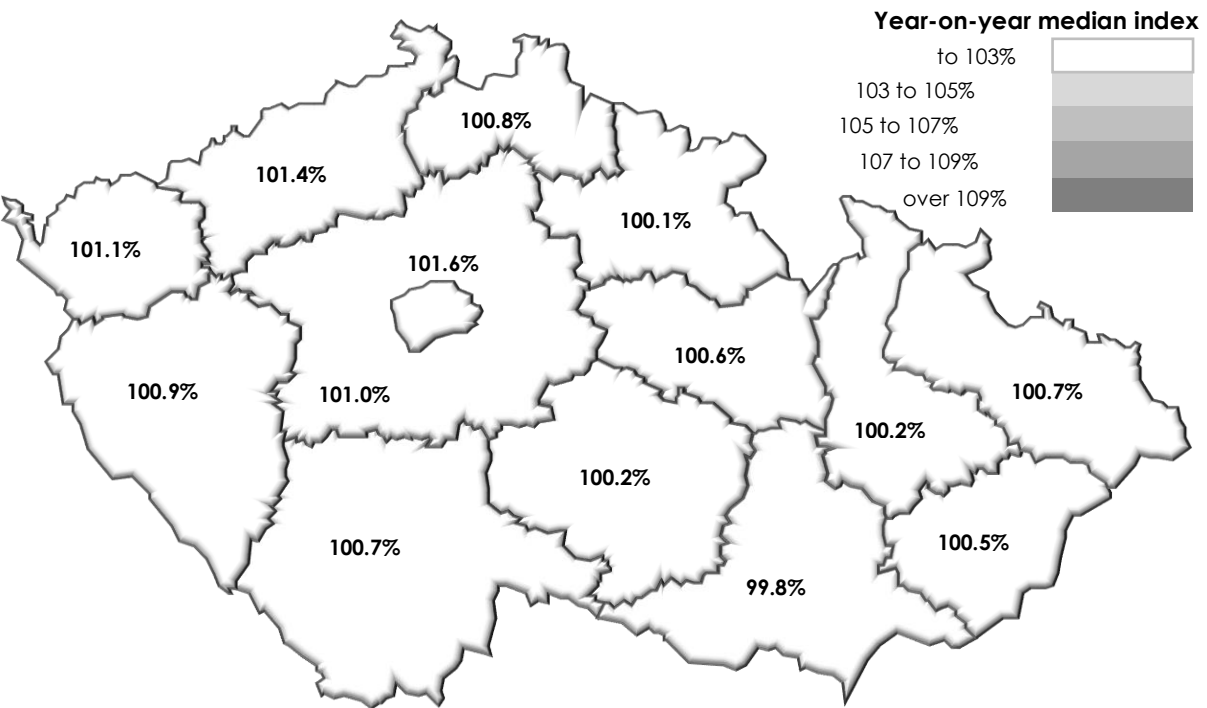
Source: ISPV (MoLSA).
Primary and incomplete; Secondary without SSLC; Secondary with SSLC; Higher vocational and bachelor; University

FIGURE XX: MEDIAN GROSS MONTHLY SALARY IN INDIVIDUAL REGIONS IN THE SALARY SPHERE IN 2022



Source: ISPV (MoLSA).

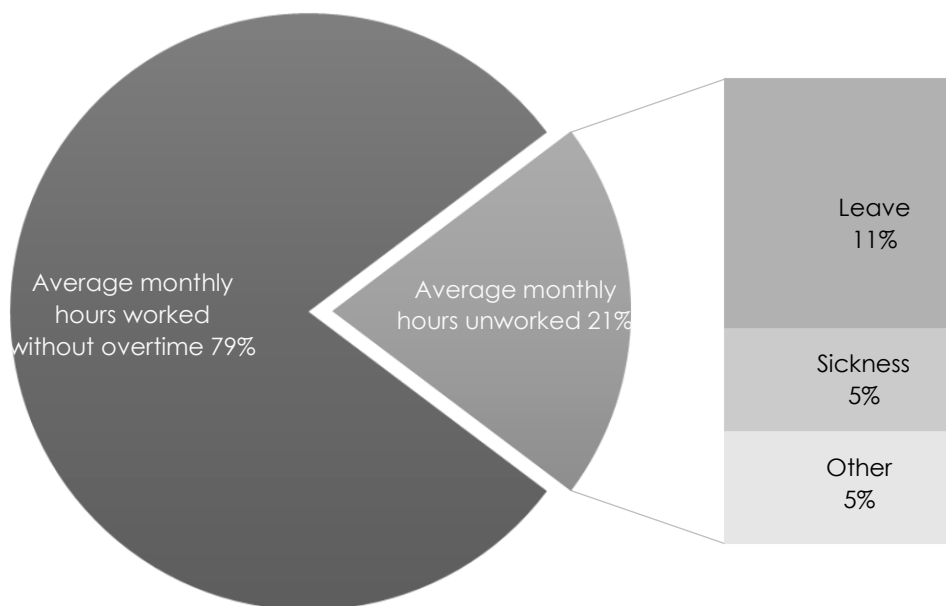
FIGURE XXI: YEAR-ON-YEAR CHANGE IN THE MEDIAN GROSS MONTHLY SALARY BY REGION IN THE SALARY SPHERE IN 2022



Source: ISPV (MoLSA).

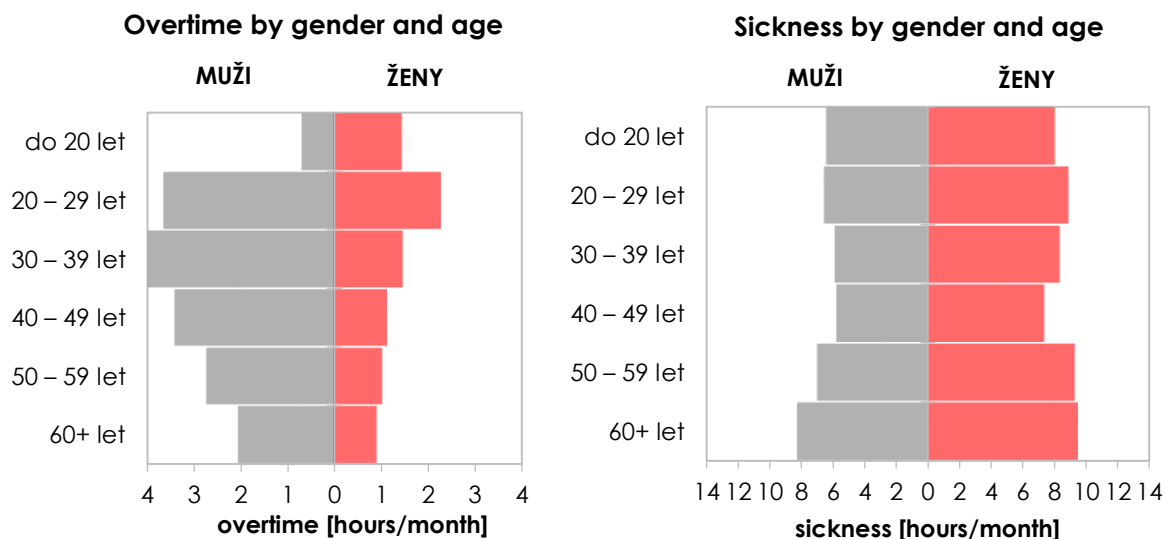
FIGURE XXII: STRUCTURE OF THE WORKING TIME FUND IN THE SALARY SPHERE IN 2022

Structure of working time fund



Source: ISPV (MoLSA).

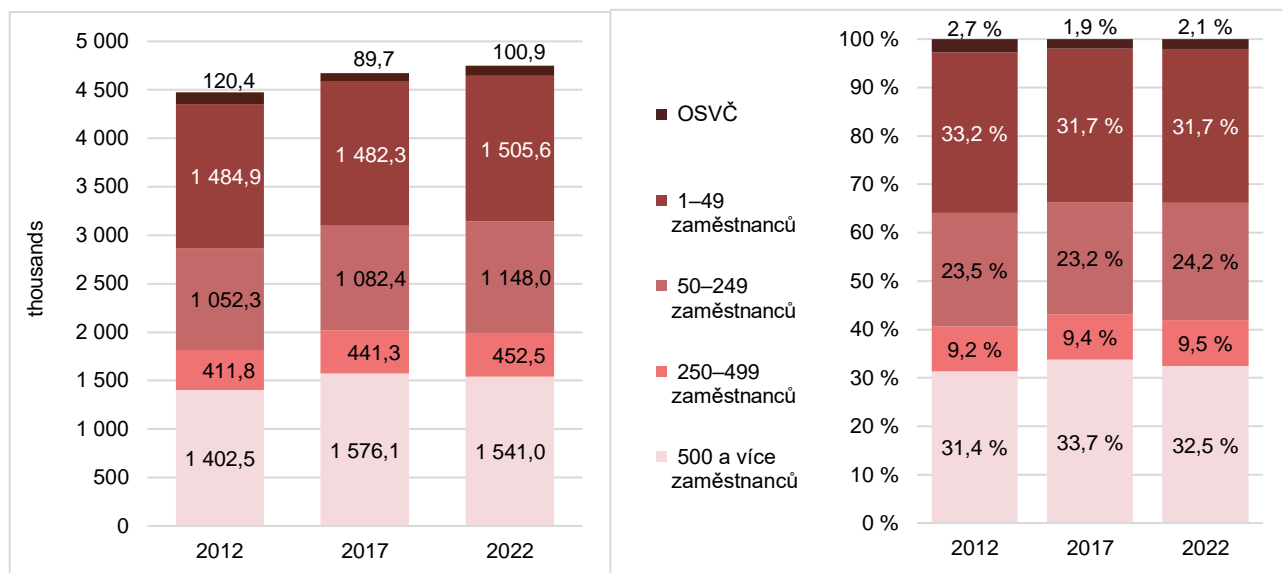
FIGURE XXIII: OVERTIME AND SICKNESS BY GENDER AND AGE IN THE SALARY SPHERE IN 2022



Source: ISPV (MoLSA).

■ MEN;
 ■ WOMEN;
 ; under 20 years; ... years

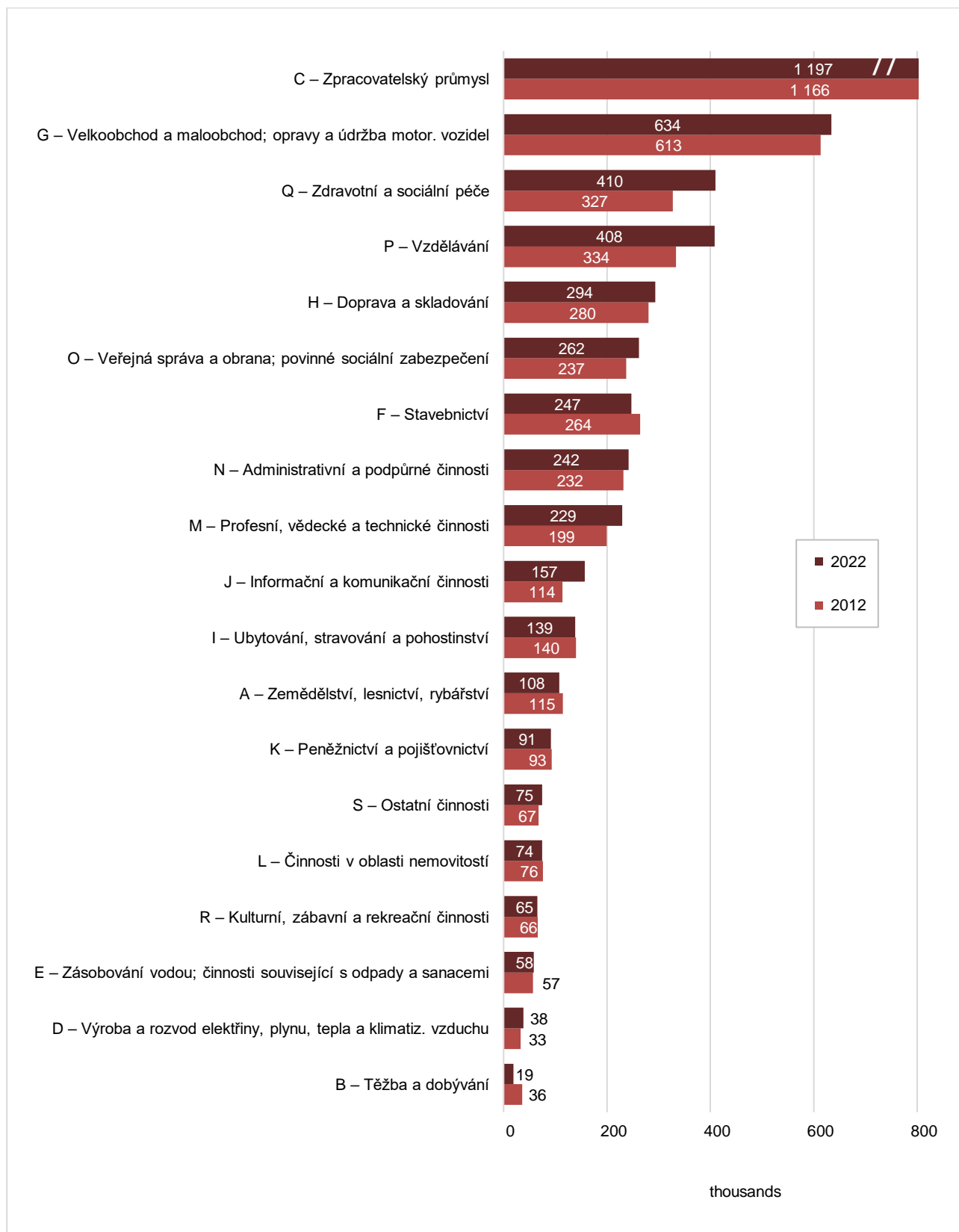
FIGURE XXIV: AVERAGE NUMBER OF SICKNESS INSURED PERSONS BY COMPANY SIZE, 2012, 2017, 2022



Source: CZSO. Processed by CZSO.

Self-employed; ... employees

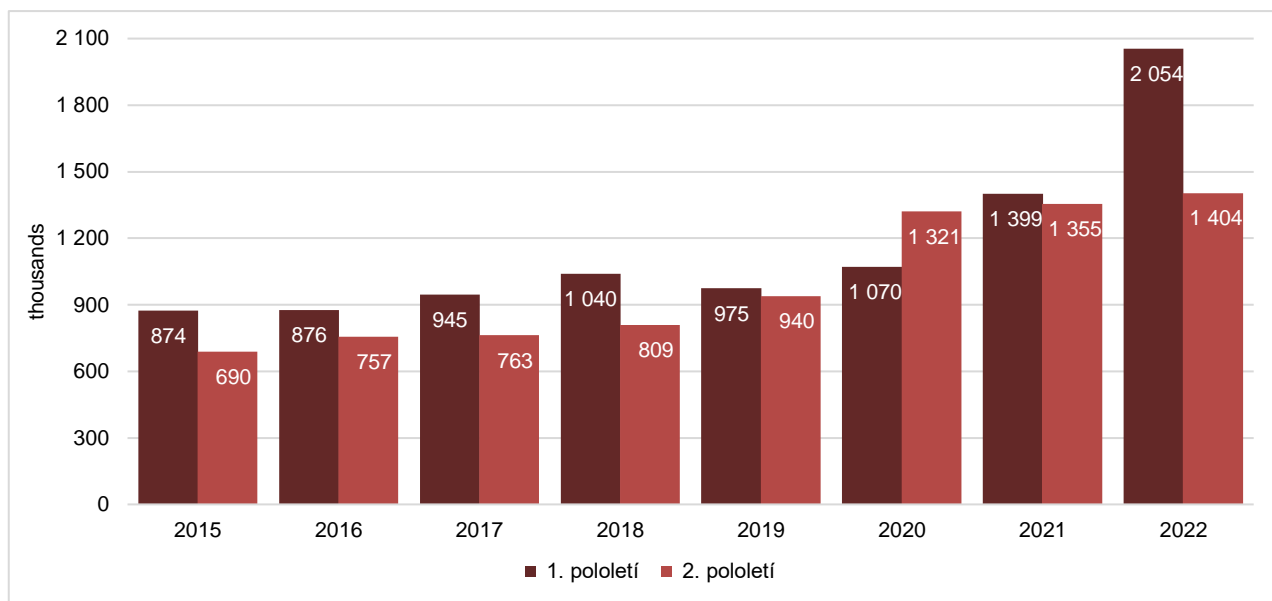
FIGURE XXV: AVERAGE NUMBER OF SICKNESS INSURED PERSONS BY SECTOR (CZ-NACE SECTIONS), 2012 AND 2022



Source: CZSO; processed by CZSO.

C – Manufacturing; G – Wholesale and retail trade; repair of motor vehicles and motorcycles; Q – Human health and social work activities; P – Education; H – Transportation and storage; O – Public administration and defence; compulsory social security; F – Construction; N – Administrative and support service activities; M – Professional, scientific and technical activities; J – Information and communication; I – Accommodation and food service activities; A – Agriculture, forestry and fishing; K – Financial and insurance activities; S – Other service activities; L – Real estate activities; R – Arts, entertainment and recreation; E – Water supply; sewerage, waste management and remediation activities; D – electricity, gas, steam and air conditioning supply; B – Mining and quarrying

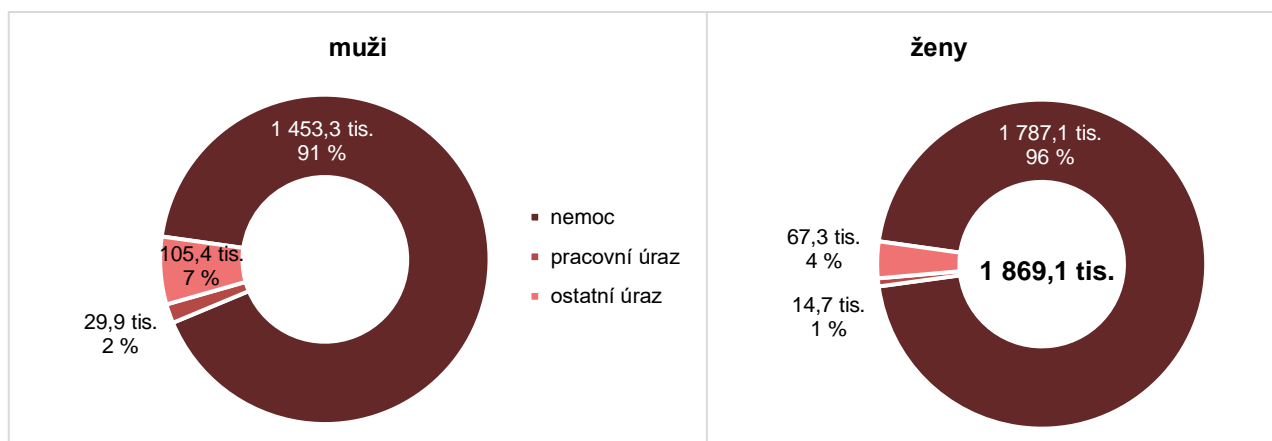
FIGURE XXVI: NEWLY REPORTED CASES OF TEMPORARY INABILITY TO WORK, 2015–2022



Source: CZSO. Processed by CZSO.

1st term; 2nd term

FIGURE XXVII: NEWLY REPORTED CASES OF TEMPORARY INABILITY TO WORK BY CAUSE AND GENDER, 2022



Source: CZSO. Processed by CZSO.

Men;

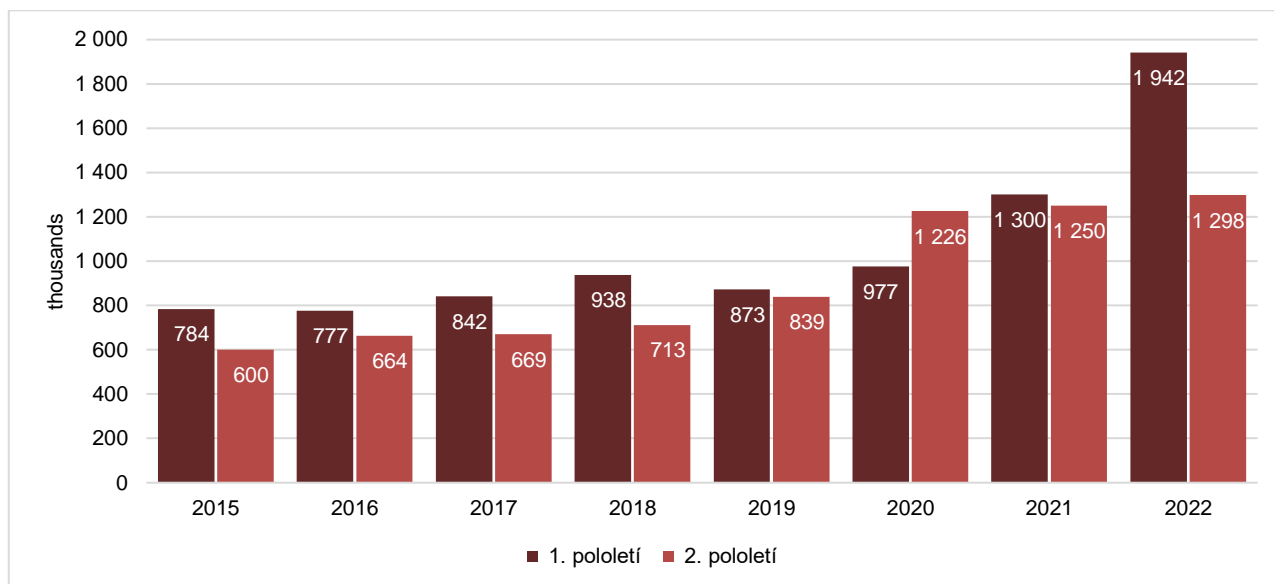
Women;

sickness;

accident at work;

other accidents;

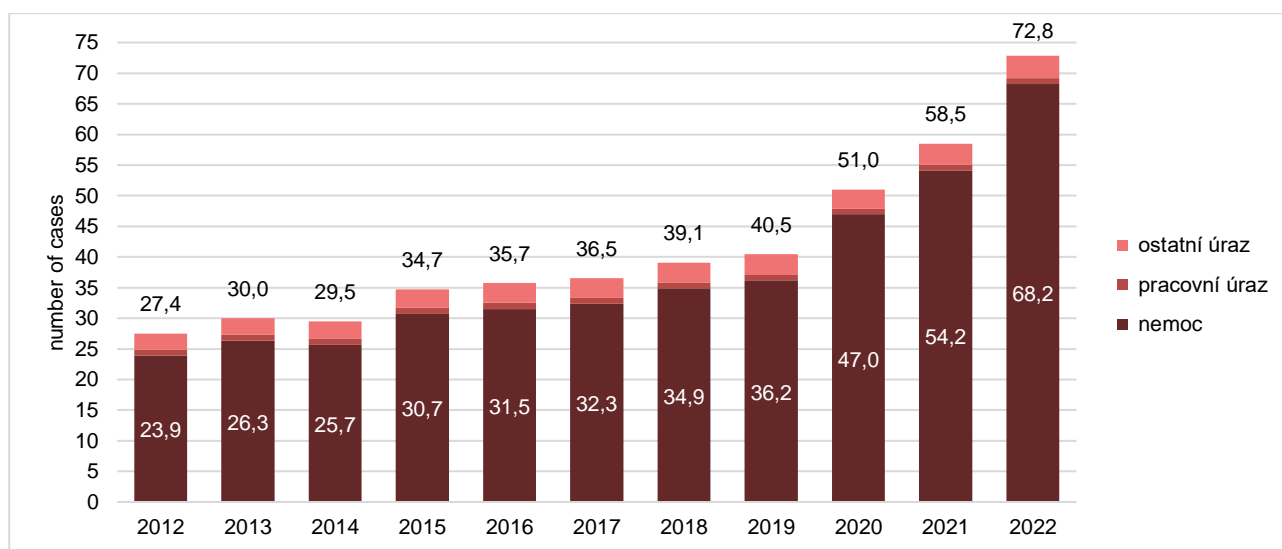
FIGURE XXVIII: NEWLY REPORTED CASES OF TEMPORARY INABILITY TO WORK DUE TO SICKNESS, 2015–2022



Source: CZSO. Dates valid as of 3 June 2023.

1st term; 2nd term

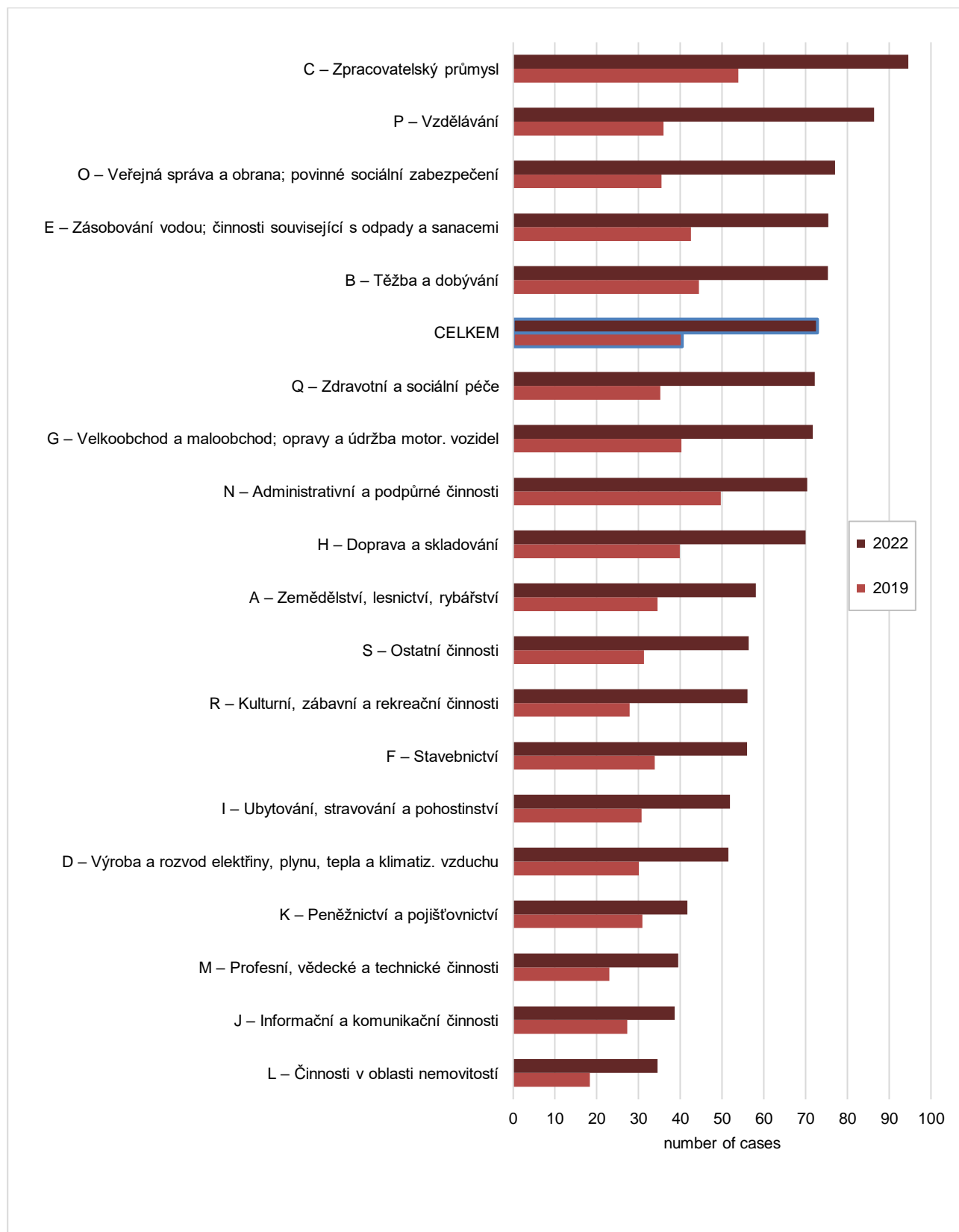
FIGURE XXIX: NEWLY REPORTED CASES OF TEMPORARY INABILITY TO WORK PER 100 INSURED PERSONS BY CAUSE, 2012–2022



Source: CZSO. Processed by CZSO.

other accidents;
accident at work;
sickness;

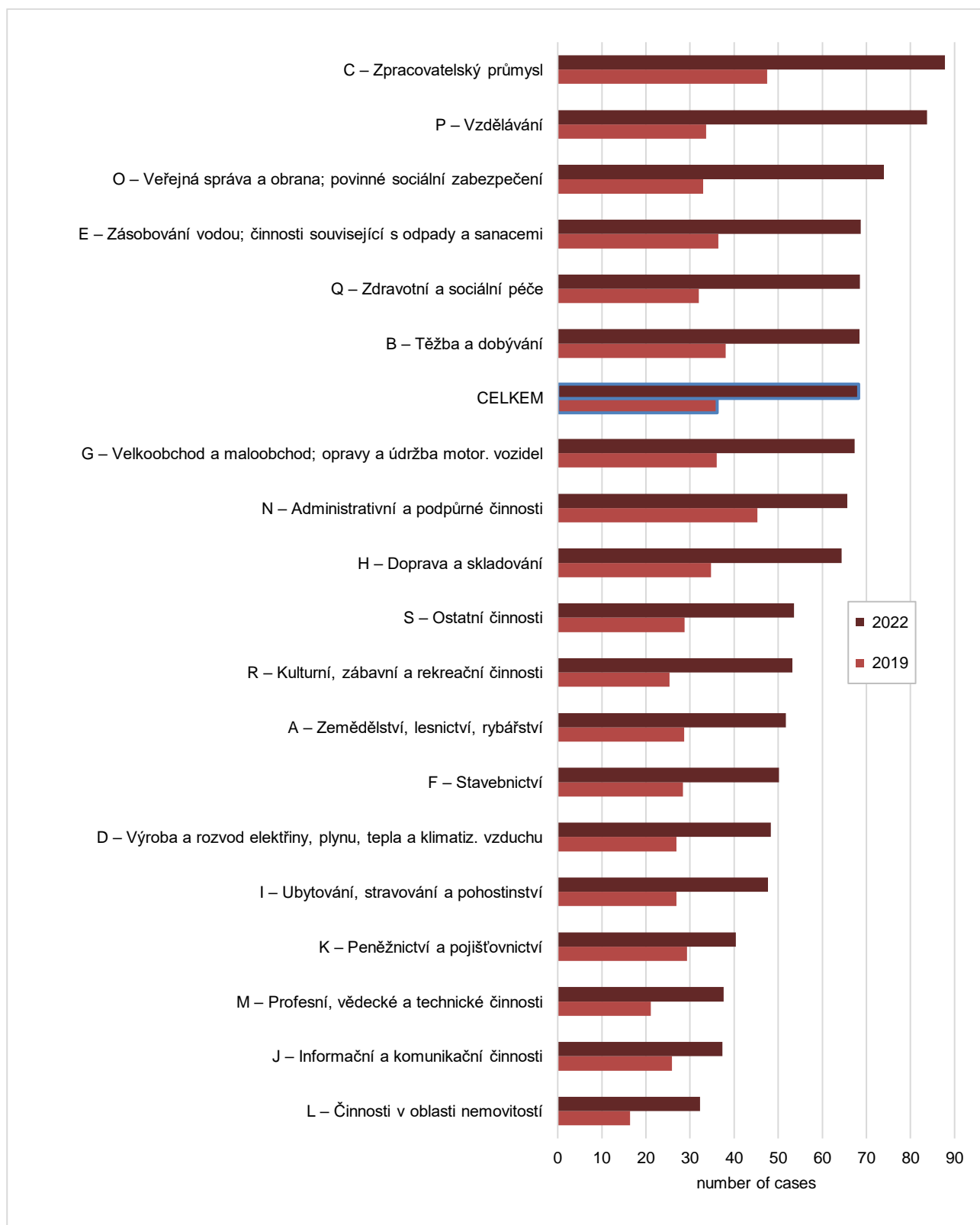
FIGURE XXX: NEWLY REPORTED CASES OF TEMPORARY INABILITY TO WORK PER 100 INSURED PERSONS BY SECTOR (CZ-NACE SECTIONS), 2019 AND 2022



Source: CZSO. Processed by CZSO.

C – Manufacturing; P – Education; O – Public administration and defence; compulsory social security; E – Water supply; sewerage, waste management and remediation activities; B – Mining and quarrying; TOTAL; Q – Human health and social work activities; G – Wholesale and retail trade; repair of motor vehicles and motorcycles; N – Administrative and support service activities; H – Transportation and storage; A – Agriculture, forestry and fishing; S – Other service activities; R – Arts, entertainment and recreation; F – Construction; I – Accommodation and food service activities; D – electricity, gas, steam and air conditioning supply; K – Financial and insurance activities; M – Professional, scientific and technical activities; J – Information and communication; L – Real estate activities

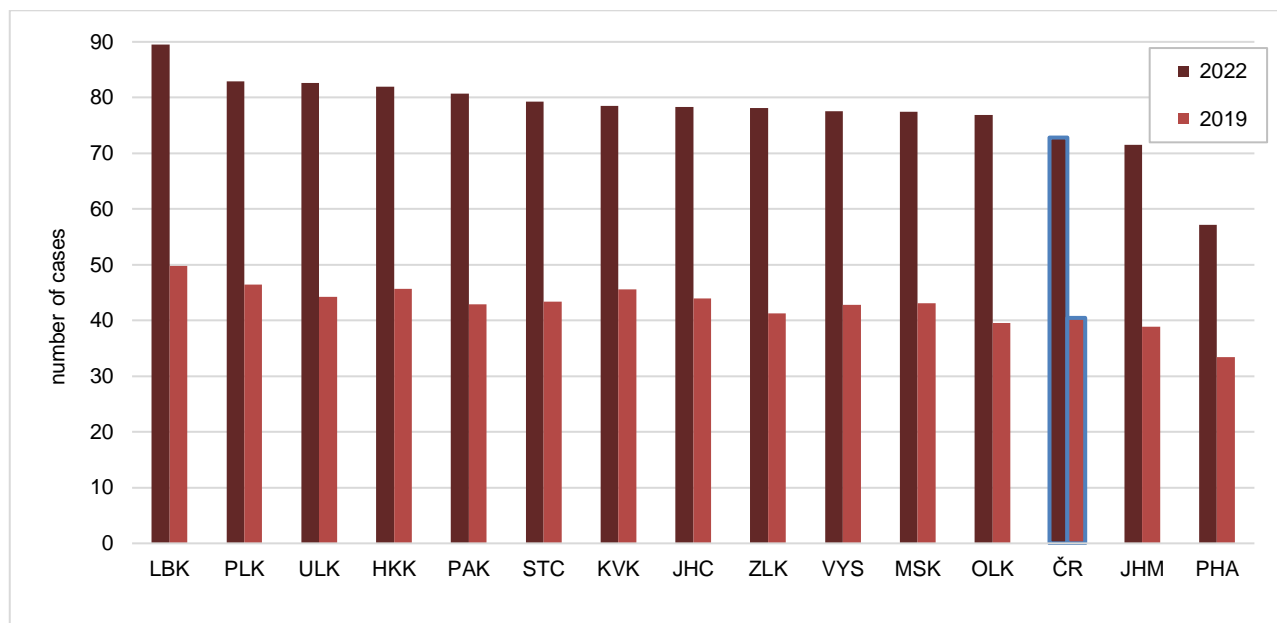
FIGURE XXXI: NEWLY REPORTED CASES OF TEMPORARY INABILITY TO WORK DUE TO SICKNESS PER 100 INSURED PERSONS BY SECTOR (CZ-NACE SECTIONS), 2019 AND 2022



Source: CZSO. Processed by CZSO.

C – Manufacturing; P – Education; O – Public administration and defence; compulsory social security; E – Water supply; sewerage, waste management and remediation activities; Q – Human health and social work activities; B – Mining and quarrying; TOTAL; G – Wholesale and retail trade; repair of motor vehicles and motorcycles; N – Administrative and support service activities; H – Transportation and storage; S – Other service activities; R – Arts, entertainment and recreation; A – Agriculture, forestry and fishing; F – Construction; D – electricity, gas, steam and air conditioning supply; I – Accommodation and food service activities; K – Financial and insurance activities; M – Professional, scientific and technical activities; J – Information and communication; L – Real estate activities

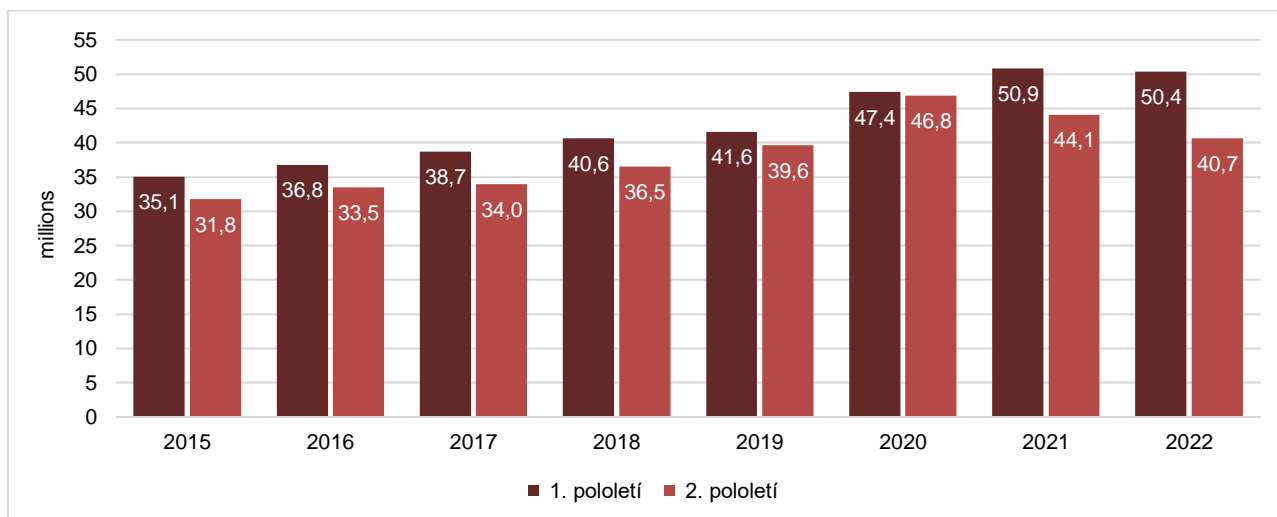
FIGURE XXXII: NEWLY REPORTED CASES OF TEMPORARY INABILITY TO WORK PER 100 INSURED PERSONS BY CZECH REGIONS, 2019 AND 2022



Source: CZSO. Processed by CZSO.

Liberec Region; Plzeň Region; Ústí nad Labem Region; Hradec Králové Region; Pardubice Region; Central Bohemian Region; Karlovy Vary Region; South Bohemian Region; Zlín Region; Vysočina Region; Moravian-Silesian Region; Olomouc Region; Czech Republic; South Moravian Region; Prague

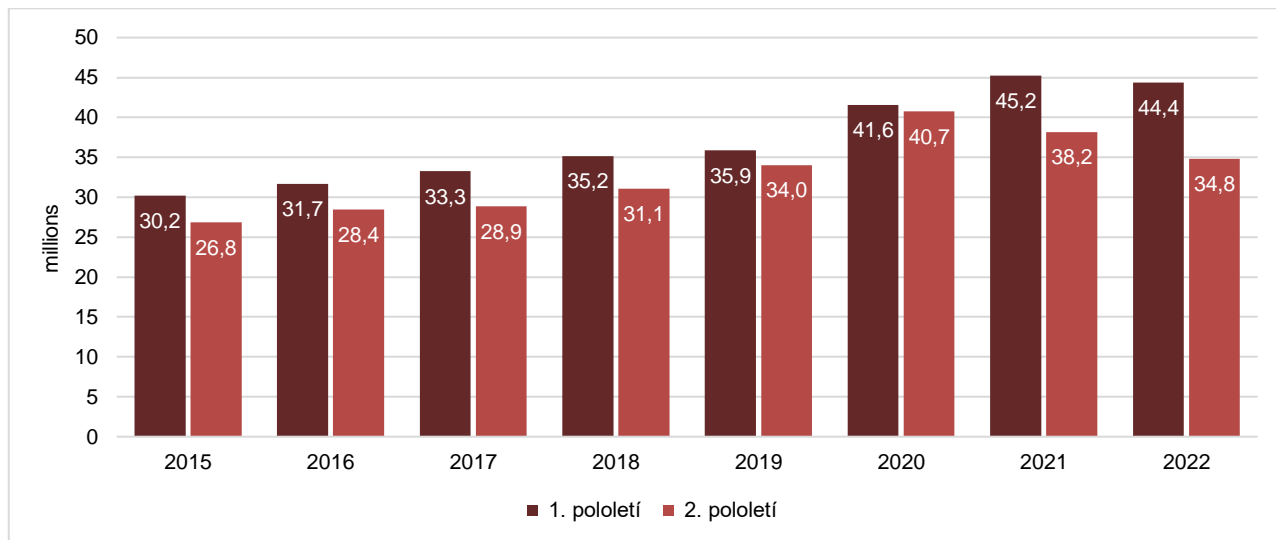
FIGURE XXXIII: CALENDAR DAYS OF TEMPORARY INABILITY TO WORK, 2015–2022



Source: CZSO. Processed by CZSO.

1st term; 2nd term

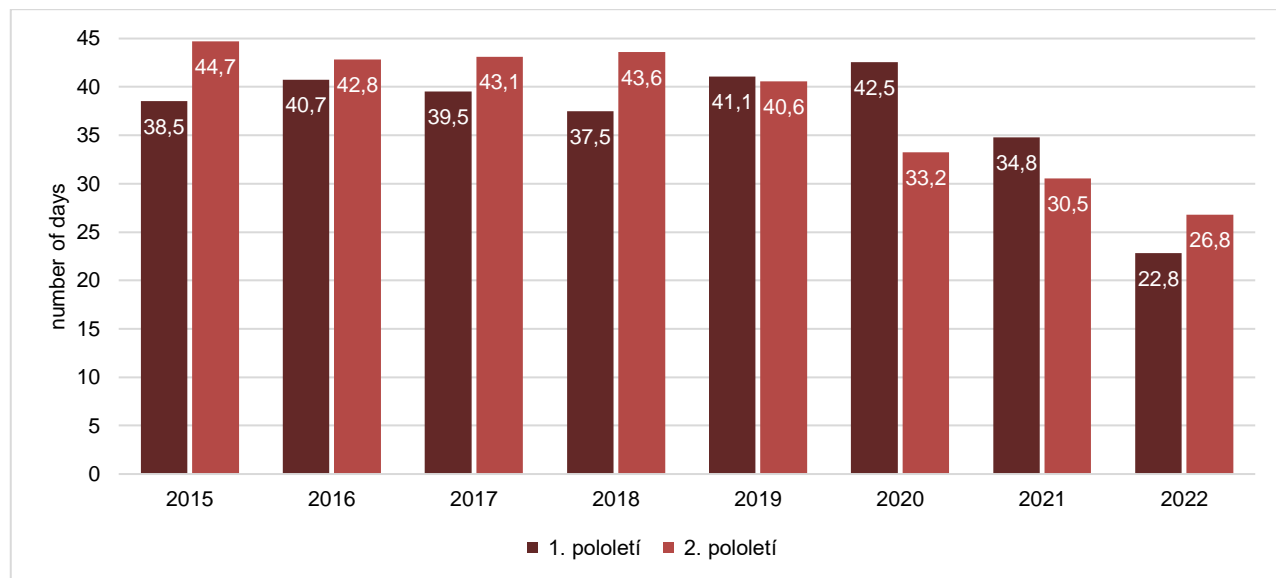
FIGURE XXXIV: CALENDAR DAYS OF TEMPORARY INABILITY TO WORK DUE TO SICKNESS, 2015–2022



Source: CZSO. Processed by CZSO.

1st term; 2nd term

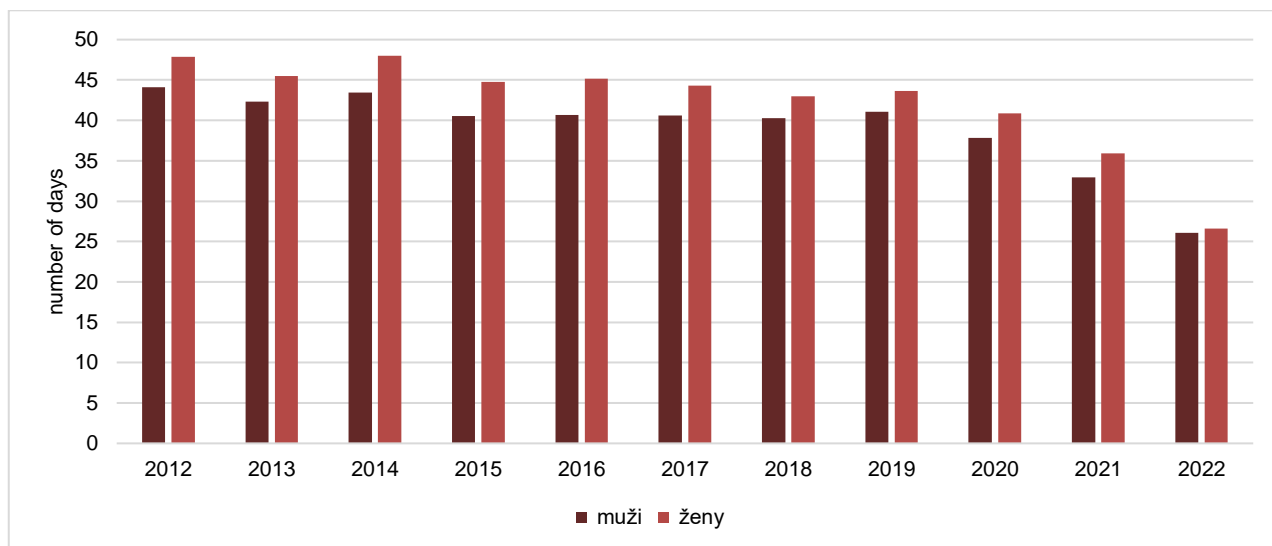
FIGURE XXXV: AVERAGE DURATION OF TEMPORARY INABILITY TO WORK DUE TO SICKNESS, 2015–2022



Source: CZSO. Processed by CZSO.

1st term; 2nd term

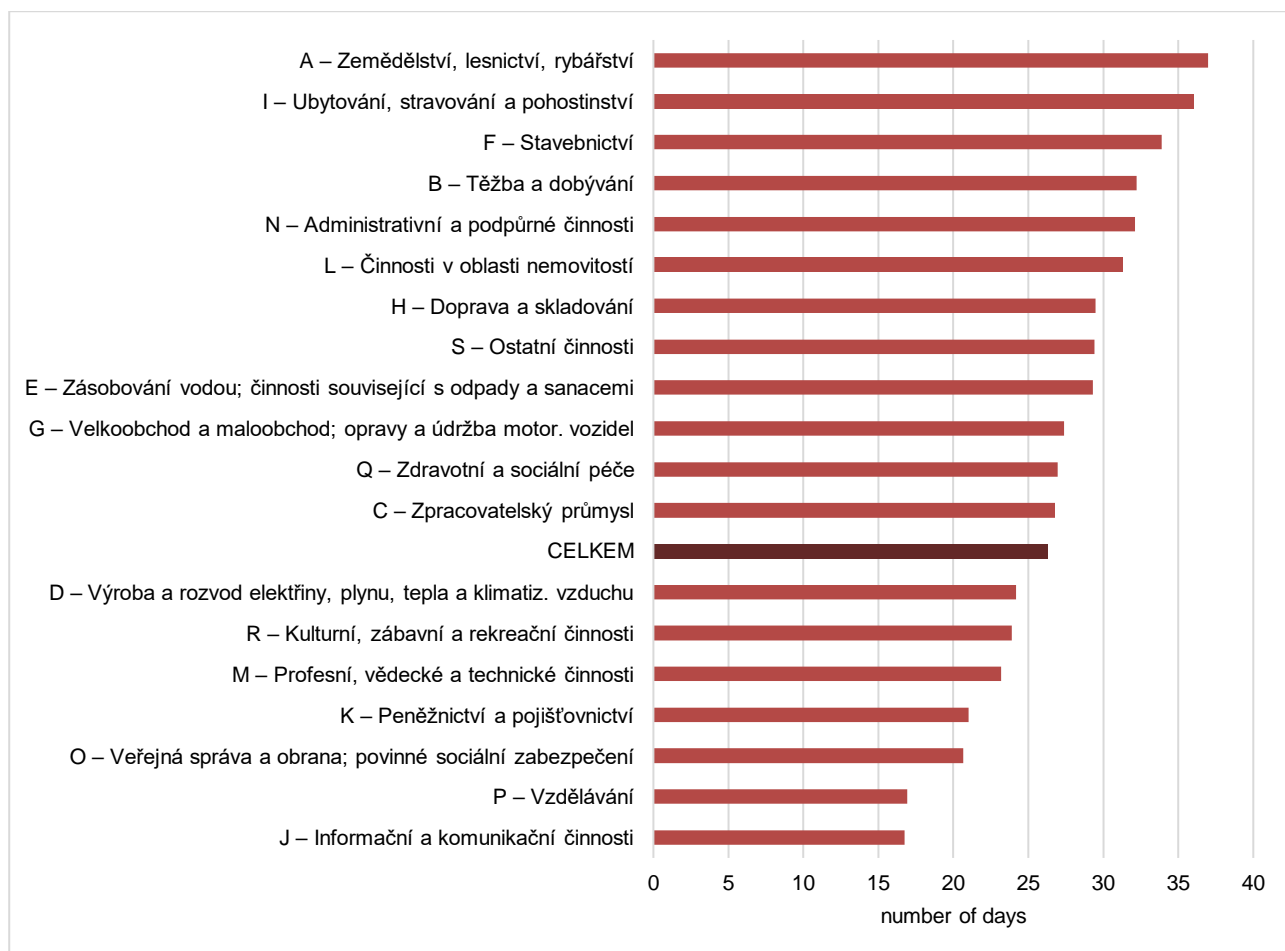
FIGURE XXXVI: AVERAGE DURATION OF TEMPORARY INABILITY TO WORK BY GENDER, 2012–2022



Source: CZSO. Processed by CZSO.

Men; Women

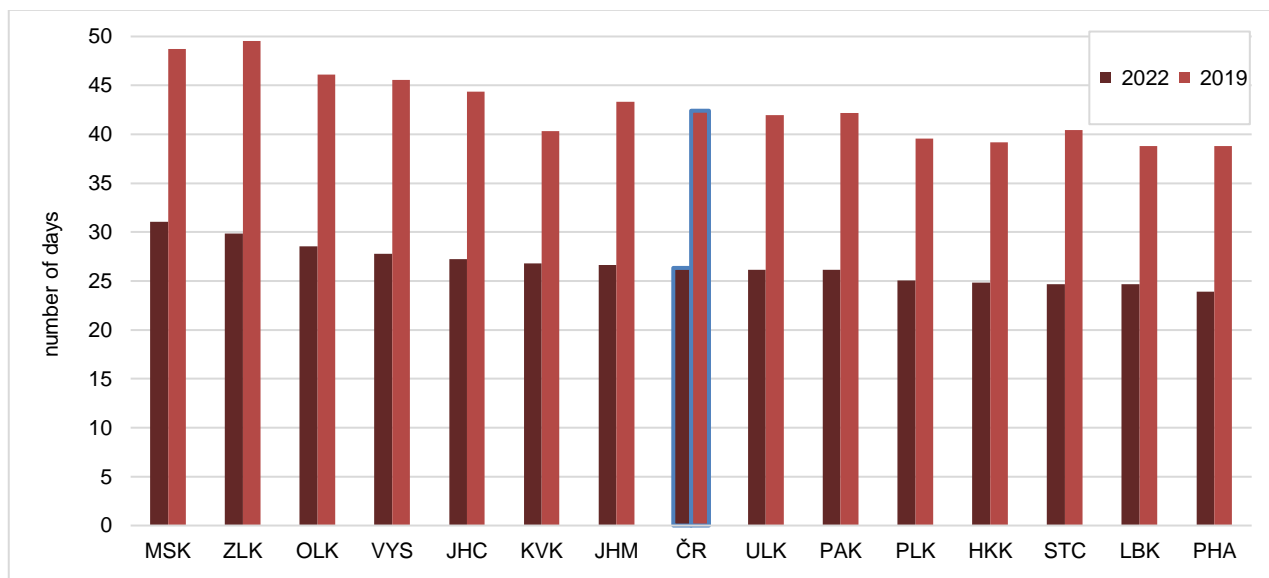
FIGURE XXXVII: AVERAGE DURATION OF TEMPORARY INABILITY TO WORK BY SECTOR (CZ-NACE SECTIONS), 2022



Source: CZSO. Processed by CZSO.

A – Agriculture, forestry and fishing; I – Accommodation and food service activities; F – Construction; B – Mining and quarrying; N – Administrative and support service activities; L – Real estate activities; H – Transportation and storage; S – Other service activities; E – Water supply; sewerage, waste management and remediation activities; G – Wholesale and retail trade; repair of motor vehicles and motorcycles; Q – Human health and social work activities; C – Manufacturing; TOTAL; D – Electricity, gas, steam and air conditioning supply; R – Arts, entertainment and recreation; M – Professional, scientific and technical activities; K – Financial and insurance activities; O – Public administration and defence; compulsory social security; P – Education; J – Information and communication

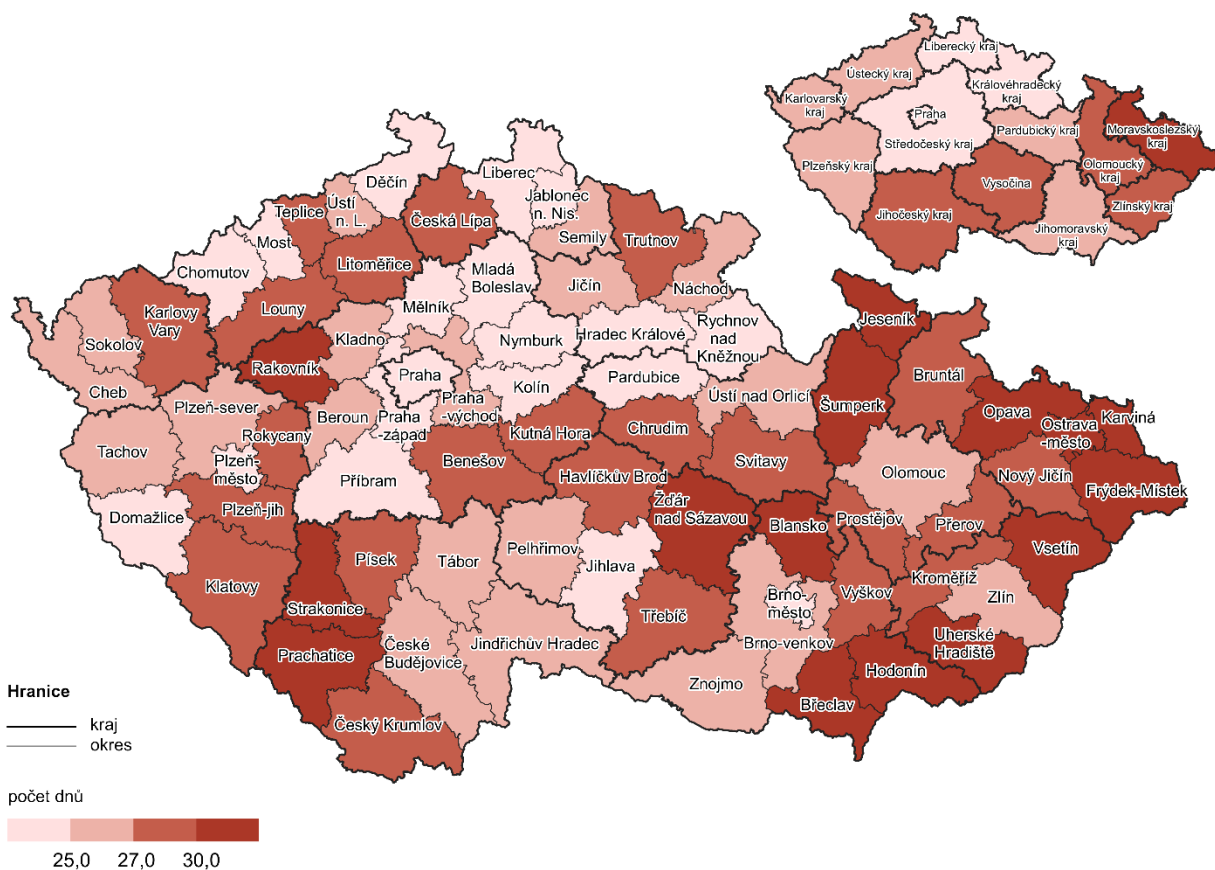
FIGURE XXXVIII: AVERAGE DURATION OF TEMPORARY INABILITY TO WORK BY CZECH REGIONS, 2019 AND 2022



Source: CZSO. Processed by CZSO.

Moravian-Silesian Region; Zlín Region; Olomouc Region; Vysočina Region; South Bohemian Region; Karlovy Vary Region; South Moravian Region; Czech Republic; Ústí nad Labem Region; Pardubice Region; Plzeň Region; Hradec Králové Region; Central Bohemian Region; Liberec Region; Prague

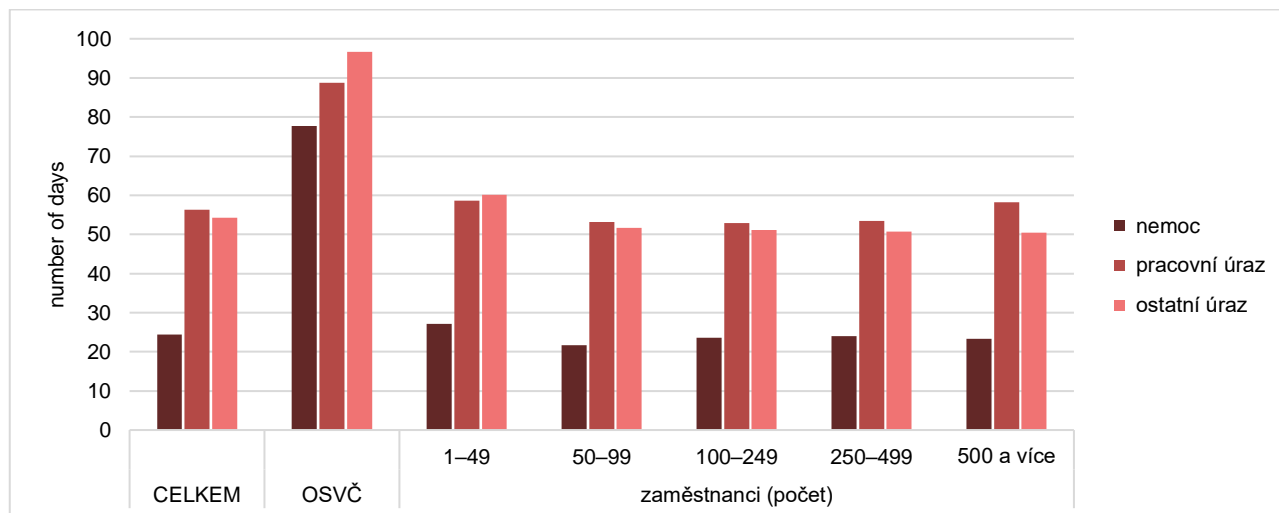
FIGURE XXXIX: AVERAGE DURATION OF TEMPORARY INABILITY TO WORK IN CZECH DISTRICTS AND REGIONS, 2022



Source: CZSO. Processed by CZSO.

Border; region; district; number of days

FIGURE XL: AVERAGE DURATION OF TEMPORARY INABILITY TO WORK BY COMPANY SIZE AND CAUSE, 2022



Source: CZSO. Processed by CZSO.

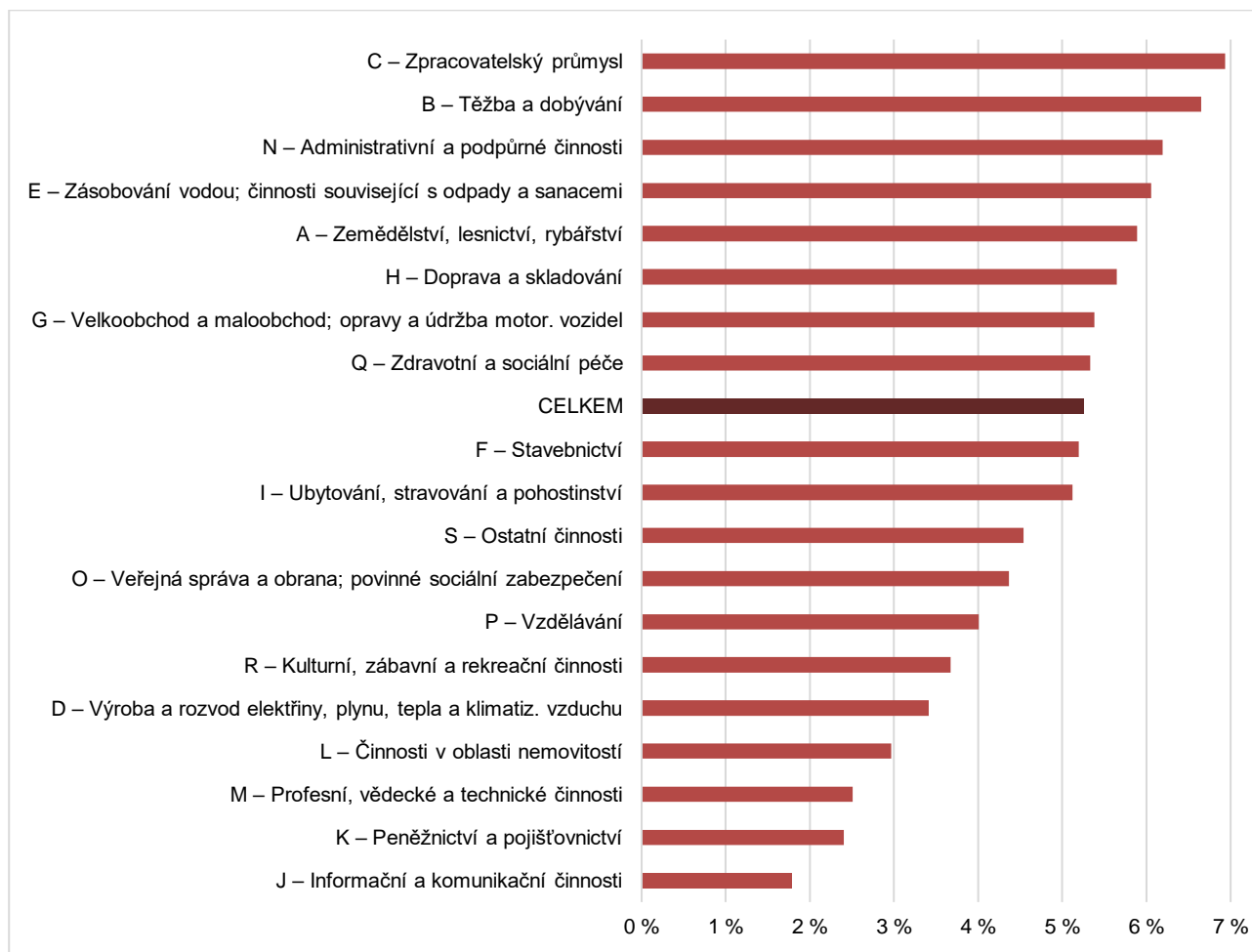
■ sickness;

■ accident at work;

■ other accidents;

TOTAL; self-employed; employees (number); over 500

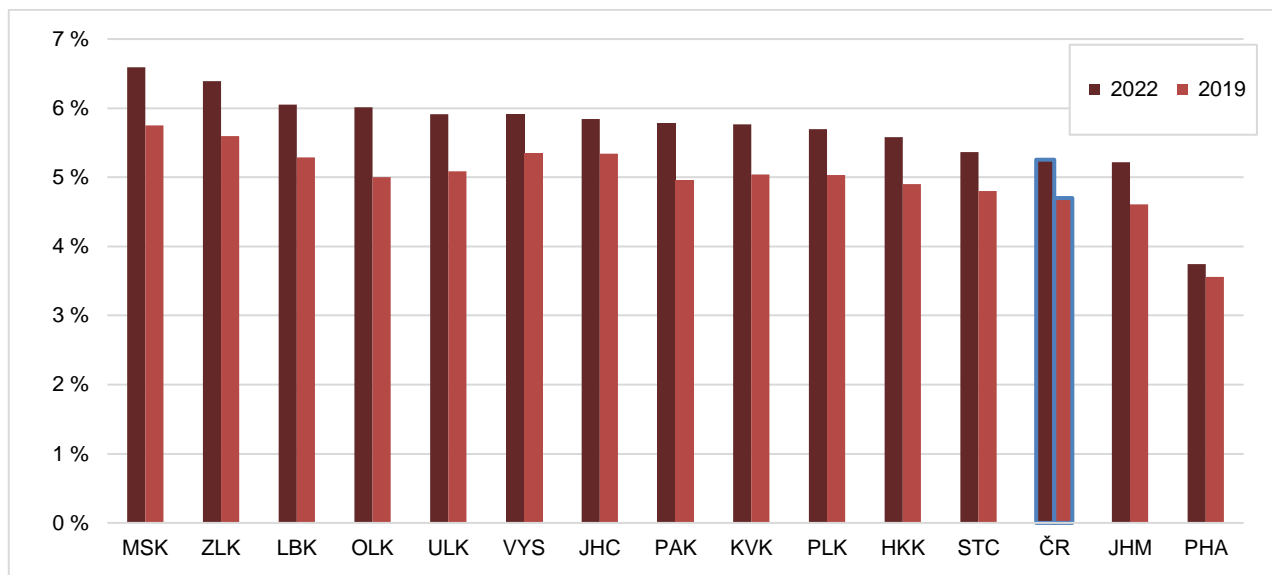
FIGURE XLI: AVERAGE PERCENTAGE OF TEMPORARY INABILITY TO WORK BY SECTOR (CZ-NACE SECTIONS), 2022



Source: CZSO. Processed by CZSO.

C – Manufacturing; B – Mining and quarrying; N – Administrative and support service activities; E – Water supply; sewerage, waste management and remediation activities; A – Agriculture, forestry and fishing; H – Transportation and storage; G – Wholesale and retail trade; repair of motor vehicles and motorcycles; Q – Human health and social work activities; TOTAL; F – Construction; I – Accommodation and food service activities; S – Other service activities; O – Public administration and defence; compulsory social security; P – Education; R – Arts, entertainment and recreation; D – Electricity, gas, steam and air conditioning supply; L – Real estate activities; M – Professional, scientific and technical activities; K – Financial and insurance activities; J – Information and communication

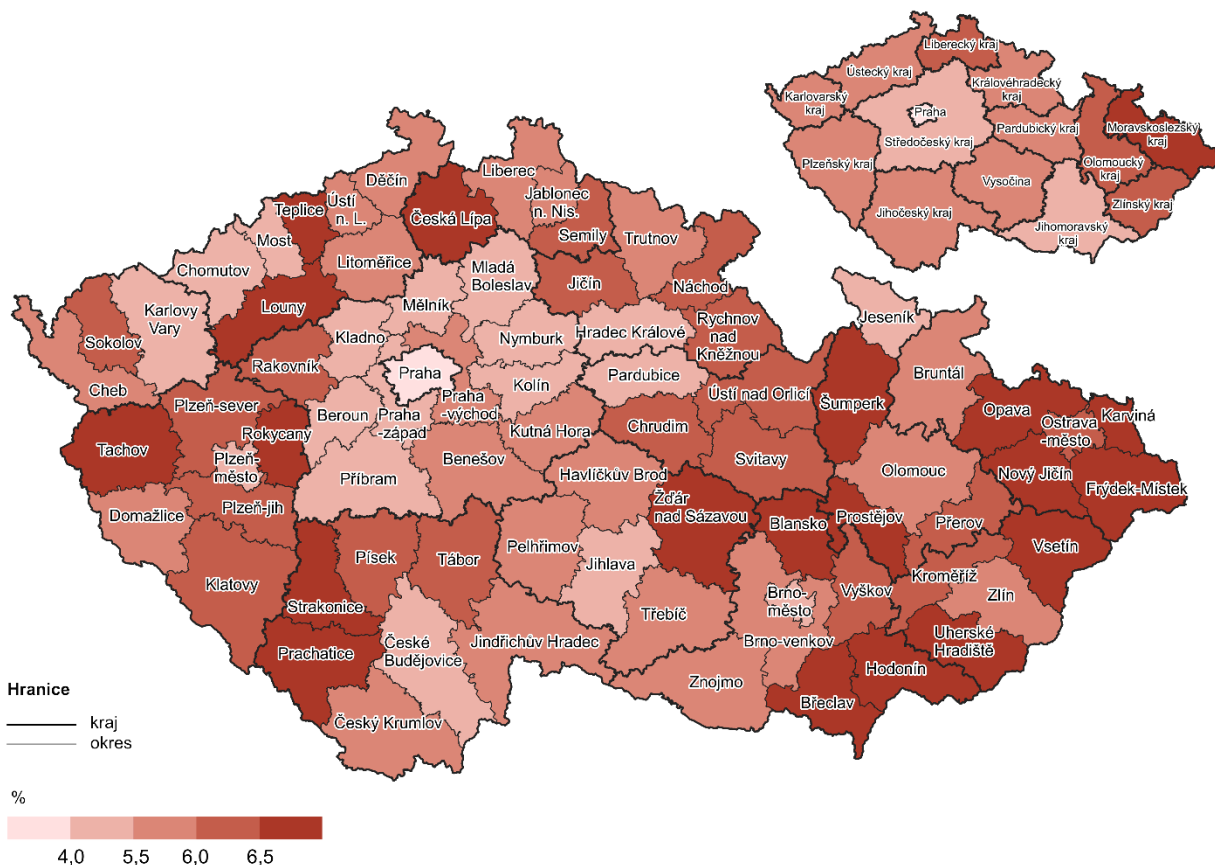
FIGURE XLII: AVERAGE PERCENTAGE OF TEMPORARY INABILITY TO WORK BY CZECH REGIONS, 2019 AND 2022



Source: CZSO; processed by CZSO.

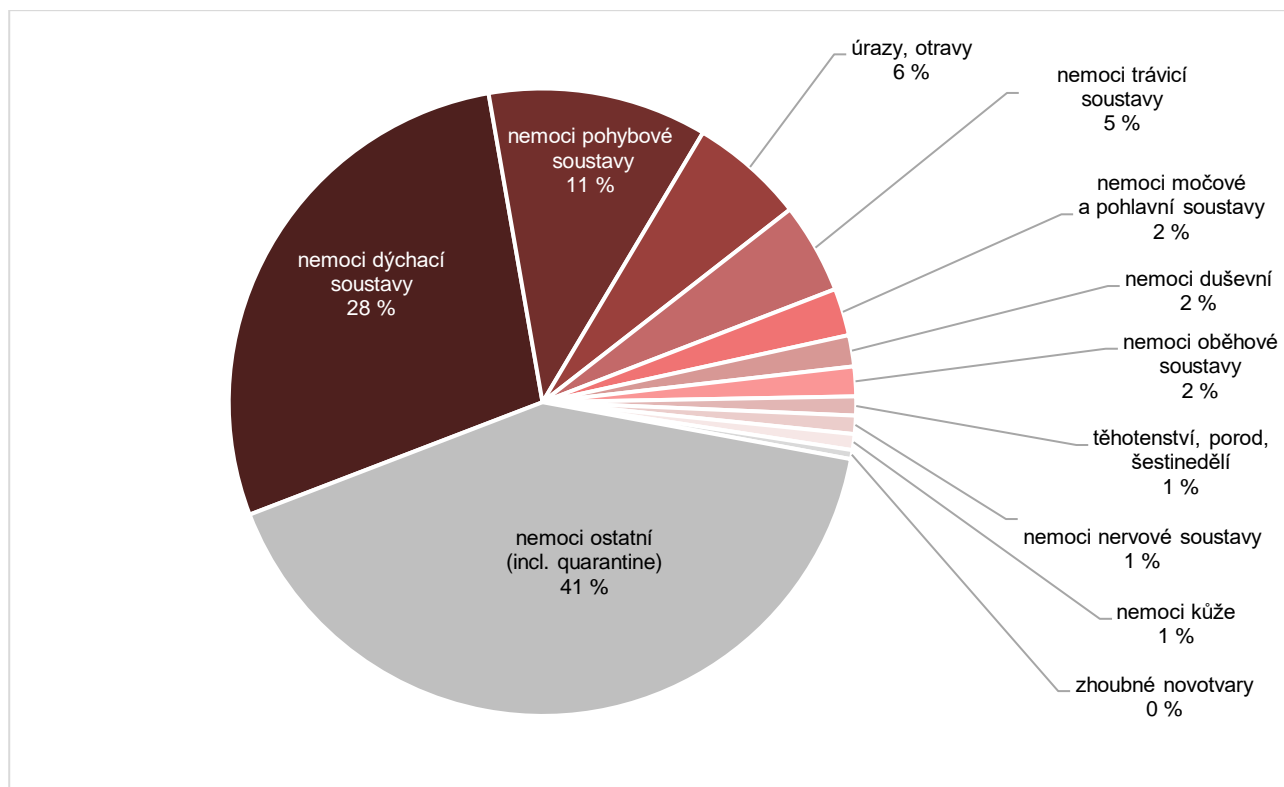
Moravian-Silesian Region; Zlin Region; Liberec Region; Olomouc Region; Ústí nad Labem Region; Vysočina Region; South Bohemian Region; Pardubice Region; Karlovy Vary Region; Plzeň Region; Hradec Králové Region; Central Bohemian Region; Czech Republic; South Moravian Region; Prague

FIGURE XLIII: AVERAGE PERCENTAGE OF TEMPORARY INABILITY TO WORK IN CZECH DISTRICTS AND REGIONS, 2022



Source: CZSO; processed by CZSO.

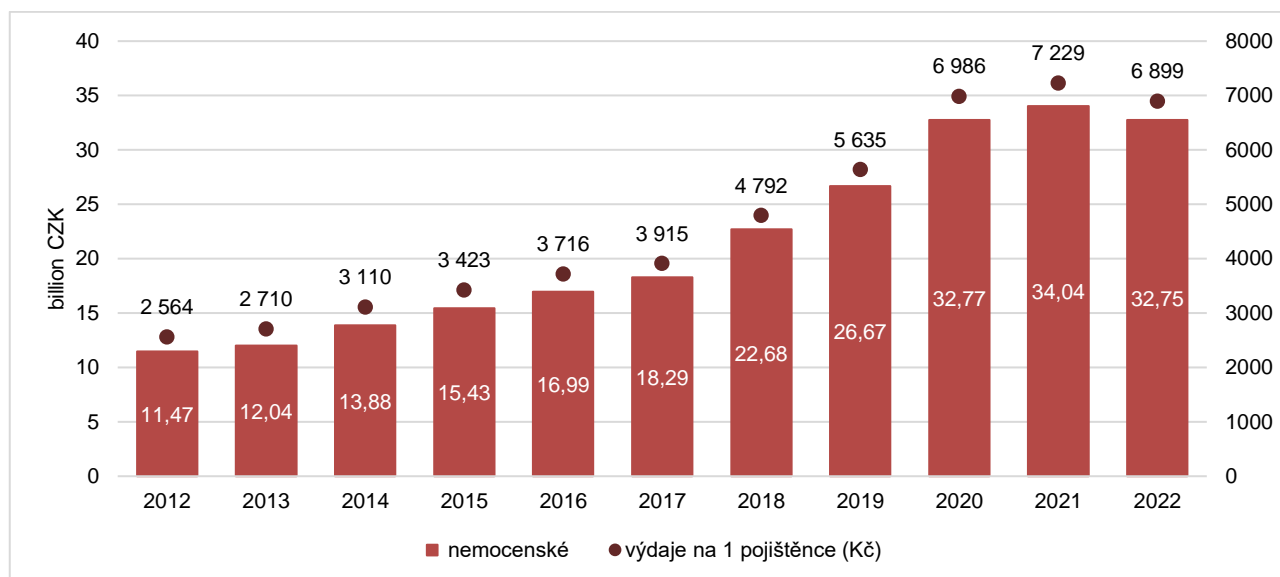
FIGURE XLIV: STRUCTURE OF COMPLETED CASES OF TEMPORARY INABILITY TO WORK BY GROUPS OF DIAGNOSES, 2022



Source: CZSO; processed by CZSO.

Accidents, poisoning 6%; digestive diseases 5%; urinary and venereal diseases 2%; mental diseases 2%; circulatory diseases 2%; pregnancy, birth, puerperium 1%; nervous system diseases 1%; skin diseases 1%; malignant neoplasm 0%; other diseases (incl. quarantine) 41%; respiratory diseases 28%, musculoskeletal system diseases 11%

FIGURE XLV: EXPENDITURE ON SICKNESS BENEFITS AND AVERAGE EXPENDITURE PER INSURED PERSON, 2012–2022

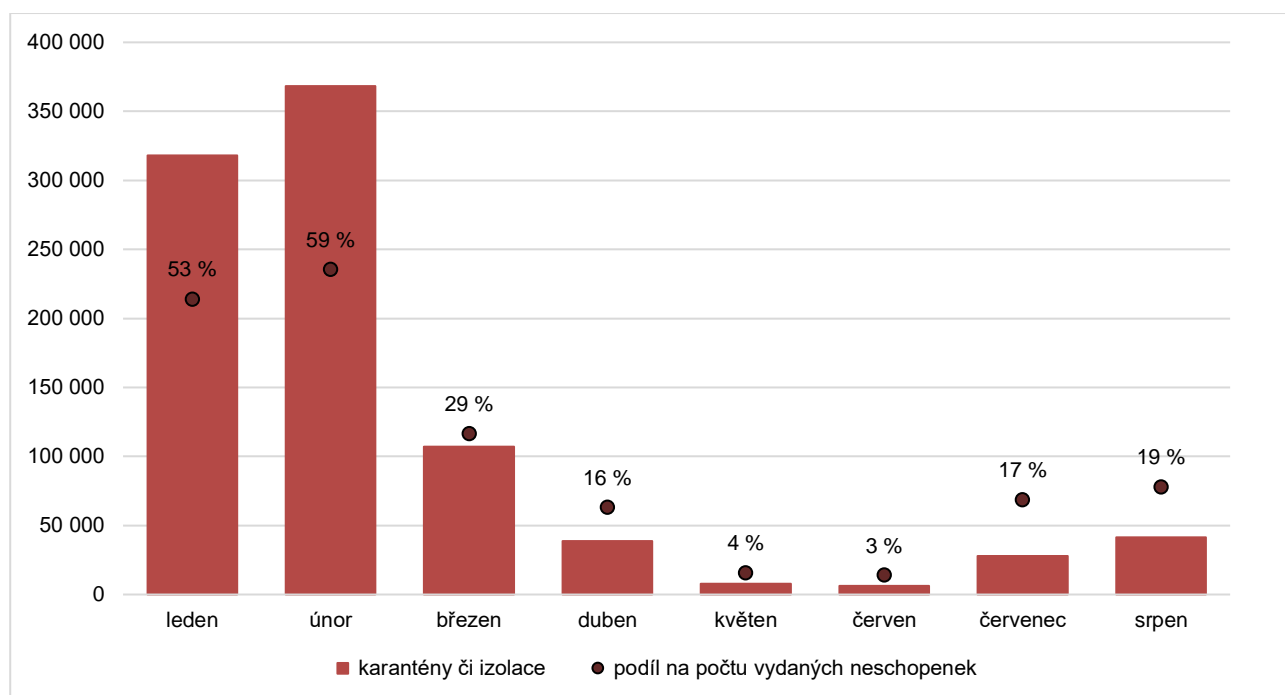


Source: CZSO; processed by CZSO.

■ Sickness benefit;

● expenses per 1 person insured (CZK)

FIGURE XLVI: NUMBER OF INABILITIES TO WORK DUE TO QUARANTINE OR ISOLATION AND THEIR SHARE IN THE TOTAL NUMBER OF MEDICAL CERTIFICATES ISSUED, 2022 (JANUARY TO AUGUST)



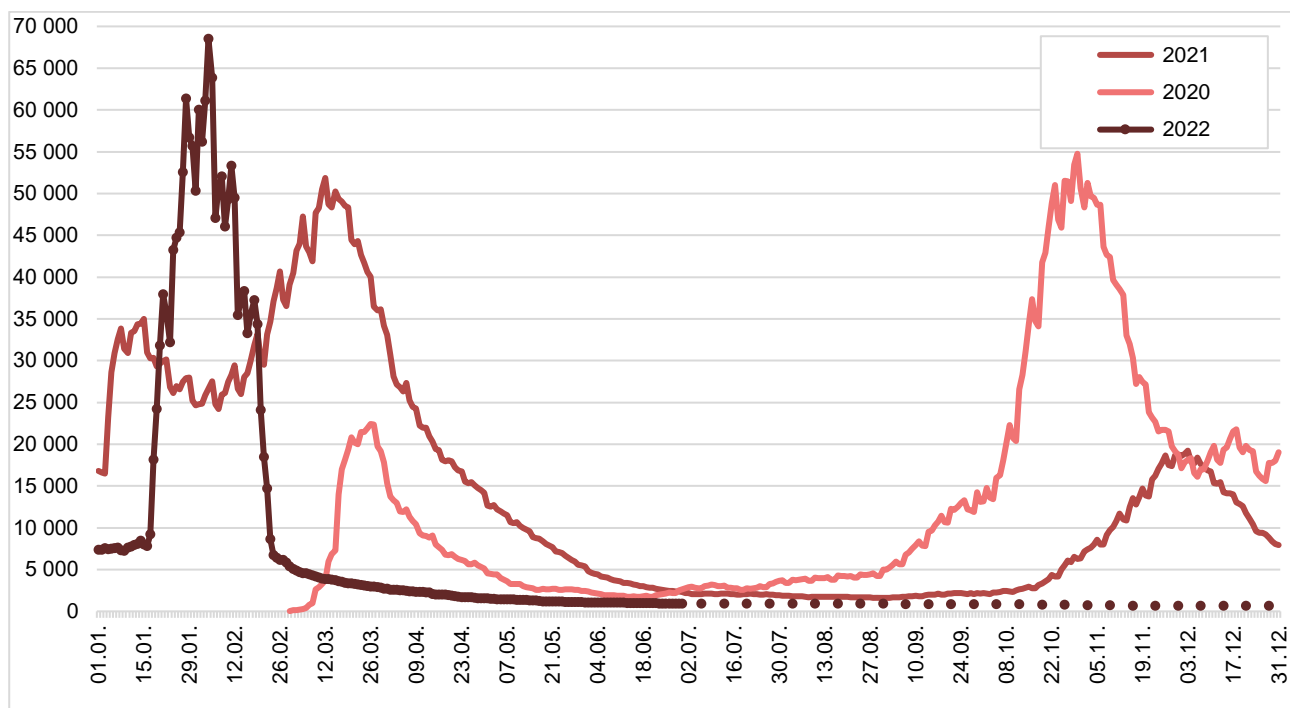
Source: CZSO; processed by CZSO.

January; February; March; April; May; June; July; August;

■ quarantine or isolation;

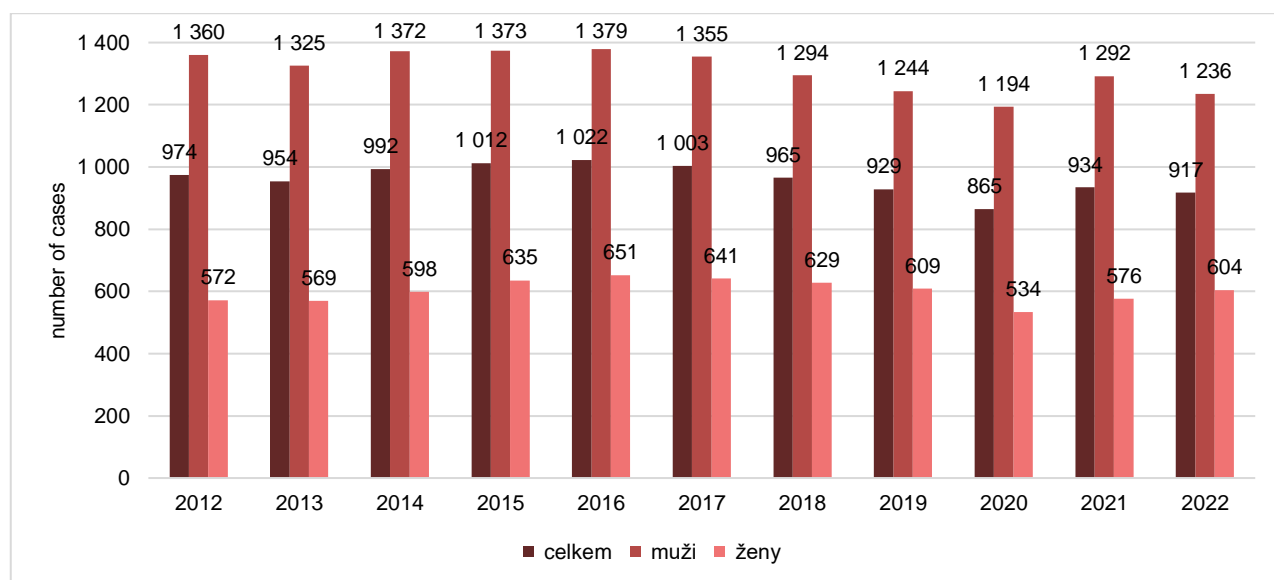
● share in number of medical certificates issued

FIGURE XLVII: NUMBER OF REPORTED QUARANTINE CASES BY DAY IN THE CZECH REPUBLIC, 2020–2022



Source: CZSO; processed by CZSO.

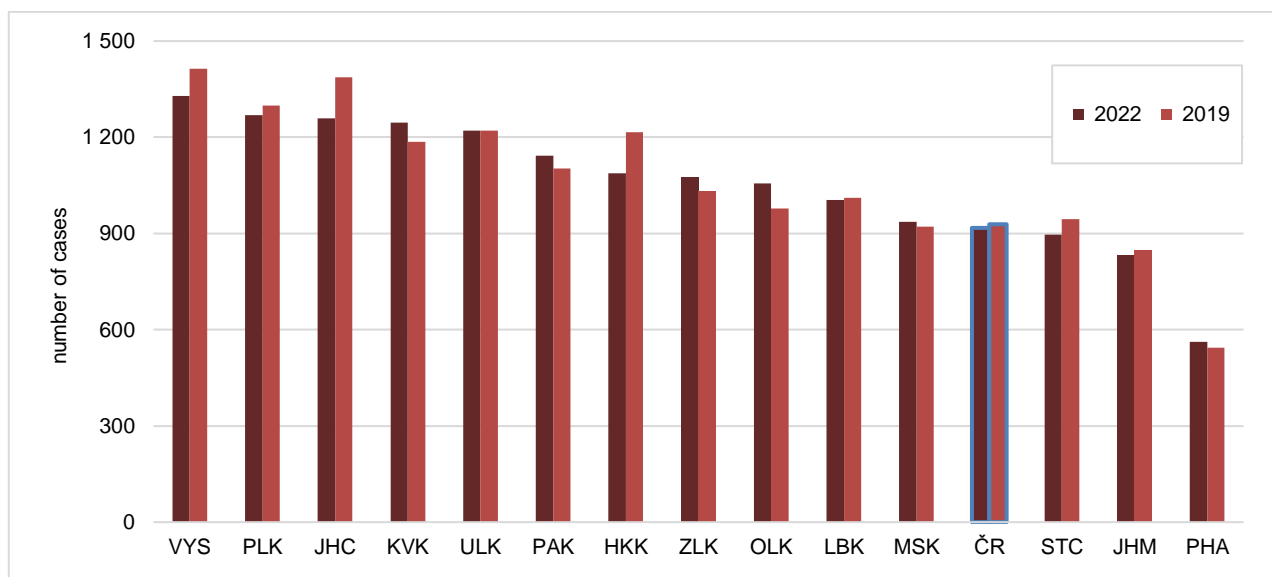
FIGURE XLVIII: ACCIDENTS AT WORK WITH INABILITY TO WORK FOR MORE THAN 3 DAYS PER 100,000 INSURED PERSONS BY GENDER, 2012–2022



Source: CZSO; processed by CZSO.

■ Total;
■ Men;
■ Women

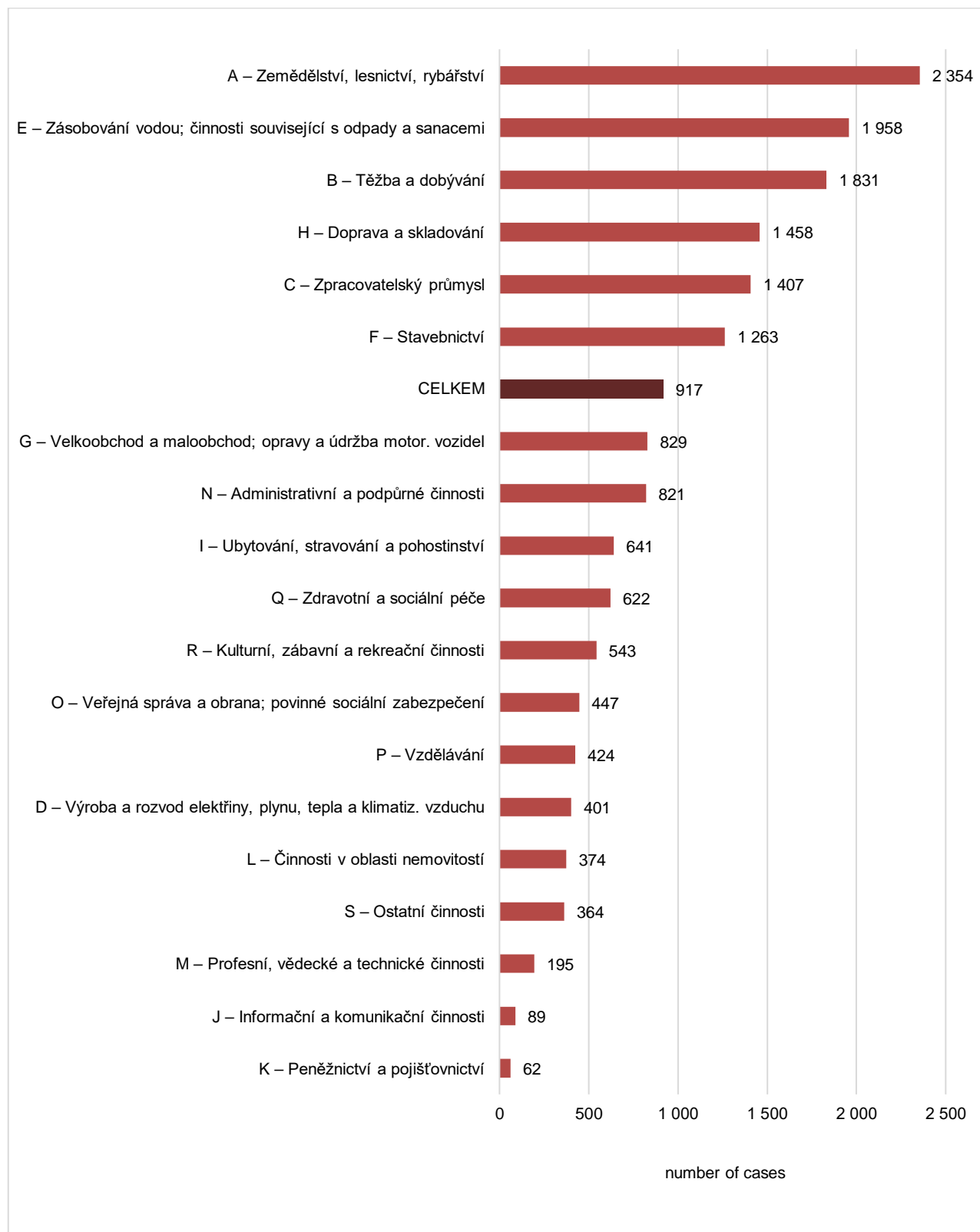
FIGURE XLIX: ACCIDENTS AT WORK WITH INABILITY TO WORK FOR MORE THAN 3 DAYS PER 100,000 INSURED PERSONS BY CZECH REGIONS, 2019, 2022



Source: CZSO; processed by CZSO.

Vysočina Region; Plzeň Region; South Bohemian Region; Karlovy Vary Region; Ústí nad Labem Region; Pardubice Region; Hradec Králové Region; Zlín Region; Olomouc Region; Liberec Region; Moravian-Silesian Region; Czech Republic; Central Bohemian Region; South Moravian Region; Prague

FIGURE L: ACCIDENTS AT WORK WITH INABILITY TO WORK FOR MORE THAN 3 DAYS PER 100,000 INSURED PERSONS BY SECTOR (CZ-NACE SECTIONS), 2022

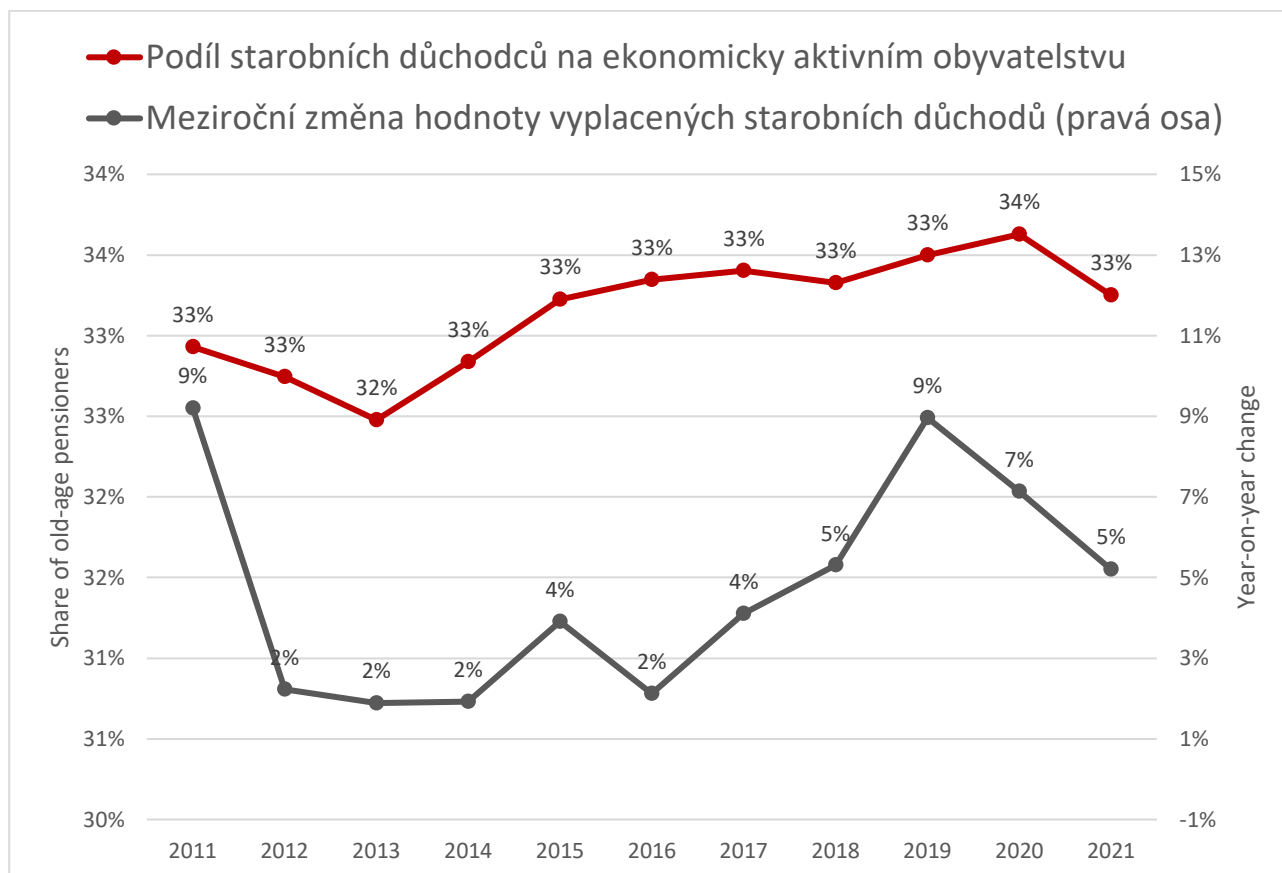


Source: CZSO; processed by CZSO.

A – Agriculture, forestry and fishing; E – Water supply; sewerage, waste management and remediation activities; B – Mining and quarrying; H – Transportation and storage; C – Manufacturing; F – Construction; TOTAL; G – Wholesale and retail trade; repair of motor

vehicles and motorcycles; N – Administrative and support service activities; I – Accommodation and food service activities; Q – Human health and social work activities; R – Arts, entertainment and recreation; O – Public administration and defence; compulsory social security; P – Education; D – Electricity, gas, steam and air conditioning supply; L – Real estate activities; S – Other service activities; M – Professional, scientific and technical activities; J – Information and communication; K – Financial and insurance activities

FIGURE LI: SHARE OF OLD-AGE PENSIONERS IN THE ECONOMICALLY ACTIVE POPULATION AND YEAR-ON-YEAR CHANGE IN OLD-AGE PENSIONS PAID



Source: CZSO, calculations by TREXIMA, spol. s r.o.

Share of old-age pensioners in the economically active population;

Year-on-year change in old-age pensions paid (right axis)

ANNEX 3 – METHODOLOGY FOR CALCULATING THE MINIMUM DECENT WAGE

The following text is a direct quote from the website of the concepts of minimum dignified wage.²⁴

In addition to covering the expenses of one working person, the minimum decent wage should also cover at least one dependent. We included care for one child in our calculations, although this could also encompass care for an elderly or sick parent or even the simultaneous care of a child and a parent, sick partner, etc.

These costs are not consistent over the course of one's life. There are times when they are lower (e.g., before establishing a family) and times when they are higher (e.g., caring for both a child and an older parent at the same time). Having a decent wage means being able to cover even unexpected costs from one's wage or simply being able to prepare for such circumstances.

GROCERIES

This category concerns expenses from buying groceries according to nutritional recommendations. Additionally, a working adult should have the possibility to eat (lunch) at a company cafeteria or a public restaurant.

The expenses on groceries amount to CZK 7,442 (CZK 7,625 in Prague) in 2022.

The so-called grocery basket index (i.e., grocery price index) is based on recommendations from the Czech Society for Nutrition; in a reduced form this index is used to calculate social benefits and is based on the grocery basket index recommended by the Society for Nutrition for Central European DACH countries (Germany, Austria, Switzerland). The recommendations allow provisions for coffee and alcohol, although not tobacco.

The prices for individual groceries have been set according to average consumer prices of groceries as determined by the Czech Statistical Office (the average is for July to August in order to rule out irregularities due to sudden price deviations).

Additionally, 21 meals consumed outside of the home were calculated. The costs for these meals are therefore increased by a coefficient of three since it is assumed that at least some of these meals will cost more than if they were prepared at home.

HOUSING

Included here are costs for rent in an average-sized apartment, including services and utilities. The two amounts reflect the differences in prices in Prague and other cities in the Czech Republic. The same price for utilities and services is included for payers of mortgages or property owners.

These expenses amounted to CZK 12,811 (CZK 13,998 in Prague) in 2022.

²⁴ MDM. *Minimální důstojná mzda*. Online. Cited: 20. 6. 2023. Available from: <https://www.dustojnamzda.cz/>.

We have calculated this according to the yearly updated normative costs used by the Ministry of Labour and Social Affairs for calculating social housing benefits. The norms differentiate between the amount of rent according to the size of the household and municipality.

Next, a conversion was used for Prague and municipalities outside of Prague. The result is a weighted average based on the number of households in the Czech Republic located in municipalities of various sizes (based on 2011 census).

It is assumed that a working adult will either pay rent (as is also used in methodologies abroad) or a mortgage, which we consider as the equivalent of paying rent; a third option is where the mortgage is paid off, yet long-term repairs and investments must be saved for each month.

CLOTHING AND FOOTWEAR

This category concerns the cost of clothing and shoes.

These expenses amounted to CZK 1,414 per month in 2022.

Due to a lack of data, we have calculated this according to the median spending costs of working households provided by the Czech Statistical Office (Statistics of family accounts).

This calculation should be fairly accurate as statistics point to fairly consistent clothing costs even as a household's income increases (exception is made for 20% of households with the highest incomes).

TRANSPORTATION

Included here are costs associated with commuting to work or school or with running errands (shopping, seeing a doctor); it also includes costs from obtaining and using different modes of transportation (car, motorcycle, bike).

These expenses amounted to CZK 1,987 per month in 2022.

Due to a lack of data, we have calculated this according to the median spending costs of working households provided by the Czech Statistical Office (Statistics of family accounts).

The numbers do not reflect the higher costs in smaller towns where people need to commute more for work and services. Transportation costs are also higher outside of larger cities due to less integrated transportation providers and overall higher prices of prepaid tickets.

TELECOMMUNICATIONS

This category concerns expenses associated with a phone plan, home internet, and licensing fees (e.g., TV or radio).

These expenses amounted to CZK 1,402 per month in 2022.

Included in this is a mobile phone plan with internet for an adult, a prepaid card for a child, and home internet. Costs were calculated according to the current offer of telephone operators and internet providers.

HEALTH AND HYGIENE

This category concerns costs associated with both hygiene products and health.

These expenses amounted to CZK 1,350 per month in 2022.

Due to an absence of other available data, costs for health and hygiene needs come from median spending costs of working households provided by the Czech Statistical Office (Statistics of family accounts).

FREE TIME AND EDUCATION

This includes expenses related to continuous education, free time activities (cultural events, sports, after school groups for kids), and an in-country vacation.

These expenses amounted to CZK 3,527 per month in 2022.

For an adult, the expenses on cultural or social events 1 to 2 times per month (cinema, concert, trip, theatre, restaurant, exhibition, etc.) and 2 to 3 hours of sport per month are included.

For a child, an after school club is included and/or one extracurricular activity (10 months/year) at Dům dětí a mládeže (kid's club association), one week at a summer camp (yearly), as well as a school fieldtrip or ski training (2x over the course of three years) and tutoring (3 hours/year).

In terms of a vacation, 11 days (length needed for recuperation according to experts) for an in-country vacation was chosen.

In addition, for an adult, education in the range of 3 months of the course (4 hours/month) within one year is included.

Costs were estimated for each of the abovementioned categories based on average standard prices according to publicly available data of service providers.

SAVINGS

This is the average amount of a person's income which should be set aside in the case of unexpected expenses or wage loss, as well as for retirement and other types of insurance.

These expenses amounted to CZK 4,175 per month in 2022.

For savings, 12% of a monthly wage was calculated (amounts are averaged for Prague and the rest of the country).

From the 12%, an amount of 5% needs to be saved for one-off and unexpected expenses namely associated with:

- buying and refurbishing appliances (refrigerator, washing machine, etc.), computers, and other electronics;
- equipping the household and buying personal items (furniture, dishes, tools, linens, strollers, etc.);;
- one-time expenses for health needs and aids (eyeglasses, dental procedures, non-mandatory vaccinations, etc.);;
- administrative expenses and legal services;
- savings in case of illness;

and savings of 7% for retirement and other insurance. This is lower than expert recommendations (10% of monthly wages reserved for retirement), although it is closer to real spending amounts in other OECD countries.

A ROADMAP TO DECENT WAGES IN THE CZECH REPUBLIC

Even before the coronavirus pandemic and the current sharp price increases, a large part of Czech society was not able to earn sufficient remuneration for their work to enable workers and their households a decent material existence.

People who were not earning a minimum decent wage in previous years, or whose income was only just above it, are now extremely vulnerable to the rapid rise in energy prices and general inflation, not least because they have not been able to make enough savings from their income to meet emergencies.

Therefore, both because of current developments and for the longer-term resilience of society in the face of such crises, it is crucial to look for concrete ways to deliberately keep raising wages, salaries, and other types of income so that, at least in the medium to long term, they approach what can be considered a decent material minimum.

If we fail to do this, there is a risk of negative consequences both at the individual level and, ultimately, at the societal level. Social resilience and political stability are intrinsically linked to the decent provision of its members and the associated sense of basic security.

HOW TO ENSURE DECENT INCOMES?

We are presenting nine concrete steps that can help improve the income situation in the Czech Republic:

I. STRENGTHENING TRADE UNION ORGANISATION AND COVERAGE BY COLLECTIVE AGREEMENTS

Unions can use the minimum decent wage as a starting point for wage and salary demands in collective bargaining, which is one of the most effective tools for raising them. However, trade union organization and coverage by collective agreements are still below the European average in the Czech Republic – only about one in nine workers is a member of a trade union and only about one in three are covered by a collective agreement.

A significant increase in the level of coverage by collective agreements is now also required by the European Union – the Directive on adequate minimum wages adopted in 2022 sets a medium-term target of 80 percent in this respect, i.e. more than double the current Czech level. The Czech Republic will therefore have to develop an appropriate action plan soon.

The greater bargaining power to promote decent pay for work and a broader societal effect would also allow unions to bargain collectively at a higher than company level, which is commonplace in many Western countries. However, this does not work in the Czech Republic due to the reluctance of employers to negotiate at the sectoral level, even though it is legally possible.

Collective bargaining is an extremely effective tool for ensuring decent pay, logically much more effective than individual bargaining. It allows for a flexible response to the specific economic situation

of a given enterprise or institution and a fair balance in the distribution of the added value produced between workers and investors.

This is clearly reflected in the wage statistics – where collective bargaining takes place, wages are on average 17 percent higher.

But it is not just the material side of things – we know from surveys that large sections of society experience a sense of loss of control over their lives, which can lead to political resignation or radicalization. Involvement in workplace unions and the tangible achievements as a result of such involvement can help to mitigate this feeling, including its negative social consequences.

Relevant legislation and documents for review:

Directive on adequate minimum wages and related documents of the Czech Government

Financial support programmes for social dialogue Possibility to write off membership fees from personal income tax

II. ANCHORING DECENT REMUNERATION IN PUBLIC PROCUREMENT, GREEN TRANSFORMATION MEASURES AND OTHER SUBSIDY PROGRAMMES AND GRANTS

The principle of decent working conditions can be applied by the state and local governments wherever they demand services or grant institutional or project support. Public procurement already has a legal condition of social responsibility, and the commitment to pay the minimum decent wage can be a concretization of this.

The selection of service providers on the basis of the lowest price offered, or the pressure for low wages in grant competitions and subsidies, often creates additional costs for the state. Especially materially, when it has to make up for low incomes through the benefit systems, but it is also a question of putting trust in the state as a guarantor of justice. In addition, this principle often results in lower quality work being done, causing additional costs.

It is particularly important to provide for decent wages in programmes aimed at ecological transformation and for structurally disadvantaged regions and groups. A positive side effect is upward pressure on wages even where public funds are not involved, otherwise poverty and social inequalities are replicated.

Relevant legislation and documents for review:

- Act on Public Procurement Act
- Operational programme Just Transition and Territorial Just Transition Plan

III. INTRODUCING DECENT PAY CONDITIONS IN THE PUBLIC SPHERE

The State and its agencies may take the current level of the minimum decent wage into account when establishing pay scales. In particular, it is unacceptable that the minimum decent wage should not be paid to employees with longer years of service.

An example of positive practice is the increase of the minimum wage in the US public sector to \$15 per hour as of January 2022, which more than doubled the current minimum guaranteed wage in order to guarantee decent pay.

Public employers should set an example and provide their employees with a salary on which they can live decently. Wage growth in the public sector can then have a positive impact on wage growth in the private sector.

Specific regulations for review:

- Government Regulation on Salary Conditions of Employees in Public Services and Administration

IV. SETTING MINIMUM REMUNERATION STANDARDS (MINIMUM AND GUARANTEED WAGES) AND NON-FORFEITABLE AMOUNTS, TAKING INTO ACCOUNT THE DECENT MINIMUM

In setting minimum remuneration standards, it is necessary to take into account the costs that can be covered by the wage. A legal minimum wage or a non-forfeitable amount for people under asset seizure should provide at least for the basic necessities. For this purpose, it must first grow significantly before being periodically indexed according to a set rule. At the same time, however, the adoption of an indexation mechanism must not serve to put future incremental increases out of the question.

Guaranteed wages linked to the minimum wage should reach a decent minimum at a faster pace, especially for highly skilled workers or workers key to the functioning of the society (essential workers).

Directive on adequate minimum wages in the European Union was adopted at EU level last year. In contrast to the original more ambitious proposals, it does not even provide for an obligation to raise minimum wages to at least the income poverty level (60% of the median wage / 50% of the average wage) – the Czech minimum wage is well below it – but only for Member States to regularly evaluate and justify the level of the minimum wage. The objective that minimum wages should guarantee a comparable standard of living within the EU, thus levelling out income inequalities between Member States, remains elusive.

If the minimum wage or the non-forfeitable minimum does not reach a decent minimum, it fails to fulfil its protective function, resulting in so-called ‘working poverty’, leading, among other things, to indebtedness or the topping up of low wages with benefits. A low non-forfeitable minimum after deductions resulting from asset seizure pushes workers out of the legal labour market, because they simply have to provide additional funds for necessary expenses.

It has been clearly established that growth in the lowest wages does not lead to an increase in unemployment.

Unfortunately, the adopted form of the Directive on adequate minimum wages preserves wage differences between Member States by linking them to the wage level in a given country. By disregarding the living wage principle, on which the minimum decent wage is based, it also fails to guarantee a minimum wage sufficient to cover current expenditure.

Relevant legislation and documents for review:

- Government Regulation on the Minimum Wage, on the Lowest Levels of Guaranteed Wages, on the Definition of a Difficult Working Environment and on the Amount of a Wage Supplement for Work in a Difficult Working Environment

-
- Directive on adequate minimum wages in the European Union and its forthcoming implementation in the Czech Republic
 - Regulation on Non-forfeitable Sums, Code of Civil Procedure in Czech Republic

V. A TAX REFORM ENSURING A DECENT LIVING

Lowering taxes and contributions toward health insurance and social security would leave the lower-income class with more of the resources they need to live in dignity. But this must necessarily be coupled with other steps to ensure that the cuts are compensated so that there is sufficient funding for a stable or even expanding range of free or affordable public services. These also contribute to a decent life for people on low wages.

There should be a review of tax credits, with the aim of reconsidering those that primarily benefit high-income households (and often not those with the lowest incomes), and higher tax burdens on the high-income classes, including property or capital taxes. The determination of the tax progression rate can be based on the calculation of the minimum decent wage as a threshold for non-taxable or low-taxable income.

The tax system can play a key role in ensuring decent wages, but also in ensuring overall social justice. So far, however, it is rather out of focus in this respect, although in its current set-up it tends to make the situation for low-income earners even worse.

Relevant measures:

- Reducing the taxation of the lower-income class through a reduction in their contributions, offset by the introduction of income tax progression
- Audit of tax credits (dependent spouse allowance) and addition of the credit per taxpayer to the tax bonus

IV. BROADENING THE OFFER OF FREE OR AFFORDABLE PUBLIC SERVICES AND BASIC COMMODITIES

The state can either guarantee the existing free or price-regulated public services (e.g., in the areas of health, transport, or culture) or, better still, further expand them, thus contributing to a decent life independent of income from work. Particularly in the area of housing, it is extremely urgent to accept regulation and to start acting as a market actor.

The lowest income groups are also the ones most affected by the taxation of consumption through VAT on basic necessities, as they directly consume the largest share of their income. Reducing the rate on the most essential goods and services is thus another way of contributing to a materially decent life, especially in times of high inflation.

The decent provision of all basic needs does not necessarily take place only through rapid wage increases. Wage growth corresponding to the current rise in costs (housing, energy) is not realistic for many employers. The availability of public services can compensate more flexibly and satisfactorily. Solutions at the level of an individual who tries to provide the best on the free market can even counterproductively drive price increases, as is currently the case in the housing market, for example.

In many cases, the expansion of public services could also have other positive effects (e.g., replacing individual car transport with public transport also contributes to combating the climate crisis and improves the quality of life in cities).

Relevant measures:

- Free healthcare, including dental care
- Regulation of rent pricing, taxation of investment apartments
- Reduction of VAT on food

VII. BRINGING WAGE REPLACEMENT BENEFITS CLOSER TO THE DECENT MINIMUM

The benefits which are intended to play the role of wage replacement in the benefit system must at least cover basic expenses, better still a decent material minimum, and ideally allow people to maintain the existing standard of living.

A number of benefits play the role of wage replacement in the social security system – whether in situations of sickness, temporary loss of income, full-time childcare, etc. The insecurity caused by income dropping out in normal life situations such as illness has negative effects on individuals and their households and is also seen as one of the causes of political radicalization.

This is particularly relevant in the context of increasing pressure for flexibility in the labour market and the expected impact of technological and other changes, where short- to medium-term unemployment and retraining will become a normal part of a career. There is evidence that sufficient support also allows for better re-entry into the labour market by allowing people to wait for an offer that matches their qualifications and experience and offers an appropriate wage grade.

Specific tools to review:

- Non-insurance benefits replacing income during childcare (parental allowance, foster carer's remuneration, maternity allowance for self-employed persons)
- Income replacement benefits for temporary loss of income (sickness benefit: today 60% of income, unemployment benefit: today 65% down to 45% of original income)
- Old-age benefits (disability and old-age pensions), which are based on income but the average amount will not ensure a dignified old age. This is particularly true for women.

VIII. AN ADEQUATE RESPONSE TO THE ARRIVAL OF REFUGEES FROM UKRAINE TO PREVENT WAGE DUMPING

In order to prevent downward pressure on wages and ultimately to maintain social peace, it will be crucial to advocate for decent remuneration for newcomers who join the labour market.

People in need are often willing to accept poorer working conditions, work for lower wages or longer hours. They are also usually in a weaker position to bargain for respect for fundamental rights. If they are not protected, this will not only have negative effects on the foreign workers themselves (poverty, spatial segregation, etc.), but is also highly likely to lead to increased tensions in society. The experience that new arrivals lower the standards of what is normal for all people in similar positions leads to a rise in anti-immigration sentiment.

Specific measures:

-
- Ensure knowledge of Czech law and access to legal protection (advice at local level, labour inspection, etc.)
 - Direct employment with full employee protections
 - Representation of newcomers in trade unions

IX. FURTHER OPTIONS FOR USING THE MINIMUM DECENT WAGE INSTRUMENT TO PUSH FOR HIGHER WAGES, SALARIES, AND OTHER INCOMES

Benchmarking for employers: employers can use the minimum decent wage as an evaluation criterion within the institution, as a tool for setting business objectives and externally as an opportunity to present themselves as an attractive employer.

Raising student and doctoral scholarships: student scholarships, including doctoral scholarships, are not sufficient to cover living costs while studying, so despite the fact that studying is usually considered a 'full-time' activity, students must either rely on extra income, which prolongs their studies, or on a contribution from their parents, who – with generally low wages – may not be able to afford it. Here again, the minimum decent wage can serve as a guide as to what scholarships should aim for if they are to cover the real cost of living.

Better data on income and expenditure and its use: in many areas of the state administration, there is a lack of more detailed data for assessing the income and expenditure situation of households in the country, which is an essential prerequisite for its use in determining legislative and other support tools in this area. For example, there is a lack of reliable up-to-date information on rent levels. Investigations usually work with incomes before asset seizure or insolvency deductions, so these are not the real amounts available to people. Thus, the minimum decent wage tool can also serve as an incentive for the state to adequately quantify the income and expenditure situation in the Czech Republic and follow up on it to take this into account wherever necessary.

ANNEX 4 – SELECTED RESEARCH OUTPUTS ON GENDER PAY GAP

The source of the following figures and a summary of the research results is the publication Kariéra | Rodina | Rovné příležitosti [Career | Family | Equal Opportunities] by Gender Studies, o.p.s.²⁵:

The results of the publication show the origins of differences in the position of women and men on the labour market, offer a better understanding of their sources and thus allow for a more effective implementation of anti-discrimination policy.

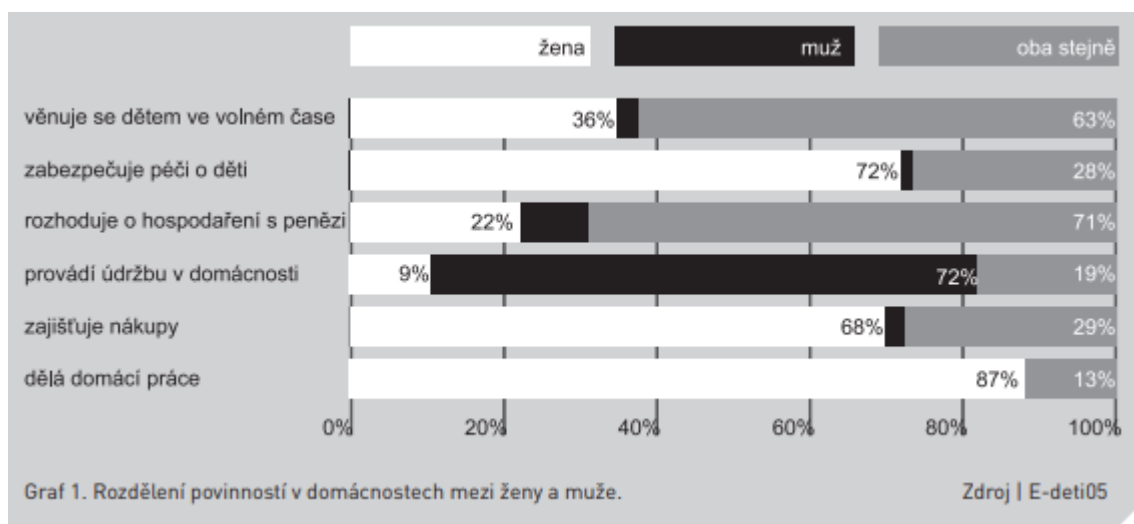
For example, in managerial positions, our analyses show that measures aimed at increasing equality have the best chance of improving the relatively large average gender pay gap if they focus on career advancement in the largest and most rewarding companies, while measures to ensure equal pay for female managers are unlikely to be any more successful than similar measures for ordinary employees. In the business sphere, almost two-thirds of the gender pay gap remains unexplained even after we check for the impact of education, age and type of employer on wages. Unfortunately, data gaps do not allow for full check, for example, in years of practice, which can be a significant source of these unexplained salary differences. This would be evidenced by a comparison of employees in the same company and the same detailed category of employment, for which we find only about a 10% difference between the salaries of women and men in 2004. In general, the gender pay gap is smaller in the budgetary sphere than in the business sphere.

The segregation of women into low-income jobs, companies and work groups plays an important role in our country and can be attributed to about a third of the total gender pay gap. But it is difficult to determine to what extent these differences correspond to women's unequal access to high-income jobs. A closer look at the impact of segregation on gender pay gaps shows that job segregation is not the most significant force and that segregation in enterprises is also a major source of pay gaps. Measures aimed at achieving equal access to employment, applied not only nationwide, but also within companies, have a great chance of reducing the overall pay gap.

The extent of employment segregation in the Czech Republic does not deviate from the usual framework in the EU-15 countries. Employment segregation was unusually high among young highly educated workers in the past, but this group has shown a decreasing degree of segregation in recent years. In international comparison, the gender pay gap is not significantly better or worse in the Czech Republic (due to the relevant information of data sources and econometric methods used) than in countries that have a comparable employment rate of low-educated women.

²⁵ Gender Studies, o.p.s. Kariéra | Rodina | Rovné příležitosti. Výzkumy postavení žen a mužů na trhu práce. 2006. Available from: https://aa.ecn.cz/img_upload/8b47a03bf445e4c3031ce326c68558ae/Kariera_rodina_rovne_prilezitosti.pdf.

FIGURE LII



Source: Gender Studies, o.p.s. Kariéra | Rodina | Rovné příležitosti. Výzkumy postavení žen a mužů na trhu práce. 2006.

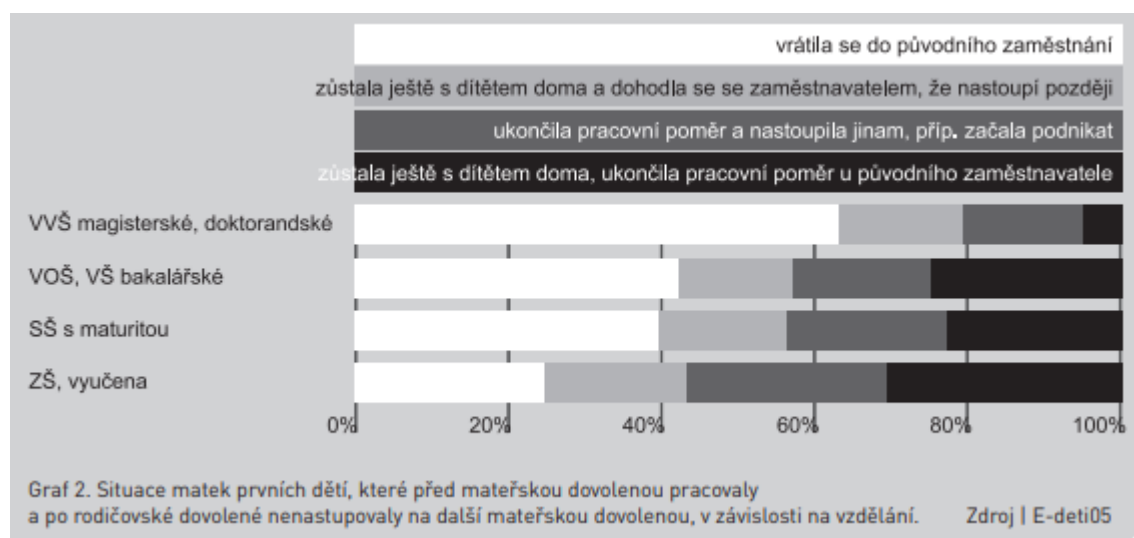
□ Woman;

■ Man;

▒ Both equally;

Spends free time with children; Ensures childcare; Decides on money; Does household maintenance; Goes shopping; Does housework; Chart 1. Household responsibility division between women and men. Source

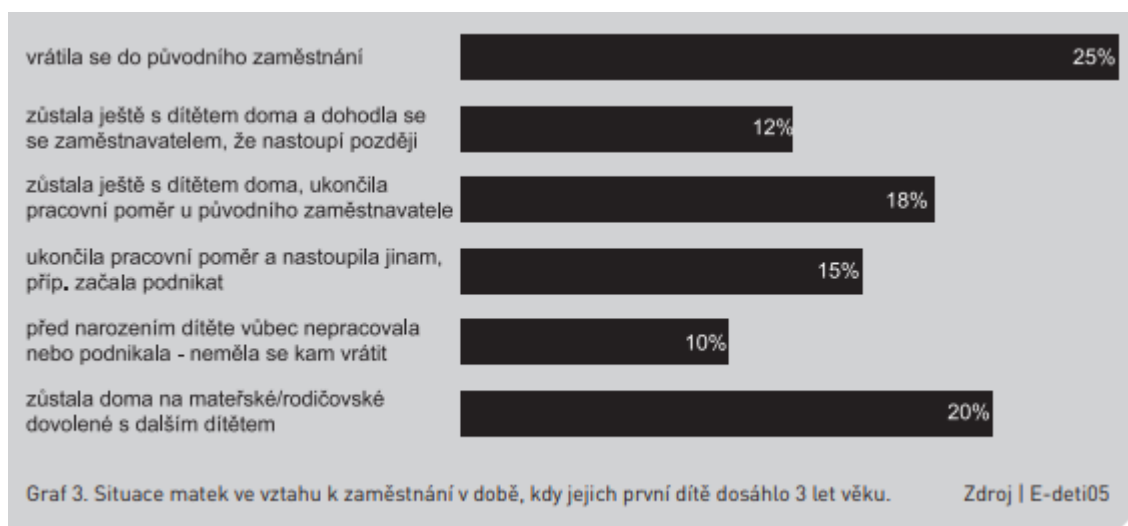
FIGURE LIII



Source: Gender Studies, o.p.s. Kariéra | Rodina | Rovné příležitosti. Výzkumy postavení žen a mužů na trhu práce. 2006.

Resumed her last job; Stayed with the child and agreed with the employer to come back later; Terminated the employment and started a now job/own business; MA/MSc. or PhD level; MA/MSc. or PhD; Secondary with SSLC; Primary/vocational; Chart 2. The situation of first-child mothers who had worked before the maternity leave and did not directly go on to the net maternity leave, as expressed according to their education level. Source

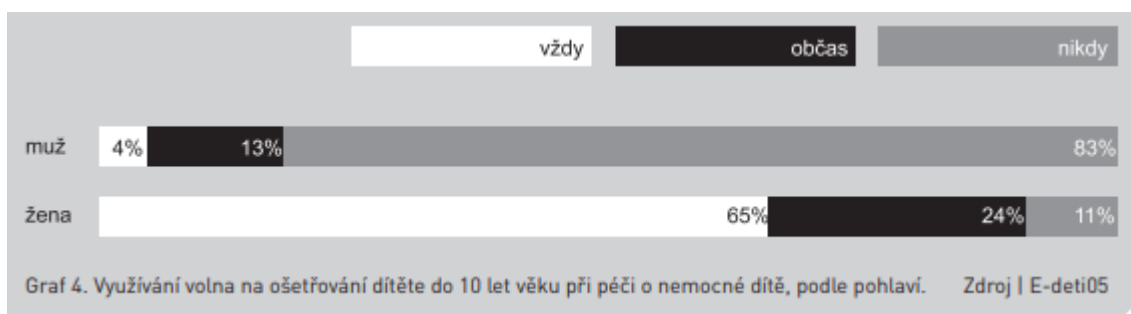
FIGURE LIV



Source: Gender Studies, o.p.s. Kariéra | Rodina | Rovné příležitosti. Výzkumy postavení žen a mužů na trhu práce. 2006.

Resumed her last job; Stayed with the child and agreed with the employer to come back later; Stayed with the child and terminated the employment with her old employer; Terminated the employment and started a new job/own business; Had no job to come back to, as she had never worked/was self-employed before having the child; Stayed on maternity/parental leave with her next child; Chart 3. Mothers' employment situation at the time of their first child's 3rd birthday

FIGURE LV



Source: Gender Studies, o.p.s. Kariéra | Rodina | Rovné příležitosti. Výzkumy postavení žen a mužů na trhu práce. 2006.

□ Always;

■ sometimes;

■ never;

man;

woman;

Chart 4. Using sick child leave to provide care for a child younger than 10, by gender. Source

The following figures and summaries are taken from the publication entitled Rozdíly ve výši výdělků ve vztahu k mateřství a dítěti v rodině [Differences in the Amount of Pay in Relation to Motherhood and Child in the Family]²⁶:

²⁶ Mariola Pytliková. *Rozdíly ve výši výdělků ve vztahu k mateřství a dítěti v rodině*. 2015. Národohospodářský ústav AV ČR, v. v. i. Available from: https://aa.ecn.cz/img_upload/8b47a03bf445e4c3031ce326c68558ae/idea studie 11 rozdily vydelku ve vz tahu k materstvi-2-.pdf.

Statistical data show persistent large gender gaps in wages. The current average monthly wage of women is approximately 78% of the average wage of men and the average wage is 85% of the median wage of men.

The biggest gender differences in wages can be found in the age categories of employees most affected by motherhood and parenthood. Specifically, the difference in the median monthly wage in the 35-39 age group amounts to 32% and almost 27% if measured by hourly wage.

The gender wage gap in the Czech Republic increases with the number of children. For the childless, the median monthly wage gap in 2012 averages 15% and this gap increases with each additional child in the family. The median monthly wage gap between men with one child and women with one child is 20%, with two children 32% and with three or more children 36%.

Gender wage gaps are highest at a time when a child needs the most care and is not yet able to serve themselves. The older the children are, the more this difference decreases; however, even in the case of adult children, the wage gap does not completely close or reach the level of the median difference in the wages of the childless. Gender gap in the median monthly wage of parents - employees with a child aged 3 to 5 years or 6-9 or 10-18 represent 39% or 37% or 30%. The difference is smaller, at around 24%, in men and women with adult children in the household. The gender gap in the median wage of childless employees is 15%.

Part of the gap in the median monthly wage can be explained by the development of hours worked. Men without children work an average of 2 hours more per week than women without children. However, men increase the number of hours usually worked with the birth of a child and during the period when children are small, men work an average of 44.4 hours a week, while women with young children work an average of 38 hours a week. These gender differences close with the increasing age of the youngest child and the gender gap for employees with adult children in the household reaches 2.5 hours.

Parenting and caring for young children also affects the level of participation of women in the labour market, i.e. the level of their economic activity. The participation of childless women aged 25-49 years in the Czech labour market is very high, at 90%. With the birth of a child, women's participation drops sharply to less than 20%. This high decrease in the participation of Czech women in the labour market during the period of childbirth and care for a child under two years of age is not surprising given the length and relative generosity of maternity and parental leave (hereinafter referred to as ML and PL) and the lack of institutional childcare facilities for children under the age of 3 years that would allow mothers to effectively combine family life and work careers.

The results of the analyses using individual SILC data reveal a statistically significant negative association between the interruption of work activity caused by a long PL and the subsequent wage. The extension of the total period of ML and PL by one year is associated, under otherwise identical conditions, with a reduction of wages by 1.1%, in terms of future wages until retirement.

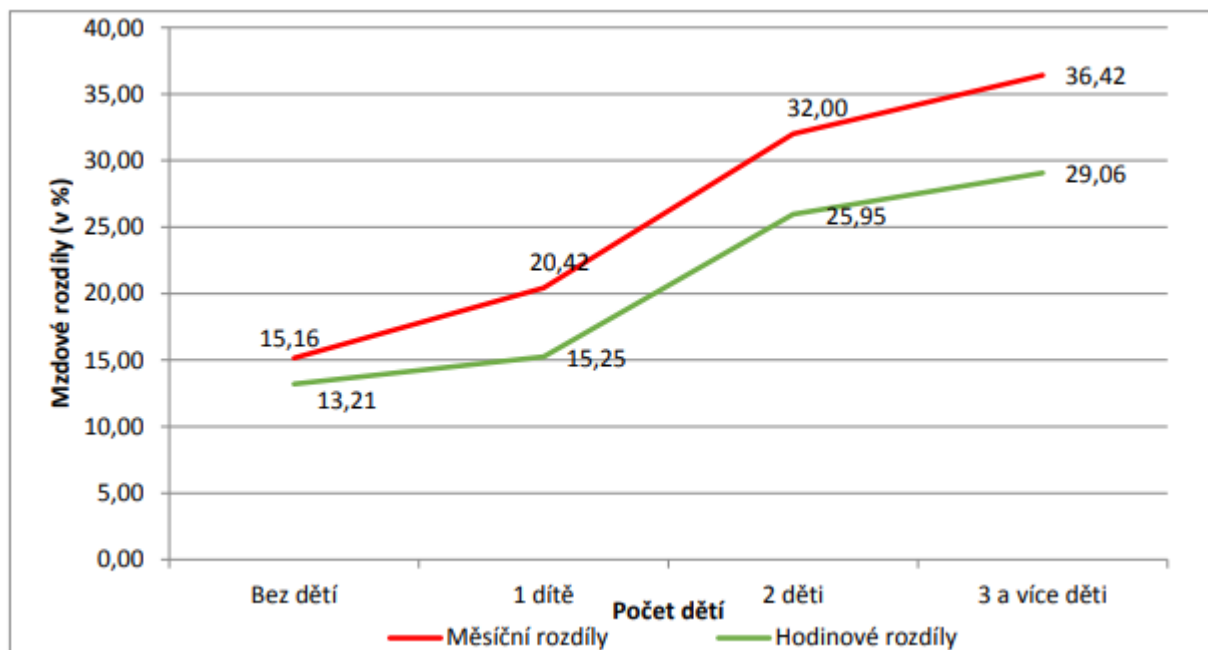
The different representation of men and women across occupations also contributes to the overall gender wage gap. We show that the representation of women in lower-paid occupations explains approximately 13% of the total wage gap for workers aged 20-49 years.

The current legislation on ML and PL is one of the longest and most generous in the world. This system, together with insufficiently accessible institutional care for young children and low use of flexible forms of employment by employers, motivates women to stay at home with their children for as long as possible rather than trying to combine work with child and family care. This is probably

also related to the very low fertility, which the Czech Republic has been struggling with for a long time.

Women represent an important source of skilled labour, they are thus strategically important for the Czech labour market and in terms of economic benefits, e.g. GDP creation. Therefore, the long time that women spend outside the labour market in connection with the birth of a child and the duties associated with the care of young children has an impact on the well-being and economic performance of the Czech Republic.

FIGURE LVI: DIFFERENCES IN MEDIAN WAGE (MONTHLY AND HOURLY) BETWEEN MEN AND WOMEN AGED 20-49 YEARS DEPENDING ON THE NUMBER OF CHILDREN, 2012



Source: Mariola Pytliková. Rozdíly ve výši výdělků ve vztahu k mateřství a dítěti v rodině. 2015.

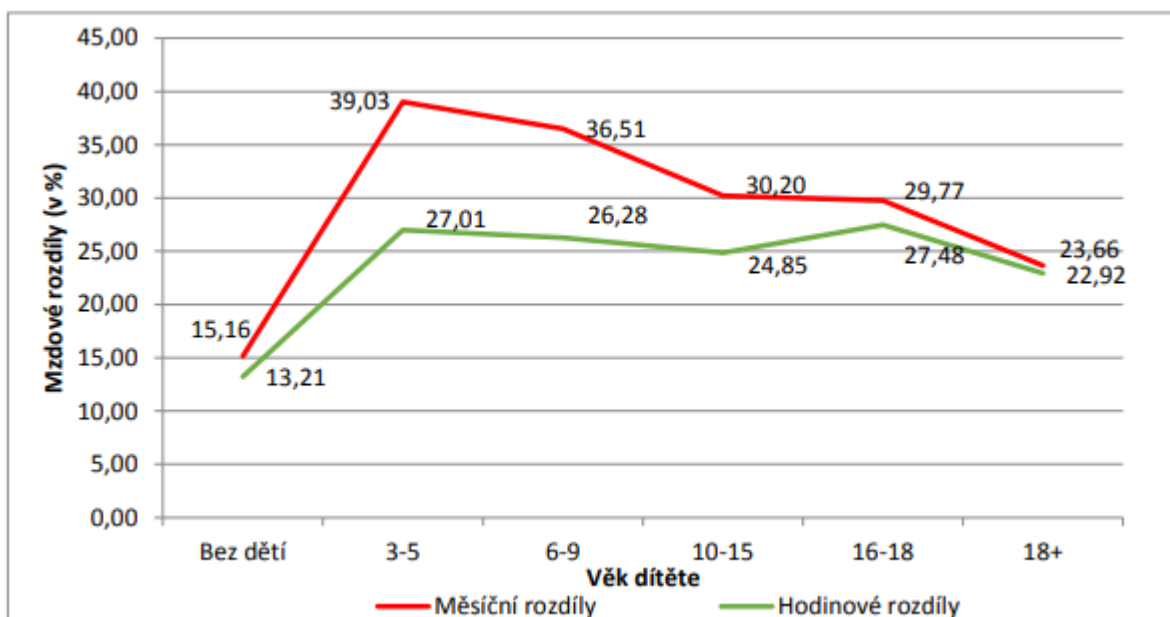
Wage differences (in %);

■ Monthly differences;

■ Hourly differences;

Number of children: No children; 1 child; 2 children; 3 and more children

FIGURE LVII: DIFFERENCES IN MEDIAN WAGE (MONTHLY AND HOURLY) BETWEEN MEN AND WOMEN AGED 20-49 YEARS ACCORDING TO THE AGE OF THE YOUNGEST CHILD IN THE FAMILY, 2012



Source: Mariola Pytliková. Rozdíly ve výši výdělků ve vztahu k mateřství a dítěti v rodině. 2015.

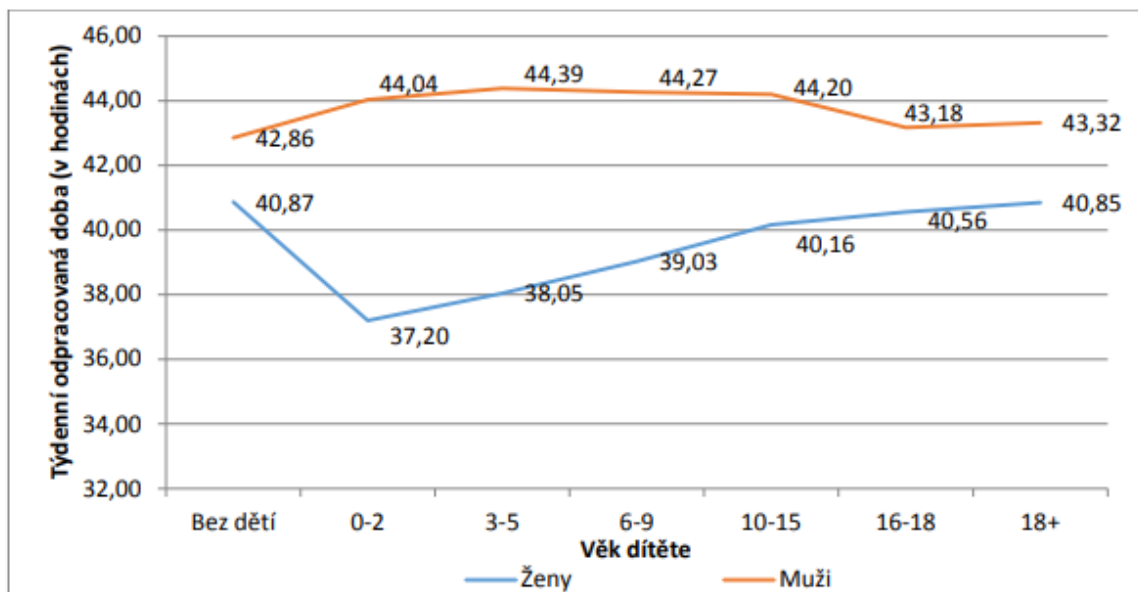
Wage differences (in %);

■ Monthly differences;

■ Hourly differences

Age of child; No child

FIGURE LVIII: WEEKLY HOURS WORKED OF EMPLOYEES AGED 20-49 YEARS ACCORDING TO THE AGE OF THE YOUNGEST CHILD IN THE FAMILY, MEN AND WOMEN, 2012



Source: Mariola Pytliková. Rozdíly ve výši výdělků ve vztahu k mateřství a dítěti v rodině. 2015.

Weekly hours worked (in hours);

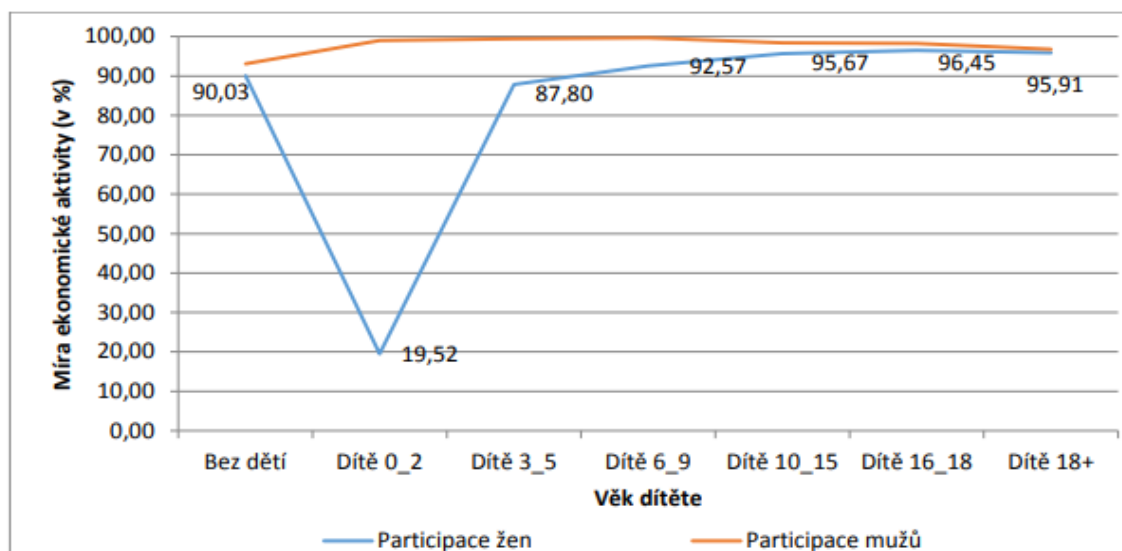
■ Women;

■ Men;

No child

Age of child

FIGURE LIX: ECONOMIC ACTIVITY RATE OF MEN AND WOMEN AGED 25-49 YEARS ACCORDING TO THE AGE OF THE YOUNGEST CHILD IN THE FAMILY, 2012



Source: Mariola Pytliková. Rozdíly ve výši výdělků ve vztahu k mateřství a dítěti v rodině. 2015.

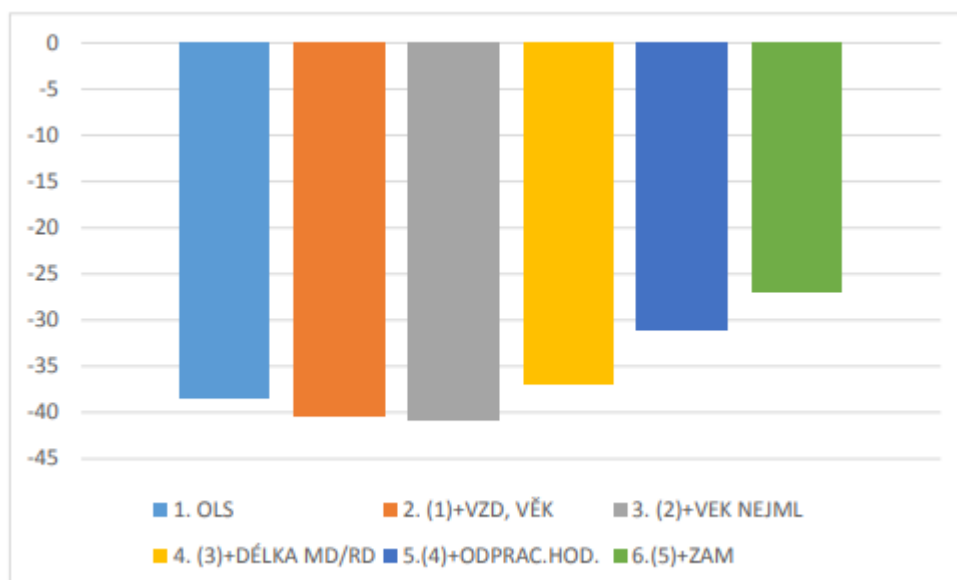
Economic activity rate (in %);

■ Participation of women;

■ Participation of men;

Age of child; No child; Child...

FIGURE LX: MONTHLY WAGE DIFFERENCE BETWEEN MEN AND WOMEN AGED 20-49 YEARS, 2012



Source: Mariola Pytliková. Rozdíly ve výši výdělků ve vztahu k mateřství a dítěti v rodině. 2015.

1. OLS;
2. (1)+EDU, AGE;
3. (2)+YOUNGEST AGE;
4. (3)+ML/PL LENGTH;
5. (4)+HRS WORKED;
6. (5)+EMP

The following summaries and figures are taken from the publication entitled *Rozdíly v odměňování žen a mužů v ČR* [Gender Pay Gap in the Czech Republic]²⁷.

The position and status of women on the labour market in history was related to the social status (of different groups) of women, to the possibility of obtaining and subsequently applying their education and to the legitimacy of the right to be economically self-sufficient (independent of the man – father, husband, partner, etc.).

During the world wars, the female workforce was pragmatically used due to the lack of a male workforce, so women began to occupy positions and professions previously reserved for men.

While socialism brought emphasis on the emancipation of women or the promotion of women in the labour market, gender inequalities in pay persisted and child and household care continued to be perceived as ‘women’s work’.

The year 1989 and the emergence of capitalism strengthened some gender specifics of the labour market, such as segregation, unequal pay or different conditions for the career growth of women and men.

Recent foreign and domestic studies confirm that the impact of education on the gender pay gap has been reduced. Thus, the theory of human capital cannot adequately explain the gender pay gap.

²⁷Křížková, Pospíšilová, Maříková, Marková Volejníčková. *Rozdíly v odměňování žen a mužů v ČR*. 2018. Available from: <https://www.rovnaodmena.cz/wp-content/uploads/2021/02/Rozdily-v-odmenovani-zen.pdf>.

Factors such as intermittent careers or labour market segregation currently have a greater impact on the position of individuals, especially women, on the labour market, and thus on their earnings. The penalization of women for their parenting (motherhood) persists in labour markets in different countries, while fathers usually continue to receive a paternity bonus.

According to the latest research, more significant differences in the gender pay gap are recorded between companies than within companies. Gender pay gaps between companies and organizations are the product of the operation of an internal institutional (gender) culture, standards, rules and processes in combination with labour market mechanisms which, as well as processes and mechanisms applied at the institutional level, are shaped primarily culturally.

In international comparison, the Czech Republic ranks among the countries where wage variability or wage inequality increased significantly from 2002 to 2016. These are higher here than in Scandinavia and France, but they are significantly lower than, for example, in Canada and the USA.

The labour market in the Czech Republic is increasingly divided into workplaces with high wages and workplaces with low wages. This applies to both the private sector and the public sector. Women predominate in low-wage workplaces and men predominate in high-wage workplaces.

Precarity on the labour market in the Czech Republic is becoming increasingly feminine. Fewer and fewer women (57%) and men (65%) have 'good employment' (with a wage of more than two-thirds of the median wage in the Czech Republic, full-time, and with a contract for an indefinite period).

The share of both women and men, whose wages account for less than 50% of the median wage in the Czech Republic, almost doubled over the period under review, amounting to 8% for men and 10% for women. 25% of women and 18% of men receive wages lower than two-thirds of the median wage in the Czech Republic and these shares also increased in the last 15 years.

10% of women and 5% of men work part-time. This share doubled in women over the past 15 years.

While 12% of men and 15% of women had a fixed-term employment contract in 2002, it was already 23% of men and almost 28% of women in 2016.

Gender pay gap in the Czech Republic is very high, even for equal work in the same workplace (an average of 11% difference). The gap level remained almost unchanged between 2002 and 2016.

Segregation into different job categories accounts for only about a quarter of the wage gap between men and women. A quarter of the wage gap is also caused by the segregation of women and men into different workplaces.

The Czech Republic is a country with one of the highest levels of gender pay gap in the same job and workplace. While in Western European countries the gender pay gap in the same job is at most around 5%, women in the Czech Republic are paid on average 11% less than men for the same job in the same employer's organization. We rank among countries such as South Korea or Japan.

Parenting is information that is missing from the ISPV data. However, the cohort analysis points to a strong penalization of women due to motherhood.

The biggest difference in pay by education is found between university-educated and secondary-educated men and women, as well as the pay gap for equal work in the same workplace (10%). There was an increase in the wage gap among university graduates in the last 10 years.

The comparison of the public and private spheres shows that the gender pay gap in the public sphere is lower overall, but significant, nevertheless. The wages of women and men in the public sphere

who perform the same work in the same workplace differ by an average of 5%, compared to roughly twice the wage gap in the private sphere.

The sectors differ from each other: the gender pay gap is very high in the financial and insurance sector and in the construction sector and women are paid 17% or 14% less than men working in the same job. In contrast, women are paid 5-6% less than men working in the same job in the education and administration sectors.

The average gender pay gap in the 25–55 age category was around 26% in 2016.

The gender pay gap decomposition using the Blinder–Oaxaca method showed that 11 percentage points of the 26% gender pay gap can be explained by the factors available in the data. The remaining 15 percentage points represent the unexplained part (i.e. the effects of factors not available in the data and the effect of direct or indirect discrimination).

Differences in individual positions and characteristics of men and women, such as leadership, full-time, education, age, etc., contribute only with 0.54 percentage points to the explained part (11 pp).

Taking into account the gender segregation into different jobs contributes to the explained part of the gender pay gap (which makes up a total of 11 pp) with 3.53 percentage points, which is almost one third of the explained part.

The largest portion of the explained part of the wage difference is formed by the characteristics of the company/workplace (such as the average wage in the workplace and the sector) and taking into account the gender segregation into different companies/workplaces. Taking into account this segregation constitutes about two-thirds of the explained part of the gender pay gap or 6.91 percentage points of 11 pp.

The unexplained portion represents 15 percentage points of the 26% gender pay gap. Of this, the pay gap of identical individual characteristics of women and men contributes less than 3 percentage points (2.58 pp) – thus making up about one-sixth of the unexplained part.

Taking into account the gender pay gap depending on segregation into different occupations reduces the unexplained part of the gender pay gap by 5.84 pp. Women are better paid in the ISCO and NACE categories in which they are currently more represented. If they were more like men in their distribution with respect to ISCO and NACE, their wages would be even lower than under the current distribution.

As in the explained part, the characteristics of companies/workplaces play the greatest role in the unexplained part. The gender pay gap at company and workplace level contributes to the unexplained part of the gender pay gap with around 67 percentage points (which is more than the total, 15 pp).

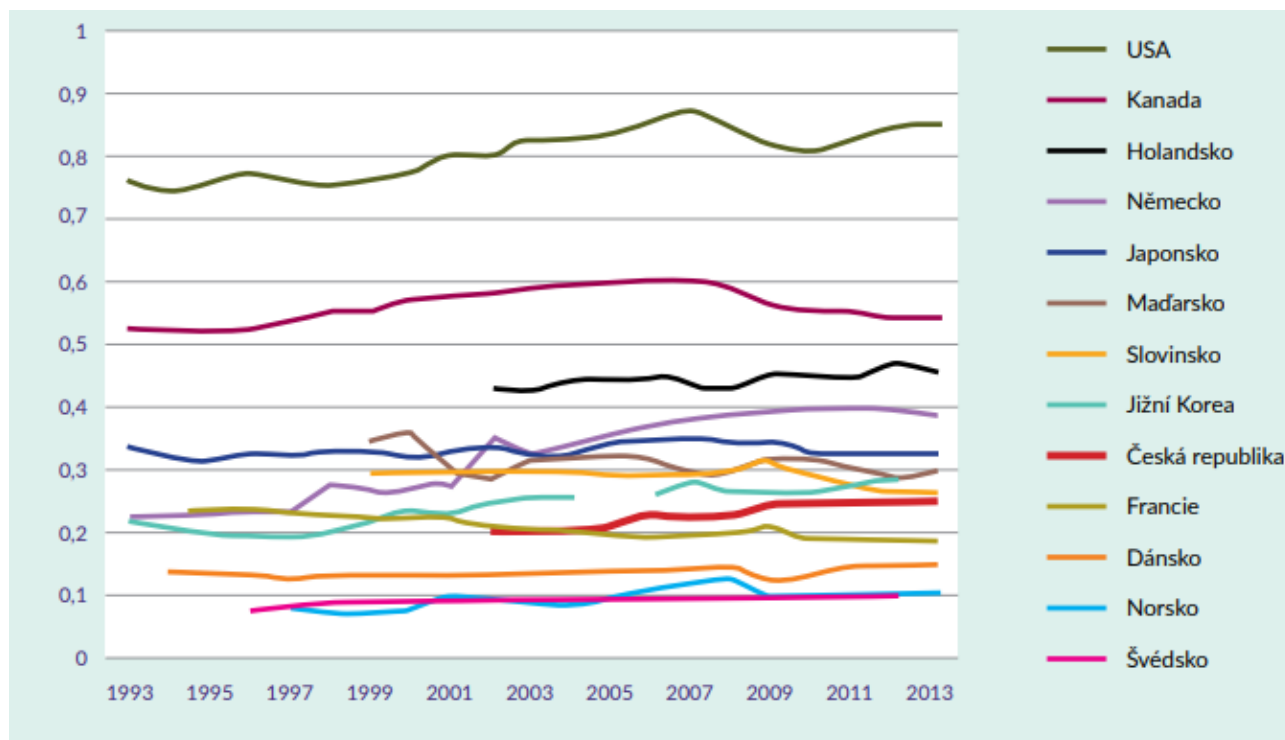
The unexplained part is reduced by the model constant, which includes the effects of all factors that are not available in the data. The constant reduces the unexplained part by 50 pp.

The gender pay gap increased from 2006 to 2016 by two percentage points from 24% in 2006 to 26% in 2016. This increase can be attributed to the explained part of the decomposition.

For the explained part, the sum of individual characteristics between 2006 and 2016 lost its relevance. The sum of job characteristics fluctuated, increased slightly overall. Conversely, the influence of company/workplace characteristics increased significantly.

For the unexplained part between 2006 and 2016, the sum of individual and employment characteristics fluctuated without a clear trend. The sum of company/workplace characteristics increased and increasingly contributed to the unexplained part.

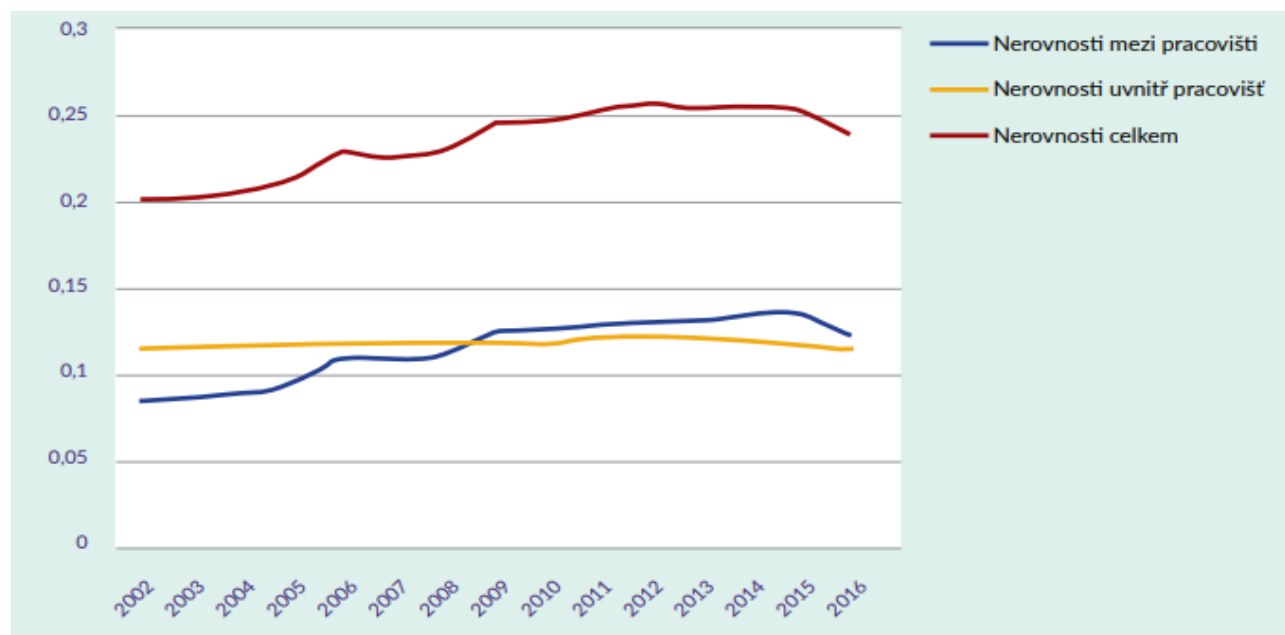
FIGURE LXI: TOTAL PAY GAP (WAGE LOGARITHM VARIABILITY) ACROSS COUNTRIES FOR ALL OCCUPATIONS, 1993–2013



Source: Křížková, Pospíšilová, Maříková, Marková Volejníčková. Rozdíly v odměňování žen a mužů v ČR. 2018.

USA; Kanada; Holland; Germany; Japan; Hungary; Slovenia; South Korea; Czech Republic; France; Denmark; Norway; Sweden

FIGURE LXII: PAY GAP (WAGE LOGARITHM VARIABILITY) BETWEEN AND WITHIN WORKPLACES IN THE CZECH REPUBLIC IN 2002–2016



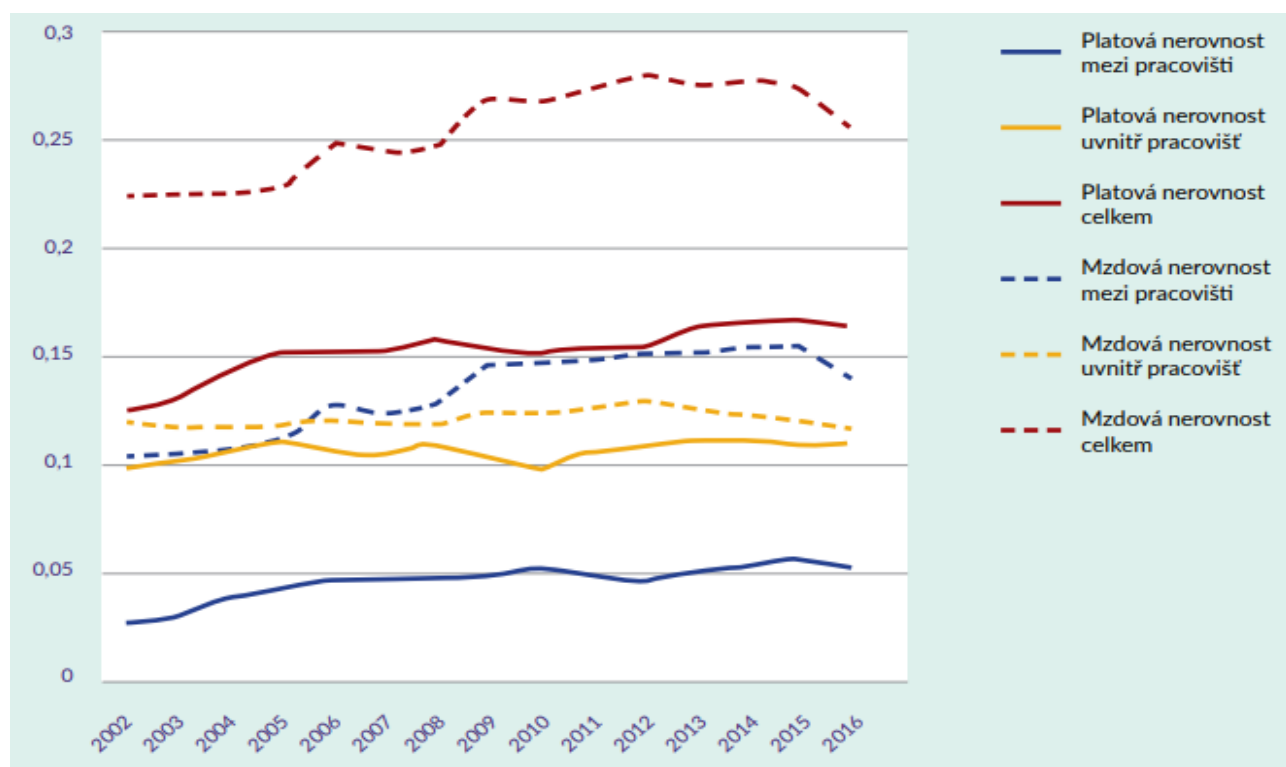
Source: Křížková, Pospíšilová, Maříková, Marková Volejníčková. Rozdíly v odměňování žen a mužů v ČR. 2018.

■ Gap between workplaces;

■ Gap within workplaces;

■ Total gap

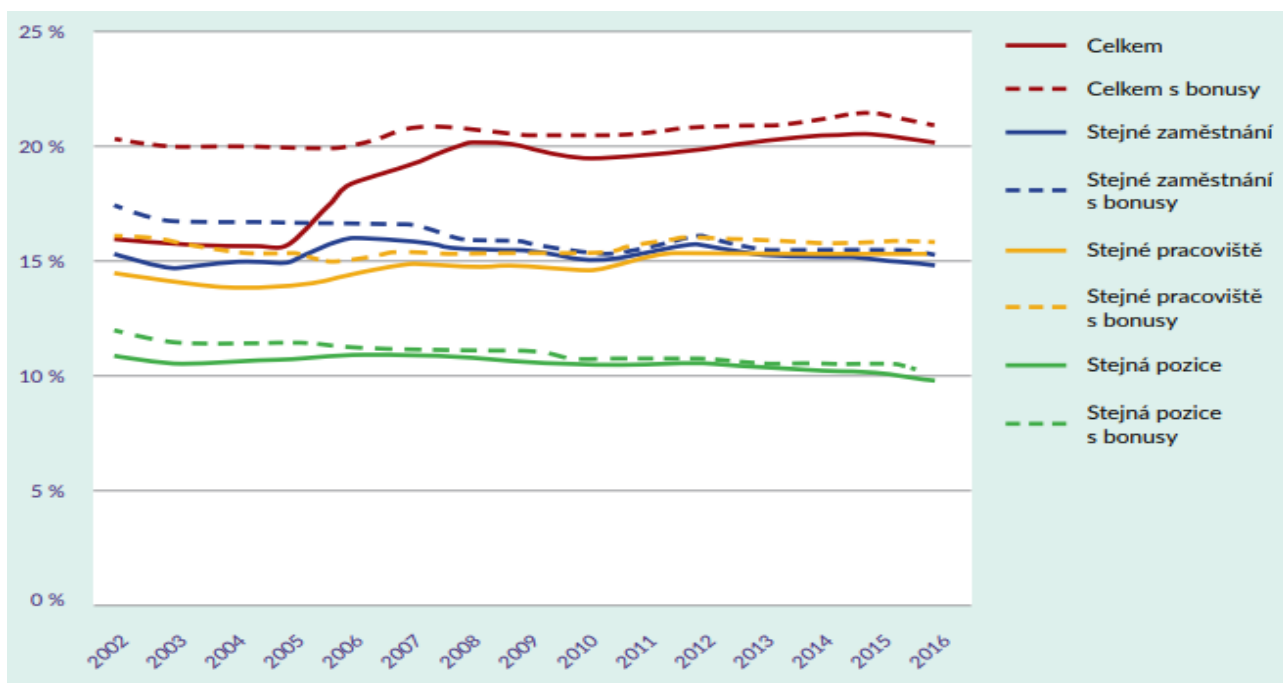
FIGURE LXIII: WAGE GAP (WAGE LOGARITHM VARIABILITY) BETWEEN AND WITHIN WORKPLACES IN THE CZECH REPUBLIC IN THE SALARY AND WAGE SPHERE IN 2002–2016



Source: Křížková, Pospíšilová, Maříková, Marková Volejníčková. Rozdíly v odměňování žen a mužů v ČR. 2018.

- Salary gap between workplaces;
- Salary gap within workplaces;
- Total salary gap;
- Wage gap between workplaces;
- Wage gap within workplaces;
- Total wage gap

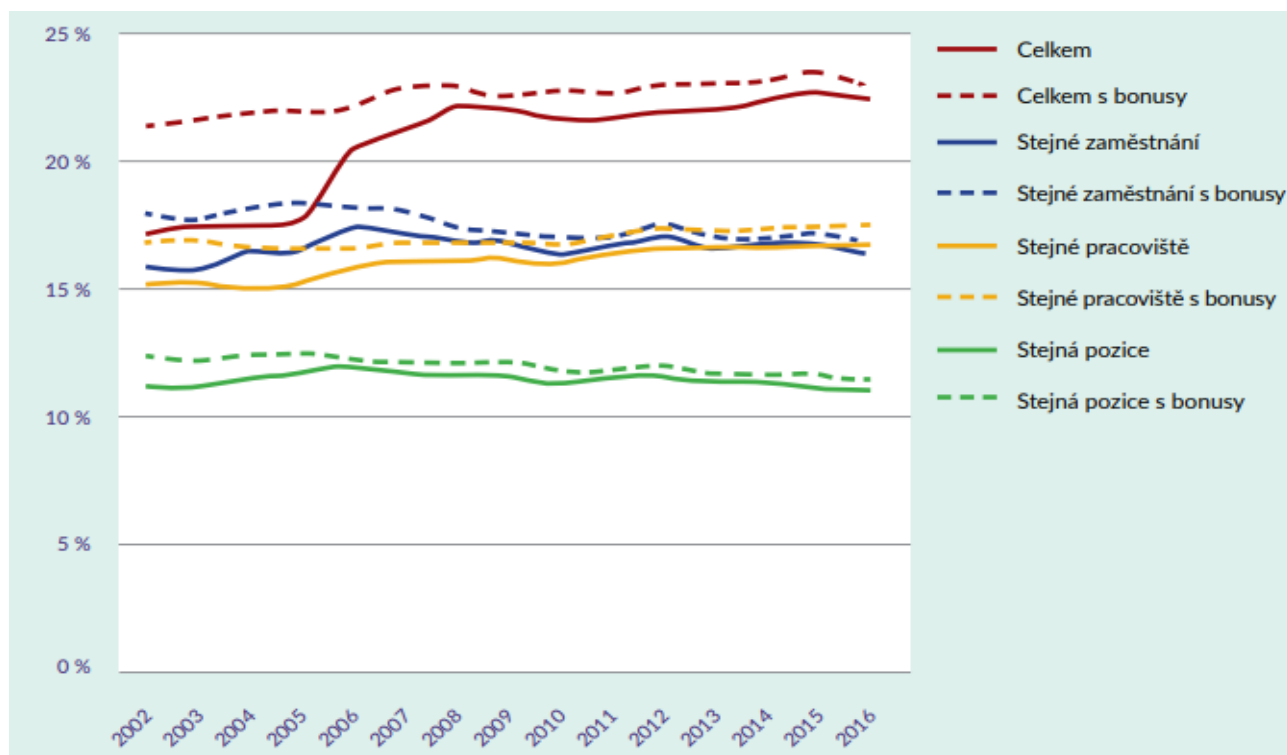
FIGURE LXIV: GPG IN %, COMPARISON OF BASIC HOURLY WAGE AND WAGE INCLUDING BONUSES AND ALLOWANCES, COMPARISON FOR THE SAME JOB, WORKPLACE AND POSITION, FULL-TIME, 2002–2016



Source: Křížková, Pospíšilová, Maříková, Marková Volejníčková. Rozdíly v odměňování žen a mužů v ČR. 2018.

- Total;
- ■ Total with bonuses;
- Same job;
- ■ Same job with bonuses;
- Same workplace;
- ■ Same workplace with bonuses;
- Same position;
- ■ Same position with bonuses

FIGURE LXV: POPULATION AGED 25–55 YEARS, GPG IN %, COMPARISON OF BASIC HOURLY WAGE AND WAGE INCLUDING BONUSES AND ALLOWANCES, COMPARISON FOR THE SAME JOB, WORKPLACE AND POSITION, FULL-TIME, 2002–2016



Source: Křížková, Pospíšilová, Maříková, Marková Volejníčková. Rozdíly v odměňování žen a mužů v ČR. 2018.

■ Total;

■ ■ ■ Total with bonuses;

■ ■ ■ Same job;

■ ■ ■ Same job with bonuses;

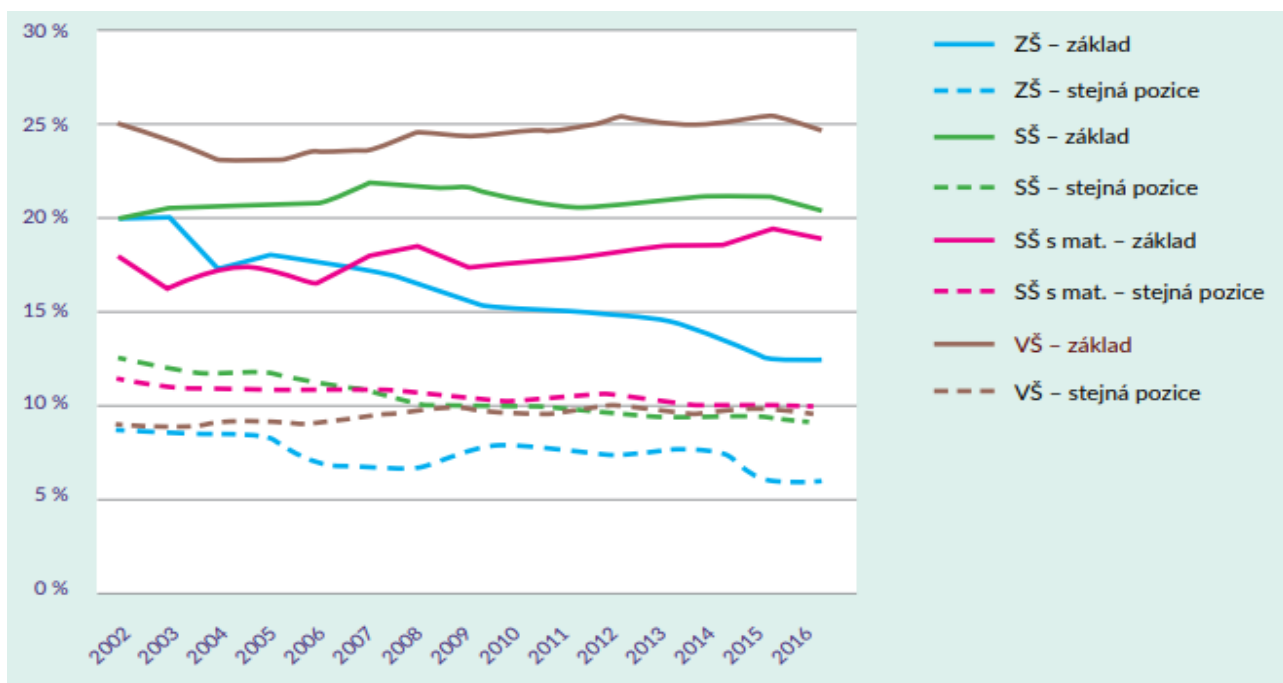
■ ■ ■ Same workplace;

■ ■ ■ Same workplace with bonuses;

■ ■ ■ Same position;

■ ■ ■ Same position with bonuses

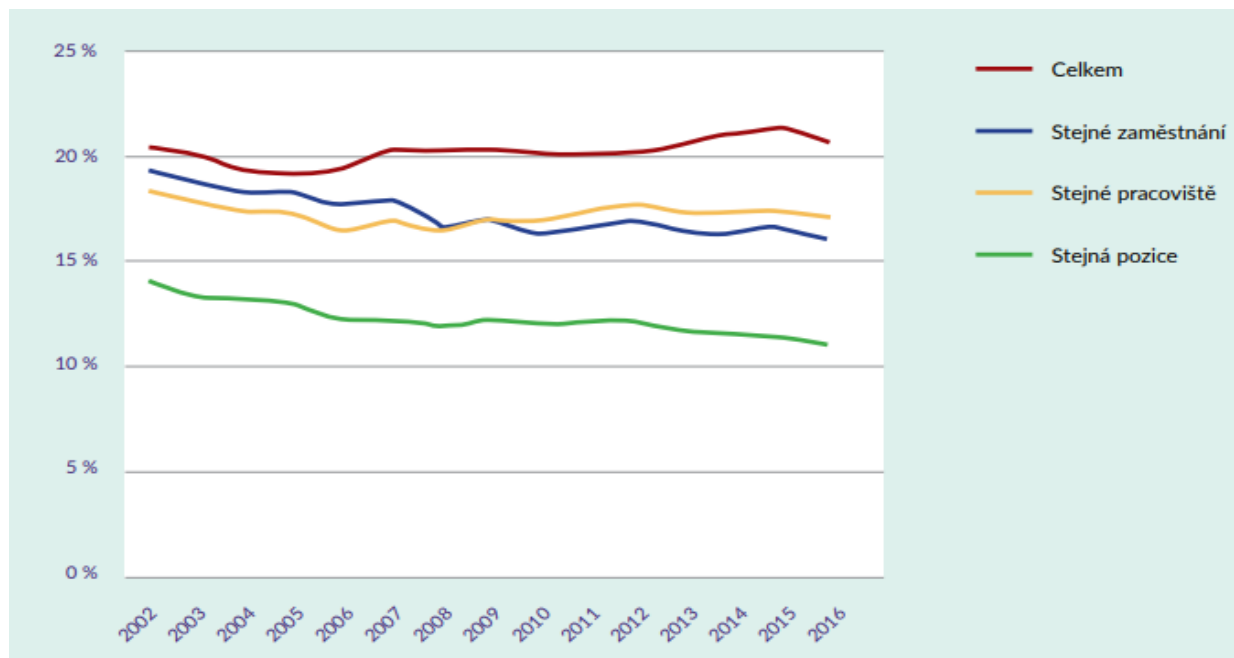
FIGURE LXVI: COMPARISON OF EDUCATIONAL GROUPS, GPG IN % OF AVERAGE HOURLY WAGE INCLUDING BONUSES AND ALLOWANCES, TOTAL GPG AND GPG FOR THE SAME POSITIONS (SAME JOB AND WORKPLACE) FOR FULL-TIME



Source: Křížková, Pospíšilová, Maříková, Marková Volejníčková. Rozdíly v odměňování žen a mužů v ČR. 2018.

- Primary – basic;
- ■ Primary – same position;
- Secondary – basic;
- ■ Secondary - same position;
- ■ Sec. with SSLC – basic;
- ■ Sec. with SSLC - same position;
- University – basic;
- ■ University – same position

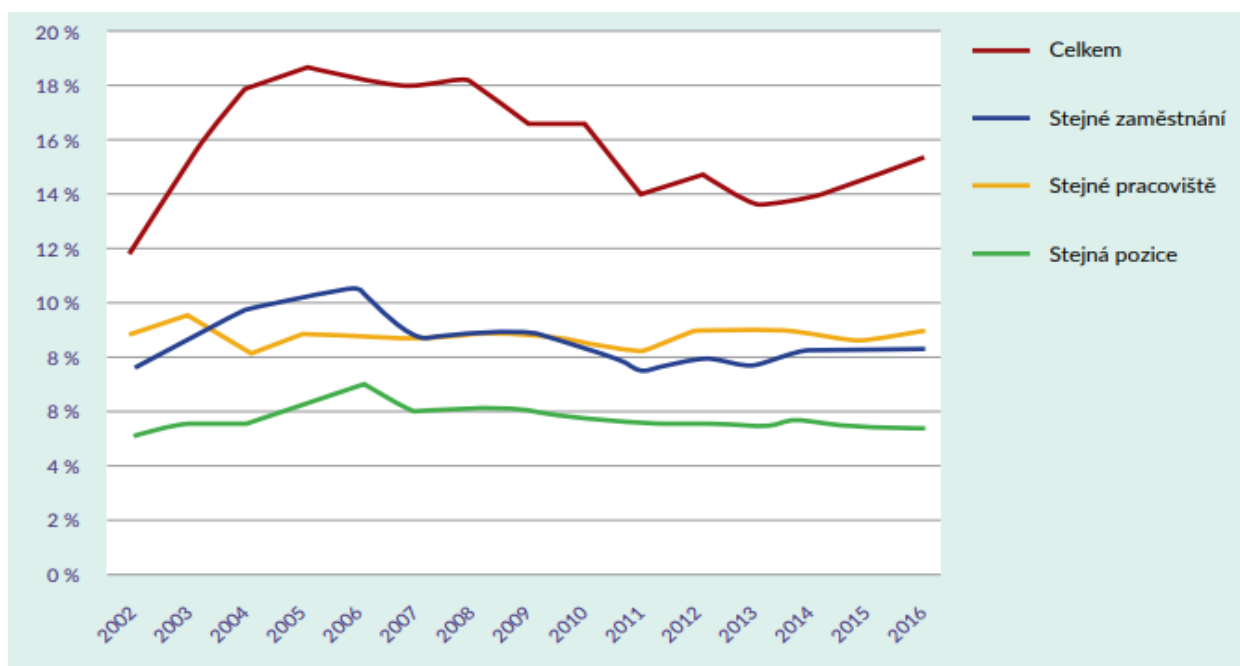
FIGURE LXVII: WAGE SPHERE – GPG IN % OF AVERAGE HOURLY WAGE INCLUDING BONUSES AND ALLOWANCES FOR FULL-TIME JOBS, COMPARISON FOR THE SAME JOB, WORKPLACE AND POSITION



Source: Křížková, Pospíšilová, Maříková, Marková Volejníčková. Rozdíly v odměňování žen a mužů v ČR. 2018.

- Total;
- Same job;
- Same workplace;
- Same position

FIGURE LXVIII: SALARY SPHERE – GPG IN % OF AVERAGE HOURLY WAGE INCLUDING BONUSES AND ALLOWANCES FOR FULL-TIME JOBS, COMPARISON FOR THE SAME JOB, WORKPLACE AND POSITION

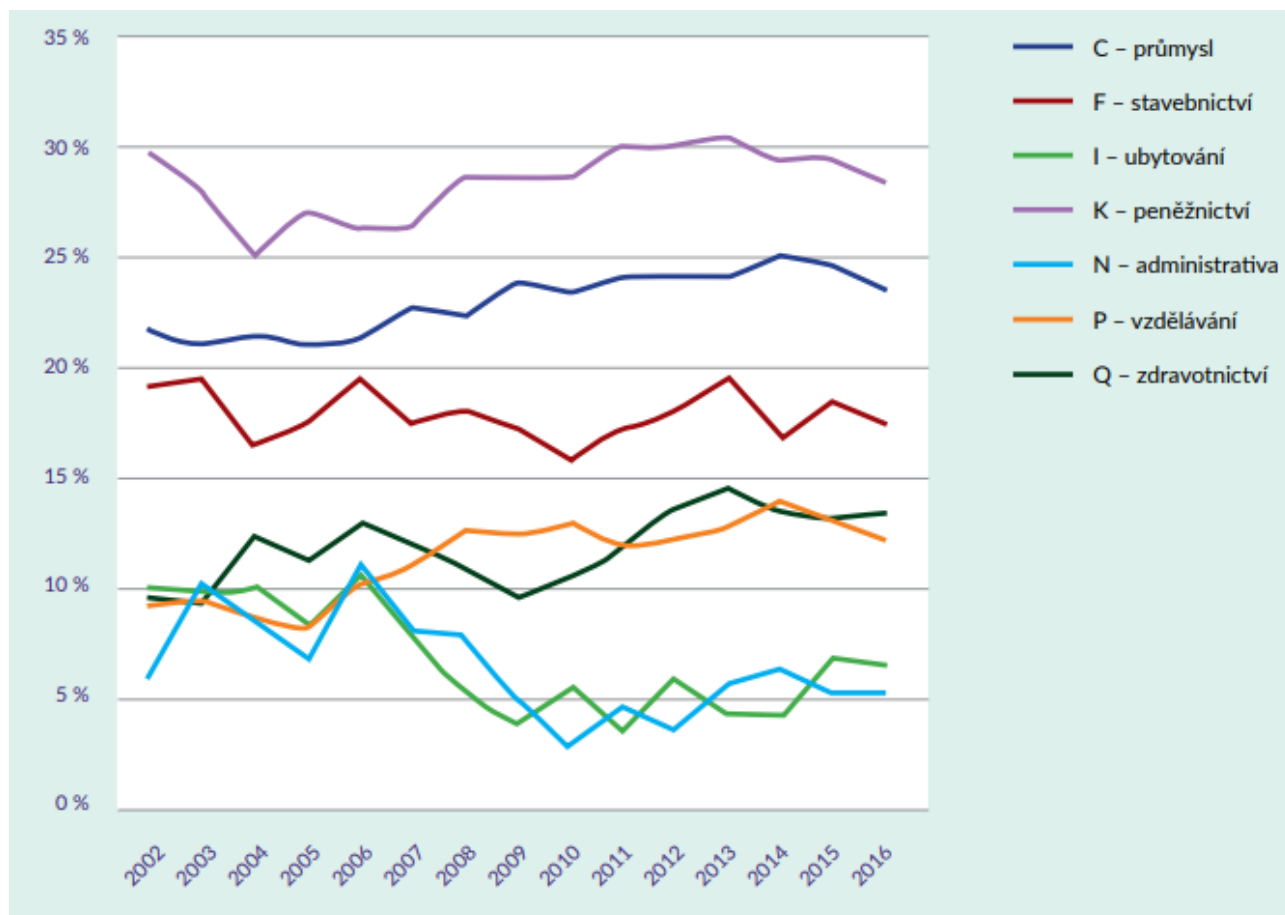


Source: Křížková, Pospíšilová, Maříková, Marková Volejníčková. Rozdíly v odměňování žen a mužů v ČR. 2018.

- Total;
- Same job;
- Same workplace;

Same position

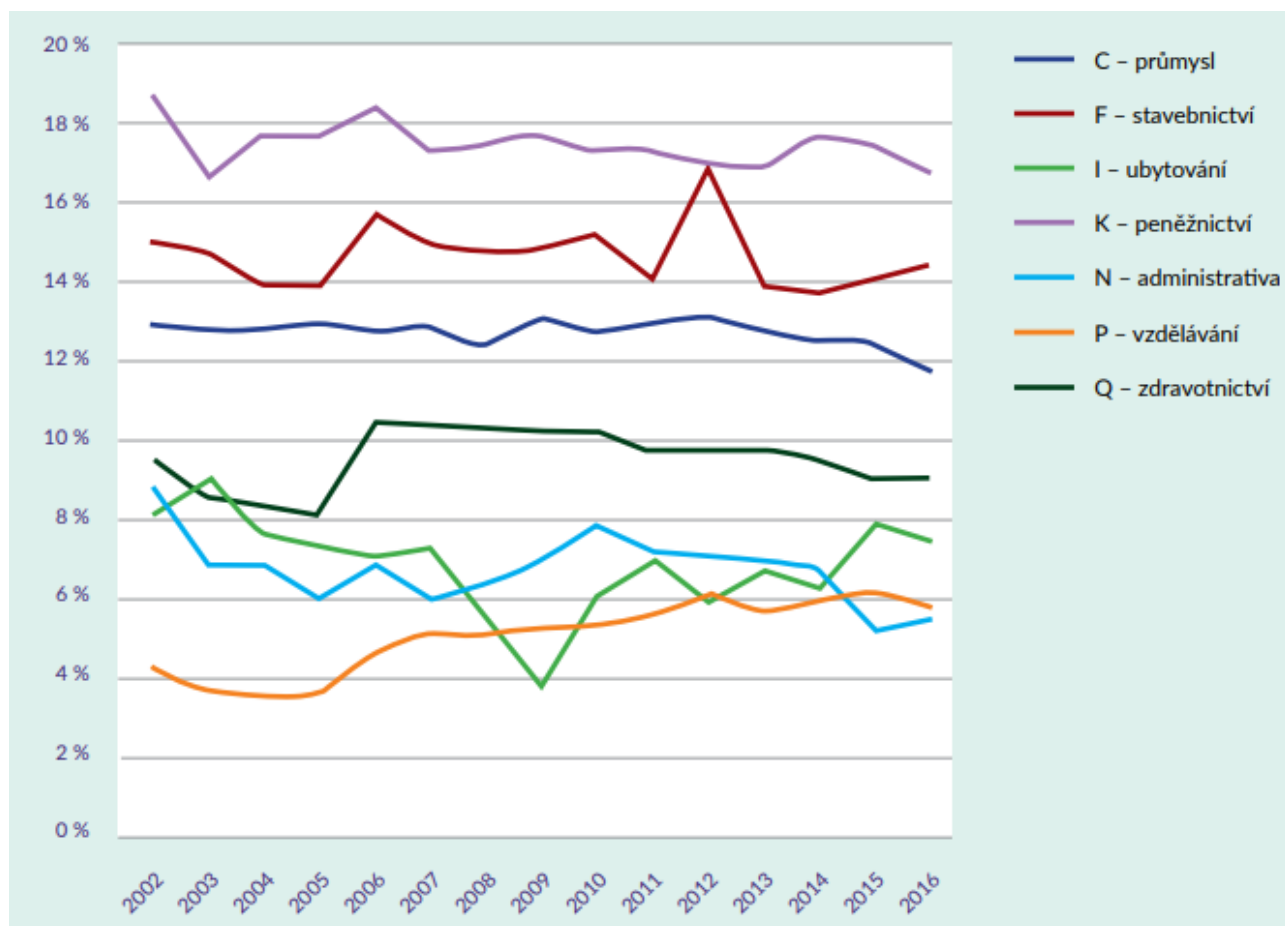
FIGURE LXIX: COMPARISON OF SELECTED NACE CATEGORIES, GPG IN % OF AVERAGE HOURLY WAGE EXCLUDING BONUSES AND ALLOWANCES FOR FULL-TIME JOBS



Source: Křížková, Pospíšilová, Maříková, Marková Volejníčková. Rozdíly v odměňování žen a mužů v ČR. 2018.

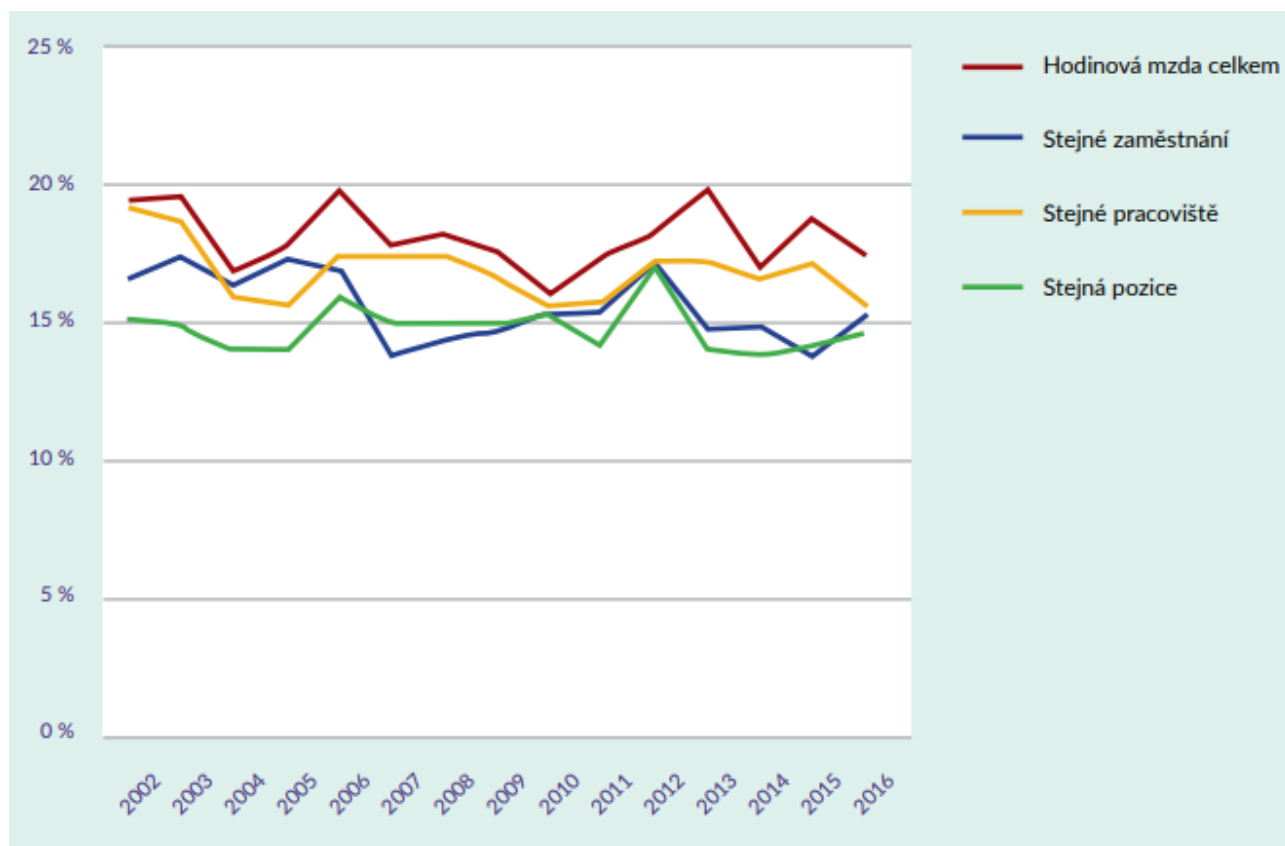
C – industry; F – construction; I – accommodation; K – financial; N – administration; P – education; Q – healthcare

FIGURE LXX: COMPARISON OF SELECTED NACE CATEGORIES, GPG IN % OF AVERAGE HOURLY WAGE WITHOUT BONUSES AND ALLOWANCES FOR THE SAME POSITIONS (SAME JOB AND WORKPLACE) FOR FULL-TIME JOBS



Source: Křížková, Pospíšilová, Maříková, Marková Volejníčková. Rozdíly v odměňování žen a mužů v ČR. 2018.
 C – industry; F – construction; I – accommodation; K – financial; N – administration; P – education; Q – healthcare

FIGURE LXXI: CONSTRUCTION (NACE: F), GPG IN % OF AVERAGE HOURLY WAGE EXCLUDING BONUSES AND ALLOWANCES FOR FULL-TIME JOBS, COMPARISON FOR THE SAME JOB, WORKPLACE AND POSITION



Source: Křížková, Pospíšilová, Maříková, Marková Volejníčková. Rozdíly v odměňování žen a mužů v ČR. 2018.

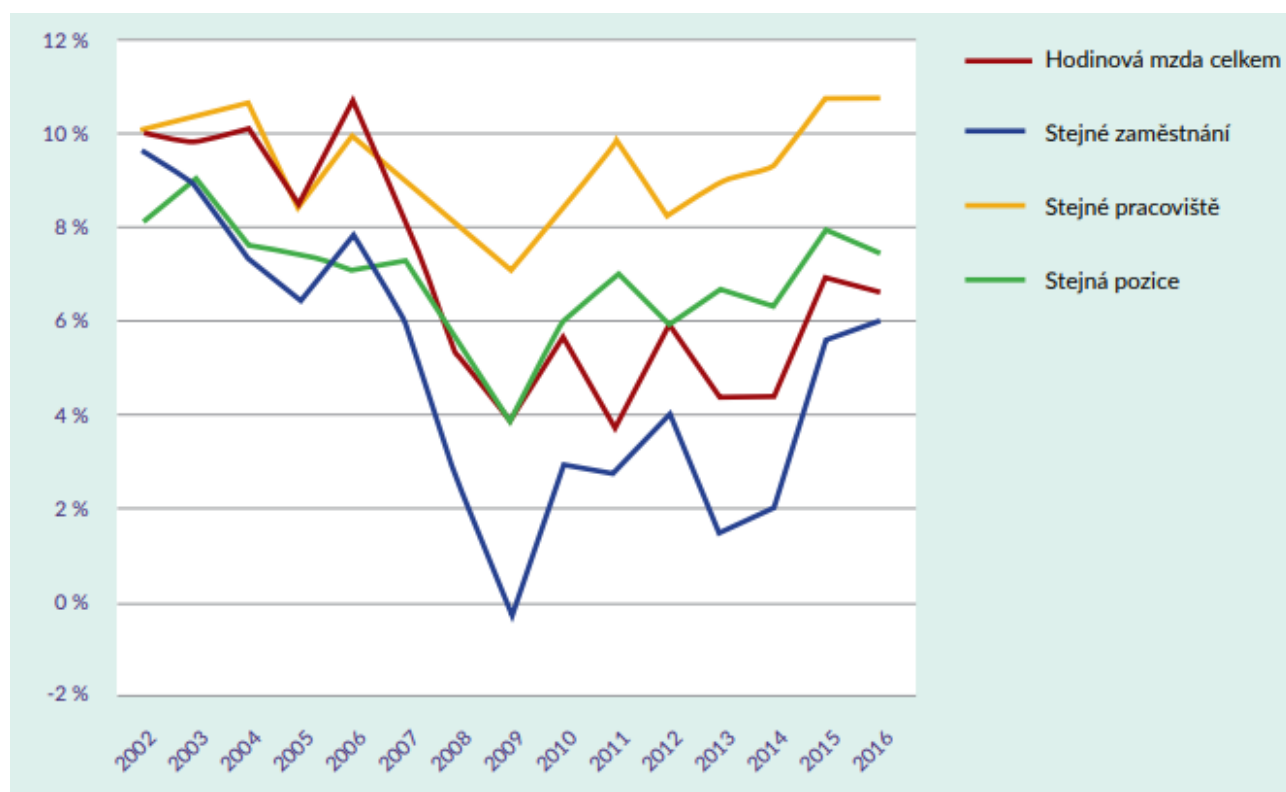
■ Total hourly wage

■ Same job;

■ Same workplace;

■ Same position

FIGURE LXXII: ACCOMMODATION AND FOOD SERVICE ACTIVITIES (NACE: I), GPG IN % OF AVERAGE HOURLY WAGE FOR FULL-TIME JOBS EXCLUDING BONUSES AND ALLOWANCES, COMPARISON FOR THE SAME JOB, WORKPLACE AND POSITION



Source: Křížková, Pospíšilová, Maříková, Marková Volejníčková. Rozdíly v odměňování žen a mužů v ČR. 2018.

- Total hourly wage
- Same job;
- Same workplace;
- Same position

ANNEX 5 – PROPOSAL FOR A DIRECTIVE OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL

The following annex contains selected articles of the proposal for a directive of the European Parliament and of the Council to strengthen the application of the principle of equal pay for equal work or work of equal value between men and women through pay transparency and enforcement mechanisms²⁸:

ARTICLE 1 SUBJECT MATTER

This Directive lays down minimum requirements to strengthen the application of the principle of equal pay between men and women for equal work or work of equal value enshrined in Article 157 TFEU and the prohibition of discrimination laid down in Article 4 of Directive 2006/54/EC, in particular through pay transparency and reinforced enforcement mechanisms.

ARTICLE 2 SCOPE

- 1. This Directive applies to employers in the public and private sectors.*
- 2. This Directive applies to all workers who have an employment contract or employment relationship as defined by law, collective agreements and/or practice in force in each Member State with consideration to the case-law of the Court of Justice.*

ARTICLE 5 PAY TRANSPARENCY PRIOR TO EMPLOYMENT

- 1. Applicants for employment shall have the right to receive from the prospective employer information about the initial pay level or its range, based on objective, gender-neutral criteria, to be attributed for the position concerned. Such information shall be indicated in a published job vacancy notice or otherwise provided to the applicant prior to the job interview without the applicant having to request it.*
- 2. An employer shall not, orally or in writing, personally or through a representative, ask applicants about their pay history during their previous employment relationships.*

ARTICLE 6 TRANSPARENCY OF PAY SETTING AND CAREER PROGRESSION POLICY

The employer shall make easily accessible to its workers a description of the criteria used to determine pay levels and career progression for workers. These criteria shall be gender-neutral.

²⁸ The proposal for the directive is available in its entirety here: [https://ec.europa.eu/transparency/documents-register/detail?ref=COM\(2021\)93&lang=en](https://ec.europa.eu/transparency/documents-register/detail?ref=COM(2021)93&lang=en).

ARTICLE 7 RIGHT TO INFORMATION

- 1. Workers shall have the right to receive information on their individual pay level and the average pay levels, broken down by gender, for categories of workers doing the same work as them or work of equal value to theirs, in accordance with paragraphs 3 and 4. CS 36 CS*
- 2. Employers shall inform all workers, on an annual basis, of their right to receive the information referred to in paragraph 1.*
- 3. Employers shall provide the information referred to in paragraph 1 within a reasonable period of time upon a worker's request. The information shall be provided in accessible formats for workers with disabilities upon their request.*
- 4. Workers shall have the possibility to request the information referred to in paragraph 1 through their representatives or an equality body.*
- 5. Workers shall not be prevented from disclosing their pay for the purpose of enforcing the principle of equal pay between men and women for equal work or work of equal value.*
- 6. Employers may require that any worker having obtained information pursuant to this Article shall not use that information for any other purpose than to defend their right to equal pay for the same work or work of equal value and not disseminate the information otherwise.*

ARTICLE 8 REPORTING ON PAY GAP BETWEEN FEMALE AND MALE WORKERS

- 1. Employers with at least 250 workers shall provide the following information concerning their organisation, in accordance with paragraphs 2, 3, and 5: (a) the pay gap between all female and male workers; (b) the pay gap between all female and male workers in complementary or variable components; (c) the median pay gap between all female and male workers; (d) the median pay gap between all female and male workers in complementary or variable components; (e) the proportion of female and male workers receiving complementary or variable components; (f) the proportion of female and male workers in each quartile pay band; (g) the pay gap between female and male workers by categories of workers broken down by ordinary basic salary and complementary or variable components.*
- 2. The accuracy of the information shall be confirmed by the employer's management.*
- 3. The employer shall publish the information referred to in paragraph 1, points (a) to (f) on an annual basis in a user-friendly way on its website or shall otherwise make it publicly available. The information from the previous four years, if available, shall also be accessible upon request. In addition, the employer shall share this information with the monitoring body referred to in paragraph 6.*
- 4. Member States may decide to compile the information set out in paragraph 1, points (a) to (f) themselves, on the basis of administrative data such as data provided by employers to the tax or social security authorities. This information shall be made public in accordance with paragraph 6.*
- 5. The employer shall provide the information referred to in paragraph 1, point (g) to all workers and their representatives, as well as to the monitoring body referred to in paragraph 6. It shall provide it to the labour inspectorate and the equality body upon their request. The information from the previous four years, if available, shall also be provided upon request.*
- 6. Member States shall entrust the monitoring body designated pursuant to Article 26 to collect the data received from employers pursuant to paragraph 1, points (a) to (f) and to ensure that this data*

is public and allows a comparison between employers, sectors and regions of the Member State concerned in a user-friendly way.

7. Workers and their representatives, labour inspectorates and equality bodies shall have the right to ask the employer for additional clarifications and details regarding any of the data provided, including explanations concerning any gender pay differences. The employer shall respond to such request within a reasonable time by providing a substantiated reply. Where gender pay differences are not justified by objective and gender-neutral factors, the employer shall remedy the situation in close cooperation with the workers' representatives, the labour inspectorate and/or the equality body.

ARTICLE 9 JOINT PAY ASSESSMENT

1. Member States shall take appropriate measures to ensure that employers with at least 250 workers conduct, in cooperation with their workers' representatives, a joint pay assessment where both of the following conditions are met: (a) the pay reporting conducted in accordance with Article 8 demonstrates a difference of average pay level between female and male workers of at least 5 per cent in any category of workers; (b) the employer has not justified such difference in average pay level by objective and gender-neutral factors.

2. The joint pay assessment shall include the following: (a) an analysis of the proportion of female and male workers in each category of workers; (b) detailed information on average female and male workers' pay levels and complementary or variable components for each category of workers; (c) identification of any differences in pay levels between female and male workers in each category of workers; (d) the reasons for such differences in pay levels and objective, gender-neutral justifications, if any, as established jointly by workers' representatives and the employer; (e) measures to address such differences if they are not justified on the basis of objective and gender-neutral criteria; (f) a report on the effectiveness of any measures mentioned in previous joint pay assessments.

3. Employers shall make the joint pay assessments available to workers, workers' representatives, the monitoring body designated pursuant to Article 26, the equality body and the labour inspectorate.

4. If the joint pay assessment reveals differences in average pay for equal work or work of equal value between female and male workers which cannot be justified by objective and gender-neutral criteria, the employer shall remedy the situation, in close cooperation with the workers' representatives, labour inspectorate, and/or equality body. Such action shall include the establishment of gender-neutral job evaluation and classification to ensure that any direct or indirect pay discrimination on grounds of sex is excluded.

ARTICLE 11 SOCIAL DIALOGUE

Without prejudice to the autonomy of social partners and in accordance with national law and practice, Member States shall ensure that the rights and obligations under this Directive are discussed with social partners.

