Chapter 12 Short Essay

Angel Ruzicka

BUSE-E549: Industrial Labor Relations

Dr. Alysa Lambert

May 3, 2025

Chapter 12 Short Essay

For the means of this assignment, I will be covering the labor relations of Czechia as the new expatriate manager. Czechia, formerly known as the Czech Republic, is in a unique position as one of the newer countries to gain independence. Now just hardly three decades later, Czechia is on their own and independent; however, globalization still has a large effect on the country. There is a decent amount of collective bargaining, but union coverage has been declining significantly. There are some strengths and weaknesses within Czechia's unions, but they are a bit different than the state of unions in America.

Labor Relations in Czechia

Czechia has unfortunately felt a lot of pressures of globalization recently. Typically, European countries have been compared to America as more socially sound, due to ideals such as universal healthcare and other forms of citizen support. Czechia, only 32 years into their independence, has been trying to find their footing with their economy. Czechia has seen some immigration and changes within their residents' demographics, which has led to major changes, like increases in rent. Unfortunately, in Czechia, "long-term inhabitants are being replaced by an influx of younger people who take higher-paying jobs in the city center and who tend to be happier paying out higher sums in rent. Foreign inhabitants from affluent countries in western Europe and the U.S.A. also constitute a growing proportion of city center residents" (Nattrass, 2021). Czechia is seeing a large shift into younger residents, as well as immigrants from other European countries, as well as Americans. This is pushing out the older population, which perhaps do not have as sustainable jobs as the younger demographic in Czechia currently has.

Czechia has been making strides in becoming more flexible for their residents in recent years. Labor laws have recently been changing, and “for expats in Czechia, the changes will affect aspects like probationary periods, notice periods (for dismissals and resignations), payments in foreign currency, flexible shift patterns, and more” (Smith, 2025). This is a huge change for expatriates in Czechia. It is giving them more freedom and protection, which is likely to draw in even more expatriates to the area. Czechia’s labor relations are also rather decentralized, as things usually happen per company rather than industry wide.

Like the United States, Czechia residents have the opportunity to join trade unions as employees. Trade unions are becoming less popular in Czechia; however, “the Czech-Moravian Confederation of Trade Unions (ČMKOS) is the so-called trade union headquarters, i.e. an association of trade unions in the Czech Republic” (Preuss, 2024). This gives Czechs a voice, as well as protections within the workforce. These protections can be helpful for those who decide to join one of the many different unions that Czechia has. CMKOS oversees all of these unions and provides bargaining power to individuals.

Union Density and Coverage

Unions have started to become much less popular nowadays, but Czechia has really felt these effects in the workplace. From 1994 to 2016, trade union density has gone down from 52% to less than 11% now (ETUI, 2019). The European Trade Union Institute estimates that coverage is likely around 30% now. It seems that Czechia is starting to leave trade unions in the past. This may continue and accelerate, especially if the Czechia legislature decides to push for more protections for residents and expatriates alike. While trade union membership goes down, there will likely need to be big changes to unionization in Czechia to make it more accessible and protective for its members.

Strengths and Weaknesses of Czech Unions

Weaknesses

The weaknesses of Czech unions have started to be made very apparent. The most glaring weakness with the trade unions in Czechia is the low and declining membership. With the younger demographics pushing out older residents and driving rent prices up, it has also made recruiting very hard. Many younger Czechs have been going for higher paying corporate jobs rather than joining labor unions. Lastly, in addition to the plunging numbers of people being involved within the unions, there, as covered in the last section, has also been limited coverage of the employees within trade unions. There will need to be large and significant changes for trade unions to be successful once again.

Strengths

There have been a lot of strengths that Czech unions have despite the lowering of people who are being involved within the trades. In fact, “unions have an improved knowledge of how to get the best results from enterprise-level bargaining and an improved ability to exercise influence at the national level” (Myant, 2010). Along with the extra help from this increase in bargaining, even at the enterprise level, a lot of people have started having much more positive views of unions overall, even though membership is at an all time low across the country of Czechia. However, perhaps the biggest strength could be that CMKOS talks about getting more money in union member’s pockets. For example, “In the Czech Republic, wages are significantly higher in companies where workers are members of trade unions and carry out collective bargaining than in unorganised workplaces” (European, 2017). Overall, there are many strengths

of Czech trade unions; however, with the declining numbers of participation, they will have to inevitably do something different to reverse this decline.

References

ETUI. (2019, March 28). Industrial relations in Czechia: Background summary. *European Trade Union Institute*. Retrieved from https://www.etui.org/covid-social impact/czechia/industrial-relations-in-czechia-background-summary

European Trade Union Confederation. (2017, March 15). Union membership pays off in Czech Republic. *ETUC*. Retrieved from https://www.etuc.org/en/union-membership-pays czech-republic

Myant, M. (2010). Trade unions in the Czech Republic. *European Trade Union Institute*. Retrieved from https://www.etui.org/publications/reports/trade-unions-in-the-czech republic

Nattrass, W. (2021, August 22). Rising rental prices and globalization are changing the social fabric of Czech city centers. *Expats.cz*. Retrieved from https://www.expats.cz/czech news/article/rising-rental-prices-and-globalisation-are-changing-the-social-fabric-of czech-city-centers

Preuss, O. (2024, December 30). What are trade unions and what are they for? *Dostupný advokát*. Retrieved from https://dostupnyadvokat.cz/en/blog/what-trade unions#:~:text=The%20Czech%2DMoravian%20Confederation%20of,workers'%20uni n%20and%20many%20others.

Smith, T. (2025, April 14). Czechia's new labor code: New notice periods, probation lengths, and more—What you need to know. *Expats.cz*. Retrieved from https://www.expats.cz/czech news/article/czechia-s-new-labor-code-new-notice-periods-probation-lengths-and-more what-you-need-to-know1