

Trade union responses to decarbonisation and digitalisation in Slovakia and Czechia: short-term gains versus long-term prospects

Monika Martišková, Patrik Gažo, Adam Šumichrast

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Introduction



Workers are facing several challenges related to:

- Digitalization, decarbonization, wage levels and changes in working conditions
- Decarbonization efforts will impact industry significantly, especially automotive industry, chemistry, metallurgy and construction materials processing

Industrial production:

- Czechia and Slovakia report high share of industrial jobs in the economy: CZ 27%, SK 25%, DE 20%, IT 18%, ES 12%, FR 11%
- High share of foreign capital in the economy (28 % of all employees work at foreign owned company)
- Demarked as intermediate producer (Pula 2018), factory economy (Szalavetz 2019) or integrated periphery (Pavlínek 2018)
- Experienced upgrading not translated to better working conditions

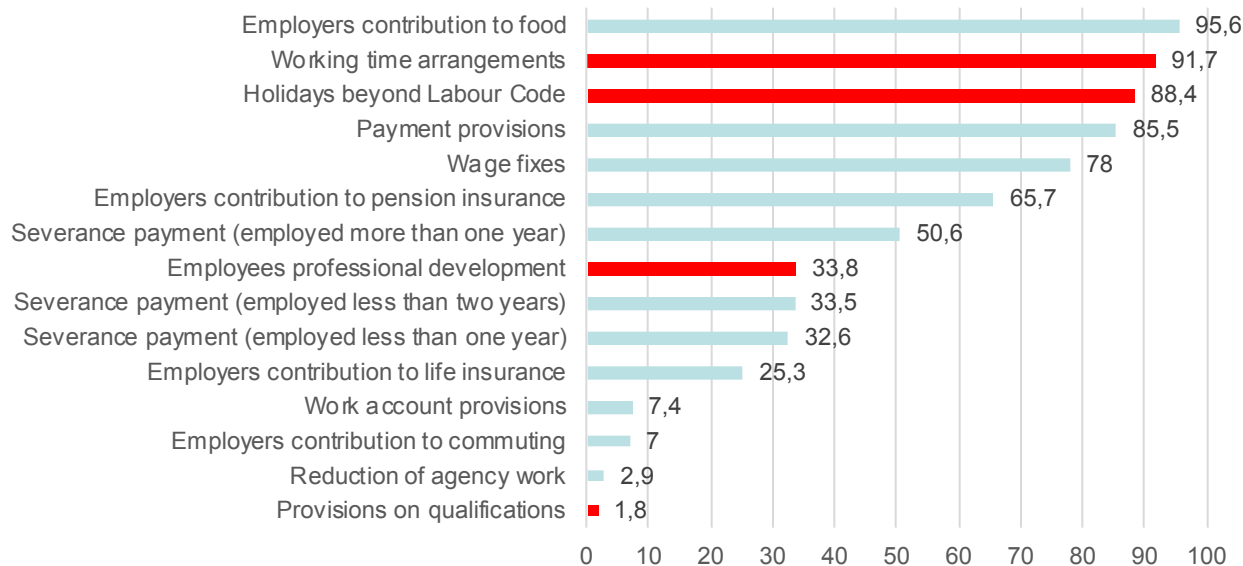
The context of collective bargaining in Czechia and Slovakia



- Low TU density (11% in CZ and 12% in SK), and low CB coverage (35% in CZ and 25% in SK)
- Decentralized collective bargaining with sector collective bargaining in selected sectors
- Collective agreements: not a channel for introducing emerging issues (dominance of tripartite, legislation), with few exceptions
- Lack of personal capacities in TU/dominance of “bread and butter” topics

RQ: What are the TU responses to decarbonization and digitalization in dependent economies?

Frequency of provisions in collective agreements, in %



Source: Ministry of Labour in Czechia (IPVV 2019)

- **Automotive**

- Insufficient and uncoordinated involvement in the debate, mostly outside the framework of social dialogue (individuals in multi-stakeholder discussions)
- Lack of personnel and analytical capacities to deal with these crucial issues, especially in the sectoral analysis of future trends
- Focus on wage increasing and improvement of current working conditions
- TUs see their role in pushing the employers to invest more money in training and education
- The continued production of conventional ICEs = the perception that there is no acute need for qualifications or threat of job loss
- Lack of long-term vision

Perceptions on green transition



● Metallurgy

- Some investments to decarbonization planned (e.g. replacing one of the two blast furnaces with an electric one), but the geopolitical situation changed the situation
- Connectedness with colleagues (SR, DE, AT, PL ...), social dialogue works well (at the level of partner countries, the EU, and the state)
- Coordination with other trade unions - regional "trade union G6" unites the basic organizations of metallurgical enterprises (often opposite interests of the automotive and steel industry with regard to import/export)

● Chemistry

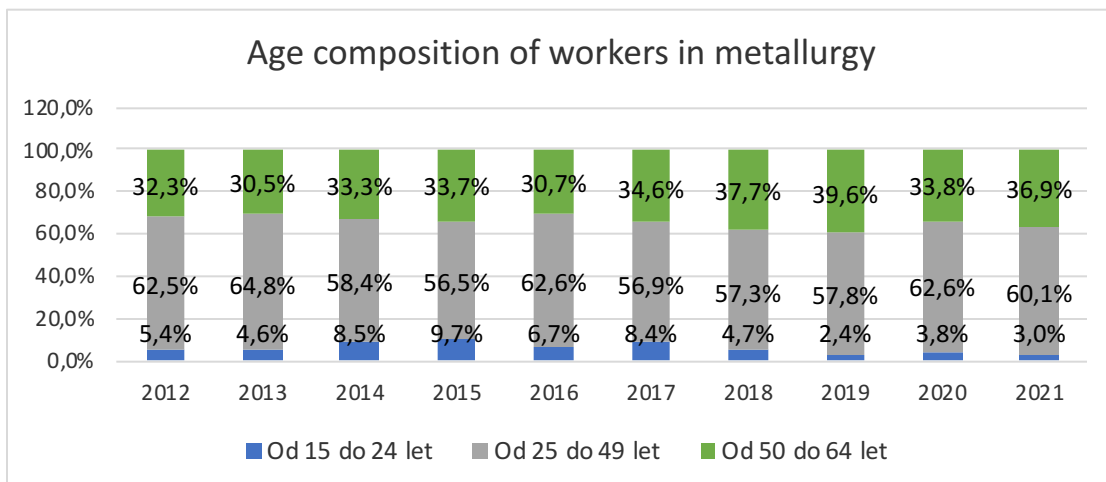
- Decarbonisation is an important topic
- Over 30% of emissions were already reduced (one of the biggest decreases in the industry sectors in CZ) - technologically, they are already at the edge of possibilities
- A more cautious approach and concerns about the effects of decarbonisation on employment

Trade union responses



I. Requalification strategies

- **Ageing** in the industry
- **Low interest** in entering the industry (vocation school struggle to attract students)
- **Employers wish to maintain their full discretion** over internal education and training policies
- **Legislation** (CZ+SK): LC sets free days (with wage replacement) for employees when in education schemes but not on retraining and requalification



Trade union responses

Sector level strategies for company level bargaining: requalifications

OZ KOVO (SK)

- Advise to **add right to education in company level agreements** (with wage compensation) or demand % from profits devoted to training and requalifications
- Demand at least 5 days per year
- Already set in the sector level agreement in metallurgy and glass sectors

OS KOVO (CZ)

- Demand right to education for all employees, paid by employer, provided during working hours
- At least 5 days per year, if not for all, focus on vulnerable employees

Company level approaches

Sector	Company level CB	Sector level agreement (SCA)
<p>Metallurgy</p> <p>The case of partial involvement of TUs, part of collective agreement</p>	<p>US Steel Košice (SK) - in the event of digitalization and new tech introduction, employer is required to provide training</p> <p>Třinecké železárny (CZ) - joined requalification programs, employees can decide not to join (if not undergoing requalification, relocated to other position within company), own vocational school</p>	<p>In SCA general demand to provide retraining by the employer</p> <p>No SCA, but vital social dialogue and regional cooperation</p>
<p>Automotive</p> <p>The case of employers discretion</p>	<p>Škoda Auto (CZ) - own secondary education and university, training and requalification of employees secured</p> <p>VW (SK) - Dual academy (joint project of VW SK, Siemens, Newport Group, Faurecia, Škoda Auto Slovensko and Bratislava region)</p>	<p>no SCA</p> <p>no SCA</p>
<p>Chemistry</p> <p>The case of partial involvement of TUs, but employeers dominance</p>	<p>Unipetrol (CZ) - own education campus and education programmes for requalification and for university degree training (focused on R&D)</p>	<p>In SCA principle of “Efficient employemt” which sets right to consultation for TUs about company’s personal policy and retraining schemes</p> <p>Employers binded to provide support to secondary schools in the regions</p>

II. Working time reduction

- Common topic in all sectors, aim to decrease working time
- Where collective bargaining, trade unions try to impose 37.5 hours week (the second most frequent provision in CAs)
- Aim is to go beyond and **reduce overtime work and introduce 5 weeks of holiday** (in LC it is 4 weeks)
- Labour shortages discard this effort, especially in continuous production it would require to introduce the whole new shift
- Mix of legislative efforts and company level demands, not coordinated at the sector level

Conclusions



- **Why are the TU responses to decarbonization and digitalization in dependent economies weak?**
- Sectors facing significant structural challenges are those with high share of foreign capital which put **workers in vulnerable position** (competition, employers reluctance to bargain and discretion over WC)
- **Employers deny new demands** or put them against wage gains - reason why short-term gains are at the expense of long-term prospects
- **Trade unions** aim to increase wages as a long term goal
- The **dominance of company level bargaining** makes it difficult to address structural labour market challenges more broadly, no collective response
- **New challenges are addressed via other channels** than collective bargaining and WITHOUT trade unions
- **Perceptions on green transition**

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monika.martiskova@celsi.sk
patrik.gazo@celsi.sk
adam.sumichrast@celsi.sk

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