**Published by** 





volume 6 / 1-2007

Labour law in the EU the Czech Republic

# **New Government Priorities?**

## Company of 2006

# Czech Labour Code may serve as a warning

"What the European Union needs is a true modernization of the labour law, however, with a minimum of harmonization elements," says the Minister of Labour and Social Affairs of the Czech Republic Petr Nečas in an interview.

The European Commission has initiated the discussion about a modernization and a possible harmonization of the labour law this year. Is it necessary for this area to become the priority of the EU?

I am convinced that a strong harmonization of the labour law damages the EU, because it does not respect traditions and usages of individual labour markets. The harmonization should be minimized so that it would allow free movement of workers; however, it should not create boundaries artificially in order to create new work opportunities in some countries at the expense of introducing standards, which are claimed by another group of countries. What the European Union needs is a true modernization of the labour law, however, with a minimum of harmonization elements.



# **Czech Labour Code may serve as a warning**

#### **Petr Nečas** the Minister of Labour and Social Affairs of the Czech Republic

# How do you think the labour law should be modernized within the EU?

It should be first of all modernized in terms of a higher flexibility of labour markets. All macroeconomic studies suggest that the more flexible the labour market is, the lower the unemployment. This fact should not be ignored.

What is the position of the Czech Republic on the document titled Green Paper: Modernization of the Labour Law, the objective of which is to deal with the challenges of the 21st century?

The Green Paper represents a certain step in the right direction, i.e. in the direction of a higher level of flexibility of the labour market and therefore also in the direction of a higher competitiveness of Europe. It would be wrong to start some kind of a backward process, i.e. to conform labour markets to rules of only some countries.

## Why are you against the harmonization of labour laws of individual countries?

The relations of employees and employers have certain tradition in each country, they have undergone certain evolution. An artificial harmonization disturbs the practice of individual member states and it can also lead to a reduction of new work opportunities. It may even lead to the situation where economies with a higher level of labour market flexibility are intentionally slowed down by the European regulation, which would favour less flexible economies.

# Does the new Czech Labour Code deal with the "challenges of the 21st century"?

It most certainly does not, actually to the contrary. It is a law that stuck intellectually somewhere at the turning of the 19th and the 20th centuries. It gives a view of an evil, criminal-like capitalist exploiting poor employees.

#### Why is the Labour Code already subject to an amendment when it did not come into force until the beginning of this year?

It is one the poorest legal regulations approved in the recent years of the Czech legislation. It contains a great number of errors, mistakes, and deficiencies.

#### What are its biggest flaws?

The biggest flaw of the Labour Code is naturally the great number of mistakes, errors, and slips that it contains. Its big flaw is for example the fact that it refers to regulations that do not exist, such as the antidiscrimination law or the health care law. The Labour Code formally declares that anything that has not been banned is allowed, however, this declaration is immediately followed by 256 restrictions, which prevent this principle in some way or another. This legal principle is thus not included there.

#### When you look at the story of the Czech Labour Code, do you think it can be useful in the current discussion on the modernization of the European Labour law? How?

It can definitely serve as a warning, because the new Labour Code was an outcome of an ideology battle of the left-wing, which froze intellectually somewhere in the 1st half of the 20th century. All modern trends of the labour legislation have been ignored. They are currently all over Europe, disregarding of the fact is governments are oriented to the left or to the right. The Labour Code does not take into account the need for a competitiveness and higher flexibility of the labour market in any way. These two factors are the fundamentals for an economic growth, for the creation of new working opportunities and reduction of unemployment.

#### Thank you for the interview.

Blanka Růžičková Confederation of Industry of the Czech Republic

# **Discussion** over the new Labour Code

The first Czech or actually Czechoslovakian Labour Code regulated the industrial relations since 1965 until the last December. During the period of its effect, it had undergone several changes (it had been amended almost fifty times), especially after 1989. The last government completed the legislation process that was supposed to replace the Labour Code, which follows the principle that anything that is not banned is actually allowed, with a new, modern regulation. Legitimate requests of the spokespeople of Czech employers for an amendment of many principles of the new regulation were not answered. These amendments would have ensure that a truly modern law is submitted to the parliament, respecting the principle of legal freedom of both parties of industrial relations is presented to the parliament, reflecting economic changes in the society as well as the liberal principle "anything not prohibited is allowed". Right before the parliamentary elections the left-wing put through, to the pleasure of the unions and with a help of unfit interferences with the text of the draft law on the part of some members of the parliament, a legal regulation, which verifiably contains tens of legal and logical errors.

The representatives of employers, headed by the Confederation of Industry of the Czech Republic, had tried until the last moment to postpone the effect of the law until the errors are removed. However, due to the distribution of votes in the Czech parliament, the new Labour Code came into effect on the 1st of January 2007 with all its flaws.

# The positive and negative aspects of the new Labour Code for employers

It insufficiently provides any room for contractual freedom. It virtually adopted the existing detailed legal regulation, which constrains employers greatly. It is only possible to alter details within the multitude of obligations and bans (note: the 395 paragraphs of the new law impose approximately 450 obligations).

Employers also oppose an ancient evergreen of the strong position of the unions and their extensive supervisory competences, incl. the ban of production, constrains on issuing internal rules of those employers, where unions are present, etc. It will be necessary to resolve a number of the problems of the new law by means of interpretations, often by purpose-built ones, in order to at least make the applicable - e.g. nonexistence of work healthcare facilities, trial period regulations, impossibility to take into account an overtime of 150 hours in the contractual salary, termination of employment on the part of an employer due to a breach of obligation of an employee related to the task carried out by him/ her.

It seems that probably the most serious problem of the new law is to deal with a reasonable need of an overtime work in some sectors (healthcare, transport), exceeding the allowed limit, which cannot be exceeded. We may expect that any solution respecting the new legal regulation will result in an enormous increase of costs on the part of employers.

A great cost risk for employers is also repre-

sented by the legal regulation of the employees' rights, who will have to be transferred to a different job due to health reasons. In case of a lower income of an employee on the different job, an employer will have to subsidize this employee up to an income, which the employee earned prior to the transfer – virtually without any time limitations. Other examples are: impossibility to hold work preparedness (standby) within a workplace, new bonus for work on Saturdays and Sundays amounting to 10% of an average income, new construction of the bonus for night shifts – 10% of an average income for all employees.

A positive aspect is an omission of the socalled offering obligation in case of an employment termination for health reasons. This is "compensated" by the specification of health reasons in case of an employment termination on the part of an employer with sometimes even 12 average monthly salaries as a severance pay, nonexistence of the so-called moderation right of



the court (possibility to reduce salary compensation by the court in case of an invalid employment termination). Working time accounts represent a positive aspect with a tremendous question mark (consent of an employee, increased administration, amount of a fixed wage); the practice will only show how big the questionmark actually is.

The Ministry of Labour and Social Affairs has recently initiated an objection proceeding to an amendment of the law, which should solve all these flaws. Even the Minister of Labour, P. Nečas, promised that his Ministry will prepare a new Labour Code version as soon as possible, which would be free of any technical errors, and which would respect rightful requests of all social partners, and which would avoid the mistakes of the past legislation process.

> Jitka Hejduková Confederation of Industry of the Czech Republic



# **Current information on the new Labour Code**

The Labour Code (Law no. 262/2006 Coll.) is currently one of the most discussed legal regulations. The long-awaited transformation of industrial regulations from socialistic traditions to more liberal ones has not occurred, however, a constitutional complaint is still an option.

Representatives of the Chamber had many crucial remarks to the Labour Code during the legislative process already; however, they had not been taken into account. The most pressing flaws of the new law actually led to the submission of two constitutional complaints; the Economic Chamber of the Czech Republic act as an initiator of one of them.

#### Amendments are on the way

A meeting of the Committee for social policy took place at the beginning of January 2007, where an expert discussion took place over the new law and its expected effects. Good news for many businesses is the fact that an amendment of the regulation is being prepared on the basis of an initiative by the Ministry of Labour and Social Affairs. This amendment should consider more the rights of employers and to contribute to the long-awaited improvement of quality of industrial legislation in our country. The complex amendment (which is to reflect the outcomes of the proceedings with regard to the filed constitutional complaints) will, however, be preceded by a technical amendment, which should remove the basic flaws from the perspective of legislation and technicalities. This concerns, for example, a revision of incorrect references to other regulations.

#### The Labour Code weakens legal certainty

Labour Code in question is literally overloaded with references (e.g. it refers to the Civil Code in twenty five provisions), which significantly weakens its legal certainty and makes the regulation nontransparent and unsystematic. The Labour code is one the fundamental and most used-in-practice legal regulations, and it should therefore be transparent, comprehensible, and explicit. Promoters of the law claimed that the regulation provides more room and freedom to employers, however, they complicated the situation so much that even experts from the ranks of lawyers are sometimes not sure, what boundaries are defined by the law. The Economic Chamber has been striving on a long-term basis to improve the quality of business environment, and it thus supports a more transparent law with a minimum of references.

#### Businesses want a flexible employment

The priority of the Economic Chamber in this area is a more flexible employment; the new regulation should finally include remarks of employers. The representatives of employers and entrepreneurs had many remarks to the provisions governing an employment; however, they have not been implemented in the law. The objections for example related to the transfer of an employee to a different job or the possibilities of letting employees go. The Chamber proposed that employers employing 10 and fewer employees should by law be obliged to let an employee go due to redundancy reasons, without verifiable organizational changes. Analogous regulation is in effect in Germany.

#### Constitutional complaint forms a pillar

Not even fundamental remarks of either the Economic Chamber or representatives of the businesses were unfortunately taken into account in the course of creation of the new Labour Code. The Confederation of Industry of the Czech Republic, the Czech Confederation of Commerce and Tourism, the Association of Building Entrepreneurs of the Czech Republic and the Confederation of Employers' and Entrepreneurs' Associations of the Czech Republic issued a joint statement to the proposal of the Labour Code discussed by the general assembly of the Council of Economic and Social Agreement on the 20th of June 2005. It is apparent from the general practice of the Economic Chamber as well as from the above mentioned document that one of the most pressing flaws of the new Labour Code is the imbalance of rights and obligations of employees and employers.

Representatives of businesses view as crucial the provisions regarding the information responsibility of employers and the rights of union organizations or employees' committee. A constitutional complaint had been filed by a group of senators (initiated by the Economic Chamber of the Czech Republic) with regard to a discrimination of employers; this complaint requests an omission of several provisions from the law. This, for example, concerns § 305 of the Labour Code on internal rules. This provision violates the equality principle stated in the article 1 of the Constitution and the article 1 of the Charter of fundamental rights and freedoms. The Economic Chamber believes that it is a discrimination of employers based on the fact if unions are active within their organization. There are no objective and reasonable reasons for a unequal treatment of employers.

Another provision, which is disputed by the constitutional complaint, is § 322 on the competency of a union organization to prohibit work. In the view of the Economic Chamber, this provision contradicts to the article 2 of the Constitution, because it institutes a right of union organization, namely the right to prohibit work in case of a danger in terms of safety and protection of health at work, or to prohibit overtime

work or work at night, which basically represents an execution of state administration.

The Economic Chambers of the Czech Republic is currently getting ready for further negotiations with regard to an amendment of the Labour Code as it expects a decision of the Constitutional Court.

#### The new Labour Code (Law no. 262/2006 Coll.) contains, inter alia, these flaws:

- References to the Civil Code in 25 provisions this is an unsystematic and nontransparent solution, intensifying the legal uncertainty.
- Conclusion of a collective agreement on behalf of all employees, irrespective of the fact if they are/are not members of the unions, or if they wish to do so. The legislation committee of the government pointed out this problem in the past.
- Discrimination of employers in comparison with employees, e.g. information duties and favorable position of union officials.
- Problematic regulation with regard to an employment instituted by means of an appointment.

The new regulation actually complicated some industrial institutes.

# Position of the Confederation of Industry of the CR on the Greeen Paper on Modernization of Labour Law

n the 23<sup>rd</sup> of November 2006, the European Commission (hereinafter the "EC") published its Green Paper on modernization of labour law, the objective of which was to initiate public debate on the ways, in which the development of labour law can contribute to the goals and objectives of the revised Lisbon Strategy. The Green Paper also deals with what role labour law could play in the implementation of the "flexicurity" concept (*flexibility* and *security*) in creating fairer and more adaptable labour markets.

The Confederation of Industry of the Czech Republic welcomes the start of the debate on modernization of labour law and its adaptation to the reality of the 21st century. Europe is entering its postindustrial stage and the paradigm of industrial relations is shifting to the area of knowledge and service economy. This results in a pressure on an increased flexibility of labour markets and a use of new forms of labour relations. The modernization of labour law forms the main part of success from the perspective of adaptability of employees as well as businesses.



The Confederation of Industry of the Czech Republic at the same time emphasizes the following:

- The modernization of labour laws is exclusively in the hands of member states of the European Union (hereinafter "MS"); any legislation imposed "from the top" would be counterproductive in the course of an increasing diversification of industrial systems within the enlarged Europe.
- We see the role of the EC in monitoring of national reforms and in creating an environment for exchange of good practices and experience among the MS.
- There is not just one model of "flexicurity". The level of flexibility results from specific conditions of individual MS. Flexicurity is not mere confrontation of "flexibility" and "security"; above all, it is a suitable mix of national policies with the emphasis on lifetime education, which will facilitate transitions within the labour market.
- Employments ad infinitum still represent a majority of all employments in Europe. It is thus especially necessary to seek flexibility within these standard employments.
- It is necessary to free up the potential of atypical forms of employment in Europe; an atypical form of employment should not be equated to an unsure employment. The negative perspective on atypical forms of employment is somewhat supported by the wrongly embraced concept of "insiders" and "outsiders", when the Green Paper only considers "insiders" employees with an ad infinitum employment. Employees with atypical forms of employment are thus included in the "outsider" group.
- It is necessary to create conditions for the support of agency employment. An agency employment does not always represent a temporary employment.
- Self-employment should be supported and it should also be viewed as one of the forms of development of an entrepreneurial mind – not as a way of avoiding labour regulations.
- Harmonization or convergence of the term "employee" is not desirable and it is predestined for failure.
- Minimum labour standards are regulated by international standards as well as Acquis.

The Confederation of Industry of the Czech Republic views the Green Paper of the EC on modernization of labour law as an opportunity for an "audit" of the flexicurity concept on a national level. The EC progress report on the National Reform Program in its specific requirements for the Czech Republic urges for the continuation of effort for the modernization of legislation on security of employment. The OECD Economic Outlook on the Czech Republic 2006 is far more critical and it talks about a high level of rigidity of the labour law, namely in the area of hiring and laying off staff. The discussion about the labour law initiated by the Green Paper may thus be positively reflected upon the development of the work codex in the Czech Republic.

> Vladimíra Drbalová, Confederation of Industry of the Czech Republic



# New Government Priorities?

political crisis had ended in January 2007, after almost eight months. The leader of ODS Mirek Topolánek succeeded in his second attempt in the Chamber of Deputies, where he asked for support for his Cabinet. Thanks to the tolerance of the deputies of the Czech Social Democratic party (ČSSD) Melčák and Pohanka, his Cabinet actually received the necessary votes. After almost 11 hours of negotiations, all 100 deputies of the coalition of Civic Democratic Party (ODS), the Green Party (Strana Zelených) and Christian Democratic Party (KDU-ČSL) were in favour, 97 deputies were against the support – i.e. deputies of the Communist Party (KSČM) and ČSSD.

On the program level, the new government wants to carry out several fundamental reforms, which seek to improve the economic situation of the country. One of the priorities therefore is the effort to lower a public finance deficit in the years to come to the following levels: 3% of GDP in 2008, 2.6% of GDP in 2009, and 2.3% GDP in 2010.

The strongest government party also intends to put through a 15% rate for at least one of the taxes in the course of public finance reform. Equal taxation of 15 percent formed the backbone of the election campaign of the ODS party and its promise to the voters. According to one of the many prepared versions of the public finance, the fifteen percent tax might be used for the taxation of incomes of physical entities. One tax rate would replace existing four rates.

The plan to break the reforms down into three stages over the period of three years was confirmed by the Minister of Finance Miroslav Kalousek (KDU-ČSL) and the Minister of Labour and Social Affairs Petr Nečas (ODS). During the next year, the income tax of physical entities would be reduced to 15% during the first stage of the reform, together with the cancellation of joint taxation of spouses, which would not make sense in terms of an equal tax. Number of social expenditures would be reduced, such as burial allowance and property taxes, such as real-estate taxes or inheritance and gift taxes. During the second stage in 2009, the corporate income tax would start to lower significantly - from 24 to 19%; the highlight would be represented by the pension and healthcare reform during the third year.

With regard to value-added tax rates, the government intends to maintain the system of two rates. The basis VAT rate should beat 17 to 19%. The reduced VAT rate of approximately 9% will include, in addition to existing items, also wooden and vegetable eco-briquettes, pellets, wood chips and firewood, as well as technological equipment for local production of heat from renewable sources. The overall goal is to reduce the composite tax quota under 34% of GDP by 2009.

The new government requests a higher level of directness, effectiveness, and transparency with regard to the system of social allowances. Mandatory social expenditures will evolve in the way that would assure that public finance deficits amount to 3% of GDP in 2008, 2.6% of GDP in 2009, and 2.3% GDP in 2010 and the total mandatory expenditures amount to less then 50% of the state budget in 2010 (currently 70%). The government will thus propose a reduction of other allowances and it will reevaluate their granting system with the aim of increasing their directness and transparency.

In the area of power policy, the government will support the use of renewable energy production sources; it will simplify an approval process for facilities using renewable energy sources. Resources of an operation program Environment dedicated for renewable energy sources will mainly be invested in two targeted grant programs - in the grant program for their installations within residential building, and in the program of supporting self-supporting municipalities with regard to energy. Within the new energy concept, the government set a goal to lower the energy consumption of the Czech economy per HDP by 40% by 2020. On 1st of January 2008, the government will implement - according to the requests of the European Union and the obligation of the Czech Republic – a revenue-neutral environmental tax reform with the aim of reducing energy needs of the economy and with the aim of stimulating an employment by lowering additional costs of labour. The environmental tax reform will not lead to an increase of the total tax burden. Social security payments will lower in connection with the increase of a consumption tax for energies. Minimum tariffs of consumption taxes according to a directive will be imposed during the first stage of the reform. The objective of the second stage of the reform is to institute an emission tax from CO2 since 2010, which will originate by means of transformation of the existing air pollution fee. The aim of this tax is to stimulate the modernization of technologies for energy production and decreasing the pollution. An indicative objective of revenues from the environmental tax reform in 2010 will be 0.5 to 1% of GDP after 2010.

The healthcare system should undergo a fundamental reform. The basic pillar shall be the development of the public health insurance system, while strengthening the autonomy and competition of health insurance companies. Issues related to financing any care at the divide of the health and social systems will be handled. A motivation of people will very likely be supported for a responsible use of the healthcare, mainly by instituting regulatory fees for prescriptions, for each day of hospitalization, for a visit of emergency or ambulatory specialist. The government will also propose to replace the so-called law on nonprofit hospitals by a new law, which standard in the EU environment, on nonprofit organizations.

The governmental priorities for the rural and agricultural area consist in the maximum set off of direct payments to farmers, efficient drawing of all funds from the European Union and a simplification of rules for small and medium-sized rural entrepreneurs. Some of the priorities also are: nonfood use of agricultural production, support of young people in rural and agricultural areas, territorial adjustments and faster clarification of property relations with regard to land.

The government wants to target water control and water care as well. Some of the main goals are fulfillment of obligations toward the EU in the construction of sewer lines and sewage treatment plants by 2010 as well as sufficient financial resources for anti-flooding measures. According to the draft of the program declaration, the Cabinet would delegate to regions some of the responsibility for the use of public funds.

# **Company Linet from Želevčice became**

the Company of 2006

NET

ompany Linet from Želevčice by Slaný in the Central Bohemian region became the winner of the nationwide contest "Poštovní spořitelna Company of 2006. The company, which produces hospital beds, became the jury's favourite during the finals that took place during a gala evening in the Czech Museum of Music in Prague.

14 winners of the regional rounds advanced to the finals. Unlike during this stage, the finals' jury could also evaluate marketing and commercial solutions as well as articulateness during an interview with a moderator. "Companies that reached the finals demonstrated mainly their economic abilities during the previous rounds. They were now confronted directly with the jury, which comprised of representatives of partners of the competitions as well as, for example, representatives of the Chamber of Commerce or the Association of small enterprises and entrepreneurs," said Miloš Růžička, Managing Director of the organizing agency Bison & Rose.

In a relatively short period of time, the company Linet has become one of the five biggest companies in this area worldwide. It owns over thirty patented and protected solutions as well as 15 gold medals from various trade fairs. "I have to thank our customers, because they buy products that we want. I also have to thank our employees, and finally the jury," said a representative of the company Zbyněk Frolík immediately after the results were announced.

Over 2000 business entities

from the whole Czech Republic entered the competitions Makro Entrepreneur of the Year as well as Poštovní spořitelna Company of the Year. Regional rounds were completed in October when specialized committees selected regional winners, who advanced for the nationwide finals. The finals hosted top local players from fields such as building industry, engineering, forestry, power industry, food-processing industry, as well as software development and others. "Representatives of these companies definitely view the participation of their companies in the finals of the prestigious contest as a significant step for the future of their respective businesses. It is more important for use that the whole event met its purpose. Not only did we point out successful businesses entities and rewarded them rightly, we also gave an opportunity to all the participants of the contest to become more aware of their competitive edge within the Czech market," Růžička adds the main objective of the whole event.

## "A new Agenda for 21'st century" Conference: Let's use experience from business

hat are the challenges that the European Union should face? The Conference titled "A new Agenda for 21'st century" that took place in Brussels on the 6th of March 2007 chose three priorities. Participants of the conference discussed about what to do to increase competitiveness of European companies, about power policy, climate changes and a fairer deal for the developing world.

An inaugural conference of a new political fraction Movement for European Reform was held by its founders, the British Conservative Party Leader David Cameron and the Prime Minister of the Czech Republic Mirek Topolánek on behalf of the Czech ODS. In the panel dedicated to a competitiveness also appeared, among other speakers (former head of IBM Europe and the current president of the German Federation of Industry Hans-Olaf Henkel, professor of the Madrid Universite Pedro Schwarz, former economic advisor of the British Prime Minister Derek Scott), the President of the Confederation of Industry of the Czech Republic Jaroslav Míl. He attempted to draw a parallel in his speech. He described how the task to stay competitive would be handled by a CEO of a big supranational company. He also compared its measures and procedures with those of the EU. The relatively critical piece received many reactions. You may find the speech of the President Míl at www.spcr.cz/en.

> Blanka Růžičková Confederation of Industry of the Czech Republic



During the gala evening, the winner was not only awarded the prestigious award Company of the Year 2006, but he also received many valuable prizes. Among others, he received Škoda Octavia for six months free of charge.

#### Order of the finalists:

1st place	– Linet
2nd place	– Grisoft
3rd place	– Kofola
4th place	– Chovservis
5th place	<ul> <li>Strojon</li> </ul>
6th place	– Remak
7th place	– Ardeapharma
8th place	– V-NASS
9th place	– Envinet Uniles
10th place	– Chodeká I TA

#### – Chodska Ll

# In the new quarters

Confederation of Industry of the Czech Republic has moved to a new address. It moved from Mikulandská Street in Prague 1 to a building of the company Lighthouse Vltava Waterfront Towers in Prague 7 – Holešovice. It is currently occupying the 14th floor of this modern 17th-floor building.

The glassed-in building is the first building of an ambitious project of the Holešovice port reconstruction. It is located on the bridgehead of Libensky Bridge, on the left bank of Vltava River. The site is well accessible from the city center, while located within a quiet zone – only separated from the river by a green field with park arrangement. The construction can easily be seen from many places of Prague – it offers a view of the whole city from its top floors.



#### **Economic Chamber of the Czech Republic (ECCR)**



The Economic Chamber of the Czech Republic is theself-governance institution in the Czech Republic. Within its structure it embraces more than 60 active district and regional chambers as well as 70 professional associations covering the entire territory of the Czech Republic and the entire scale of enterprises, from the largest to the smallest. This network ensures daily contact with the entrepreneurs, monitoring of their interests, and efficient representation vis-a-vis the Czech Government. The ECCR provides customs and

certification services, legal and legislative services as well as representative and information services. It plays an important role in supporting exports, European integration, and SMEs. Its Court of Arbitration resolves commercial disputes relating to foreign and domestic trade.

#### **Confederation of Employers' and Entrepreneurs' Associations of the Czech Republic**



The Confederation of Employers' and Entrepreneurs' Associations of the Czech Republic is an independent, voluntary and open lobby group promoting and coordinating entrepreneurial, employers' and professional interests in negotiations

with Parliament, Government, public administration and Trade Unions. At present the organization has the following members: The Association of Entrepreneurs of the Czech Republic, The Union of Employers' Associations of the Czech Republic, The Union of Agriculture of the Czech Republic, The Association of Textile, Clothing and Leather Industries, The Association of Building Entrepreneurs of the Czech Republic, The Union of the Czech and Moravian Producer Cooperatives and The Employers' Union of Mining and Oil Industries.

#### **Confederation of Industry of the Czech Republic**

Sp

The Confederation of Industry of the Czech Republic is a non-governmental, voluntary federation of employers and entrepreneurs in the Czech Republic. It represents and defends the interests of employers in the sphere of social policy during tripartite negotiations with the Government and Trade Unions. It strives to define, support and assert its members' interests in order to achieve prosperity and favorable business environment. It also pro-

vides consultation and information services for its members that focus on international relations, trade opportunities, production cooperation, legislation, collective bargaining, European integration, education and training. It is a full member of the International Organization of Employers (BUSI-NESSEUROPE).

#### **Contact:**

Economic Chamber of the Czech Republic Freyova 27 190 00 Prague 9 Czech Republic Tel.: +420 296 646 356 Fax: +420 296 646 227 Email: cebre@komora.cz www.komora.cz

#### **Contact:**

Confederation of Employers' and Entrepreneurs' Associations of the Czech Republic Václavské náměstí 21 113 60 Prague 1 Czech Republic Tel.: +420 222 324 985 Fax: +420 224 109 374 Email: kzps@kzps.cz www.kzps.cz

#### **Contact:**

Confederation of Industry of the Czech Republic Lighthouse Vltava Waterfront Towers Jankovcova 1569/2c 170 04 Prague 7 Czech Republic Tel.: +420 234 379 495 Fax: +420 234 379 463 Email: cebre@spcr.cz www.spcr.cz



- Protects the interests of Czech business community vis-a-vis the EU institutions
- Informs Czech businesses about EU legislation affecting them
- Trains Czech entrepreneurs and managers in Brussels, the heart of the EU
- Represents Czech business associations at European business federations

CEBRE operates within the legal framework of CzechTrade in Brussels as a part of the commercial and economic section of the Embassy of the Czech Republic to the Kingdom of Belgium.

**CEBRE - Czech Business Representation** Bastion Tower, level 20, 5 Place du Champ de Mars, B-1050 Brussels; Tel: + 32 2 550 3547/49; Fax: + 32 2 550 3548; cebre.europe@mail.be

### **Czech Business Today**

Published by: Economic Chamber of the Czech Republic in cooperation with Confederation of Employers and Entrepreneurs Associations of the Czech Republic and Confederation of Industry of the Czech Republic • Contact: Hospodářská komora ČR, Freyova 27, Prague 9, Czech Republic, Euroklub, e-mail: cebre@komora.cz, tel: +420 296 646 356 • Managing editor: Traian Urban • Editors: Jan Zikes, Blanka Růžič-ková • Translation: Domus Linguarum • Editorial Board: Blanka Jakubcová, Jan Wiesner, Dagmar Kuchtová, Ondřej Hradil, Traian Urban, Zde-něk Kočárek • Design and project management: bigdog agency• Printed by: bigdog agency • Registration: Ministry of Culture of the Czech Republic - MK CR E 13767 • Periodicity: Quarterly • Edition: 850 copies • Distribution: Own • This edition was published on 2nd May 2007 • The views expressed in Czech Business Today are not necessarily those of the company. Permission to reprint any article will usually be given on application to the publisher.