

The share of full-time jobs below the Minimum Decent Wage in 2022 was 63 per cent. Its level rose to CZK 41,000 last year

Prague, 18 April 2023 - The minimum decent wage for 2022 was CZK 40,912 gross. In the capital, due to the higher cost of living, it was CZK 42,776 gross. Last year, 800,000 more full-time jobs fell below the minimum wage than in the previous year – according to calculations published today by the expert Platform for a Minimum Decent Wage. Experts believe that higher union organisation would help reverse this trend. Today, only 11% of employees are unionised. The Czech Republic is also required to significantly strengthen collective bargaining by new European legislation.

Today, the Platform for a Decent Minimum Wage published its annual update of the working poverty indicator on its [website](#). **The minimum decent wage rose to CZK 40,921 gross last year, almost matching the average wage of CZK 40,353 in 2022.** According to experts, the level of the Minimum Decent Wage reflects the fact that price increases are concentrated in vital areas such as energy and food. However, the high increase in costs also affects the vast majority of other expenditure categories used in the calculation. Wages, however, are not rising as dynamically as an expenditure. **"The share of full-time jobs below the Minimum Decent Wage has jumped up by almost more than half since 2021, so that they now account for 63 percent of the total. In absolute terms, this jump represents an estimated 800,000 full-time jobs,"** says economist Jan Bittner of the Prague University of Economics and Business. The reason for this is the lack of wage growth in the face of high inflation. The biggest drop in real wages last year was in sectors where the state is the dominant employer – by 16% in education and by 11.5% in health and social care.

This means that large segments of the working population in the Czech Republic **do not earn enough to cover the costs of everyday life for themselves and their households.** An employee from the food industry comments on this situation: **"When you compare it with Western Europe, it is sad, I mean the ratio of services you can have for your needs here and abroad in relation to your wages. Often people don't even request too much – to put presents under the Christmas tree, to go to the cinema occasionally, ... not to work just for paying the bills and the municipal waste fees..."** It is the comparison with the standard of living in Western Europe that often leads to frustration, which can manifest itself, for example, in a negative attitude towards the EU. The social services worker adds: **"We need to constantly remind ourselves how undervalued wages and salaries in social services are. We deserve to save money or go on holiday for our mentally and physically demanding work."** The two items mentioned are often the ones that people give up for financial reasons, although experts recommend both putting money aside and taking a holiday away from home once a year to relax.

In contrast to the real impoverishment of workers is the increase in profitability in a number of sectors. The costs of rising prices are thus borne primarily by workers. **"One of the reasons why the upward pressure on wages is lower here than elsewhere in the EU is our relatively low union organisation.** The weak position of workers is also reinforced by the fact that negotiations here are mainly conducted at the company level and not at the sectoral level, as is common in Germany, for example," explains political scientist Kateřina Smejkalová from the Friedrich-Ebert-Stiftung think tank. Only about one in eight employees is a member of a trade union and only about one in three has wage conditions negotiated through a collective agreement. The average wage for employees with a collective agreement is on average 17% higher than without a collective agreement. For example, employees of Alzheimer Home, a social services company, recently achieved wage increases of 6-8 percent. As a result, they are weathering the effects of high inflation far better than their non-union colleagues.

Member States are also required by the [Directive on adequate minimum wages in the EU](#), adopted last year, to take such measures, which will lead to at least 80% of employees being covered by collective bargaining in the medium term. The Czech Republic, with its current 35% of workers covered by collective agreements, which is significantly lower than the European average, will have to more than double this in the coming years. **If the Czech Republic faces up to the implementation of this directive, it can significantly reduce the share of pay below the Minimum Decent Wage, according to the Platform's experts.** According to Lucie Trlifajová of the Centre for Social Issues -

SPOT, the state would be responding to the feeling of a significant part of society that they are not represented and protected under the current social order. *"Promoting workers' participation in wage negotiations is one of the tools that can strengthen the feeling that their needs are also relevant, that they are not completely powerless,"* the social anthropologist concludes.

A complete overview of the latest data on the Minimum Decent Wage for 2022 is available at www.dustojnamzda.cz/minimum-decent-wage/

The Platform for a Minimum Decent Wage

Behind the Minimum Decent Wage is an independent and informal expert platform that has been meeting over the concept and calculation since 2016. The platform was inspired by the concept used abroad under the term "living wage". The Minimum Decent Wage for the Czech Republic was first published for 2019 in the spring 2020. A list of its members is available at www.dustojnamzda.cz/who/. More detailed information on the concept, its calculation, differences from other indicators, as well as illustrative stories and data for previous years can be found at www.dustojnamzda.cz/minimum-decent-wage/.

What is a Minimum Decent Wage?

The Minimum Decent Wage is an indicator that calculates, based on current prices, what the remuneration for work during normal working hours would need to be to provide workers and their households with enough money to live on, which is perceived by most of society as a certain basic standard. It should be able to cover the costs of food and housing, clothing, transport, health care, education, and leisure, and pay for other important expenses, including savings for unexpected circumstances.

Contact for media

Lucie Nemešová, press service
lucie@storyhunters.cz
602 325 029