

## At Focus:

# CZECH REPUBLIC

**„We need more qualified workers“**

(03.06.2010)

Questions for the colleague Michal Teraz about the results of the crisis for the Czech wood and furniture industry and about trade union fields of activity?

☛ **Since 2009, the global economic and financial crisis has also significantly influenced the wood and furniture industry. Which were the economic results had the crisis on the enterprises and the sector in your country and what are the current developments?**

Czech wood and furniture industry is obviously affected by the global recession. Furniture manufacturers are feeling particularly limiting for office and housing development. Sector since mid-2008 he began to feel the stagnation in demand for companies that make up the majority of furniture customers.

Domestic furniture exports last year recorded a slight downturn. Went beyond the year 2008 furniture worth 44.6 billion crowns a year earlier it was still 45.7 billion..

Furniture market in the Czech Republic last year for the first time since 2002 saw a drop in imports. Its value last year was around at 24.4 billion crowns. With 2007, imports of furniture and smaller by about 654 million crowns.

Anti-crisis Furniture intend to defend in different ways. For example, the emphasis in production, according to chief ACN moves from cheaper products toward more expensive types of furniture. Expensive products, according to him, could ensure higher revenues to compensate for the decline in production.

Chances of getting the application for this group of workers in the period 2009-2013 average. Compared to the current developments (2003-2008), these odds change dramatically. Workers in this occupational group, find application mainly in the woodworking industry - industries whose future prospects are worse, and total employment in them will be further reduced. But the chances of these workers to use to improve the average age of particular professional groups - well above the average



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of the economy, in some occupations are approaching 50 years. A large proportion of the workforce retires in 2013 and retired due to decrease in the number of suitable graduates are not sufficient resources to pay for them - not all vacant posts will be deleted.

☛ **What are the results of the economic crisis on the employment in the sector? What are the negative trends – for example for jobs, working hours, salaries and the work standards in the enterprises?**

Development of timber industry is greatly affected by the situation in the construction industry, where significant growth in coming years waiting. On the contrary, the economic crisis, which significantly affects the right building, threaten the prosperity of those years, the wood processing industry. Jobs are in manufacturing during 2009, increasingly disturbed.

In the longer term, however, the timber industry was hit rather small decrease in employment. Wood as a renewable and environmentally friendly source does not detect dramatic changes in production and demand. Sector is currently characterized by low capital-intensive and can therefore be assumed that the flow of additional investment in the sector will reduce employment at unchanged or even increasing production. Demand for workers will therefore fall slightly long. Renewal of old equipment with new technology will mean a saving of labor, while increasing demands on the ability of workers to work with new technologies. Will also change the structure of timber products. Expected to shift from the current predominant focus on the less demanding and cheaper products, such as sawmill production to technology-intensive products such as timber construction, veneers, particle boards and the like. This change would require an increase in expertise of many professions and higher require-

ments for the participation of workers in the innovation process. Also increase the demand for technology workers, who will prepare new types of production, testing and launch of new products.

**➤ How have the trade unions dealt with the crisis? What were your instruments and strategies to secure jobs and protect the employees? How successful you have been?**

OS DLV is focused on finding much information on the crisis with regard to the fact that our generation had experienced a strong economic crisis.

Our tools were mainly through collective agreements and negotiations with employers and addressing the situation at each plant.

Strategy to protect jobs and ensure the participation of state education employees.

Moreover, using the option of shorter working hours without reducing salaries and entitlements of all collective agreements.

**➤ How do the trade unions act to successfully represent the interests of employees (like secure jobs, good work standards and collective wage agreement salaries) even under the conditions of the crisis? What are your main approaches on company and sector level?**

Negotiate with the employer agreed to maintain existing employment conditions in the industry.

Job security will be very difficult, but on the other hand, is the prospect that life will survive capable of subsequent projects by ensuring good labor standards and wages.

Access to trade unions on these issues is in daily monitoring developments in the company.

At odvětvové level we could not conclude a collective agreement with the Greater Union of wood-working industry. On the other hand, we have been able to open Social dialog with the Association of Czech Furniture, we rozjednanou agreement on the information in the furniture industry.

**➤ The European and international competition in the wood and furniture sector will remain significant in the future even after the crisis. Many companies have to improve their products and qualities. What is the importance of vocational further training of the employees in this context?**

In the event that an increased demand for technology workers, who will prepare new types of production, testing and launch of new products. It will be necessary to respond to this situation that employers will encourage more staff training. Employers realize the importance for the future of the industry in quality products and employ more qualified personnel.

**➤ How important is the topic “qualification” in your work in companies and the sector as a whole? What has improved and where do you still have deficits?**

Labour productivity in the wood processing industry is located approximately one-third the level of productivity in the EU-25. In the period 2004-2006, labor productivity grew in the Republic of almost 19%, bringing it close to productivity growth in EU countries. Wood-processing industry is characterized by older tech and its lack of variation. This relates in particular to the size structure of enterprises - the preponderance of small and micro enterprises and the market is concentrated.

High proportion of workers with secondary education in this sector showed a further increase from 83% to 86% and increased the proportion of workers with tertiary education from 2% to 5%. Proportion of the latter is but against education structure in the EU is still significantly smaller. Again, this refers to the level of investment and size structure of enterprises, in particular in the woodworking industry - smaller firms are less innovative performance, and often do not have the capacity for greater investment, which reduces the need for skilled labor.

**➤ Are there trade union or company initiatives for a systematic and improved further training of the employees in the wood and furniture sector?**

OS DLV does not provide further training of employees in the sector. Our snou is to raise funds for the project, which will focus on training for work safety in forestry.

Any initiative in education is for employers, public schools and private schools in the country.

**➤ What are your expectations towards the European cooperation in the project INNO 2? What kind of results do you expect in the context of the topic “further training”?**

From European cooperation, I expect I'll be able to apply knowledge, experience from other countries and possibly implement in the country. INNO2 result of the project should be to establish cooperation in education of staff in each country. Minimize fears about their future because of the lack of new skilled workers in fields for the wood-working industry.

Labor market in the Republic today are missing a number of professions. On the other hand, many workers lost their application and the knowledge and skills requirements of employers is not enough.

Mapped forecast of skill needs and to find connections between trends in the economy and the requirements of the profession and to give timely in-

formation about the employee, with such qualifications and in what numbers in the coming years will be needed to evaluate and who find the labor market quality application.

All situations have one thing in common - they can not be solved immediately. Therefore it is necessary to describe what problems the labor market today, but what trends will shape demand for workers in the coming years. That is the goal of European cooperation

Morava (Czech Republic)  
Mai 2010