

CMKOS on the Increase in Prices

Appeal to the Government of the Czech Republic and to the Employers

In recent months in the Czech Republic there has been a steep increase in prices, especially of the most basic needs. The price explosion affects the most families of employees, families with children, pensioners, single parents and other vulnerable groups of population with average and low incomes.

The yearly growth of inflation in January reaching more than 7,5 per cent is a result of price increase caused by governmental reform of public budgets. Growing prices of basic foodstuffs, energy, fees in health service, prices of medicaments and services, increase of rents and of other costs put many citizens into an existence insecurity. It will lead to further debts of Czech households, which will reach over 900 billion CZK this year.

And that happens regardless the fact that the Czech economy is growing already for a number of years and according to renowned and internationally recognised agencies shows the best economic results in the world. It is backed up also by historically highest profit of almost 150 billion CZK in 2007 reached by companies whose shares are traded at the Prague stock exchange. A significant part of the society does not have any benefit of it.

On the contrary, real wages of many employees especially in education, health service or public administration and real value of pensions and other social benefits drop under the burden of governmental reform and the living standards of their recipients fall without any reason under the acceptable limit.

By its reform of public budgets the government, while tightening belts of majority of citizens without any scruples and social regards, significantly increased their own incomes and incomes of a narrow group of political and economic elites. It thus creates income gaps in a way unacceptable in modern democratic society.

The CMKOS strongly calls upon the government - in order to mitigate these leaping to the eye injustices - to immediately increase the minimum wage, minimum wage and salary tariffs and the volume of means for salaries of employees in budgetary and contributory organisations.

The CMKOS also demands the increase of pensions and benefits for families with children, for handicapped and socially weak people in the extent that would not only balance the real decline of these incomes but also enable these people to take share in economic growth.

The CMKOS turns also to the employers asking them - with regard to the mentioned increase in prices - to ensure in the framework of collective bargaining or through their own wage regulations such a growth of wages and salaries in the year 2008 that would compensate their real decline and at the same time reflect good entrepreneurial results.

Prague, 21st February 2008