

The impact of labour legislation on the labour market in the Czech Republic - institutional aspects

The purpose of this master's degree thesis is to analyse how the labour legislation impacts on the labour market in the Czech Republic with a focus on institutional aspects of this impact. The thesis is (except the introduction and the conclusion) composed of three chapters. Each of the chapters deals with different aspects of labour market.

Chapter one describes labour market as a very important part of every economy as well as labour market determinants leading to the economy's prosperity. Chapter two economically analyses efficiency of a selected labour market institutional aspects. Economics is chosen for analysis as a science enabling to see not only the visible, but also the invisible impacts of human action. The chapter consists of five parts. Part one focuses on the impacts of employment protection. Part two deals with the labour union effect. Part three investigates labour policy tools, especially unemployment benefits, investment incentives and minimum wage. Part four focuses on tax policy. Part five addresses the issue of anti-discrimination law measures. These parts contain conclusions relevant for the following chapter three.

Chapter three examines recent progress of Czech labour legislation and covers determinants discussed in chapter two. Every part of this chapter refers in legal sense to relevant part of chapter two with the aim of critical confrontation of the economic analyses conclusions with the relevant labour legislation progress. Conclusions of the confrontation are drawn in every part of this chapter and pose the source for the following economic policy suggestions leading to better labour legislation and in longer perspectives to efficient labour market.

The analysis shows that labour legislation can often lead to a rather opposite impact than intended by legislators. A considerable piece of regulation influencing labour market causes negative distortions. According to me legislation should be more influenced by economics than biased populism and lobbying with aim to reach more quality labour market. This would also result in higher employment rate and higher competitiveness for Czech employers.