SG Sustainable Governance Indicators

2014 Czech Republic Report

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Executive Summary

The Czech Republic was governed during the review period by a coalition of three parties of the center-right. Although they started with a secure majority, they were left weak in the face of a vocal opposition by internal conflicts and the removal of ministers for apparent incompetence, reluctance to stick to prior agreements within the government and some accusations of corruption. Disputes, both within the government and between government and opposition, centered on pension and health care reforms, the appropriate response to the budget deficit which arose after the economic crisis of 2008 - 2009 and attitudes towards European integration.

The basic features of a democratic system are firmly established. Rules on financing political activities were further strengthened in the first direct presidential election, held in early 2013. All significant political opinions receive coverage in the media. Executive actions are controlled by law, and the Constitutional Court has been very active in constraining Parliament's decisions, although powers left with the president have allowed him to annul the effectiveness of court decisions and hamper the Constitutional Court's work. Corruption remains an important issue, with politicians from all sides linked to doubtful business practices. Strong government rhetoric on the need to tackle the issue has been accompanied by an active role for the media, and increasingly also the police, in exposing politicians' corrupt practices.

The key government economic policy aim was the reduction of the budget deficit from a peak of 6% of GDP in 2009 to under 3% of GDP. This was achieved in 2012, but at the expense of cuts in public sector pay, many state benefits and, above all, public sector investment. The government's austerity policy has led to a renewed economic depression. However, the level of international debt is very low by international standards and there is no threat to the government's ability to raise finance. Declining GDP and real income levels have contributed to reducing the government's credibility with the public. Unresolved issues include the weak provision of facilities enabling parenting to be combined with work, and weak support for immigrants. Research and innovation have been given high profiles in government policy documents, but spending in these areas remains low. There is broad access to

education, although numbers in higher education still need to catch up with western Europe.

The Czech Republic's international role is exercised primarily through the European Union. This has been hampered by the euroskepticism of former President Václav Klaus and the Civic Democratic Party (Občanská demokratická strana, ODS), which dominated the government. They oppose early entry to the euro and want to avoid participation in any initiatives – such as the European Banking Union – that amount to greater integration and might imply an obligation to provide finance to help other EU members. There are no substantial perceived external threats. The Czech view toward the outside world has remained that of a country more willing to take than to give a lead, albeit with some effort to start establishing a profile in international aid. However, the European Union has been a major force for modernizing policy in many areas, including the environment, anti-discrimination and social policy, and provides funding in neglected areas such as research.

There has been little strategic vision from governments. Much has depended on detailed coalition agreements, after which ministers are left with considerable discretion and can, in practice, develop policies that other ministers then feel unable to support. There is no systematic thinking on institutional reform. Methods to improve efficiency, such as regulatory impact assessments, are introduced in response to EU prompting.

The public appears well informed on government decisions and political party positions, which often leads to opposition and skepticism when decisions are taken with limited consultation or expert input. The Czech Parliament has the means to exercise substantial control over the government. It has a separate audit office that monitors public bodies, although courts rather than Parliament were required to control its activities after an alleged misuse of public money. An ombudsman takes up and investigates complaints against public offices, but has no powers beyond publicizing its findings. The internal structures of the main political parties allow for election of leaders and for all members to stand for election, but internal debate is limited. Interest associations are able to develop coherent programs.

Key Challenges

Czech political life has been characterized by a polarization between left and right and by a weak and poorly coordinated coalition government, bringing together diverse parties from the right. Decisions have frequently lacked social consensus while politicians' credibility has been further damaged by publicity surrounding corruption which, despite promises, the government has not confronted with consistent and effective measures. The urgent need to establish stable governments able to take decisions that will be respected by their successors gives rise to ideas concerning electoral reform. However, the proposed – and politically feasible – voting systems are likely to lead to similar outcomes in Parliament. Stability in decision-making depends instead on greater commitment to seek consensus through more coordination across government, more respect for opposition views and more involvement of outside experts.

Economic policy has been dominated by a determination to reduce the budget deficit to below 3% of GDP, and here the government can claim success. However, a reversal of the resulting decline in GDP, exacerbated by stagnating exports to the eurozone, is unlikely without public investment. Past growth has depended on inward investment by multinational companies, particularly in the motor-vehicle sector, whose exports are now stalling, exposing dangers from overdependence on a narrow range of economic activities. There are some prospects for future growth, but it will not bring income levels up to those of western Europe. A secure economic future depends on public support for the development of domestic research and innovation potential. Although this looms large in government rhetoric, technological advance today still depends overwhelmingly on what foreign companies choose to bring into the country. Investment is also required in the education system, and especially for higher education, the quality of which remains below the level of western European countries. There is also a need for support for a high-skilled labor force, including the provision of a more welcoming atmosphere for immigrants who might choose to make their homes in the Czech Republic, and more emphasis on enabling working and family life to coexist. Such measures have encountered opposition from part of society and part of the political spectrum that does not support the idea of a multicultural society that would actively ensure equal opportunities for all. This, combined with the effects of some welfare cuts, has led to social tensions in parts of the country which reflect a long-standing failure to develop successful anti-discrimination policies.

Finding a new basis for economic growth depends on modifying the strict policies of austerity. Government spending as a share of GDP is below the levels seen in richer EU members. A major difference is the low level of direct taxation, particularly on personal incomes. The government has made some small changes here but if direct taxation is not raised permanently it will be difficult to finance the necessary range of state activities. Long-term stability in financing health and pension systems is compatible with a degree of broad political consensus. Agreement on increasing the retirement age has been possible, but unnecessary conflict and controversy has been created by an attempt to introduce a voluntary private element into the second pillar of a new pension system. Similarly, health reforms have been subjected to unnecessary controversy by an attempt to introduce charges for above-standard treatments, even when the concept has yet to be defined. In these and other cases, much of the difficulty stems from the low quality of government decision-making as inexperienced ministers take decisions without adequate advice and consultation. The major task for future administrations is changing that political culture.

Policy Performance

I. Economic Policies

Economy

Economic Policy Score: 5 Czech economic policy has been based on the single overriding objective of reducing the state budget deficit and thereby limiting the growth in public debt. Both were low by European standards, but the policy mix and severity of austerity measures were similar to those in eurozone member states facing severe debt crises. The result was sharp reductions in state spending and hence in GDP throughout 2012, held in check by some growth in exports. By the end of the year, export growth was stalling due to depression elsewhere in Europe. This policy is not linked to an aim of early accession to the euro, which might be hoped to lead to greater stability than the maintenance of a small, independent currency: much of the Nečas government remains wedded to its euroskeptic past. The effect has been to reduce construction of infrastructure, housing and social facilities and to squeeze potential spending on research, education and innovation which could point to development of a more advanced economy in future. A major driver of past growth - inward investment by motor-vehicle manufacturers - has come under threat from depression in western Europe and motor vehicle exports started to decline in early 2013. The immediate prospect of this one-sided policy mix is for a stagnant, or gently declining, economy.

Labor Markets

Labor Market PolicyDespite falling GDP, the total number of people working has increased since
2009 and by 2012 was slightly above the pre-crisis level of 2008.
Unemployment was still higher than in 2008, but declined slightly during 2012.
The main cause of this apparent success was a growth in activity outside of
dependent employment, including self-employment, helping in a family
business and working on contracts for specific tasks without set hours. A

number of policies aimed at giving opportunities to the unemployed, such as socially useful temporary jobs and the support of short-time working and training projects, were either ineffective or saw reductions as part of policies for reducing the budget deficit. However, entitlement to unemployment benefits was toughened in January 2012, with benefit limited to five months for most claimants and a reduction after two months. Those unemployed for longer than two months can also be required to perform unpaid work in the community. It is possible that the worsening conditions for the unemployed and reductions in other state benefits have encouraged employees to accept pay reductions and those already unemployed to accept unstable forms of employment, thereby leading to a slight increase in numbers employed. The threat of unemployment is thereby reduced at the cost of worsening employment conditions.

Taxes

The Czech tax system broadly ensures horizontal equity. One exception is the blanket tax allowance given to the self-employed to cover notional expenditure with no checks on what is actually spent. This leads to a lower tax rate on the self-employed rather than employed and an incentive to convert employment contracts into contracts for individual services. As this leads to a loss of tax revenue, the Ministry of Finance has favored inspections to ensure that those in an effective employment relationship are taxed as such.

A degree of vertical equity is achieved by a tax allowance on personal income taxes and some differences in VAT rates. However, the Nečas government policies worked to limit both of these effects, albeit with political and economic pressures leading to the continuation of a number of progressive elements. A flat tax at 22% of gross pay as usually measured is deliberately intended to minimize redistributive effects, although tempered by an allowance equivalent to about 8% of average pay. This was supplemented in 2013 by a "solidarity" tax of an extra 7% of incomes for those earning over four times the average. This is seen as a temporary measure in difficult economic times, intended to be withdrawn in 2015. VAT rates increased in 2012, with the lowest of two rates rising from 10% to 14%. The intention was to unify these at 17.5% in 2013, but that was changed to a 1% increase in both. Further changes, intended to reduce the tax on personal and business incomes, have been postponed until 2014.

The tax system is based on limiting progressiveness and minimizing tax levels on business and personal incomes and appears to raise sufficient revenue to maintain a budget deficit of under 3% of GDP with declining GDP. It is not

Tax Policy Score: 6 sufficient to finance public investment on the scale achieved in previous years and hence to give the prospect of a balanced budget in a growing economy.

Budgets

Budgetary Policy Score: 6 Elections in May 2010 gave a strong mandate to a right-wing government that then pursued a neo-liberal approach reflected in the declining share of state spending. The government has declared itself the government of budgetary responsibility and one of its main tasks was the reform of public finances with the aim of stopping rising public debt and setting the parameters of budget policy to balance state budgets by 2016. In line with this task, the 2011 budget envisaged reductions in public sector salaries and cuts in investment and social benefits. The measures did not bring the expected results and the government adopted another austerity package that consisted of savings to reduce the budget deficit starting in 2013. This succeeded in reducing the budget deficit in 2012 to 2.6% of GDP, but at the expense of a decline in GDP of 1.2% during that year. State debt reached 43.4% of GDP at the end of 2012. Government budgetary policy has thus been successful in holding debt at a very manageable level with no imminent danger of insolvency. However, it has led to a decline rather than economic growth and this trend continued into 2013. That makes it more difficult to achieve the ambitious target of a fully balanced budget without a further downward spiral of spending cuts leading to further GDP decline.

Research and Innovation

While the effects of the global economic crisis led to an effective decrease of public expenditure on education from 2009 to 2011 both in terms of the proportion of GDP and actual volume of funding, the public expenditure for research and innovation has remained fairly stable, at 0.67% of GDP (financed from the Czech state budget) rising to 0.98% of GDP when EU funding is included. Over the last several years the structure of state spending on R&D changed profoundly as now only limited funding goes to applied industrial experimental research and to primary research. Furthermore, funding was shifted from the Academy of Sciences to universities. This led to regular open protests by researchers and scientists warning the government that such a policy would lead to the closing of top research institutions and an effective brain drain, as young scientists would see no future in many Czech research institutions. In comparison to their Western counterparts, private companies in the Czech Republic have little involvement in R&D at Czech universities and research institutions – spending less than 2% of their budgets there. There is

R&I Policy Score: 5 also weak support for innovative start-up companies. The main means of transferring scientific output into products and enhanced productivity is inward investment by multinational companies, bringing innovations developed elsewhere.

Global Financial System

Stabilizing Global Financial Markets Score: 4

The Czech Republic is not a major player in international financial affairs – its main banks are foreign owned and their independent international involvement is very limited. Nor did it participate in reforming the international financial system, preferring to see itself as a follower of initiatives developed elsewhere. It appears rather as a bystander – for example, keeping out of the eurozone and hence avoiding debates on how that currency could be stabilized. It has also avoided involvement in discussions on the proposed European Banking Union. The Civic Democratic Party (Občanská demokratická strana, ODS) is firmly committed to avoiding participation in any such initiatives which might require a contribution to European fund, insisting that the Czech financial system is stable, will not require any outside help, and that the country should not be involved in helping others.

II. Social Policies

Education

Education Policy Score: 6

The main quality issue shown up in international comparisons is the relatively low proportion of the population with tertiary education. However, the numbers graduating annually from one of the public or private institutions of higher education suggests that over 30% of young people have been attaining this level of qualification in recent years. Another area of weakness has been underfinancing of preschool education, with almost 59,000 applications for children to be sent to preschool in May 2013 rejected on grounds of insufficient capacity. Overall, quality is threatened by an effective decrease in spending after 2009, both in terms of proportion of GDP and in real volume terms as a result of government austerity policies.

The most visible equity issue has been a proposed reform of higher education including the introduction of tuition fees. Throughout 2011, protests intensified among academics as well as the general public against the spending cuts

envisaged by the reform. In June 2012, the Minister of Education withdrew the draft on the reform of higher education, stating that sections on financial support for socially disadvantaged students needed significant re-working. He further reached an agreement with universities about accepting fewer students for the upcoming academic year in order to account for the reduced funding.

One significant efficiency issue was the attempt to introduce a state baccalaureate to establish comparative final exams for students at all institutions of secondary education. However, about 20% of students failed in mathematics during the first trial in 2012. It turned out that the tests were too difficult and students were insufficiently prepared by their schools. Under pressure from the public, the Minister of Education Petr Fiala intervened and lowered the pass scores on the test. Numerous other issues emerged and the overall public evaluation of the program has been very negative.

Social Inclusion

Social Inclusion Due to a relatively favorable employment picture and a rather redistributive social policy, income inequality in the Czech Republic remains one of lowest among the OECD countries, and the poverty rate, at 9%, is the lowest. Income inequality measured using the Gini index has shown a slight increase, but is still very low among OECD countries. The life satisfaction could be marked as average and remains stable. Since 2009, there have been significant changes in the social benefit system in line with the government's policy of reducing state spending. However, there has been no effective structured support system allowing marginalized groups to overcome their initial disadvantages, which austerity policies have tended to worsen. Nor have laws introduced to combat discrimination contributed anything to an improvement in the position of marginalized groups. This has been the greatest problem with respect to the Roma minority. The combination of geographical segregation into very poor housing, high unemployment and cases of public disorder and criminal activity from some within the Roma communities has given support to demonstrations to drive out the Roma minority (for example, one held by 500 people in the town of Varnsdorf in September 2011) which have become significant public order issues.

Health

Health Policy Score: 8

The Czech health care system, based on universal compulsory insurance, ensures a wide range of choice for both providers and consumers of health care, and provides a level of service which is high by international standards. In

Policy Score: 6 2011, a new health reform was adopted, which entered into force in 2012. Given the growing costs of current public health care and the aim of cutting public spending, the primary objective of the reform is to ensure financial sustainability and effectiveness both by cutting costs where possible and by increasing payments from the public. One controversial issue was the impact on access for lower income groups. The aim was to increase charges on basic treatments (with exclusions for the lowest income groups), to increase charges on hospital stays and to allow for extra payment to receive "above-standard" treatment – all while maintaining free provision of the more expensive treatments. This was gradually defined as meaning greater comfort without any difference in medical effectiveness. Details remained unclarified in 2013, but the reform included protections for patients' rights if service was unsatisfactory, a right to choose the medical provider and a level of charges that was not high by international standards.

Families

Family Policy Score: 6 The employment rate for women in the Czech Republic is the highest among the post-socialist member states of the OECD, but does not exceed the OECD average. The level of child care provision declined significantly during the 1990s, and there has been no significant improvement since, even though the growing number of single mothers - more than one-third of children are now born outside of wedlock in the Czech Republic - has further increased the demand for child care. Child care provision for children is one of the lowest among OECD countries, and the situation is not improving. The enrolment rate in formal childcare for children three to five years of age is 71% and is within the third quartile of the OECD countries. The reason for declining child care provision is ideological - collective child care was deemed socialist and considered to be harmful. Another problem has been the rather long maximum duration of maternity and paid parental leave (28 weeks in the case of maternity leave, up to four years in the case of parental leave), which has reduced the incentives for early re-entry into the labor market. Debates on family policy have paid relatively little attention to the issue of labor market integration for women, focusing instead on the level of parental leave benefits and family and child allowances.

Pensions

Pension Policy Score: 8 The Czech pension system has developed from a gradual and partial reform of the structure that existed before 1989. The average state pension in 2010 was 52% of average earnings, and 95% of all pension payments are covered by the

state. This system is reasonably equitable and will be financially sustainable for some years with a dependency ratio currently at 21.5%. Long-term sustainability can be achieved by gradually increasing the retirement age. This is relatively uncontroversial. As of 30 September 2013 a new age limit for retirement and the duration of insurance was set up. The aim was to equalize the retirement age for men and women at 67 years, and establish the minimum insurance length at 35 years after 2018. The government has made further changes which came into force in January 2013, aimed at diversifying funding within a two-pillar scheme. The second pillar includes a voluntary private element. Entering the new pillar of the pension scheme is voluntary but irreversible. Only citizens under 35 years of age can enter the new scheme at any time; however, older citizens need to opt-in in the first half of 2013 only. General interest in participating in the new scheme has been very low. It was highest in the 35-44 age group, where 8% opted for the voluntary contributions. Deep skepticism was expressed about this scheme by some members of the expert commission that advised on it, by opposition and governing political parties and by international agencies. Some major private pension companies have opted out on the grounds that financial returns for them are likely to be small and that the system may be changed by a future government.

Integration

The Czech Republic has experienced relatively high levels of immigration since EU accession. In the period under review, however, immigration has slightly declined. The largest immigrant groups within the Czech Republic are still Ukrainians, Slovaks and Vietnamese; the number of asylum seekers - 750 - reached the lowest number since 1990 in 2011. While the Ministry of the Interior submits a report on the situation of migration and integration of foreigners in the Czech Republic to the Cabinet every year, and while there is an official integration strategy, the government has done little to foster the integration of migrants so far. The acquisition of Czech citizenship is quite complicated, and permanent residents from outside the European Union are not entitled to stand as a candidate, to vote in local elections or to become members of Czech political parties. Some support has been provided over the years by municipal authorities and NGOs, but a systematic approach to the integration of migrants is only just beginning, with the help of EU funding. It was 2012 before such a concept was produced for Prague by a new body set up by the municipal authority. Similar bodies have been established across the country. The emphasis was on language courses, social events and a small number of advice centers able to give some help in languages apart from Czech. There is

Integration Policy Score: 5 advice on employment issues, but many foreign workers are employed in agencies, providing temporary and unstable work with - apart from a few exceptions - no union representation and pay levels generally significantly below those of Czech employees.

Safe Living

Safe Living Conditions Score: 7

Score: 7

While confidence in the police in the Czech Republic is low from a historical and a comparative perspective, more than half of Czech citizens are satisfied with the performance of police and have a feeling of security. Crime figures are unremarkable. However, there are increasing regional differences: from 2011 to 2013, the feeling of security declined in the central Bohemia region and in north-west Bohemia, i.e., in regions with strong tensions between majority society and Roma population. Protection against security risks is favored by a well-functioning cross-border cooperation. There is also cooperation with other police and enforcement agencies on human trafficking from the Czech Republic for prostitution and forced labor. However, prosecutions within the Czech Republic have been rare. The first court proceedings against trafficking for forced labor were initiated in 2012 despite its clear definition in law since 2004, reflecting reluctance and hesitation from courts.

Global Inequalities

Global Social Policy The Czech Republic is not a major player in international development, but it has developed a coherent strategy for projects - particularly in countries where its experience of transition can be helpful. In 2012 aid was equivalent to 0.12% of GNI (quite a low figure compared with major world players but an indicator of a degree of commitment) with five program countries: Afghanistan, Bosnia and Herzegovina, Ethiopia, Moldova and Mongolia receiving 35% of bilateral aid in 2011. The development of a coherent framework for such projects, including evaluation and monitoring, led to the Czech Republic's acceptance as the 26th member of the OECD's Development Assistance Committee. There is also active involvement in, and coordination with, EU policymaking on international aid.

III. Enviromental Policies

Environment

Environmental Policy Score: 7

As the repercussions of the global economic crisis hit the Czech Republic in 2009, preference was given to strengthening industry and agriculture over environmental policy. As a result, active policies towards the environment are overwhelmingly influenced, and very often funded, by the European Union. Public spending on environmental protection in the Czech Republic has risen and is now close to the EU average of 1% of GDP. The largest part of the spending is allocated for clean air, followed by water and biodiversity protection. The volume of EU funding grew significantly from 2006, reaching €800 million in 2013. An important step towards closing gaps in environmental legislation was taken in late 2011 with the adoption of the Clean Air Act, which introduced gradually rising fines for enterprises that pollute. In November 2012, a program titled New Green Light was introduced, which consisted of subsidies for buildings with improved energy efficiency. The secondary role assigned to environmental policy by the Nečas government is documented by the fact that the prime minister's party suggested merging the Ministry for Environmental Protection with the Ministry of Agriculture in 2012.

Global Environmental Protection

Environmental policy in the Czech Republic is strongly shaped by the country's obligations to implement EU legislation. However, the country is not a driving force in setting this or other international agendas. Nor has it set an example with domestic initiatives. Václav Klaus, the Czech president from 2003 to 2013, has been among the most prominent climate-change skeptics in the world, but has been relatively isolated even in his own political camp.

Global Environmental Policy Score: 5

Quality of Democracy

Electoral Processes

Electoral registration procedures are fair and transparent. The procedures for the registration of parties and of candidates in parliamentary elections have remained unchanged. Reasonable requirements are set by the new rules for the registration of candidates for the presidential elections were introduced as part of the transition from an indirect election of the president by an electoral college composed of the two chambers of the Czech Parliament to a direct popular vote. Candidates require support by Parliament or 50,000 signatures from voters. In the first round of the presidential elections in January 2013, eight candidates ran.

Electoral law guarantees parties and candidates for the presidency equal access to state radio and television. In the case of the 2013 presidential elections, Czech TV and Czech Radio were both obliged to set aside five hours for the self-presentation of the registered candidates in the first round and one hour in the second. The time was shared equally among candidates, with the exact slot allocation done by draw. Prior to both rounds of the direct presidential elections, both the state-owned Czech TV and the two largest private TV broadcasters, TV Nova and TV Prima, broadcast debates between the top candidates. Further debates were organized by both state and private radio stations as well as by various civil society organizations. However, the political polarization of the private media meant that some of the major media outlets did not cover the different positions in an unbiased fashion.

All adult citizens, including convicted prisoners, can participate in national elections, and voter registration is relatively straightforward. However, while special provisions for a mobile ballot box facilitate voting for the disabled and seriously ill, there is no general ability to vote by mail. Czech citizens residing abroad can vote at Czech embassies and consulates. For them, participation in elections is complicated by a special deadline for registration and the declining number of embassies and consulates. Given the continuously decreasing number of consulates and embassies this effectively reduces the voting opportunity. There is no strong political support for postal voting, which would constitute an effective remedy.

Candidacy Procedures Score: 10

Media Access Score: 8

Voting and Registrations Rights Score: 9 Party Financing Score: 8 The rules for the financing of parties and election campaigns in the Czech Republic have traditionally been relatively liberal. The first direct presidential elections in 2012 – 2013 were conducted under a stricter framework which indicates awareness of a need to control electoral finances. The law required separate accounts for election campaigns which would contain all details on expenditure and donations and would be made public after the election. Spending was restricted to CZK 40 million, with CZK 50 million allowed for participants in the second round. Some candidates, including Milos Zeman, who won the election, made their accounts public prior to the election in response to accusations of irregularities.

Popular Decision-In the period under study, no referenda took place on national issues. There is Making no general law on referenda at national level in the Czech Republic. These have Score: 5 been proposed and debated more than 12 times in the Parliament, but none has been approved. However, laws do exist making referenda at municipal and regional levels possible. These can be required if demanded by signatures from a set percentage of the electorate. This varies with the population of the community, with, for example, 6% required in a community of 200,000. Following changes to the law in 2008, the result is binding if 35% of the electorate participate and if there is both a majority in favor and a vote in favor equivalent to 25% of the electorate. A high turnout is possible especially if referenda coincide with national elections. Six took place on the same days as the presidential elections, the largest in the town of Plzen where 35,500 voted against a major commercial development that had been approved by the municipal authority, comfortably outvoting those in favor and passing the 25% barrier. That authority had refused to carry out the referendum, which was conducted under the authority of a court, and has tried to avoid implementing the decision by challenging the legal validity of the outcome. When citizens can collect the number of signatures required to enforce a referendum the outcome generally seems to go against the plans of the municipal authorities.

Access to Information

Media Freedom Score: 9 Media independence in the Czech Republic is high. While there is a clear left/right division among the media, the influence of political parties on the media has actually declined. The public media are overseen by a nine-member council, appointed by Parliament, which contains members from across the political spectrum and ensures that radio and television have independence from government. The ownership structure of private media does not directly affect news coverage. Investigative journalists continue to uncover important links between politicians and business interests, and report about embezzlement cases and criminal activities. Investigative journalism has been favored by the amendment of the controversial 2009 "Muzzle Law" in August 2011. By strengthening the public interest vis-à-vis the right to privacy, the amendment has made it easier for the media to report on criminal investigations and to use police information.

Media Pluralism Media ownership in the Czech Republic has been relatively concentrated. Score: 8 However, the number of nationwide private TV stations has risen from six (as of April 2010) to over 12 (as of May 2013), with over 32 channels. There are now approximately 50 regional TV broadcasters and numerous cable and satellite program providers as well. Ownership structures remain opaque for smaller broadcasters and commercial objectives dominate much of the content. Within the Czech print media, foreign ownership is strong and concentrated, without visibly determining the ideological tone of media output. A number of independent internet news media have also appeared to challenge any potential monopoly, although many reproduce news from other sources already available. In the period under review, a discussion arose about content sharing between the tabloid Blesk and liberal weekly Reflex, both owned by the Ringier Axel Springer CZ media group. As a result, Reflex underwent a stepby-step makeover and moved towards the political and cultural mainstream.

The Czech Constitution and the 1999 Law on Free Access to Information – substantially amended in 2006 – provide for far-reaching access to government information. Public bodies have gradually learned what can and cannot be kept secret and commonly provide detailed advice, including possible charges, on how to request information. The number and quality of electronic portals have further increased. Some municipalities even provide the online streaming of municipal board meetings (e.g., Prague 3, Prague 10, but also Horni Slavkov).

Civil Rights and Political Liberties

The Czech government and administration respect and protect basic civil rights. As the complaints lodged with the European Court of Human Rights and the Office of the Public Defender of Rights (Ombudsman) indicate, the main problem is the length of legal proceedings. The relatively high number of complaints compared to other East-Central European countries shows that Czech citizens are increasingly aware of their civil rights and have the resources (financial, cultural and social) to pursue their rights. Some concerns over civil rights in the Czech Republic were raised by a controversial mass amnesty announced by the outgoing President Václav Klaus in January 2013. The processes and people involved in preparing this step remain unclear as those identified have denied that they took any decisions. The prime minister gave approval, claiming that he had no choice in legal terms – a point disputed by the chair of the constitutional court. Thus a step that overturned previous

Access to Government. Information Score: 8

Civil Rights Score: 7 court decisions and reduced the prison population by approximately 28% could be taken without detailed justification and without clarity on the involvement of more than one individual. In February 2013, the left-leaning Senate lodged a constitutional accusation of treason against Václav Klaus with the Constitutional Court. In March 2013 the Constitutional Court dismissed the accusation on the grounds that by that time Klaus was no longer president of the country and the only available penalty – removing him from that position – no longer had any meaning. The new president, Milos Zeman, has undertaken not to implement an arbitrary amnesty in future, but the constitutional power to do so still remains.

In the Czech Republic, political liberties are well respected and protected. The difficult area in Czech politics relates to the racist extreme right. The Workers' Party (Dělnická strana, DS) was declared illegal in February 2010 for its racist ideology but renamed itself the Workers' Party of Social Justice (Dělnická strana sociální spravedlnosti) and continued operating with the same program. It, and other racist groups, comes into conflict with the police when trying to stage demonstrations aimed at intimidating inhabitants in predominantly Roma parts of north Bohemian towns. Demonstrations have also been banned for the neo-Nazi group, National Resistance, which has not secured legal registration as a political party. In May 2013, the newly elected President Zeman was criticized for opposing the promotion of Martin C. Putna, a gay Catholic intellectual and well-known Zeman critic, to a professorship at the Charles University in Prague.

Non-discrimination The Czech legal system guarantees equal access to work, education and social services before the law. Under pressure of a substantial fine from the European Union, an anti-discrimination law was passed in 2009, but in the weakest workable form for complainants. After three years of operation, the Czech Helsinki Committee undertook a survey among the 86 district courts to see what effect the law had had. The courts reported having dealt with 28 cases, only 15 of which were still in progress, while none of the remainder had finished successfully for the complainant. Support enabling marginalized groups to overcome their initial disadvantages has also been insufficient. This especially applies to the Roma minority, who are among the most vulnerable groups in the labor market. The ratio of Roma pupils in special schools dedicated to those with learning disabilities is about 30% – i.e., significantly higher than the proportion of Roma in the Czech Republic. Such educational streaming means that many Roma children have poor chances for progress to higher education and good work opportunities. Thanks to EU funds, new projects have been launched, intended to lead to improvements of Roma and other disadvantaged groups' inclusion in society and the labor market. However, rising housing prices and changes to benefit rules leave low-income

Political Liberties Score: 9

Score: 6

Roma families unable to find and maintain satisfactory accommodation and this has increased territorial segregation, widening the social gap and creating excluded localities. This has intensified social tensions between socially excluded communities and the majority population in several municipalities, which resulted in waves of civil unrest in a number of small towns, notably in northern Bohemia. However, the discrimination against the Roma has remained a peripheral issue in national political discourse, playing no significant role in the presidential election campaigns.

Citation:

Council of Europe, Commissioner for Human Rights, 2013: Report by Nils Muižnieks Following his visit to the Czech Republic from 12 to 15 November 2012. CommDH(2013)1, Strasbourg (https://wcd.coe.int/com.instranet.InstraServlet?command=com.instranet.CmdBlobGet&InstranetImage=2324 044&SecMode=1&DocId=2037440&Usage=2)

Czech Helsinki Committee, 2012: Report on Human Rights Conditions in the Czech Republic in 2011. Prague (http://helcom.cz/w/wp-content/uploads/2013/04/ZLP_2011_ENG.pdf)

Rule of Law

Legal Certainty	Executive actions are generally predictable and undertaken in accordance with
Score: 8	the law. Problems arise because of the incompleteness or ambiguity of some
	laws with general declarations, notably the Charter of Fundamental Rights and
	Freedoms, which sometimes lacks backing from detailed, specific laws. There
	are also a number of ambiguities that have caused recent controversy in relation
	to the position of the president, who is required by the constitution to appoint
	judges, sign laws and ratify international treaties (among other activities).
	Václav Klaus interpreted the constitution as giving him considerable individual
	power that could be exercised without consultation, as demonstrated by the
	controversial amnesty of January 2013.
Iudicial Review	The Czech courts have generally operated independently of the executive. The
Score: 8	most active control on executive actions is the Constitutional Court, which has
	triggered annoyance across much of the political spectrum with its judgments.
	Many of these judgments could be said to favor the political right, but the

Constitutional Court was the then President Václav Klaus.

Appointment of Justices Score: 7 The justices of the Constitutional Court, the Supreme Court and the Supreme Administrative Court are appointed by the Senate (the second chamber of the Czech Parliament) on the basis of proposals made by the president. Within the

Constitutional Court also decided to annul from December 2011 new laws that cut some social security benefits on the grounds that they had been rushed through before the Senate elections, which were set to ensure a majority for the left. In the period under study, the political actor most in conflict with the Senate, no special majority requirement applies. During the presidency of Václav Klaus (2003 – 2013), there were disputes leading to a high media profile for judicial appointments, with the Senate refusing to approve two candidates proposed by the president in 2011 and 2012 (Jan Svacek and Zdenek Koudelka respectively). Both candidates were accused of participating in a "legal mafia" that had facilitated the appointment of favorable prosecutors to halt the investigation of corruption charges against former Deputy Prime Minister Jiri Cunek in 2007. Because of the lack of cooperation between Klaus and the Senate, the number of Constitutional Court judges fell to 13 in summer 2012. The new President Milos Zeman made the filling of the vacant positions one of his priorities, and in early May 2013 four new judges were approved by the Senate.

Corruption Prevention Score: 4

Although all political actors declare themselves to be against corruption, behavior across the political spectrum shows that use of political office for private gain is widespread and tolerated within the political elite, meaning that corrupt politicians can operate until trapped by investigative journalists or police investigations. There have been, or are ongoing, court proceedings against a former Prague mayor, the Czech Social Democratic Party (Česká strana sociálně demokratická, ČSSD) head of a regional authority and various government ministers. Governments have continued to produce plans for tackling corruption, often including measures that they have failed to implement in the past. A 2012 strategy included such priorities as a law to ensure the civil service's independence from political control - a measure discussed and delayed over many years and promised to the European Commission at the time of accession to the European Union. It would limit the power of politicians to control and appoint state officials and would thereby restrict the scope for corrupt politicians to operate. Among measures omitted and frequently called for is openness in politicians' personal finances.

Governance

I. Executive Capacity

Strategic Capacity

Strategic Planning Score: 4	In the Czech Republic there is a strong skepticism toward, and almost no institutional infrastructure for, strategic planning. A medium-term perspective is provided by the government's policy manifesto, which is presented to the Chamber of Deputies for a confidence vote. In the period under review there were two such presentations of government policy manifestos. The first was submitted by the Nečas Cabinet in August 2010, and the second followed the split of the Public Affairs party (Věci veřejné, VV) and the restructuring of the government in April 2012.
Scholarly Advice Score: 5	In the Czech Republic there are several advisory bodies and a number of public research institutions which are closely linked to certain ministries and partly dependent on state funding. However, the actual influence of academic experts is limited. For instance, when the National Economic Council (NERV), an expert body advising the Office of the Government, proposed 40 concrete steps to improve the competitiveness of the Czech Republic in 2012, the recommendations were not taken up by the government. Another case in point is pension reform. An earlier attempt involved wide consultation and inputs from political parties. Discussion prior to the last reform involved a commission, the majority of whose members were linked to private pension firms. None of the commission members came from an academic or research background.
	Interministerial Coordination

The Office of the Government is relatively small and has little sectoral policy expertise. It prepares cabinet meetings, but lacks the capacity to evaluate draft bills.

GO Expertise Score: 5 GO Gatekeeping Score: 6 The Office of the Government of the Czech Republic has primarily administrative functions. It supports the work of the various expert bodies attached to the Cabinet as well as the work of ministers without their own department. The Office of the Government takes part in the interministerial coordination process, but has no formal authority beyond that of any other participant in the discussion.

Line Ministries The legislative plan of the government divides tasks among the ministries and Score: 6 The legislative plan of the government divides tasks among the ministries and other central bodies of the state administration and sets deadlines for the submission of bills to the Cabinet. The line ministry has to involve, and take comments from, a range of institutions, including the Office of the Government . This consultation process primarily focuses on technical issues. However, the Office of the Government has substantial informal power over major issues such as relations with the European Union or the state budget.

Cabinet Committees Score: 5 In the Czech Republic, a large number of ministerial committees exist, some on a permanent, some on a temporary basis. The most important permanent committees are the Council for National Security and the Committee for the European Union. The latter is in charge of the coordination and analytical preparation of Czech positions in meetings at the European Union and is led by the State Secretary for European Affairs. The unit also participates in the preparation of mandates, instructions and positions for negotiations with EU bodies and prepares positions and analyses of individual materials relating to economic and financial matters, including reforms of the Economic and Monetary Union. The committees discuss and approve policy documents, thereby filtering out issues and saving time in cabinet meetings. However, they are still not formally and systematically involved in the preparation of cabinet meetings.

> As part of the interministerial coordination process, some coordination among line-ministry civil servants takes place. However, strong barriers between the ministries exist, and cross-cutting project groups are rarely established.

Informal coordination mechanisms have featured prominently in Czech political culture. Under the Nečas government, coalition party leaders met as required to resolve major policy disputes, including one renegotiation of the coalition agreement caused by the split within the Public Affairs Party (Věci veřejné, VV). The effectiveness of this practice in resolving disagreements is clear from the infrequency of open disputes in government.

Evidence-based Instruments

RIA Application RIA was introduced in the Czech Republic in 2005. In June 2011, RIA was reformed and became an integral part of the Government Competitiveness

Ministerial Bureaucracy Score: 5

Informal Coordination Score: 7

Strategy of the Czech Republic. The coordination of RIA was shifted from the Ministry of Interior to the Government Legislative Council, an advisory body attached to the Office of the Government, with a view to achieving a better coordination of the legislative process. In November 2011, a new quality control body, the Regulatory Impact Assessment Board (RIAB), was established. Unlike other advisory bodies, it is made up largely of prestigious academics and researchers and it publishes details of criteria used and of past judgments. It blocked almost all of the early proposals it considered on the grounds that analyses had been inadequate and referred them back for revision. Quality of RIA There are two forms of RIA, a short and a comprehensive one. The reforms in Process 2011 substantially decreased the previously high number of regulations subject Score: 9 only to a short RIA. Without an overview of impacts and a statement from the Regulatory Impact Assessment Board (RIAB), draft regulation can no longer proceed further in the legislative process. The activities of the commission are public; it seeks responses from interested parties and publishes its judgments. Sustainability Sustainability checks are an integral part of every RIA assessment, but are not Check very comprehensive. The checklist requires a response to the question of Score: 6 whether there are effects on social, economic and environmental issues and for an indication of what those effects are. However, the 2011 RIA guidelines do not specify how to assess or quantify these effects.

Societal Consultation

Negotiating Public The policy process in the Czech Republic is relatively open. In the course of the legislative process, a broad spectrum of social and economic actors is consulted. The main formal means of consultation is a tripartite council including government, trade unions and employers' organizations. This is an arena for consultation on economic and social policy measures, and the council members are also automatically consulted during the process of preparing legislation. However, governments are not obliged to respond to outside opinions. The Nečas government has shown a willingness to respond to continual calls from business for a reduction in the regulatory burden, but has been less willing to listen to trade unions' views.

Policy Communication

Coherent Communication Score: 4

Support

Score: 5

The Nečas government was composed of multiple parties with different priorities and preferences regarding major policy issues. The establishment of a Government Information Center in 2009 was not sufficient to coordinate communication between the different ministries and to create the impression of a unified government position. On a number of occasions government figures have complained that the social acceptance of government measures has suffered from contradictory statements by coalition partners.

Implementation

Government The Nečas government tried to reconcile the conflicting objectives and Efficiency interests of the coalition partners, but had only partial success. Tensions in the Score: 4 governing coalition were debilitating the executive power of the government. The necessity to negotiate every vote in the Parliament and a reoccurring need to overrule the veto of the Senate forced the government to accept numerous compromises and to implement only half-hearted reforms.

In the Czech Republic, governments have tried to ensure ministerial Compliance compliance largely through the use of well-defined government programs and coalition agreements. Differences between individual ministers and the government then generally take the form of disagreements between parties and are played out by threats of resignation, potentially bringing down the whole government. During the Nečas government, ministers from all coalition partners were removed for various reasons ranging from accusations of conflict of interest to abuse of office and incompetence - often meaning a failure to implement satisfactorily the government's program, or failure to implement it within the expected time scale. These were therefore matters of difficult, and public, negotiation and conflict between coalition partners, but the prime minister ultimately had both the formal and the practical power to remove ministers.

> In the Czech Republic, the Office of the Government formally monitors the activities of the line ministries. During the Nečas government, however, the effectiveness of monitoring was complicated by the nature of the coalition government and the eroding informal authority of the prime minister in the coalition, especially given the falling poll numbers for the Civic Democratic Party (Občanská demokratická strana, ODS) and growing popularity of the TOP09 party (Tradice Odpovědnost Prosperita 09, TOP09).

There is not much delegation of responsibility away from the government in the Czech Republic. The agencies that exist take diverse organizational forms and are monitored in different ways. Most of them enjoy little autonomy. The problems with too strong a political control of executive agencies are illustrated by the case of the inward investment agency CzechInvest, which is directly under the authority of the Ministry of Trade and Industry. In August 2012 the chief executive of CzechInvest was removed after a police investigation showed that contracts had been given to friends who, like him, were members

Monitoring Ministries Score: 5

Ministerial

Score: 6

Monitoring Agencies, Bureaucracies Score: 5

of the Civic Democratic Party (Občanská demokratická strana, ODS).

The regional tier within the Czech system of governance is responsible for administering and funding a number of activities that are required by law, notably primary and secondary level education. This is funded by an allocation of taxes. There is little scope for discretion within the budget allocations. EU regional funds constitute an important resource for regional development but require an element of co-funding and advanced payment dependent on central government support. However due to severe irregularities in financial administration and misappropriation of EU funds, some regions - in particular in the north - had their access to EU funds frozen and many regional projects were stalled. This will negatively affect the state deficit as the government subsidized the projects with cash advances. In spring 2013, deep divisions emerged between the left-led regional governments in northern Bohemia and the Ministry of Finance as they disputed who was responsible for covering the irregularity fee to the European Union. Following weeks of negotiation, in May 2013 the two regional governments agreed to cover the fee, which was a precondition for continuation of EU funding in both regions. Thus in these areas where expenditure is not set by legal requirements, negotiations over regional budgets remain complicated by opposing political majorities at central and regional level.

Constitutional Discretion Score: 7

Task Funding

Score: 7

National Standards Score: 6 Local and regional governments' discretion over exactly how resources should be spent is constrained by requirements to provide certain services. However, there are no precise limitations. Effective discretion is limited by the tightness of budgets. Money can be transferred between uses.

In the Czech Republic, the responsibility for overseeing subnational governments rests with a department in the Ministry of the Interior. Its concern is compliance with existing law and not assessment of efficiency, but laws extend across such issues as regular financial accounting, fair conduct of elections, avoidance of conflict of interest, compliance with rules on disposal of waste materials and freedom of information. The ministry's annual reports show regular monitoring of all levels of self-government, as well as substantial efforts to inform councils of existing legal constraints. The number of breaches of the law following consultation and advice from the ministry continues to decline. However, in 2013 EU financial controls discovered severe administrative irregularities in EU funds in several regions. This points to the gap between national and EU standards, which threatens the effective use of EU structural funds.

Adaptablility

Domestic Adaptability Score: 4 Since the mid-1990s government activities in the Czech Republic have been strongly influenced by EU legislative framework. However, the main structures of government and methods of functioning have remained largely unchanged, even when serious problems have arisen in relation to the use of EU structural funds, which remain underdrawn at national and regional level, as well as lacking effective control. However, failures may be as much to do with the low level of competence of some government ministers and the officials they have appointed, who came to prominence through the right-wing coalition government's need to secure a majority. The minister of education, Josef Dobes, from the small Public Affairs Party (Věci veřejné, VV), was finally replaced in March 2012 after failing to secure EU funding for projects which the European Union judged had missed the relevant program guidelines. Differences within the government, and outspoken support from President Klaus, enabled him to survive for some time after these weaknesses had become apparent.

In general, the government is not a leader but a trustworthy and reliable partner in relations with the international community. However, in 2011 - 2013, the decision of the Czech Republic to oppose the Fiscal Compact in combination with the lack of a credible plan to implement the euro and inconsistent attitudes towards the European integration process resulted in the marginalization of the country in European structures without any alternative international orientation. In addition to the European Union, the Czech Republic is also a member of the Visegrad 4 (V4) group but, in the wake of the varying effects of the global economic crisis on Central and Eastern European countries, regional cooperation decreased in comparison to the previous periods as each country focused on its domestic issues. The end of Václav Klaus's presidential term could mean a significant decrease in political euroskepticism and a more active role for the Czech Republic in the EU integration process.

Organizational Reform

Self-monitoringThere is no systematic monitoring of the institutional arrangements of
governing in the Czech Republic. Governments must issue annual reports and a
final report at the end of their term in office. However, these reports tend to
focus on policies rather than institutions and are normally self-congratulatory.
In addition, there are sporadic audits within particular ministries.

Reform The transition from an indirect to a direct election of the Czech president has not been accompanied by other changes in institutional structures. A debate

International Coordination Score: 4

Institutional Reform Score: 5 about changing the structure of ministries and their portfolios as a means to cope with the global economic crisis did not lead to any results. The unclear political majorities limited the strategic capacity of the government, so that no major attempts at institutional reform were undertaken.

II. Executive Accountability

Citizens' Participatory Competence

Policy Knowledge Score: 6 While detailed information on government policies is relatively easily available to all interested citizens, the policy knowledge of citizens is limited. However, many citizens appear capable of reaching informed evaluations of controversial reforms. An interesting example is pension reform. Details were criticized by members of the commission established to formulate the plan and President Klaus vetoed part of the proposal on the grounds that there was no consensus among experts, political parties or the population. His veto was overruled by Parliament, but a number of pension funds indicated that they would not take part in the voluntary second pillar. Moreover, the public could reasonably fear that any reform would soon be revised. The failure of the government and private banks to convince more than 10% of citizens to join this voluntary pillar might be interpreted as a sign of a public well-informed enough to act rationally in view of uncertainties over the desirability and future of a particular reform.

Legislative Actors' Resources

In the Czech Republic, members of parliament (MPs) can draw on a set of resources for monitoring government activity. MPs have a budget for assistants and expertise; parliamentary committees have an office staff of two to three and a secretary; and there is a parliamentary library and a parliamentary research institute. The Parliamentary Institute provides factual information on how issues are resolved in other countries. It provides summaries of processes for parliamentary elections in other countries, of EU legislation, of economic policy developments in EU member states and of economic and social developments in the Czech Republic. Some of this information is easily available elsewhere while some requires analysis and translation of documents from other languages. The Parliamentary Institute also puts together information quite rapidly on themes that are of immediate concern, such as an

Parliamentary Resources Score: 9 analysis and comparative study of the effects of having a directly elected president, which was available for legislators debating the issue.

Czech parliamentary committees may ask for almost all government documents. Governments usually respect committee requests and tend to deliver the documents in time.

In the Czech Republic, ministers and the leading personnel of major state institutions are obliged to attend committee meetings and answer questions when asked. According to the rules, ministers are also required to present draft bills to the affected committees. If the ministers send officials below the rank of deputy ministers, committees may, and often do, refuse to discuss a legislative proposal.

Summoning Experts In the Czech Republic, parliamentary committees may and often do summon experts.

The parliamentary Rules of Procedure do not prescribe a particular distribution of subject areas among committees. Instead, distribution is based on custom, tradition and ad hoc decisions by the Chamber of Deputies and its organizational committee. During the 2010 - 2013 parliamentary term, 14 out of the 18 parliamentary committees covered only one ministry. The fact that task areas have not fully coincided has not infringed upon parliamentary oversight of the government.

The Supreme Audit Office (Nejvyšší kontrolní úřad, SAO) is an independent agency which audits the management and performance of state property, institutions and the national budget. Its functioning is regulated by the constitution, whereby the president and vice-president of the SAO are appointed for the period of nine years by the president of the Czech Republic, based on propositions from the lower house of the parliament. The appointment and the office's activities can be affected by political tensions and conflicts, as happened in the period under study, when the position was vacant for more than one year. This was due to charges brought against the previous head of the SAO, Frantisek Dohnal, over his refusal to release documents for an audit concerning the office's financial management - a move he justified with allegations that the parliamentary committee lacked the appropriate competence. Dohnal was sentenced to prison in 2012 as a result, and terminated from office, as stipulated by law. The president of the republic appointed the new president of the SAO only on 22 March 2013. Dohnal continued legal action against a fine imposed by Parliament and a court upheld his case in March 2013.

The Office of the Public Defender of Rights (Ombudsman) continues to serve as a vital protector of civil rights. In 2011, the office registered 6,987 complaints - a 10% increase from 2010. Of the complaints received, 62% were

Obtaining Documents Score: 10

Summoning Ministers Score: 10

Score: 10

Task Area Congruence Score: 9

Audit Office Score: 6

Ombuds Office Score: 8

within the Ombudsman's mandate and 38% beyond it. The structure of complaints received by legal area has not significantly changed over time. Complaints in the area of social security are prevalent, especially in regard to pensions and social benefits. The second most numerous groups of complaints refer to construction and regional development, closely followed by the third set of issues related to the army, police and imprisonment. The data available for 2012 confirms these trends. The Public Defender of Rights delivers quarterly reports and annual reports on activities to the Chamber of Deputies, including recommendations on where laws could be changed. It produces detailed reports on cases it investigates, indicating when laws have been transgressed to the extent that the damaged parties have a solid basis for seeking redress. This frequently leads to a positive reaction from the official body.

Media

Media Reporting Score: 7 The main TV and radio stations provide daily news programs and some deeper discussion and analysis programs on a weekly basis. However, much of the commentary is superficial, and the views of the main political parties are overrepresented. The quality of information on government decisions has improved with the digitalization process. Czech TV established CT24, a channel dedicated to news, which also broadcasts on the internet and offers continual analysis of domestic and international events. The Czech Republic's commercial media sector tends to eschew in-depth analysis of current affairs and instead follows an infotainment or scandal-driven news agenda. Circulation of newspapers is not high by international standards and even the quality papers are relatively small, with little scope for deeper analysis. Much of the focus has been on personalities, corruption and scandals rather than detailed discussion of policies. Nevertheless, by taking advantage of television discussions that are available and of the increasing amount of information online, it is possible to find thorough discussions of policy proposals.

Parties and Interest Associations

Four parties have dominated Czech politics in the period under review. The Civic Democratic Party (Občanská demokratická strana, ODS) and TOP09 (Tradice Odpovědnost Prosperita 09, TOP09) stand on the right and have been the main forces in the coalition government. The Czech Social Democratic Party (Česká strana sociálně demokratická, ČSSD) and the Communist Party (Komunistická strana Čech a Moravy, KSČM) have been the main opposition forces. Their internal structures, both formally and in practice, are remarkably

Intra-party Democracy Score: 6 similar. Each has a structure of local and regional committees with supreme authority in a congress, organized at regular intervals or when demanded by representatives of a set proportion of the membership. A member has the right to stand for any position and to vote for delegates to the next level in the hierarchy. The national congress elects the party leaders. That is the practical means for expression of political differences. Other debates show little controversy and are dominated by figures from party leaderships. Ordinary members can raise their voice by commenting on party blogs, and leaderships usually establish some advisory committees with wider membership, but direct involvement from ordinary members is, in practical terms, limited.

The main employers' unions and the main trade unions both have considerable resources and expertise with which to develop coherent policies. Trade unions have considerable competence with regard to labor relations and economic policy more generally. They have a small research unit, but no substantial think tank and limited links with outside academic personnel. Employers have a central body with expert employees but no research unit. The two have found much common ground on economic policy but have slightly different agendas, employers favoring less regulation and lower taxes on business. In the period under study, trade unions, interest groups and students organized an unprecedented number of public protests against the government reforms and corruption in public procurement, bringing unions into contact with a slightly wider range of expertise.

Interest associations have mushroomed in the Czech Republic since 1990. There are around 100,000 autonomous, self-organized groups, associations and organizations registered in the Czech Republic, not all of which are still active. Those concerned with social and environmental issues have benefited from some public support, particularly from the European Union and other international sources, and can claim some expertise and successes. A prominent example is the Environmental Legal Service, with about 30 specialist staff plus student volunteers, which has specialized in advice to protesters on environmental issues, but which has also drawn attention to the absence of a coherent government plan for the transport infrastructure. The Roman Catholic Church, the most active religious organization, has a limited political agenda and has largely focused on the highly contested restitution of church property, which was finally organized in 2012.

Association Competence (Business) Score: 7

Association Compentence (Others) Score: 7 This country report is part of the Sustainable Governance Indicators 2014 project.

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