

SGI Sustainable
Governance
Indicators

2015 Czech Republic Report

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Executive Summary

In the period from May 2013 to November 2014, three separate governments cycled in and out of power in the Czech Republic. In July 2013, the center-right cabinet of Prime Minister Petr Nečas collapsed in ignominy following his resignation over the misuse of military intelligence services by his chief of staff. An interim government under Prime Minister Jiří Rusnok was installed until elections in October 2013. A new coalition emerged, headed by Social Democrat Bohuslav Sobotka; the new ANO party (Movement of Dissatisfied Citizens), led by billionaire Andrej Babiš, also secured strong representation in parliament. This new government set about reversing some of its predecessors' measures, notably reducing patients' health care charges. It turned away from the euroskeptic views of the former Nečas cabinet and adopted even stronger rhetoric over the need to root out corruption, a theme supported by Czech President Miloš Zeman (as of March 2013) as well as increasingly active nongovernmental organizations, which have been pressing members of parliament to act. However, the implementation of anti-corruption policies has continued to be delayed amid accusations of government half-measures. The ANO party has stressed its anti-corruption position, although this sits awkwardly with the knowledge that Andrej Babiš, the finance minister, is an affluent business owner with significant ownership stakes in media companies.

The government's key economic policy aim in the period was the reduction of the budget deficit from a peak of 6% of GDP in 2009 to under 3% of GDP. By 2013, the deficit had been reduced to 2% of GDP, with the first results for 2014 pointing to a possible surplus. This has been achieved at the expense of cuts in public sector pay and state benefits and, above all, public sector investment. GDP declined in 2012 and 2013 but began to increase again in 2014, albeit with a heavy dependence on exports into the euro zone, which remain uncertain. The country's level of international debt is very low by international standards, and there is no threat to the government's ability to raise capital.

Unresolved issues for the long-term economic prosperity of the Czech Republic include weak family policies, specifically a lack of institutional solutions to support working families, although the Sobotka government has proposed some changes; and weak immigration policy. Research and innovation efforts have been given a high profile in government policy

documents – higher than ever under the Sobotka government – but spending in these areas remains low. There is broad access to education, although the country's higher education numbers still lag behind those in Western Europe.

The Czech Republic's international role is exercised primarily through the European Union. This was hampered by the euroskepticism of former President Václav Klaus and the Civic Democratic Party (Občanská demokratická strana, ODS), which dominated the government until August 2013. President Zeman and the Sobotka government have taken a more constructive approach toward European integration. There are no substantial perceived external threats. The Czech view toward the outside world has remained that of a country more willing to receive than to lead, albeit with some effort to establishing an independent profile with regard to international aid. However, the European Union has been a major force of policy modernization in many areas, including in environmental, anti-discrimination and social policies, and provides funding for neglected areas such as research and innovation.

Governments overall have provided little strategic vision. Much has depended on detailed coalition agreements; yet after the establishment of which ministers are left with considerable discretion and can, in practice, develop policies that other ministers are then unable to support. There is no systematic thinking on institutional reform. Methods to improve efficiency, such as regulatory impact assessments, are introduced only in response to EU prompting. The public appears well-informed on government decisions and on the positions of political parties, but this is under some degree of threat following changes in media ownership. The Czech parliament has the means to exercise substantial control over the government. It has a separate audit office that monitors public bodies and has the power to monitor the implementation of its recommendations as well. An ombudsman investigates complaints against public offices, but has no powers beyond making its findings public. The internal structures of the main political parties allow for both the election of leaders and members, but internal debate is limited. Full structures of internal democracy have yet to be consolidated in the newly ascendant ANO party, for example. Interest associations are able to develop coherent programs.

Key Challenges

Czech political life has been characterized by a strong polarization between left-leaning and right-leaning parties and ideas. Decisions have frequently lacked social consensus, while politicians' credibility has been further damaged through allegations of corruption which, despite frequent promises, has not been confronted with consistent or effective measures by the government. The urgent need to establish a stable government able to make decisions that will be respected by successive governments has given rise to ideas over electoral reform. However, the proposed – and politically feasible – new systems of voting are still likely to lead to similar outcomes in parliament. Stability in decision-making depends instead on a greater commitment to seek consensus through more coordination across governments, more respect for opposing views and more involvement of outside experts.

Economic policy has been dominated by the determination to reduce the budget deficit to below 3% of GDP. However, sustainable economic growth is unlikely without public investment. Past growth has depended on inward investment by multinational companies, particularly in the automobile sector in which exports are stalling, exposing the dangers of overdependence on a narrow range of economic activities. There are some prospects for future growth, yet these still will not bring income levels up to those in Western Europe. A secure economic future depends on public support for the development of domestic research and innovation. Although this subject looms larger than ever in government rhetoric, technological advances still depend overwhelmingly on what foreign companies choose to bring into the country. The country's educational system requires further investment, especially in higher education, the quality of which remains below the levels of Western European countries. There is also a need for increased support in developing a highly skilled labor force, including creating a more welcoming atmosphere for immigrants who might choose to call the Czech Republic home, and more emphasis on enabling a more harmonious coexistence of work and family life. Such measures have encountered opposition from a part of society as well as a part of the political spectrum that still does not support the idea of a multicultural society, one that ensures equal opportunities for all. This, combined with the effects of welfare cuts, has led to social tensions in parts of the country, reflecting the long-standing failure of the government in developing successful anti-discrimination policies.

Finding a new basis for economic growth depends on modifying strict austerity policies. Government spending as a share of GDP is below levels seen in other, richer EU member countries. A major difference in the Czech Republic is the low level of direct taxation, particularly on personal income. The government has made some small changes here, but if direct taxation is not permanently increased, it will be difficult to finance needed state activities. Long-term stability in financing the country's health care and pension systems should be compatible with a degree of broad political consensus. Reaching an agreement on increasing the retirement age is possible, but unnecessary conflict was introduced through an attempt to include a voluntary private element into the second pillar of a new pension system. Similarly, health care reforms have been made controversial by an attempt to introduce charges for above-standard treatments, even before the concept for such treatment had been clarified. In these and other cases, much of the difficulty stems from poor government decision-making, as inexperienced ministers make decisions without adequate advice or consultation. The major task for future administrations is changing this political culture.

To increase executive capacity, the government needs to expand its strategic planning capacities and continue with the modernization of public administration and the de-politicization of the executive branch. For policymaking to become more coherent, interministerial coordination needs to be strengthened. This requires a strong governmental position, though. Capacity-building would benefit from the regular monitoring of institutional arrangements, transparency in public procurement and the introduction of strong integrity measures, in particular in connection with the new civil service law and other steps to improve the professionalism of government overall.

Policy Performance

I. Economic Policies

Economy

Economic Policy
Score: 6

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 euro zone member states facing severe debt crises. 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 an independent currency. No timetable has been set for this accession, although President Zeman and the Czech Social Democratic Party (ČSSD), the biggest government party, have distanced themselves from past euroskeptic policies and have speculated over possible early accession dates. The recession of Czech economy however continued in 2013. The Czech economy, heavily export-oriented, is dependent on development in other EU countries and on inward investment to develop export sectors. A key sector has been automobiles, yet depressed demand in Western Europe has contributed to reducing investment levels. The Central Bank has intervened in foreign exchange markets to devalue the currency. This has resulted in an increase in import prices, but makes little difference to exports which compete more on quality than on price. Overall, these strategies do not represent a basis for long-term growth. Restricting public spending has had the effect of stalling construction projects, including those for infrastructure, housing and social facilities, and squeezing potential investment in research, education and innovation, without which sustainable growth levels will be difficult to achieve. The immediate prospects are for only a gradual economic recovery, tied to the fortunes of larger euro zone countries.

Labor Markets

Labor Market
Policy

Since 2014, the Czech Republic has experienced a moderate but steady decline

Score: 6

in unemployment. However, long-term unemployment has remained high, the number of job vacancies has grown slowly and regional differences remain. There is no indication that labor market regulations or the country's unemployment benefit system have had any impact on labor flexibility, with regard to the increased availability of potential employees. In areas of high unemployment, there is no shortage of job-seekers for multinational companies. In areas of lower unemployment, such as those regions close to the capital Prague, labor shortages have been easily overcome by hiring workers from other parts of the country or from abroad through employment agencies. Active labor market policies have been in place and have been gradually reformed, but have failed to balance national accountability and local flexibility (OECD 2014).

Citation:

OECD, 2014: Employment and Skills Strategies in the Czech Republic. OECD Review on Local Job Creation. Paris.

Taxes

Tax Policy
Score: 6

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. 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 personal income 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 was seen as a temporary measure in difficult economic times, intended to be withdrawn in 2015. The Sobotka government tried to increase the progressiveness of the tax system with the creation of a third, 10% rate of VAT, valid from 2015. It will apply to books, baby food and medicine. Thus the tax system has developed from the conflicting pressures toward greater or lesser degrees of progressiveness. The changes appear to raise the revenue required to maintain a budget deficit of under 3% of GDP, but is not sufficient to finance the level of public investment needed for reaching adequate levels of sustainable economic growth.

Budgets

Budgetary Policy
Score: 6

Budgetary policy has been successful in holding public debt at a manageable level and in lowering the fiscal deficit as of 2013 to below 3% of GDP for the first time since 2008. However, fiscal consolidation has come at the expense of restrictions on public investment and contributed to the economic decline in 2013, thus raising concerns about the sustainability of such consolidation measures. While the Rusnok and the Sobotka governments put more emphasis on public investment than the Nečas government, they have largely shared the latter's obsession with fiscal austerity.

Research and Innovation

R&I Policy
Score: 5

Public expenditure on education, science and innovation is below the EU average, but has grown in the period under review. In 2013 and 2014, large research and development infrastructure projects were developed in various regions, but future sustainability will depend on spending from current state budgets, which has yet to be guaranteed. Recognition of the importance of research has been reflected in the Sobotka government's introduction of the position of deputy prime minister for research and development. Trust in the Czech Science Foundation (GAČR), the largest public funding body for primary research, suffered a heavy blow in April 2014 when it was revealed that the foundation's executive committee had preferred projects found to be tied to its (then) acting president over two much higher rated, competing projects. In comparison to their Western counterparts, private companies in the Czech Republic have little involvement in research and development at universities and research institutions, spending less than 2% of their budgets in pursuing such activities. There is also weak government support for start-up companies. The main means of transferring scientific discoveries into products and enhanced productivity is inward investment by multinational companies, bringing in innovations to the Czech Republic that were developed elsewhere.

Global Financial System

Stabilizing
Global Financial
Markets
Score: 5

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 euro zone 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)

was 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. The Sobotka government made a turn from the eurosceptic policy of previous governments toward a more mainstream view of EU economic policy.

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. Another area of weakness has been the 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. A long-standing and unresolved equity issue has been the process of inclusion of children into special schools, mostly attended by children of Roma descent or from the lower classes, individuals whose chances of returning to a more mainstream educational path is limited. Several NGOs in 2014 have proposed regulations to offer more possibilities of assistance prior to special school enrollment. The government addressed the preschool issue by facilitating less strictly regulated babysitting and child care in so-called children's groups.

Social Inclusion

Social Inclusion
Policy
Score: 6

Due to a relatively favorable employment picture and a still rather redistributive social policy, income inequality and poverty in the Czech Republic remain among the lowest in the OECD and the European Union. Social exclusion affects specific groups, most notably the Roma. The problem is most visibly manifested by the existence of socially excluded Roma localities that have arisen sometimes through the policy management of municipalities and sometimes spontaneously by the migration of Roma into particular areas. These are characterized by an accumulation of social problems, such as unemployment, housing insecurity, low education levels and poor health. In some cases, high crime rates, strong discrimination against Roma and anti-Roma demonstrations 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 2012, a new health reform entered into force. Given the growing costs of current public health care and the aim of cutting public spending, the primary objective of the reform was to ensure financial sustainability both by cutting costs where possible and by increasing payments from the public. The aim was to increase charges on basic treatments (with exemptions 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. However, the Constitutional Court rejected the applicability of an “above-standard” category in July 2013. Further changes came both from subsequent Constitutional Court rulings and from decisions of the Sobotka government, removing many of the envisaged extra payments for patients. At the same time, the Ministry of Health started a debate on the sensitive issue of creating a system to evaluate the effectiveness of overall health care treatment.

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 40% 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 up to two years of age is the second lowest among OECD countries, and the situation is not improving. The enrollment rate in formal childcare for children three to five years of age is within the third quartile of 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.

Family policy and child care became an important issue in the 2013 parliamentary election campaign. In September 2014, after some haggling with the president, parliament passed a law on so-called children’s groups as an alternative to nursery schools, to be accessible for children older than one

year. These are special child-care arrangements for which lower standards apply, and which are facilitated through tax benefits for service providers and parents. Companies, town halls, universities and non-profit organizations were given the power to establish these groups.

Pensions

Pension Policy
Score: 8

The Czech pension system has developed through a gradual and partial reform of the pay-as-you-go system that existed before 1989. Sustainability of the pension system with an increasingly aging population has pointed to the need for reform (Loužek 2014). A “small pension reform” (2012) extended the retirement age, equalized the retirement age for men and women and increased the minimum insurance length to 35 years after 2018. The controversial “large” pension reform that came into force in January 2013 under the Nečas government aimed at diversifying funding within a two-pillar scheme. The second pillar includes a voluntary private element which could channel part of the compulsory contributions paid to the pension system to newly established private companies. Entering this new pillar is voluntary, but irreversible. General interest in participating in the new scheme has been low, but highest among those aged 35 to 44, in which 8% opted for voluntary contributions. Social partners have expressed negative attitudes toward this reform, and the ČSSD party warned in the 2013 election campaign that it would scrap the system should it win the election. In November 2014, the Sobotka government decided to close the second pillar by January 2016.

Citation:

Loužek, Marek, 2014: Pension reform in the Czech Republic after 2010, in: *Post-Communist Economies* 26(1): 89-102.

Integration

Integration Policy
Score: 5

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; there were 707 asylum seekers in 2013, yet the number is declining compared with the previous review period. In 2013, the long-term trend of increasing submitted applications for permanent residency was interrupted. 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 so far has not done enough to foster the integration of immigrants. Processing residential applications of immigrants is slow and the acquisition of Czech citizenship complicated. Permanent

residents from outside the European Union are not entitled to stand as a candidate, vote in local elections or become members of Czech political parties. In 2013, a new law on citizenship was adopted, in effect from 1 January 2014, specifying several conditions for obtaining citizenship and introducing the obligation to sit for an exam in Czech life, institutions and language. At the same time, obtaining citizenship for second-generation immigrants was simplified. Some immigrant support has been provided over the years by municipal authorities and NGOs, with recent emphasis on language courses, social events and employment issues. Many foreign workers are employed in agencies, offering temporary and often unstable work with – apart from a few exceptions – no union representation and pay levels significantly below those of Czech employees.

Safe Living

Safe Living
Conditions
Score: 7

Confidence in the police is low from an international perspective, but relatively high compared with confidence in other public institutions; more than half of Czech citizens are satisfied with the performance of police and feel secure. Crime figures are unremarkable. However, there are increasing regional differences as well as tension in regions with a concentration of marginalized groups. Protection against security risks is favored by 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. Prosecutions within the Czech Republic have been rare, but there were some successful cases in 2014.

Global Inequalities

Global Social
Policy
Score: 7

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. The government's concept of international development cooperation is gradually being refined. Cooperation is concentrated in a small number of countries; in 2013, these were Moldova, Afghanistan, Mongolia, Bosnia and Herzegovina, Ethiopia and Georgia. The Sobotka government has placed a greater emphasis on human rights, including economic, social and environmental rights. In April 2014, parliament approved a bill on foreign development cooperation and humanitarian aid, the first piece of legislation in this area.

III. Environmental Policies

Environment

Environmental
Policy
Score: 7

The Czech Republic continues to battle both a historical legacy of environmental damage and other on-going environmental issues. Active policies addressing environmental issues are overwhelmingly influenced, and often funded, by the European Union. Reversing the trend after the 2009 economic crisis, both public and private investment grew in 2013, with overall spending on environmental protection increasing by 1.8% as compared with 2012. The focus of spending has been on waste-water management, air and climate protections, and waste management.

Global Environmental Protection

Global
Environmental
Policy
Score: 5

Environmental policy in the Czech Republic is strongly shaped by the country's obligations to implement EU legislation. Given the set of tasks and time schedules officially agreed upon during EU accession, environmental protection and sustainable development are now an important part of the government's agenda. However, the country is not a driving force in shaping EU legislation or setting other international agendas. Together with other East-Central European member states, the Czech Republic has opposed more ambitious goals for reducing carbon dioxide emissions. As of November 2014, parliament had not yet ratified the second phase of the Kyoto Protocol.

Quality of Democracy

Electoral Processes

Candidacy
Procedures
Score: 10

Electoral registration procedures are fair and transparent. To establish a political party, three citizens aged 18 or over need to submit the new party's statutes to authorities, backed by 1,000 signatures. The 1991 law on political parties and movements establishes conditions to exclude parties that lack democratically elected organs, that break the law, that aim to remove the democratic foundations of the state or take power for itself, that restrict the freedoms of other parties, or that threaten morality and public order. The high number of parties combined with the electoral success of small political movements and groups in local elections in 2014 show that no discrimination against particular candidates exists.

Media Access
Score: 7

Electoral law guarantees parties access to state radio and television, with a total of 14 hours set aside for all parties to express their views with equal allocation irrespective of the party's size or previous electoral performance. Thus all parties do have media access, although presentations are often tedious and unlikely to hold viewers' and listeners' attentions. Space is also provided by municipalities for billboards, and political advertisements are carried in newspapers. There is an obvious bias toward more coverage and presentation for the larger parties, however, reflecting the parties' greater resources and also media perception that such parties are more important. A problem with the coverage of the 2013 and 2014 elections arose from the changing ownership structure of Czech media. The founder and leader of the ANO party, Andrej Babiš, purchased in June 2013 the media holding company MAFRA, which publishes the two highest-circulation Czech dailies; he also holds several weeklies and radio and TV stations. With the change of ownership, reporting by MAFRA-held media also changed, with a strong positive bias toward ANO and a negative bias toward other political groups, even including one of ANO's coalition partners, the Czech Social Democratic Party.

Voting and
Registrations
Rights
Score: 8

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. Following the 2014 local elections, the police began investigating allegations of vote buying in some municipalities, based on recorded evidence from a hidden camera which was provided by an alliance of independent anti-corruption groups.

Party Financing
Score: 6

The rules for party and campaign financing and the enforcement of such rules came under fire in the period under review. NGOs presented estimates according to which major political parties spent approximately 50% more than was reported in the 2013 and 2014 elections. A study by the Center for Applied Economics (Centrum Aplikovane Ekonomie) pointed to the potential for corruption in party financing, showing from 2006 to 2013, that companies which had made donations to political parties received some 50% more public procurement awards than companies that did not. Finally, the significant private financing behind Andrej Babiš' ANO party raised concerns about a lack of equality in political financing. As a result, the government committed itself to amending the law on party financing by the end of 2014, with a view to strengthening control mechanisms.

Popular Decision-
Making
Score: 5

In the period under review, no nationwide public referenda took place. There is no general law on referenda at a national level, although one has been proposed more than 12 times in parliament. On the municipal level, referenda exist and are being increasingly used – in 2014, together with local elections, referenda took place in approximately 20 municipalities (based on law on referenda, 22/2004 Col.). The most frequent issues for referenda have been mining issues, the construction of nuclear fuel/waste plants, stricter regulations on lotteries and gaming, and the use of public space and municipal property. Initially, a minimum participation of at least 25% of registered voters was stipulated (298/1992 Col.), which was later increased to 50% (22/2004 Col.) and finally was settled at 35% of registered voters (169/2008 Col.) being required to ensure the validity of a referendum. In 2014, a group of activists in Brno tried to initiate a referendum on a proposed change to the location of the central train station and collected over 20,000 signatures. For procedural and bureaucratic reasons, however, the referendum did not take place.

Access to Information

Media Freedom
Score: 8

The Czech Republic has traditionally been characterized by a high degree of media freedom, partly because of the independence of public media but also because prevalent foreign ownership did not exercise any visible influence over the content and coverage of private media. Personnel changes in 2013 and election coverage controversy over the 2013 parliamentary contest with Czech TV, the main public television station, have prompted concerns of politicization at the sender. Media freedom has also been threatened by Czech

ownership transfers, with concerns that especially print media is suspected of imbalanced reporting. Especially in 2013, after the acquisition of MAFRA by Andrej Babiš, a number of top journalists who investigated corruption and political scandals left the media group. Although most media owners, including Babiš, claim not to be involved in the editorial process, an analysis of reporting has shown a strong bias toward reporting positively on the political activities of the ANO party, run by Babiš.

Media Pluralism
Score: 7

The private media market in the Czech Republic has changed significantly in recent years. The most important tendencies are the concentration of media ownership, the departure of international owners and the broadening of the scope of media holdings (print, online, radio and television). Measured by print circulation, the strongest media group in the Czech Republic during the period was the Czech News Center (owned by entrepreneurs Daniel Křetínský and Patrik Tkáč) followed by MAFRA (owned by Andrej Babiš). The former was initially owned by Swiss interests; the latter by German groups. Other important players include Economia (owned by Zdeněk Bakala) and from Germany, the Diekmann Verlagsgruppe Passau, the Bauer Media Group and Hubert Burda Media. Concentration of ownership is not as evident in television, however. Here the strongest private owners are U.S.-held Central European Media Enterprises (CME) and Czech-owned FTV Prima. The number of private TV stations nationwide 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 television broadcasters (and a number of cable and satellite providers). In the period under review, public media was an insufficient counterweight to the strong, oligopolistic tendencies evident in the private market.

Access to
Government
Information
Score: 8

The Czech constitution and the 1999 Law on Free Access to Information, substantially amended in 2006, provide for extensive access to government information. Public bodies have gradually learned what can and cannot be kept secret. There are still difficulties with regard to access within many municipalities, but municipalities can also be taken to court if officials refuse to respond to requests for information. Some smaller municipalities have faced stiff financial penalties following a failure to disclose information as requested. As a result, the actions of municipalities are becoming more transparent, through streaming municipal board meetings online and allowing citizens to participate in municipal activities in other interactive ways. An increasing number of NGO initiatives (such as Otevřete, or Open It) support better access to public administration information and the public's right to accessing it. These initiatives, together with the pro-active approach of the ombudsman's office, have contributed to an improvement in quality of online portals for public administration and thus have further improved access to government information.

Civil Rights and Political Liberties

Civil Rights
Score: 7

The government and administration of the Czech Republic respect and protect basic civil rights. As complaints lodged with the European Court of Human Rights and the Office of the Public Defender of Rights (ombudsman) have indicated, 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 these rights. Most (and a growing number of) complaints address issues of public administration.

Political Liberties
Score: 9

Political and civil liberties are respected and their observance is supervised by the Constitutional Court, the Supreme Administrative Court and the Public Defender of Rights (ombudsman). In association with its accession to the European Union, the Czech Republic strengthened the protection of all legal entities against (illegal) interference by public administrative bodies, including the passing of new administrative rules to improve citizens' rights vis-à-vis the state. Delays in judicial proceedings constitute one persistent obstacle for Czech citizens. From January 2014, the ombudsman's office initiated a program to increase the effectiveness of its activities (funded by the European Social Fund, Human Resources and Employment Operational Program).

Non-discrimination
Score: 6

The Czech legal system guarantees equality of access to work, education and social services before the law. The implementation of EU directives has underpinned such guarantees. However, the World Economic Forum's 2014 Global Gender Gap Report put the Czech Republic 96th on the list, at the very bottom of developed countries. Gender discrimination is especially strong in the labor market. Another major issue is discrimination against Roma. The ratio of Roma pupils in so-called special schools that service individuals with learning disabilities is about 30%, that is, significantly higher than the actual proportion of Roma living in the Czech Republic. Such tracking means that many Roma children have a poor chance of moving on to higher education and better work opportunities. As low-income Roma families have moved out of cities into rural areas in response to rising housing prices, territorial segregation has increased. This has intensified social tensions between the socially excluded Roma communities and the majority Czech population, and has led to demonstrations by right-wing extremists in municipalities in which Roma minorities live.

Rule of Law

Legal Certainty
Score: 8

Executive actions are generally predictable and undertaken in accordance with the law. Problems arise because of the incompleteness or ambiguity of some laws with general declarations, notably the Charter of Fundamental Rights and

Freedoms, requiring backing from detailed specific laws. However, points are gradually being clarified as case law builds up, with regard to the freedom of information and general discrimination. Government bodies then learn to comply with established practices.

Judicial Review
Score: 8

Czech courts have generally operated independently of the executive branch of government. The most active control on executive actions is the Constitutional Court, a body that has triggered much controversy with its judgments across the political spectrum. The most controversial case in the review period related to a law passed in November 2012, which returned property confiscated during the communist era and rewarded church bodies with substantial compensation. A ruling in 2013 upheld the law's constitutional validity, albeit with a requirement for minor wording changes. Former President Václav Klaus frequently came into conflict with Constitutional Court decisions; such tension has eased under President Miloš Zeman.

Appointment of
Justices
Score: 8

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 Senate, no special majority requirement applies. The process of appointing judges is transparent and adequately covered by public media. The involvement of both the president and the Senate increases the likelihood of balance in judges' political views and other characteristics. In December 2013, 10 judges (eight new judges and two second-term judges) of the 15-member Constitutional Court were nominated by President Zeman. Unlike the candidates nominated by Zeman's predecessor, Václav Klaus, the Senate did not reject any of Zeman's nominees. While Klaus was personally opposed to nominating younger judges, Zeman named 64 new judges in November and December 2013, most of whom are in their 30s. The most important task of the new judges is to decrease trial length, an issue often criticized by the European Court of Human Rights.

Corruption
Prevention
Score: 5

Although all political actors have declared themselves to be against corruption, behavior across the political spectrum shows that use of political office for private gain is widespread and tolerated among the political elite. Most corrupt politicians can operate with impunity until exposed by investigative journalists or the police. Despite the high profile of government anti-corruption initiatives, recent governments have either delayed or implemented only partial measures for cleaning up the public administration, the police and politics in general. In December 2012, the Nečas government published a second strategy anti-corruption plan and goals were judged to have been partially achieved as of May 2013. Draft laws were prepared for government discussion on regulating the status of civil servants (with the goal of reducing undesirable influences on officials charged with decision-making, increasing professionalism and stabilizing government), on ensuring the independence of state prosecutors, on increasing free access to the internal regulations that

govern the activities of statutory bodies and on protecting whistleblowers. The most controversial proposal was the civil service law. After extensive political bargaining, a law was adopted by the Chamber of Deputies and subsequently by the Senate but was opposed by President Zeman. The biggest controversy surrounded the inclusion of politically nominated state secretaries. The fight against corruption also featured prominently in the program of the Sobotka government. Previous activities were criticized as excessively formalistic and ineffective. Yet, like its predecessors, the Sobotka government struggled to translate plans into action. It remains under pressure from a number of well-organized NGOs with clearly defined priorities for laws which seek commitment from and monitor the voting behavior of members of parliament and senators. This has ensured that a verbal political commitment is maintained even if a quick legislative process cannot be guaranteed.

Governance

I. Executive Capacity

Strategic Capacity

Strategic
Planning
Score: 4

In the Czech Republic there is 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: one by the interim Rusnok government in August 2013, which set only short-term objectives; and by the Sobotka government in February 2014. The existing problems of and the eligibility conditions for European Structural Funds led to the adoption of several sectoral strategies, including a Strategic Framework for the development of public administration in the Czech Republic 2014-2020, a Regional Development Strategy of the Czech Republic 2014-2020 and an Educational Policy Strategy 2020.

Scholarly Advice
Score: 6

In the Czech Republic, there are several permanent or temporary advisory bodies and a number of public research institutions that are closely linked to certain ministries and partly dependent on state funding. Within the cabinet, there is a unit consisting of consultants and advisors to the prime minister. Under Prime Minister Sobotka, the number of official advisors more than doubled, from 17 under Prime Minister Nečas in January 2013 to 36, with an emphasis on prominent academics and researchers. The advisors' task is to evaluate the substantive content of legislative materials and to prepare a strategic agenda for the government. However, the government has taken up recommendations by these and other academic experts only selectively.

Interministerial Coordination

GO Expertise
Score: 5

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 Gatekeeping
Score: 6

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

Line Ministries
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 Government Office and the legislative council. This consultation process primarily focuses on technical issues.

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.

Ministerial
Bureaucracy
Score: 5

As part of the interministerial coordination process, some coordination among line-ministry civil servants takes place. Senior ministry officials are generally a crucial link in collecting and discussing comments on proposed legislation. However, their formal role remains poorly defined, and they do not meet on a regular basis to prepare cabinet meeting agendas. In some cases, cross-cutting project groups are set up. In 2014, for example, the Ministry of the Interior and the Ministry of Finance established a team to develop proposals for fighting tax evasion.

Informal
Coordination
Score: 7

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 was clear from the infrequency of open disputes in government. The coalition agreement of the Sobotka government ran 50 pages, with clear commitments in all policy areas, a mechanism for resolving disputes and a requirement for the agreement of all parties before a policy issue could be changed.

Evidence-based Instruments

RIA Application
Score: 8

There are two forms of regulatory impact assessments (RIA), a short one and a comprehensive one. Reforms in 2011 substantially decreased the previously high number of regulations subject only to a short RIA. Without an overview of impacts and a statement from the Regulatory Impact Assessment Board (RIAB), a quality control body established in 2011, draft regulation can no longer proceed further in the legislative process. However, while members of both parliamentary chambers are well aware of the RIA process, they often do not understand the analyses. Moreover, the sheer volume of legislative proposals does not leave much space for dealing with the results of a RIA. In the period under review, a two-year project was started to create conditions for a systematic improvement of the RIA process. It is co-financed by the EU's Operational Program, Human Resources and Employment.

Quality of RIA
Process
Score: 9

In November 2011, the Regulatory Impact Assessment Board (RIAB), a new quality control body, was established. It is made up largely of respected academics and researchers, and is committed to high quality standards. In 2013, the board held 19 meetings, considered 97 new impact assessment reports and issued 142 opinions, 45 of those on resubmitted reports. The activities of the board are public, and it seeks responses from interested parties.

Sustainability
Check
Score: 6

Sustainability checks are an integral part of every RIA assessment, but are not very comprehensive. The checklist requires a response to the question of whether there are effects on social, economic and environmental issues and for an indication of what those effects are. However, RIA guidelines still do not specify how to assess or quantify these effects.

Societal Consultation

Negotiating
Public Support
Score: 6

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 showed a willingness to respond to continual calls from business for a reduction in the regulatory burden, but was less willing to listen to trade unions' views. The Sobotka cabinet has sought to broaden social dialogue. Examples include an agreement on raising the minimum wage and the involvement of regional tripartite bodies in addressing unemployment. In October 2014, Prime Minister Sobotka announced a plan to

cooperate with the Catholic Church to support vulnerable citizens. This was broadly seen as an attempt to gain public support over the controversial restitution of church property.

Policy Communication

Coherent
Communication
Score: 4

In 2009, a central Government Information Center was established with a view to improve communication within state administration and with the public. However, the Nečas and Sobotka governments, both composed of multiple parties, have largely failed to coordinate communication among different ministries. Coalition partners have been more than willing to express their different preferences and priorities, sharing these through the media. On a number of occasions, the general acceptance of government measures by the public has suffered as a result of contradictory statements about legislation from coalition partners.

Implementation

Government
Efficiency
Score: 4

Successive governments' ability to achieve objectives has varied with the objectives. The government has tried to reconcile conflicting objectives and interests of coalition partners, but only with partial success. Tensions in governing coalitions (in both the Nečas and Sobotka governments) and the need to overrule Senate and presidential vetoes have weakened the executive power of the government. The necessity to negotiate every vote in parliament forces governments to accept a number of compromises and in general, delays implementation. Prominent examples of such delays are anti-corruption measures in general and the law on civil service in particular. A version of this law was approved in 2002 as a requirement for EU accession, but was never implemented. President Zeman set a condition for the Sobotka government that it should present a new version of this law to parliament. This was completed and a new version approved, but implementation was further delayed by a presidential veto.

Ministerial
Compliance
Score: 6

Governments have tried to ensure ministerial 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. Under the Sobotka government, ministers were also removed or exchanged by various coalition partners. These were therefore matters of

difficult, and often public, negotiation and conflict between coalition partners, but the prime minister ultimately had both the formal and the practical power to remove ministers.

Monitoring
Ministries
Score: 5

In the Czech Republic, the government office formally monitors the activities of the line ministries. Under the Nečas and Sobotka governments, the effectiveness of monitoring was complicated by the nature of the coalition governments and the eroding informal authority of the prime minister in the coalition (under Nečas), and competition between Prime Minister Sobotka and Vice Prime Minister Babiš for the control of key ministries. The success of Babiš' ANO party in the 2014 municipal elections has further aggravated this problem.

Monitoring
Agencies,
Bureaucracies
Score: 5

There is not much delegation of responsibility away from the government in the Czech Republic. Agencies take diverse organizational forms and are monitored in different ways. Most of them enjoy little autonomy, and are monitored relatively tightly. In many cases, both the government and parliament are directly involved in supervision.

Task Funding
Score: 7

The regional tier within the Czech system of governance has taken on greater importance following a process of consolidation of various administrative functions. The budgetary allocation of taxes, tax autonomy and financial decentralization have enabled regional governments to exhibit more autonomy in fulfilling governing functions and managing basic infrastructure. EU regional funds constitute an important resource for regional development. However, due to severe irregularities in financial administration and the misappropriation of EU funds, some regions – in particular in the north – have had access to EU funds in 2013 frozen. All negotiations over regional budgets remain complicated by opposing political majorities on a central, regional and municipal level; this trend was further strengthened by the 2014 municipal elections, in which new governing coalitions emerged, in particular in the capital city of Prague.

Constitutional
Discretion
Score: 7

The discretion of local and regional governments over exactly how resources should be spent does not face formal limitations. Effective discretion is limited by budget limitations, but money can be transferred between uses. More significantly, regional governments are effectively constrained by the need to ensure set standards for key services, notably education, which limits the scope for transferring funds between uses. In 2014, NGOs campaigned for stronger transparency in local and regional government spending to curb irregularities in awarded contracts.

National
Standards
Score: 6

A department within the Ministry of the Interior is responsible for overseeing subnational self-government. Its concern is compliance with existing laws and not the assessment of efficiency; laws cover such issues as regular financial accounting, the fair conduct of elections, the avoidance of conflict of interest, the compliance with rules on the disposal of waste materials and freedom of

information. Its 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, a gap still exists between national and EU standards, which threatens the effective use of EU structural funds.

Adaptability

Domestic
Adaptability
Score: 4

Since the mid-1990s, government activities have adapted to, and are strongly influenced by, the EU's legislative framework. However, the main structures of government and methods of functioning have remained largely unchanged. The missing fit between domestic structures and EU provisions and requirements is shown by the persistent inefficient drawing of EU structural funds on the national and regional level, the lack of effective control of the use of funds and the questionable sustainability efforts surrounding EU-funded infrastructure.

International
Coordination
Score: 4

In general, the Czech government acts not as a leader but as a trustworthy and reliable partner in international community relations. By joining the European Union, the Czech Republic acquired greater credibility within the international community. However, the lack of a credible plan to implement the euro, inconsistent attitudes toward the European integration process and numerous scandals associated with the use of EU funds, as well as the unwillingness of government ministers to attend high-level EU meetings, have resulted in the country's marginalization in European structures. In 2014, the Czech government did not take a clear position on sanctions against Russia. Neither the Nečas nor the Sobotka government paid much attention to regional cooperation within the Visegrád Four.

Organizational Reform

Self-monitoring
Score: 4

There is no systematic monitoring of the institutional arrangements of governing. 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.

Institutional
Reform
Score: 6

After the shift from indirect to direct presidential elections in January 2013, institutional structures have undergone little change. Unclear political majorities have limited the strategic capacity of the government, so that no major attempts at institutional reform have been undertaken. The actual impact of the rising number of advisers to the prime minister and of the new civil service law, both intended to improve the professionalism of government, remains to be seen.

II. Executive Accountability

Citizens' Participatory Competence

Policy
Knowledge
Score: 7

With the increased accessibility of online information, information on government policies is increasingly available to all Czech citizens. However, citizens remain less informed of important reform details, and have a limited ability to come to informed decisions. This reflects weaknesses in media coverage and the limited range of trusted expert opinions. In 2013 and 2014, the Reconstruction of the State campaign organized by various anti-corruption organizations succeeded in increasing transparency in political decision-making by keeping citizens informed over the adoption of anti-corruption legislation. This increased policy knowledge helped to keep the issue of corruption prevention on the agenda and to bring parliamentary members to vote in line with electoral promises in the 2013 campaign.

Legislative Actors' Resources

Parliamentary
Resources
Score: 9

In the Czech Republic, members of parliament 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 persons and a secretary; and there is a parliamentary library and a parliamentary institute. The Parliamentary Institute acts as a scientific, information and training center for both chambers of parliament, its members and general leadership. The institute also holds an European Affairs Department, which handles a document database for information coming from EU institutions and other matters related to the European Union.

Obtaining
Documents
Score: 10

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

Summoning
Ministers
Score: 10

Ministers and the top 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 appropriate committees. If the ministers send officials below the rank of deputy minister, committees may, and often do, refuse to discuss a legislative proposal.

Summoning
Experts
Score: 10

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

Task Area
Congruence
Score: 9

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. From 2010 to 2013, as well as during the term under review, 14 of the 18 parliamentary committees have covered only one ministry. The fact that task areas have not fully coincided has not infringed upon parliamentary oversight of the government.

Audit Office
Score: 8

The Supreme Audit Office (SAO) is an independent agency which audits the management and performance of state property, institutions and the national budget. In doing so, it has also paid special attention to examining the financial resources provided to the Czech Republic from the EU budget. The functioning of the SAO 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 proposals from the lower house of parliament. In addition, the SAO prepares at the request of the Chamber of Deputies, the government and individual ministries, comments and opinions on proposed legal regulations, especially those concerning the budget, accounting, statistics, auditing, tax and inspection activities. The SAO observes carefully whether and how the government and those being audited approach the outcomes of audits and whether they accept and fulfill measures to remedy shortcomings. Following parliamentary criticisms that the government had not been addressing issues in SAO reports, amended rules in 2013 required the government to invite the SAO president to deliberations of audit conclusions; the SAO has also the right to give its opinion on accepted measures. In 2014, the measures discussed to curb corruption included the strengthening of the competences and the autonomy of the National Audit Office. However, no political agreement exists so far on the issue.

Ombuds Office
Score: 8

The Office of the Public Defender of Rights (ombudsman) continues to serve as a vital protector of civil rights. The number of complaints by citizens reached around 8,000 in 2012 and in 2013, but has since risen in 2014. 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 ombudsman 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. In its 2013 report, the office advocated measures such as the closing of gaps in legal protections over employee privacy, better information

rights for welfare claimants, shifting the burden of proof in discrimination disputes to defendants and the introduction of *actio popularis* in discrimination cases.

Media

Media Reporting
Score: 6

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 debates are usually structured to represent the views of the main political parties. 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 online 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. The transfer and concentration of media ownership in recent years into the hands of powerful business elites with political ambitions threaten the quality of media reporting.

Parties and Interest Associations

Intra-party
Democracy
Score: 5

Five parties 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 were the main forces in the coalition government up to July 2013. The Czech Social Democratic Party (Česká strana sociálně demokratická, ČSSD) and the ANO party (Movement of Dissatisfied Citizens) dominated the coalition government from January 2014. The Communist Party (Komunistická strana Čech a Moravy, KSČM) has remained consistently in opposition. With the exception of ANO, their internal party structures, both formally and in practice, are remarkably 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 usually limited. An exceptional situation within the ČSSD, when an alternative leadership group tried to sideline party leader Sobotka in negotiations to form a new government after the 2013 elections, led to public meetings and rallies in

which members expressed support for the existing leadership. ANO differs in that it is dominated by one personality, billionaire founder Andrej Babiš (listed 731 in the Forbes list) and it has weak elected structures. The ANO party congress in March 2013 elected Babiš as chair along with four deputy chairs; yet all subsequently resigned, with three out of four citing Babiš' dictatorial style as the reason. New leadership is scheduled for a vote in March 2015.

Association
Competence
(Business)
Score: 7

The government's legislative rules define which entities are considered to be legitimate "commenting actors" during a consultation period. In this respect, trade unions and employer associations can make comments on draft laws dealing with social and economic issues during tripartite meetings with government representatives in the Council for Economic and Social Accord. The consultation process has become more open, thanks to the digital publication of legislative norms and regulations. 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, and have the ability to lobby ministries and parliament and to influence government directly through tripartite consultation structures. Employers also have access to considerable resources, but have a slightly different agenda, favoring a less regulated labor market and lower business taxes.

Association
Competence
(Others)
Score: 7

Interest associations have grown considerably in the Czech Republic since 1990. There are around 126,000 autonomous, self-organized groups, associations, foundations and organizations registered in the country, not all of them active. Between 2011 and 2014, additional NGOs emerged to address important issues such as corruption, city planning, the rights of gays and lesbians, food safety and participatory budgeting on the local level, many of them effectively and competently. Amendments to the Civil Code in 2014 have aimed to make nongovernmental and non-profit organizations more accountable and to make NGO funding more transparent. Whereas many new NGOs have a relatively broad agenda and played an important role in the 2014 municipal elections, the Roman Catholic Church, the most active traditional religious organization, has largely focused on issues of direct concern.

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