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Sustainable Governance Indicators 2016



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# **Executive Summary**

In the period from November 2014 to November 2015, a coalition government, headed by Social Democrat Bohuslav Sobotka, together with the Movement of Dissatisfied Citizens (ANO) party, led by billionaire Andrej Babiš, and the Christian Democrats has brought relative political stability, though ongoing tensions continued within and between the coalition partners have hampered effective decision-making.

The government has benefited from a return to economic growth with lower budget deficits and falling unemployment. The growth in employment is driven by continuing growth in exports and also by higher consumer spending and some restoration of investment levels, helped both by increased inward investment and by investment into infrastructure financed from EU structural funds. The situation of low-skilled workers, minorities and women on the labor market remains problematic, and regional differences in employment remain significant. The fight against corruption featured prominently in the Sobotka government's program. The verbal commitment is strong, but there is as yet no political agreement within the coalition over the actual measures, sequence and timing of implementation. Internal tensions between the two main coalition partners are exacerbated by the open ambition of the billionaire ANO Chairman Andrej Babiš to run for prime minister in 2017. In the period under study, all parties have maintained the image of being driven and efficient legislators. Ministers were removed for various reasons ranging from accusations of conflict of interest to incompetence – often meaning a failure to implement satisfactorily the government's program, or failure to implement it within the expected time scale. Social partners, and in particular trade unions, were increasingly consulted. This contributed to improving the social sensitivity of the tax changes.

Unresolved issues for the long-term economic prosperity of the Czech Republic include weak family policies, specifically a lack of institutional solutions to support (lower income) working families, and weak immigration policy. Research and innovation efforts have been given a high profile, but since European structural funds are the key source of funding for these efforts their sustainability is questioned. There is broad access to education, although the country's higher education numbers still lag behind those in Western Europe.

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One of the main societal issues in the period under study was the country's reaction to the migration crisis. The actual number of refugees was small (approximately 1,100), but fears were aroused of threats to the nation, its values and identity. The handling of refugees was criticized by NGOs, Public Defender of Rights Anna Šabatová, some ministers and the UN High Commissioner for Human Rights. There are no substantial external threats, but the populist politics and style of media reporting leads to a growing perceived threat – of migrants, islamization and unified Europe, which are all presented as threats to the Czech way of life. It also leads to a cautious approach to issues of European integration, despite promises from both President Zeman and the Sobotka government to depart from what was perceived as a negative approach from preceding governments.

As for policymaking, much still depends on detailed coalition agreements. Yet once these have been settled, ministers are likely to retain considerable discretion. There is very little interministerial cooperation, especially across party lines. The public is increasingly well-informed on government decisions and on the positions of political parties, but this is under some degree of threat following the transfer of foreign-owned print media to Czech business groups. 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.

# Key Challenges

The current coalition government ensures a greater degree of political stability than its predecessors, but it is still hampered by clear differences of approach and policy priorities. To increase its 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. In addition, interministerial coordination must be strengthened in order to generate more coherent policymaking. However, the strong governmental position that this requires is not easy. The Czech Republic has been slow to deal with issues of public corruption, the development of an independent civil service, transparency in public procurement and the handling of conflicts of interest between business and politics. The open business links of one major

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coalition partner makes progress on these issues and on other emerging themes such as the need to regulate major media outlet even more difficult. Coherence over international orientation is also harmed by clear differences in approach between leading state representatives. In terms of international coordination, the Czech Republic would benefit from a consistent approach to the European integration process where it risks being left outside the mainstream.

The current economic recovery after the global economic crisis does not ensure sustained growth. Past growth has depended on inward investment by multinational companies, particularly in the automobile sector in which export growth has slowed, exposing the dangers of overdependence on a narrow range of economic activities. There are some prospects for future growth, but multinationals continue to prefer to locate lower value-added activities in the Czech Republic, leading to productivity and wage levels around one-third of those in Western Europe. This pattern of growth will not bring income levels up to those in the richer EU member states. Indeed, it leaves the Czech Republic vulnerable to a possible downturn in the motor-vehicle sector. It could be seriously hit by difficulties across the Volkswagen group, the owner of the Czech manufacturer Skoda, following the 2015 revelation that the company had been cheating on emission standards. A secure economic future depends on raising the level of research and innovation, both from domestic firms and from inward investors. Although this subject looms larger than ever in government rhetoric, research spending is heavily dependent on EU funding and therefore remains vulnerable to the possible ending of that support. Moreover, it has not provided a base for substantial internally generated innovation activity. 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 more emphasis on enabling a more harmonious coexistence of work and family life and on creating a more welcoming atmosphere for immigrants who might choose to call the Czech Republic home. This latter aim has become more difficult with reactions to the refugee crisis which strengthen those, represented across much of the political spectrum, who still do not welcome the idea of a multicultural society.

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

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stability in financing the country's health care and pension systems should be compatible with a degree of broad political consensus. The government has moved away from past insistence on increasing reliance on private provision and charges for services and this should make broad consensus more achievable on the essential issue of gradually increasing the pension age and maintaining the currently high standard of health care provision for an aging population.

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# **Policy Performance**

# I. Economic Policies

# **Economy**

Economic Policy Score: 6

In the period under review, the Czech economy emerged from stagnation with GDP increases by 2% in 2014 and by about 4% in 2015. Investment in support of economic growth has increased significantly. European structural funds have been the major contributor to public investment and, to a significantly lesser degree, the state budget. 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 represent a basis for growth when demand is rising in the rest of the EU – the main market for Czech exports – but not a basis for raising the level of the Czech economy to that of more advanced countries in Western Europe.

# Labor Markets

Labor Market Policy Score: 6

Since 2014, the Czech Republic has experienced a moderate but steady decline in unemployment. According to national statistics, the unemployment rate stood at 6.5% in 2015 and is expected to decline to 5.9% in 2016 and 5.5% in 2017. While long-term unemployment has declined, groups such as parents with young children, low-skilled workers, persons with disabilities and Roma are still strongly disadvantaged on the labor market. Operationally poor public employment services hinders the transition from unemployment to employment, and the shortage of affordable high-quality child-care services together with the limited use of flexible working hours makes it difficult for mothers with small children to remain in the labor market.

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#### **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. The Sobotka government has increased the progressiveness of VAT with the introduction of a third rate of 10%, on top of the existing rates of 21% and 15%. The low rate applies only to books and medicines. The government has also reintroduced a tax allowance for working pensioners and introduced tax benefits for families with more than one child and a discount on second and subsequent child living in the same household. Parents can claim a tax deduction in the amount of the documented payment for a child in kindergarten or other preschool facility. The tax system raises 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 Improved economic performance has enabled the Czech government to retain its objective of reducing the state budget deficit and thereby limit the growth in public debt while allowing some expansion of domestic demand. Spending relative to GDP is still below the EU average, and government expenditures and revenue alike grew more slowly than GDP in 2015. The level of state debt remains below 40% of GDP, suggesting considerable leeway both in tems of euro zone rules – these are not obligatory for the Czech Republic as a non-euro zone member – and in terms of safe sustainability of debt.

#### Research and Innovation

R&I Policy Score: 5 Overall, R&D expenditures are growing and approaching the EU average in terms of spending as a share of GDP. European structural funds are the main driver of this growth. The majority of the public R&D funding is allocated to public universities and research institutions and focuses mostly on natural, technical and medical sciences. There is also indirect support for R&D in private sector in form of tax credits. The newest available data (2013) show that the volume of tax credits amounted to CZK 2.3 billion (85 million), and most of these are used by large corporations (70%). The government support for start-up companies remains weak. The main means of transferring

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scientific discoveries into products and enhanced productivity is inward investment by multinational companies, bringing innovations to the Czech Republic that were developed elsewhere, or in-house innovation focusing on product improvement.

#### Citation:

Analýza stavu výzkumu, vývoje a inovací v České republice a jejich srovnání se zahraničím v roce 2014 [Analysis of the state of Reserach, Development and Innovation in the Czech Republic and their international comparison in 2014]. Published on 31.9.2015 by the Office of the Government of The Czech Republic, ISBN: 978-80-7440-140-4 Available online http://vyzkum.cz/FrontClanek.aspx?idsekce=759405 (last visited 6.11.2015).

# 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. While the Sobotka government made a turn from the eurosceptic policy of previous governments toward a more mainstream view of EU economic policy, neither the Ministry of Finance nor the Czech National Bank have come out in favor of an accession to the EU Banking Union. Both fear that such an accession would restrict national competencies and lead foreign-owned banks to take deposits from their Czech branches to cover losses elsewhere. The Sobotka government has also shied away from formulating an explicit deadline for entering the European Monetary Union.

# II. Social Policies

# Education

Education Policy Score: 6

Public expenditures on education have not recovered from the economic crisis and stagnate below the EU average. The weak growth of public sector wages has made it difficult to maintain the necessary number of teachers, especially in "problem" schools. The lack of resources has also contributed to the lack of preschool facilities, which despite some reforms initiated in 2014, has remained a major public issue. The main deficit of the Czech education system on international comparison is the relatively low proportion of the population with tertiary education. While the growing availability of private tertiary education has helped to improve the situation, the strong differences in the quality of these private programs have raised concerns. In September 2015, the

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Ministry of Education, Youth and Sports withdrew the accreditation of the pedagogy program of the private Jan Amos Komensky University, which meant that more than 700 MA students were unable to finish their studies at this university. 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. In order to reduce the social handicap of children from disadvantated families, the Ministry of Education, Youth and Sports initiated a debate about making attendance of nursery schools compulsory in the last preschool year.

#### 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 a growing number of areas of high social exclusion. In 2015, about 600 of such areas existed, 15% of them located in the Usti region. These areas have been characterized by accumulating social problems, such as unemployment, housing insecurity, low education levels and poor health. In order to limit social exclusion, the Sobotka government adopted a White Paper on Social Housing in October 2015, the first ever in the Czech Republic. The paper, which is supposed to inspire legislation in 2016, addresses the social context of housing availabilty and discusses in detail the role of the different tiers of government in providing social housing.

#### 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. Public health insurence in the Czech Republic is provided through seven health insurence companies, the largest being the General Health Insurance Company (Všeobecná zdravotní pojišťovna). In line with its campaign promises, the Sobotka government abolished the charges introduced in 2012 for outpatient services and for prescriptions at the pharmacy. In contrast, the regulatory fee for medical emergencies has remained in force. In 2015, a discussion on obligatory vaccinations against infectious diseases emerged. As it stands, children can only attend a nursery or preschool if they have received the required regular vaccinations, have evidence of immunity against a particular disease or evidence that they cannot be vaccinated due to a permanent contraindication (a prohibition against vaccination for health

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reasons). Opponents of mandatory vaccinations have called for changing the law on public health protection, arguing that only parents have the right to decide whether or not to vaccinate a child. This proposal did not find a majority in the Chamber of Deputies.

## **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 45% 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. The enrollment rate in formal child care for children three to five years of age is within the third quartile of OECD countries. The measures adopted in September 2014 to promote the establishment of so-called children's groups, special child-care arrangements for which lower standards apply, have remained controversial and have not shown much effect.

# 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 The 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 included 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; only 85 thousand people opted for this scheme. Social partners have expressed negative attitudes toward this reform, and the Czech Social Democratic Party (CSSD) criticized the system in its 2013 election campaign. In November 2015, the Chamber of Deputies eventually decided to abolish the second pillar, and now the Upper Chamber (Senate) has to approve the law. The Sobotka government's move away from the previous government's insistence on increasing private contributions to pensions should make broad consensus more achievable on the essential issue of gradually increasing the retirement age.

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# Integration

Integration Policy Score: 4

Compared with other East-Central European countries, the Czech Republic has experienced relatively high levels of immigration since EU accession. 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 done little 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 run 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 shadow economy or in agencies, offering temporary and often unstable work with pay levels significantly below those of Czech employees.

Although the country is not located on one of the major routes used by refugees for coming to Western Europe and the inflow of asylum-seekers, with 1,115 applications from January to September 2015, has remained relatively small, the European refugee crisis has stirred a strong and highly polarized debate on migration and integration. The right-wing extremist camp, formerly focused on Roma, are increasingly shifting their attention to anti-Islam and anti-refugee agendas, positioning themselves in the role of defenders of Czech national values. The UN High Commissioner for Human Rights as well as Public Defender of Human Rights Šabatová and some Czech politicians have strongly criticized the handling of refugees and migrants.

# 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. Moreover, fears of terrorist attacks have grown recently. Protection against security risks is favored by well-functioning, cross-border cooperation. In December 2014, the Ministry of the Interior presented an

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updated medium-term strategy to combat organized crime. In October 2015, the Czech government assisted Hungary's attempt to limit the inflow of refugees by sending 50 police officers to Hungary.

# **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 starting point of Czech development policy are the Millenium Development Goals. The Ministry of Foreign Affairs (MFA) is the main coordinator of bilateral and multilateral development cooperation of the Czech Republic. Public institutions, private and non-governmental sectors are extensively involved in the dialogue about development cooperation priority countries and sectors as well as in on-theground activities in partner countries. Czech bilateral development cooperation focuses on projects implemented every year under the auspices of the Czech Development Agency(CzDA) in priority countries. Other Czech government bodies and authorities contribute to bilateral development cooperation as well: the Ministry of Finance through the Technical Cooperation Assistance on Public Financial Management program, Ministry of Industry Management, Ministry of Industry and Trade through the Aid for Trade program, and the Ministry of Interior through programs in the area of security and migration. In addition to these programs, the government, in connection with the refugee crisis, has taken a series of one-off decisions on targeted help and humanitarian assistance. As a percentage of gross national income, however, official development assistance has stagnated in recent years.

Czech Republic Development Cooperation in 2014. Ministry of Foreign Affairs of the Czech Republic. http://www.mzv.cz/file/1609980/Leaflet Czech Devel Coop 2014.pdf, accessed 03.11.2015.

# III. Enviromental Policies

# **Environment**

Environmental Policy Score: 6 The Czech Republic continues to battle both a historical legacy of environmental damage and other ongoing environmental issues. There has been a long-term trend of decline in emissions of acidifying substances, ozone precursors, primary particles, secondary particulate precursors, greenhouse gas emissions from the manufacturing industry. Surface and groundwater pollution has also diminished over time. Given the set of tasks and time schedules officially agreed upon during EU accession, environmental protection and

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sustainable development are now an integral part of the government's agenda. The policy responses to key environmental challenges have been outlined in a strategy for environmental policy for the years 2012-2020. In the period under review, the government adopted a new strategy for climate protection to 2030, an update of the government's energy policy and a National Action Plan for the Development of Nuclear Energy. Active policies addressing environmental issues are overwhelmingly influenced, and often funded, by the European Union. After the 2009 economic crisis, both public and private investment continued to grow in 2014, with overall spending on environmental protection increasing by 1.6% as compared with 2013. The focus of spending has been on wastewater management, air and climate protections, and waste management.

In October 2015, following several years of debate, open-cast mining limits for brown coal in the Usti region were undone, yielding criticism from experts and politicians. The cabinet justified cited the need to maintain employment and ensure thermal power stations and housing a sufficient supply of coal in justifying its decision. The symbolic value of this decision, which effectively ended 24 years of political compromise between the mining industry and public health authorities, underscored the dominance of industry and employment interests over environmental protection.

Czech Statistical Office, Environemental Protection Expanditures 2014. Published on 30.9.2015. available online https://www.czso.cz/csu/czso/environmental-protection-expenditure-2014 (last visited 6.11.2015). European Environmental Agency, report on the Czech Republic published on 18.2.2015 and updated on 10.8.2015.

# **Global Environmental Protection**

Global Environmental Policy Score: 5 While environmental policy in the Czech Republic is strongly shaped by the country's obligations to implement EU legislation, the country is not a driving force in shaping EU legislation and remains a passive and ambivalent recipient of 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 2015, parliament had not yet ratified the second phase of the Kyoto Protocol.

Nachmany, M. et al. (2015) CLIMATE CHANGE LEGISLATION IN Czech Republic, AN EXCERPT FROM The 2015 Global Climate Legislation Study A Review of Climate Change Legislation in 99 Countries. Available online. http://www.lse.ac.uk/GranthamInstitute/wpcontent/uploads/2015/05/CZECH\_REPUBLIC.pdf (last visited 7.11.2015)

National Reform Programme 2015 and the Ministry of Industry. Available online http://www.mpo.cz/dokument161296.html (last visited 7.11.2015)

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# Quality of Democracy

## **Electoral Processes**

Candidacy Procedures Score: 10

Media Access Score: 6

Voting and Registrations Rights Score: 8

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. No political party was banned in the period under review.

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 access to the public media, 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. Moreover, the transfer of ownership from foreign to domestic owners facilitated a polarization of the print media landscape. Media mogul Andrej Babis, the founder and chairman of the ANO party, current minister of finance and vice-chairman of government and media, has accumulated an unprecedented concentration of political and media power. Reporting by MAFRA-held media, which Babiš owns, reflects a strong positive bias in favor of ANO. These biases have been partially compensated for by the growth of high-quality online media, mostly formed by acclaimed journalists not willing to follow the political line of new media owners.

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 SGI 2016 | 15 Czech Rep. Report

number of embassies and consulates. Following the local elections in October 2014, the police investigated allegations of vote-buying in several municipalities, using recorded evidence from hidden cameras which were provided by an alliance of independent anti-corruption groups. In 2015, most of these elections were deemed invalid by the courts and repeated. The repeated elections were carefully monitored by anti-corruption NGOs. Some attempts at vote-buying in particular among the vulnerable minority Roma population were reported.

Party Financing Score: 6

The rules for party and campaign financing, and their enforcement, have been a major political issue for some time. In April 2015, the Ministry of Interior eventually submitted an amendment to the law on political parties to parliament. The proposal was based on the Group of States against Corruption of the Council of Europe (GRECO) recommendations to the Czech Republic issued in 2011. The suggested changes included an overhaul of the structure of the parties' annual reports, the introduction of a new threshold for donations to political parties set at CZK 2 million (€75,000) per year, establishing a new and independent regulatory body shifting the task of monitoring party and campaign financing away from parliament, and the creation of new political foundations (modeled loosely on the structure, functioning and funding of German party foundations). By November 2015, however, parliament had not delivered the new legislation.

Popular Decision-Making Score: 5

In the period under review, no nationwide public referendums took place. There is no general law on referendums at a national level, although one has been proposed more than 12 times in parliament. On the municipal level, referendums exist and are being increasingly used - in 2014, together with local elections, referendums took place in approximately 20 municipalities (based on law on referendums, 22/2004 Col.). The most frequent issues for referendums 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 and there are current plans to organize the referendum in 2016. Relaxing the limits on open-cast mining could appear a natural issue for local referendums, but there were not enough signatures collected at the regional level to bring this issue to a public vote. This reflected divided opinions among local politicians regarding the relaxation of limits and the consequences this will have on environmental degradation and local job creation.

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#### Access to Information

Media Freedom Score: 7 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. In recent years, media freedom has been threatened by ownership transfers from foreign to Czech owners. The main concerns are found in print media. In September 2015, the last foreign owner sold its network of local dailies, Denik (Daily), to the Czech-Slovak company Penta. The motivations of new domestic media owners are at best ambivalent – they seem to be driven both by economic and political interests. The main player on the Czech media market, the owner of MAFRA and Radio Impulse, Minister of Finance Andrej Babiš has clearly used his media power for political means. Many journalists and NGOs have criticized the ongoing process, and the Ministry of Culture is preparing new regulations of media ownership.

#### Citation:

European Journalism Observatory http://en.ejo.ch/media-economics/business-models/last-western-media-owner-sells-up-in-czech-republic (last visited 6.11.2015)

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. Public media and independent Internet publications to some extent counteract the concentration of private media ownership in the hands of domestic business and financial groups.

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

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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: 6 The government and administration of the Czech Republic respect and protect its citizens' 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. In October 2015, the UN High Commissioner for Human Rights strongly criticized the detention of migrants and refugees by the Czech Republic, drawing special attention to the violation of the Convention on the Rights of the Child. It described violations as systematic and designed to deter migrants and refugees from entering or staying in the Czech Republic. The Minister of Interior rejected the critique, which had also been voiced by Public Defender Šabatová, as unfounded, but his view has been challenged in many media outlets. The Minister of Justice has strongly criticized the conditions of the detention facility and handling of migrants.

Citation:

Office of the UN High Commissioner for Human Rights http://www.ohchr.org/en/NewsEvents/Pages/DisplayNews.aspx?NewsID=16632&LangID=E (last visited 7.11.2015)

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 (ombudswoman). 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

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Czech citizens.

Nondiscrimination 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. Driven by populist political voices and unbalanced media reporting, Czech public opinion is strongly opposed to the integration of refugees. This is paradoxical, as the country previously integrated two waves of migrants without major problems (in particular 8,500 from Bosnia in 1992 and 12,000 from Ukraine and Moldova in 2001).

#### 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. Upon entering office in March 2015, Minister of Justice Robert Pelikan introduced a new bill on the Public Prosecutor's Office, the third within the last five years. Welcomed by most NGOs, the new bill aims at strengthening the independence and accountability of prosecutors by involving experts in the selection and recruitment of prosecutors, by replacing appointment for life with a seven-year tenure and by providing for a higher degree of specialization. As the bill has met with resistance even within the governing coalition, its fate is unclear.

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

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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. President Zemans proposals have continued to be uncontroversial.

Corruption Prevention Score: 5

The fight against corruption has featured prominently in the program of the Sobotka government, which has criticized activities of previous governments as excessively formalistic and ineffective. In December 2014, the government presented an anti-corruption plan for the period 2015-2017. The new strategy features four key points: strengthening the executive's integrity through the adoption and implementation of the long-discussed civil service law and the preparation of a new law on the public prosecution office; increasing transparency through the electronic collection of laws and legislative materials and an amendment to the law on the central register; a better use of state property through new rules for public procurement, greater transparency of ownership and an expansion of the powers of the Supreme Audit Office; and fostering civil society by providing whistleblowers better protection. However, the Sobotka government's present action plan has been the fifth anticorruption strategy since 1999. With the exception of the civil service law, all bills are still under discussion, as there is a lack of political agreement within the governing coalition. There is still no protection planned against the conflicts of interest inherent to a business and media tycoon holding a high government position.

#### Citation:

Government Anti-Corruption Action Plan 2015. Available online http://www.korupce.cz/assets/protikorupcni-strategie-vlady/na-leta-2015-2017/Akcni-plan-boje-s-korupci-na-rok-2015.pdf (last visited 7.11.2015)

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# Governance

# I. Executive Capacity

# Strategic Capacity

Strategic Planning Score: 5

Though the government continues to express some skepticism toward strategic planning, some aspects of strategic planning have been developed under EU pressure. A medium-term perspective is provided by the government's policy manifesto, which is presented to the Chamber of Deputies for a vote of confidence. In addition, the government prepares action plans for individual policy fields in cooperation with interest groups and academic and other experts. Such action plans include detailed schedules, name performance indicators and have a coordinator. The period under review saw the implementation of an action plan to support economic growth and employment adopted in autumn 2014. Moreover, the government approved two important strategic documents on energy policy: Updating the State Energy Policy and the National Action Plan for the development of nuclear energy. The plans were needed to allow the Czech Republic to meet the EU's environmental goals.

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 adviser to the prime minister, whose task is to evaluate the substantive content of legislative materials and to prepare a strategic agenda for the government. Under Prime Minister Sobotka, the number of official advisers has more than doubled, and prominent academics and researchers are among them. Moreover, the government tends to follow the expert recommendations, in particular on issues such us renewable energy, welfare and corruption.

# Interministerial Coordination

GO Expertise

The Office of the Government is relatively small and has little sectoral policy

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Score: 5

expertise. It prepares cabinet meetings, but lacks the capacity to evaluate draft bills.

GO Gatekeeping Score: 6

The Government Office of the Czech Republic (GO) has primarily administrative functions. It supports the work of the various expert bodies attached to the government, including the Government Legislative Council, as well as the work of ministers without their own department. The government office 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

There are several ministerial committees in the Czech Republic, and depending on the set of issues they are tasked to address, some are established on a temporary basis while others are permanent. The most important permanent committees include the Council for National Security and the Committee for the European Union. The latter approves the mandate for the Czech delegation at the European Council and is led by the Czech prime minister. This committee also participates in the preparation of mandates, instructions and positions for negotiations with EU bodies. The committees discuss and approve policy documents, thereby filtering out issues and saving time in cabinet meetings. There are 15 such bodies under the GO and 12 advisory working bodies under different ministries. The committees are still not 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. The definition of their roles and responsibilities should be improved through the new civil service law, which went into effect on 1 January 2015 and regulates the legal status of state employees in administrative offices and represents a significant step toward establishing a stable and professional public administration. The existing committes under the GO or ministries have to contribute to the coordination proces.

Informal Coordination Score: 7

Informal coordination mechanisms have featured prominently in Czech political culture. Under the Sobotka government, the principles of coordination and problem solving within government are described in the coalition agreement. The most important body is the coalition council.

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## **Evidence-based Instruments**

RIA Application Score: 8 According to the government legislative rules and partly based on the implementation of EU law, regulatory impact assessments (RIA) are applied to all generally binding regulations prepared by the ministries and other central administrative authorities. There are two forms of RIA, a short one and a comprehensive one. The RIA process is coordinated by a department in the Government Office. Quality control has rested with a commission affiliated with the Government Legislative Council. Within the framework of the two-year project "Creation of conditions for systematic improvement processes Regulatory Impact Assessment (RIA)," co-financed by the EU Operational Programme Human Resources and Employment, various workshops have brought together ministry officials and RIA experts.

Quality of RIA Process Score: 9

In 2014, the RIA Commission discussed 65 of the 110 RIA reports on draft legislation for that year. In 37% of the cases, it issued a positive opinion; in the remaining 63%, it urged additional information. The activities of the board are public, and it seeks responses from interested parties.

Pecka, Aleš, Unit for Coordination of RIA Process, Government Legislative Council Section. Proces RIA a jeho využití v legislativním procesu (RIA process and its use in the legislative proces). Paper presented on the seminar "Nabídka na spolupráci při odborném posouzení dopadů regulace (RIA) for both chambers of the Parliament of the Czech Republic, Legislative Committee of the Chamber of Deputies, 21 April 2015.

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. Governments are not obliged to respond to outside opinions; however, the Sobotka cabinet is much more open to dialogue with social partners and more willing to listen to trade unions views.

The Sobotka cabinet has sought to broaden social dialogue at the national level and by involving regional tripartite bodies in addressing unemployment in particular regions.

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# **Policy Communication**

Coherent Communication Score: 4 While the Sobotka government has managed to prepare and put forward a series of important legal proposals and measures, it has largely failed to coordinate communication among different ministries, especially across the party lines. Coalition partners, especially ČSSD and ANO 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. Generally speaking, the Sobotka government has largely met its economic objectives. However, tensions in governing coalitions especially between the Social Democrats and ANO, as well as the need to overrule Senate and presidential vetoes (civil service law, law on children groups) have weakened the executive power of the government. The necessity to negotiate every vote in parliament forces government to accept a number of compromises, amendments and in general, delays implementation. Prominent examples of such delays are anticorruption measures in general and the law on the public prosecutor's office in particular.

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. Under the Sobotka government, and also the Nečas government, ministers from all coalition partners were removed for different reasons 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. For example, in March 2015, ANO replaced the minister of justice with the ministry's state secretary, and the Social Democrats replaced the education minister in May 2015 with a female minister. In the first case, the minister was fired for failing to make progress throughout her department while in the latter case, the minister was fired for failing to cooperate with female staff in a civilized manner. Given the fragile state of the government coalition, each party seeks to maintain the image of providing driven and efficient ministers.

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Monitoring Ministries Score: 5

Monitoring Agencies, Bureaucracies Score: 5

Task Funding Score: 7

Constitutional Discretion Score: 7

National Standards Score: 6 In the Czech Republic, the government office formally monitors the activities of the line ministries. Under the Sobotka government, the effectiveness of monitoring was complicated by the nature of the coalition government and the competition between Prime Minister Sobotka and Vice Prime Minister Babiš for the control of key ministries. The success of Babiš' ANO party in the municipal elections in October 2014 has further aggravated this problem.

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.

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. European structural 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. In 2015, both Prague and Brno municipalities faced potential paralysis from conflicts within the local ANO party and within the governing coalitions.

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 public procurement. This issue has also featured prominently in the government's 2015 Anti-Corruption Action Plan.

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

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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.

# Adaptablility

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 are changing only slowly. The disjuncture between domestic structures and EU provisions and requirements is demonstrated by recurrent issues accompanying the use 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 infrastructures.

International Coordination Score: 4 For a long time, the Czech government acted not as a leader, but as a trustworthy and reliable partner of the international community. Vis-à-vis the European Union, this has changed in the summer of 2015 in the context of the refugee crisis. Together with other Visegrad countries, the Czech Republic opposed EU quotas for the relocation of refugees without having any constructive proposals for a global solution to the problem. 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. Furthermore, President Zeman remains a strong critic of the sanctions against Russia, maintaining cordial relations with Russia and China, supporting their official governing line and being increasingly critical of civil society, activism and human-rights activism.

# 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, the institutional structures of governing have undergone little change. Debates about institutional reform in 2015 have focused on the creation of an independent regulatory body to monitor party finance and the reform of the office of the public prosecutor.

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# II. Executive Accountability

# Citizens' Participatory Competence

Policy Knowledge Score: 7

With the increasing accessibility of online information, information on government policies is increasingly available to all Czech citizens. However, due to the deteriorating state of the Czech media landscape and its increasing populist tendency, citizens are often poorly informed regarding important policy issues and have a limited ability to come to informed decisions. In terms of battling corruption, NGOs and advocacy groups remain organized and unified, pushing the government to act in line with its electoral promises and to implement the reforms outlined in the 2015 Anti-corruption Action Plan. In order to counterbalance the weaknesses in media reporting, civil society has focused more strongly on media monitoring. The most notable and recognized initiative is the independent website Demagog.cz, founded in 2012 by students of Masaryk University in Brno, following the examples of similar groups abroad, in particular in the United States. This website monitors statements by politicians in public debate and examines their accuracy. In September 2015, Demagog.cz published an Alphabet of Migration, explaining key concepts and arguments.

# 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. Members of parliament 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 members of both chambers of parliament. The institute also holds a 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

As specified in legislation regarding the rules of procedure of the Chamber of Deputies, Czech parliamentary committees may ask for almost all government documents. Governments usually respect committee requests and tend to deliver the documents on 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 SGI 2016 | 27 Czech Rep. Report

Summoning Experts Score: 10 Task Area Congruence Score: 9 the ministers send officials below the rank of deputy minister, committees may, and often do, refuse to discuss a legislative proposal.

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. There are 14 ministries and 18 parliamentary committies. Fourteen of the 18 parliamentary committees "shadow" governmental ministries. Three of the four additional committees fulfill specific parliamentary roles (organization, mandates and immunity, petitions). The committee for European Affairs is dedicated to EU affairs and to oversight of EU legislation – it oversees part of the agenda of the Ministry of Foreign Affairs and of the Legislative Council and cooperates with the European Parliament and the parliaments of other EU member states. The fact that there is no full match between the task areas of parliamentary committees and ministries has not infringed upon parliamentary oversight of the government. If necessary, parliamentary committees may establish subcommittees and their number is not limited.

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. In 2015, the debate on strengthening the competences and the autonomy of the National Audit Office continued. In autumn, the government suggested an extension of the SAO's powers to monitor public enterprises.

Ombuds Office Score: 9 The Office of the Public Defender of Rights serves as a vital protector of civil rights. It 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. In 2015, the ombuds office received less complaints than in previous years. At the same time, the proportion of complaints concerning prisons, police and military as well as the protection of children, youth and families has increased. Anna Šabatová, public defender since

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February 2014, has been more efficient and more assertive than her predecessors. She has been actively involved in monitoring conditions in refugee facilities.

#### Media

Media Reporting Score: 5

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 recent ownership changes have further reduced the quality of the commercial media. The negative and often inaccurate articles on the migration issue in most of the print media testify to the lack of quality.

#### Parties and Interest Associations

Intra-party
Democracy
Score: 5

Since the 2013 parliamentary elections, two political parties have dominated Czech politics: the Czech Social Democratic Party (Česká strana sociálně demokratická, ČSSD) and the Movement of Dissatisfied Citizens (ANO party). The Communist Party (Komunistická strana Čech a Moravy, KSČM) has remained consistently in opposition, joined in 2013 by the vocal TOP09 (Tradice Odpovědnost Prosperita 09, TOP09). The Civic Democratic Party (Občanská demokratická strana, ODS) struggles to find a new face after its loss of power. With the exception of ANO, each party's internal party structure, 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. ANO differs in that it is dominated by one personality. The billionaire founder Andrej Babiš was unanimously re-elected chair at the party's congress in March 2015 and promised to direct the newly-elected executive to ensure that all its members carried out assigned tasks.

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Association Competence (Business) Score: 7

Association Compentence (Others) 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. During the economic crisis and in its aftermath the generational change and new European patterns of conduct by trade unions contributed to their growing public support. Employers also have access to considerable resources, but have a slightly different agenda, favoring a less regulated labor market and lower business taxes. However, in terms of access, employers have traditionally closer ties with the government. To strengthen their position, the trade unions where possible align their position with the European legislation.

Interest associations have grown considerably in the Czech Republic since 1990. As of May 2015, there are around 123,000 autonomous, self-organized groups, associations, foundations and organizations registered in the country, not all of them active. Between 2011 and 2015, 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 non-governmental and non-profit organizations more accountable and to make NGO funding more transparent. Whereas many new NGOs have a relatively broad agenda, the Roman Catholic Church, the most active traditional religious organization, has largely focused on issues of direct concern. In the course of the refugee crisis, it has requested financial support from the government for measures in favor of Christian refugees.

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