



# Czech Republic Report

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Sustainable Governance  
Indicators 2017

## Executive Summary

In the period from November 2015 to November 2016, the Czech Republic was governed by a coalition government. The government was led by Prime Minister Bohuslav Sobotka of the Czech Social Democratic Party (Česká strana sociálně demokratická, ČSSD). Junior coalition parties included the Movement of Dissatisfied Citizens (ANO), led by billionaire media owner Andrej Babiš, and the Christian and Democratic Union - Czechoslovak People's Party (Křesťanská a demokratická unie - Československá strana lidová, KDU-ČSL), which returned to parliament after the snap elections in October 2013. With regional and Senate elections held in October 2016, and parliamentary and presidential elections approaching in 2017 and 2018, tensions in the governing coalition have grown. The strong showing of the ANO in the polls made the ČSSD nervous and exacerbated rifts within the coalition. Conflicts escalated around the parliamentary vote on the amendment of the conflict of interest bill in autumn 2016. Directed against Babiš, this bill will prevent any individual from holding a government position while also owning a media outlet, and will prevent any company in which a member of the government holds more than 25% of the shares from participating in public procurement processes or receiving public subsidies, including EU funds. The bill received overwhelming support from the governing ČSSD and KDU-ČSL, together with opposition parties, but was opposed by the ANO and the president. The tensions within the government hampered effective decision-making. The prime minister's lack of control over the government was demonstrated by his inability to persuade coalition partners to replace ministers after the elections in October 2016. The governing coalition seems to have survived only because both the ANO and KDU-ČSL hoped to further strengthen their positions in the following months.

With the adoption of the law on the conflict of interest and the eventual amendment of the law on party financing after years of haggling, the Czech Republic has made some progress in fighting corruption, and defending media pluralism and independence. The watchdog NGO alliance, Reconstructing the State, played a major role in the adoption of these changes. NGOs also accomplished important successes in areas such as city planning, LGBT rights, food safety and participatory budgeting on the local level. At the same time, the quality of democracy has suffered from a growing populist discourse on migrants, Islam and the European Union. While the number of refugees

remained small, mainstream politicians, including President Zeman and Deputy Prime Minister Babiš, as well as the right-wing extremist camp aroused strong fears of the threat to national security, values and identity posed by migrants, Islamization and a unified Europe. Amplified by the media, this discourse undermined any discussion about the international responsibility of the country. The period under review was generally characterized by weakening social consensus, with the president playing an increasingly divisive and populist role.

While economic growth slowed, the Czech economy remained strong in 2016. Unemployment was the lowest in the European Union, and for the first time since 1994, despite plans for a deficit, the Czech Republic ran a fiscal surplus. The Sobotka government continued the expansion of public R&D spending and initiated - but failed to implement - far-reaching education reforms. Progress on Europe 2020 was evaluated as mostly positive by the European Commission. However, most of these policies are funded by EU structural funds and the sustainability of their funding beyond 2020, when the EU funding will end, is questionable. In the case of infrastructure, the available financial resources are not used to the fullest potential, due to serious administrative delays and problems with the environmental impact assessment process. The situation of low-skilled workers, minorities and women on the labor market remains problematic, regional differences in employment remain significant, and shortages of skilled labor are a barrier to the growth of high-tech activities.

Policymaking was complicated by the tensions within the governing coalition. The institutional arrangements of government were left unchanged in the period under review. There is very little interministerial cooperation, especially across party lines. 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 must cope with growing tensions not only within the coalition, but also within some coalition parties. 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. The Czech Republic needs to consolidate progress in addressing the issue of corruption, implementing measures taken to limit the connections between politics, business and media, and to ensure stringent oversight of party and campaign financing. Further steps are needed to develop an independent civil service, increase transparency in public procurement, strengthen the power of the Supreme Audit Office, ensure consistent control of asset declaration by politicians and senior civil servants, and strengthen sanction mechanisms. The expertise of NGOs should be employed in the preparation of this legislation.

Sustainability of economic growth after the global economic crisis is problematic. The current recovery depends on investment by the government, EU structural funds and multinational companies. The particular dependence on the automobile sector, in which export growth has slowed, exposes the dangers of overdependence on a narrow range of industries. 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 more wealthy EU member states and it leaves the Czech Republic vulnerable to economic downturns.

Diversification and support for start-ups in ICT and higher added-value sectors could improve the chances for future growth (wage growth as well as overall economic growth). A secure economic future also depends on raising the quality of R&D output, and sustainable financial support both from domestic firms and from inward investors. Despite increasing financial support for R&D, 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. There is also a need for increased support in developing a highly skilled labor force, including more emphasis on enabling a more harmonious balance between 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, as reactions to the refugee crisis have strengthened those groups, represented across the political spectrum, who do not welcome the idea of a multicultural society. The government also needs to provide financial incentives for educators to attract and retain top graduates, and strengthen opportunities for teacher training.

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 personal income tax. The government has

made some small changes here. However, if direct taxation is not permanently increased, it will be difficult to ensure sustained financial support for areas such as education, R&D and environmental protection after 2020 when EU structural funding will end.

The Czech Republic's aging population poses a problem for pension and health systems in the future. Attempts by previous governments to increase charges and rely on private providers have failed to win public trust and achieve consensus. Open discussion will be needed to reach some degree of consensus on how to finance higher pension spending, raise the pension age and cover higher health spending.

# Policy Performance

## I. Economic Policies

### Economy

Economic Policy  
Score: 6

The Czech economy has experienced a post-crisis rebound since 2014. However, while real GDP grew by 4.3% in 2015, GDP growth reached only about 2.5% in 2016. The slowing of growth was largely caused by the weak drawing of EU funds at the start of the new programming period. As it stands, the performance of the Czech economy still strongly depends on EU co-financed investment activity, and the investment and exports of multinational companies, especially in the automobile sector. 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 more wealthy EU member states and it leaves the Czech Republic vulnerable to downturns. While the Sobotka government has expanded R&D spending and started education reforms, it could have done more to promote diversification and higher added-value sectors.

Citation:

European Commission (2017): Country report Czech Republic 2017. SWD(2017) 69 final, Brussels. ([https://ec.europa.eu/info/sites/info/files/2017-european-semester-country-report-czech-en\\_1.pdf](https://ec.europa.eu/info/sites/info/files/2017-european-semester-country-report-czech-en_1.pdf)).

OECD (2016): Economic Survey Czech Republic. Paris.

### Labor Markets

Labor Market  
Policy  
Score: 6

Labor market outcomes have improved considerably in recent years. While the employment rate has risen steadily over the past five years to reach 76.8% in the third quarter of 2016, the unemployment rate has fallen considerably since 2014. In Eurostat terms, it was the lowest in the EU in 2016. Some sectors, especially the manufacturing industry, are already experiencing a shortage of skilled labor.

While the decline in unemployment has gone hand in hand with a decrease in long-term unemployment, groups such as parents with small children, low-skilled workers, people with disabilities and Roma are still strongly disadvantaged on the labor market. Parents with small children and single parents are hampered in labor force participation by a shortage of affordable child-care services together with the limited use of flexible working hours. Low-skilled employment has suffered from tax disincentives, a weak capacity of public employment services and low regional mobility. Despite the growing risk of labor market shortages, the Sobotka government has done little to address these issues.

Citation:

European Commission (2017): Country report Czech Republic 2017. SWD(2017) 69 final, Brussels, 6-7, 18-20. ([https://ec.europa.eu/info/sites/info/files/2017-european-semester-country-repor-t-czech-en\\_1.pdf](https://ec.europa.eu/info/sites/info/files/2017-european-semester-country-repor-t-czech-en_1.pdf))

## Taxes

Tax Policy  
Score: 7

The Czech tax-to-GDP ratio is low from a comparative perspective. While revenues have been sufficient to generate a small fiscal surplus in 2016, it will be difficult to ensure sustained financial support for areas such as education, R&D, environmental protection after 2020, when EU structural funding will finish. The Czech tax system broadly ensures horizontal equity. One exception is the blanket tax allowance given to the self-employed to cover operating expenditure with no checks on what it 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. While revenues from direct taxes are low and there is a flat personal income tax, a degree of vertical equity is achieved by a tax allowance on personal income taxes, a solidarity surcharge on higher incomes and some differences in VAT rates. Tax rates for enterprises are modest, but tax compliance costs relatively high. In 2016, changes in tax rates were confined to higher rates for lotteries and similar gambling activities as the first step towards a stronger regulation and taxation of gambling. Partly due to measures adopted in 2015 to fight VAT fraud, tax collection substantially increased in 2016.

Citation:

European Commission (2017): Country report Czech Republic 2017. SWD(2017) 69 final, Brussels, 14-15. ([https://ec.europa.eu/info/sites/info/files/2017-european-semester-country-report-czech-en\\_1.pdf](https://ec.europa.eu/info/sites/info/files/2017-european-semester-country-report-czech-en_1.pdf))

## Budgets

Budgetary Policy  
Score: 7

Improved economic performance has enabled the Czech government to retain its objective of reducing the central government budget deficit and thereby limit the growth in public debt while allowing some expansion of domestic demand. For the first time since 1994, and despite original plans for a deficit, the Czech Republic ran a fiscal surplus thanks to higher than planned revenues and EU funding, and lower government spending, especially on infrastructure projects. The government's attempt to push through parliament a constitutional law on fiscal responsibility was unsuccessful. The law, which envisaged the introduction of debt limits for all tiers of government, the adoption of a central government expenditure ceiling and the creation of an independent National Budgetary Council, did not gain enough support even among the deputies from the governing coalition. In 2016, public debt stood at about 40% of GDP, thus being lower than in most EU countries and clearly below the debt limits of 55% and 60% defined in the fiscal responsibility law.

## Research and Innovation

R&I Policy  
Score: 6

From 2010 to 2015, R&D expenditure grew by two thirds, almost reaching the average EU level (relative to GDP). European structural funds have been the main drivers of growth. Public R&D spending has suffered from a strong bias towards capital rather than current expenditure, meaning construction of research facilities rather than conduct of research activities. Private R&D spending has also risen, but is still dominated by foreign-owned companies, particularly in the automotive industry, which are still poorly integrated in the national innovation system. More recently, R&D spending in ICT services and programming has been growing. In February 2016, the government approved a new medium-term strategy for research, development and innovation, which puts more emphasis on support for applied research and the strengthening of public-private linkages.

Citation:

Srholec, M., C. Benedetti Fasil (2017): RIO Country Report: Czech Republic 2016. Luxembourg: European Union (<https://rio.jrc.ec.europa.eu/en/country-analysis/Czech%20Republic/country-report>).

## 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 avoided formulating an explicit deadline for entering the European Monetary Union.

## II. Social Policies

### Education

Education Policy  
Score: 6

Public expenditure on education relative to GDP has increased since the economic crisis and is slightly above the EU average. Educational outcomes, and the employability of school and higher education graduates are generally good. One problem, however, is the low tertiary education attainment rate. Moreover, education outcomes are strongly influenced by students' socioeconomic backgrounds. A particularly vulnerable group are Roma. Around 40% of Roma children are educated in "special schools" (populated almost exclusively by Roma), before being placed in practical schools with lower learning standards. And, while the overall early school leaving rate remains among the lowest in the European Union (5.5 % in 2014), an estimated 72% of Roma children leave school early. Also, there is an 11.6% gap between the early school leaving rate for children with and without disabilities, and regional disparities are significant and increasing.

The period under review saw the initiation of long-awaited education reforms. In January 2016, the Chamber of Deputies adopted a reform of higher education aimed at raising the standard of accreditation by setting up an independent accreditation authority. However, the reform of the funding system for higher education is still pending, as attempts to introduce output indicators as a way of increasing efficiency in the use of resources were undermined by large-scale scandals uncovering millions of Czech koruna used as rewards for publishing articles in fraudulent and unethical journals. A second reform focused on the development of a new career system for teachers and pedagogical staff with a view to increasing the attractiveness of the profession. As the new system implies higher salaries, its implementation was postponed.

Citation:

Office of the Government of the Czech Republic (2016): National Reform Programme of the Czech Republic 2016. Prague, 14-17([http://ec.europa.eu/europe2020/pdf/csr2016/nrp2016\\_czech\\_en.pdf](http://ec.europa.eu/europe2020/pdf/csr2016/nrp2016_czech_en.pdf)).

## Social Inclusion

Social Inclusion  
Policy  
Score: 6

Due to a 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. However, there are substantial differences between regions and ethnic groups. Since 2006, the number of areas of social exclusion (defined as those where more than 20% of inhabitants live in inadequate conditions) has doubled to about 600, now covering more than 100,000 people. In more than half of these areas, Roma form a majority. In these areas, about 75% of the inhabitants are low-skilled and the average unemployment rate is between 80% and 85%. A further problem is inadequacy of municipal and social housing. In 2016, for many people living in disadvantaged localities, the private rental accommodation at market prices is not financially inaccessible. In 2016, the government started drafting a law on social housing. Though it has faced criticism from municipal governments, which see it as an attack on their powers.

Citation:

Čáda, K. (ed.): Analysis of the Socially Excluded Localities in the Czech Republic. Prague: GAC.

## Health

Health Policy  
Score: 7

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 insurance in the Czech Republic is provided through seven health insurance companies, the largest being the General Health Insurance Company (Všeobecná zdravotní pojišťovna). At the beginning of its term, the Sobotka government abolished the health care fees that were introduced in 2008 under the center-right government of Mirek Topolánek, so that user fees are limited to fees for emergency medical services and dental services.

Indicators of inpatient and outpatient care utilization point to unnecessary consumption of goods and services, and inefficiencies in the allocation of resources in the hospital sector. According to the European Commission's 2015 Ageing Report, health care expenditure is projected to increase from 5.7% of GDP in 2013 to 6.7% in 2060. While these problems have been

known for some time, they have not been addressed yet. In 2016, the debate on the pros and cons of mandatory vaccination has continued.

### 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 below the OECD average. The level of child-care provision declined significantly during the 1990s, and there has been only a slight improvement since, even though the growing number of single mothers - almost 48% of children are born outside of wedlock in the Czech Republic (2016) - has further increased the demand for child care. While the enrolment rate in formal child care for children three to five years of age is within the third quartile of OECD countries, child-care provision for children up to two years of age is the second lowest among OECD countries, and affordable after-hours care offered by pre-schools and schools is lacking. However, public support for alternative forms of child care, most notably so-called children's groups, has expanded.

### 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. Due to previous reforms, the sustainability gap associated with the ageing population is relatively limited. Pensioner poverty remains relatively low, partly reflecting the levels of pension afforded by the old system. 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. However, interest in participating in the new scheme was low and - following criticism from social partners and a commitment by the Czech Social Democratic Party (ČSSD) - it was eventually abolished in 2016. In September 2016, the Sobotka government adopted two measures that have undermined the credibility of the previous reforms and, if they become relevant, will undermine the sustainability of the pension system. First, it approved a cap on the retirement age at 65 from around 2030, cancelling the previous approach of continuously increasing the retirement age with no upper limit. Second, it allows the government to increase pensions on an ad hoc basis by a maximum of 2.7% annually, if the system of pension indexation foresees a lower increase.

## 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. In June 2016, a total of 480,191 foreigners lived in the Czech Republic, 4.6% more than a year before and 4.3% of the total population. The largest group consists of Ukrainians, followed by Vietnamese. In January 2016, the government updated its concept for the integration of foreigners. Implementation is coordinated by the Ministry of Interior, which submits a report on the situation of migration and integration of foreigners in the Czech Republic to the cabinet every year. Integration centers exist in all regions of the Czech Republic. 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. However, processing residential applications of immigrants is slow and the acquisition of Czech citizenship remains complicated. Many foreign workers are employed in the shadow economy or in agencies, offering temporary and often unstable work with pay levels significantly below those of Czech employees.

Although the Czech Republic is not located on one of the major routes used by refugees for coming to Western Europe, the European refugee crisis has stirred a strong and highly polarized debate on migration and integration. The right-wing extremist camp has shifted its focus from anti-Roma to anti-Islam and anti-refugee agendas, and President Zeman and the media have also nurtured the discourse against refugees. 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 below the OECD average, but 73% of Czech citizens are satisfied with the performance of the 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. Partly as a result of anti-Muslim campaigning, fears of terrorist attacks have grown recently. Protection against security risks is favored by well-functioning, cross-border cooperation. Czech police officers cooperate with other police officers from across the European Union to protect the borders of countries on major migration routes.

### Global Inequalities

Global Social  
Policy  
Score: 7

The Czech Republic is not a major player in international development and devotes a relatively low share of GDP to development aid. As a percentage of gross national income, official development assistance has stagnated in recent years. However, the Czech Republic has pursued a relatively coherent strategy of development cooperation with a clear focus on countries where its own experience of transition can be helpful. The Transition Promotion Program, a centerpiece of Czech development cooperation, puts strong emphasis on the promotion of democracy, human rights and civil society. While the Ministry of Foreign Affairs is the main coordinator of bilateral and multilateral development cooperation, a large number of public and non-governmental actors are extensively involved in the selection of program countries and the identification of priority sectors as well as in on-the-ground activities in partner countries. In connection with the refugee crisis, the Czech government has taken a series of one-off decisions on targeted help and humanitarian assistance.

## III. Environmental 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 have also diminished over time. The main priorities of the State Environmental Policy of the Czech Republic 2012-2020 are the sustainable use of resources, climate and air protection, nature and landscape protection and safe environment.

In terms of climate protection, in October 2015 the Czech Government adopted the Strategy on Adaptation to Climate Change in the Czech Republic. This document sets specific tasks and deadlines across all fields in which negative impacts of climate change are expected (e.g. agriculture, water and forest management, transport and human health) and represents a national adaptation strategy of the Czech Republic. It includes assessment of the climate change impacts and proposals for specific adaptation measures,

legislative and partial economic analysis. In 2016, it was complemented by a National Action Plan on Adaptation to Climate Change and a climate protection strategy for the period until 2030 with a long-term outlook until 2050. The stipulated goals are based on the Czech Republic's international commitments regarding the reduction of greenhouse gas emissions, and the relevant EU documents and strategies (e.g. the climate and energy package until 2020, and the new climate and energy framework until 2030). It remains an open question whether the government will be able to implement these general principles after the decision in October 2015 to yield to industry and employment interests by allowing a further expansion of open-cast mining for brown coal in North Bohemia. This decision threatens to leave the Czech Republic among those countries with high levels of per capita greenhouse gas emissions.

Citation:

Office of the Government of the Czech Republic (2016): National Reform Programme of the Czech Republic 2016. Prague, 47-49([http://ec.europa.eu/europe2020/pdf/csr2016/nrp2016\\_czech\\_en.pdf](http://ec.europa.eu/europe2020/pdf/csr2016/nrp2016_czech_en.pdf)).

### 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 2016, parliament had not yet ratified the second phase of the Kyoto Protocol (Doha Amendment).

# 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. Calls to ban the Communist party have not faded, but no legal steps have been taken and there is no consensus that such steps are necessary. As of November 2016, there were 215 active political parties and political movements.

Media Access  
Score: 6

The 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, MAFRA, the media holding owned by Andrej Babiš, founder of ANO and Minister of Finance, have been criticized for their political bias. In summer 2016, leaders of five major political parties for that reason refused to participate in a debate organized by an online branch of the main weekly MF Today, part of MAFRA. Concerns about uneven media access led to the passage of a law deeming media ownership (defined as printed media, radio or television) as incompatible with governmental position in the Chamber of Deputies, the first chamber of parliament, in September 2016 ("Lex Babiš").

Voting and  
Registrations  
Rights  
Score: 9

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 limited number of embassies and consulates. Unlike in previous elections, no cases of vote-buying were reported in the 2016 regional and Senate elections.

Party Financing  
Score: 7

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). The amendment was adopted by the Chamber of Deputies in June 2016, by the Senate in August 2016 and subsequently signed by the president. It will come to force in January 2017. The coalition of anti-corruption NGOs, Reconstruction of State, was a major proponent of the law, and significantly contributed to the law's adoption by convincing MPs and Senators to support the reform, and monitoring their behavior. Several issues remain, undermining the efficiency of the reform, including some unjustified exceptions for financial operations, lack of control for companies and organizations connected to political parties, lack of attention to functioning of political think tanks, and small-scale sanctions.

Popular Decision-Making  
Score: 5

In the Czech Republic, there is no legal framework for referendums at the national level. On the municipal and regional level, referendums exist and are held on issues such as mining, 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 the period under review, no regional referendum took place. However, ten local referendums were held together with the regional elections in October 2016. The most prominent of referendum took place in Brno, the second largest Czech city. A broad majority of voters rejected the planned change to the location of the central train station and supported the search for a new architectural solution. However, as only 23.83% of eligible voters (73,156 from 306,981) participated, the results of the referendum have not been binding.

### 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, as 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 to strengthen his political power. President Zeman has not hidden his contempt for journalists. When FTV Prima pulled a popular show for criticizing President Zeman in October 2016, journalists complained about censorship. After a public protest, FTV Prima broadcasted the pulled program.

Citation:

Hajek, R. (2015): Last Western Media Owner Sells Up In Czech Republic. September 10. European Journalism Observatory, Lugano (<http://en.ejo.ch/media-economics/business-models/last-western-media-owner-sells-up-in-czech-republic>).

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 several 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 a Swiss group and the latter by German groups. The concentration of ownership is not as evident in the TV sector. Here the strongest private owners are the U.S. owned Central European Media Enterprises (CME) and Czech-owned FTV Prima. In the period under review, no major changes in media ownership took place.

Citation:

Cichowlas, O., A. Foxall (2015): Now the Czechs have an oligarch problem, too, in: Foreign Policy.com (<http://foreignpolicy.com/2015/04/10/now-the-czechs-have-an-oligarch-problem-too-andrej-babis/>).

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 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 the 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 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. During the period under review, the Constitutional Court defended civil rights by setting limits for undercover operations by the police, restricting sanctions against parents who refused to have their children vaccinated and declaring the repeated police custody for the members of a leftist group accused of preparing a terrorist attack unconstitutional.

Political Liberties  
Score: 9

Political liberties are respected by state institutions and their observance is supervised by the courts. In the case of the visit of the Chinese president, Xi Jinping, to Prague in March 2016, the police were criticized for not sufficiently protecting human rights activists against pro-China protesters and for preventing a previously approved demonstration by human rights activists in the city center. Civil society is vibrant, but has suffered from a reduction in EU funding.

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. Compared to other developed countries, however, gender discrimination is still relatively strong, especially in the labor market. The World Economic Forum's 2016 Global Gender Gap Report ranked the Czech Republic 77 out of 144 countries due primarily to challenges facing women in the areas of economic participation and political empowerment. 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. Since 2015, the discrimination of Muslims has increased. Driven by populist political voices and unbalanced media reporting, they have been confronted with hate speech, and there have been controversies over issues such as whether schools should allow the hijab. In November 2016, a Prague court began hearing a case into whether it is within the powers of a local nursing school to ban two students from wearing the hijab. The Czech Ombudswoman, Anna Šabotová, argued that the school acted in a discriminatory fashion.

Citation:

World Economic Forum (2016): The Global Gender Gap Report 2016. Geneva ([http://www3.weforum.org/docs/GGGR16/WEF\\_Global\\_Gender\\_Gap\\_Report\\_2016.pdf](http://www3.weforum.org/docs/GGGR16/WEF_Global_Gender_Gap_Report_2016.pdf)).

### 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. President Zeman has continued to show a disrespect for the law. Ordered to pay a fine and apologize to the granddaughter of the Czech journalist and writer Ferdinand Peroutka in a high-profile libel case in 2016, Zeman has not stopped his slander.

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. In the period under review, the Constitutional Court set limits for undercover operations by the police, restricted sanctions against parents who refused to have their children vaccinated and declared the repeated police custody for the members of a leftist group accused of preparing a terrorist attack unconstitutional. In August 2016, the Constitutional Court also reversed part of a Supreme Court ruling that would have led to retrospective wage increases for judges.

In January 2016, Minister of Justice Robert Pelikan presented his much-awaited plans for a reform of the judiciary along German lines. As his

proposals remained vague and met resistance from all major figures within the judiciary, the reform was postponed indefinitely. Another issue in the period under review has been the slow generational change within the Czech judiciary. In November 2016, the Union of Judges announced its intention to challenge re-nominations of chairpersons and vice-chairpersons of courts of every level, including the Constitutional Court.

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. President Zeman's proposals have continued to be uncontroversial.

Corruption  
Prevention  
Score: 6

In the Czech Republic, corruption has remained widespread. Subsequent governments have emphasized their commitment to fight corruption, but have done little to effectively address the issue. Two major changes were adopted in 2016, the amendment to the law on party finance and the amendment to the law on conflict of interest, the so-called Lex Babiš in September 2016. In addition to making media ownership and governmental positions incompatible, the latter law prevents companies in which members of government hold more than 25% of shares from participating in public procurement processes and from receiving public subsidies. The adoption of this law, which was supported by all parliamentary parties excluding Babiš's ANO, followed allegations that companies owned by Babiš's holding Agrofert, the largest beneficiary of EU funding and state subsidies in the Czech Republic, had misused subsidies. At the same time, however, the controversial merger of organized crime and anticorruption police units announced in June 2016 has raised some doubts about the government's commitment to fight corruption.

# Governance

## I. Executive Capacity

### Strategic Capacity

Strategic  
Planning  
Score: 5

Despite the various EU planning exercises, the quality of the Czech government's strategic planning is poor. 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 within government.

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 Government Office and partly depend on state funding. Within the cabinet, there is a unit consisting of consultants and advisers 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 as renewable energy, welfare, and corruption.

### 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. To partially compensate for this weakness, the Office of the Government also uses the services of consultants on the basis of commercial contracts.

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 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 Government Legislative Council. This consultation process primarily focuses on technical issues.

Cabinet  
Committees  
Score: 5

There are about 20 ministerial committees in the Czech Republic. 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, Legislative Committee and the Committee for the European Union. The committees discuss and approve policy documents, thereby filtering out issues and saving time in cabinet meetings, but they do so in an ad hoc fashion and are 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.

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 the government are described in the coalition agreement. Fundamental problems are solved by so-called coalition troika, consisting of the chairmen of the governing parties. The most important body is the coalition council.

### 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 in principle applied to all generally binding regulations prepared by the ministries and other central administrative authorities. However, constitutional amendments and transpositions of EU law that do not go beyond EU requirements are exempt from RIA, and the government can exempt further legislation upon recommendation by the Working Committee of the Legislative Council for RIA, an interministerial body, or the chairman of the

Quality of RIA Process Score: 9	<p>Government Legislative Council. There is a common RIA methodology, which has been refined over time.</p> <p>Since 2011, quality control has rested with the RIA board, an independent commission affiliated with the Government Legislative Council. In 2015, the RIA board discussed 100 RIA reports on draft legislation. Communication of RIA results has been improving, especially in the Ministry of Environment. By contrast, stakeholder involvement is still limited.</p>
Sustainability Check Score: 6	<p>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. The 2016 amendments to the RIA guidelines have specified how to assess or quantify these effects.</p>

### Societal Consultation

Negotiating Public Support Score: 6	<p>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 are consulted. The digital publication of laws and regulations has improved public access to information. 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. Various other forms of dialogue with citizens in preparing important decisions are spreading at national, regional and local levels. For example, a public consultation process to draft a new tariff structure was organized by the Energy Regulatory Office. The process received nearly 16,000 comments and suggestions from professionals and the public. As a result, the tariff reform was postponed.</p>
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### Policy Communication

Coherent Communication Score: 4	<p>The Sobotka government 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 or governmental position from coalition partners.</p>
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## Implementation

Government  
Efficiency  
Score: 5

The Sobotka government has tried to reconcile conflicting objectives and interests of coalition partners, but only with partial success. While it has made substantial progress with anti-corruption legislation and R&D, the initiated education reform has not been implemented. Despite growing public support for alternative forms of child care, most notably so-called children's groups, child-care provision has remained limited, hampering female labor market participation. The growing tensions between the coalition partners, which culminated in the amendment to the conflict of interest law against the will of ANO and with the support of the opposition parties, has reduced the governments' ability to achieve its objectives over the course of the period under review.

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 generally take the form of disagreements between parties, and are played out by threats of resignation. Under the Sobotka government, ministers from all coalition partners were removed for different reasons by various coalition partners. Following the October 2016 elections, in which the Czech Social Democratic Party lost significant power in the regional governments to its junior coalition partner ANO, Prime Minister Sobotka orchestrated a significant overhaul of social democratic ministers. This included letting go of government members without justification or replacement. This change is largely viewed as an attempt by Prime Minister Sobotka to consolidate his power within the party. While the prime minister has the formal power to remove ministers from other coalition parties, the coalition agreement stipulated that this is only possible in agreement with the respective coalition partners. And when in November 2016, Prime Minister Sobotka called on the junior coalition partners to also replace ministers, no other party did so. The prime minister's position is weak both within his party and in the government. Given the fragile state of the government coalition, each party seeks to maintain an image of providing driven and effective ministers before the 2017 general elections.

Monitoring  
Ministries  
Score: 5

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 adoption of the conflict of interest law and the success of Babiš' ANO party in the regional elections in October 2016 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. European structural funds constitute an important resource for regional development. All negotiations over regional budgets remain complicated by opposing political majorities on the central, regional and municipal level. This problem has been aggravated by the 2016 regional elections, in which new governing coalitions emerged, sometimes bringing the parties of the current governing coalition into opposition.

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 meet the standards set for key services, notably education, which limits the scope for transferring funds between uses. Irregularities in public procurement, against which NGOs campaigned, have been somewhat addressed due to EU pressure and strong oversight in respect to EU structural funding.

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 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. In 2016, the Czech government maintained its support for strong EU borders and functioning hotspots, but strongly opposed any form of immigration quotas. The Czech public, driven by the opposition of the Czech elites and growing anti-Islamic rhetoric (in particular from President Zeman), is strongly opposed to any form of refugee resettlement quotas. This opposition has been further strengthened by a failure of a pilot project to resettle 25 Christian refugees from Iraq by a Czech Christian charity (Generation 21 Fund). In April 2016, after several months in the Czech Republic, the refugees fled to Germany. 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.

### 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. However, given the tensions within the governing coalitions, these are focused on presenting successes and underestimating failures, often shifting blame to other ministries (held by different coalition partner) or institutions.

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. In 2016, an amendment to the law on party finance introduced an independent office for the oversight of party and campaign financing.

## 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, exacerbated by 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. They tend to refrain from voicing opinions to government officials and turnout in parliamentary elections is relatively low. In terms of battling corruption, watchdog 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. Important progress was made in 2016 with respect to transparency, oversight of party and campaign financing, and conflict of interest. This progress can be partially attributed to the systematic campaign of a watchdog NGO alliance.

### 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 the ministers send officials below the rank of deputy minister, committees may, and often do, refuse to discuss a legislative proposal. In 2016, the

invitation of the Minister of the Interior, which exposed conflicts within the ministry and among the police force, eventually led to the establishment of a Parliamentary Investigation Commission on Police Reform.

Summoning  
Experts  
Score: 10  
Task Area  
Congruence  
Score: 9

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. In the current term, there are 14 ministries and 18 parliamentary committees. Fourteen of the 18 parliamentary committees “shadow” governmental ministries. Four additional committees fulfill specific parliamentary roles (organization, mandate and immunity, petitions, control). However, there is not an exact match between the task areas of parliamentary committees and ministries. The Economic Committee covers the agendas of two ministries, the Ministry of Industry and Trade and the Ministry of Transportation. The Committee for European Affairs is dedicated to EU affairs and to oversight of EU legislation, 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 not an exact match between the portfolio of ministries and parliamentary committees has not infringed on parliamentary oversight. 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 authority 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 and municipal budgets. According to the existing legislation, the SAO controlled only half of the public finance, while the number of legal entities that manage public funds remains out of control. However, the proposed amendment to the constitutional law did not obtain the necessary political support in the parliament.

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. From 2015, it is possible to find the opinions of the Ombuds full text on the internet. In the reporting period, the Ombuds office received a total of 5,282 complaints, of which 1,372 were within the area of social security, 578 covered regional development and construction, and 452 fell within the area of army, police and prison service. In 2015, the government submitted to the Chamber of Deputies an amendment to the Law on the Office of Public Defender of Rights with the aim of expanding its powers, and strengthening its cooperation with other authorities and private entities. During 2016, the proposed act achieved a third reading in the Chamber of Deputies, but has met considerable opposition.

### 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 ownership changes have further reduced the quality of the commercial media and increased the influence of private media owners on media content. 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. Overall, 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 has dominated the party in a similar way to his control over businesses that he owns.

Association  
Competence  
(Business)  
Score: 7

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 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.

Association  
Competence  
(Others)  
Score: 7

Interest associations have grown considerably in the Czech Republic since 1990. As of June 2016, there are over 127,500 autonomous, self-organized groups, associations, foundations and organizations registered in the country, although not all of them are active. Between 2011 and 2016, new NGOs emerged focusing on areas such as corruption, city planning, LGBT rights, food safety and participatory budgeting on the local level, many of them effectively and competently. Their continued effort has been successful on a number of issues. In 2016, significant progress was made on anti-corruption and, as of November 2016, the government opened discussion on child adoption by same-sex partners (at this stage limited to the right to adopt children already present in the household).

Citation:  
[http://www.neziskovsky.cz/clanky/511\\_538\\_543/fakta\\_neziskovsky-v\\_statistika-poctu-neziskovych-organizaci/](http://www.neziskovsky.cz/clanky/511_538_543/fakta_neziskovsky-v_statistika-poctu-neziskovych-organizaci/)

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