



Czechia Report

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Sustainable Governance Indicators 2022

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Executive Summary

Between July 2018 and December 2021, Czechia was governed by a minority coalition, including Prime Minister Andrej Babiš's Movement of Dissatisfied Citizens (ANO) and the Social Democrats (ČSSD), and backed by the Communist Party (KSČM) until April 2021. In December 2021, it was replaced by a coalition government including five center-right parties. The new prime minister, Petr Fiala, has promised to create “a smart, modern, effective and economical state, belonging to democratic Europe and defending democratic principles.”

The Babiš government confronted two major crises and leaves further problems for the new government to address. The first crisis was the COVID-19 pandemic, which exposed weaknesses in Babiš's reliance on unchallenged personal power within the coalition government, lack of respect for outside or international expert advice, and a predilection for choosing policies that could win short-term popularity. The initial wave was handled satisfactorily, thanks to a speedy government reaction and a population willing to accept emergency measures. This was followed by misjudgments and boasts that the pandemic in Czechia was over. Partly because of conflicts within the coalition, Babiš failed to create structures to provide independent expert advice and then, ignoring outside advice and seeking to maintain popularity before regional elections, introduced measures too late to prevent a powerful second wave, which overwhelmed the test and trace system. The vaccination system was poorly prepared. By January 2022, only 63% of Czechs were fully vaccinated, while less than 30% had received a third dose. Vaccine hesitancy – due partly to ineffective government communication in the face of misinformation, especially on social media – has contributed to this relatively poor outcome.

The second major crisis related to evidence of Babiš's personal corruption. The European Commission judged that his firm had misappropriated EU funds and demanded the return of the funds received since 2017, estimated at €1 million. Meanwhile, the Pandora Papers revealed an apparent attempt by Babiš to evade tax responsibility when buying property in France. Babiš refused to

acknowledge wrongdoing or to step aside as prime minister. Indeed, the personal nature of his party makes it difficult to replace him from within. However, he faced massive opposition from the citizen initiative Million Moments for Democracy, which helped to unite political opposition, contributing to his defeat in parliamentary elections.

The COVID-19 pandemic has not led to any permanent undermining of civil rights and political liberties. The parliamentary opposition remained active and succeeded in keeping the government accountable. A series of court judgments constrained the government, while independent media ensured the information was in the public domain. GDP in 2020 fell by 5.8%, but is expected to return to the pre-pandemic level during 2022. This has led to a higher level of public debt, about 42% of GDP in 2021, although this level is still low by European standards. A further legacy will be higher prices and a squeeze on living standards, particularly for those on lower incomes. Czechia's international position has also changed slightly. Relations with Russia have worsened since it was exposed that Russian secret agents were responsible for a fatal explosion at an armaments store in 2014, and Czechia has become more active in alliances with Poland and Hungary in pressing its perceived interests within the European Union.

Key Challenges

Czechia's new, center-right government faces both short-term and long-term challenges. It will find these difficult, if not impossible, to reconcile with its instinctive desire to reduce the budget deficit generated through the COVID-19 pandemic, while also maintaining unity within the coalition government. The pandemic will hopefully prove to be a short-term problem, thanks to vaccinations and other medical advances. However, it has highlighted weaknesses in governance and in social conditions, while leaving unresolved long-standing economic weaknesses. Much of this will require public financial commitments at a time when the public debt level has risen to 42% of GDP. The new government has revised the budget for 2022, but agreed to compromise on a deficit likely to be equivalent to over 5% of GDP. It will hopefully not panic with excessive budget cuts, which would further reduce living standards and harm future investment.

The pandemic and the hesitant response to the European Union's resilience and recovery fund have exposed the weaknesses of mechanisms for consulting independent experts, and for formulating long-term social and economic plans. This partly depends on the approach of the incumbent prime minister, but

establishing and using permanent advisory bodies could contribute to better governance and a more serious approach to implementing policies. The Czech Fiscal Council was created in 2017, but is only concerned with the state budget.

The pandemic has exposed weaknesses in the healthcare system, including but not limited to its funding on national and subnational levels. The pandemic affected everybody, but hurt the weakest the most. The social safety net needs urgently upgrading, while ensuring a sustainable pension system will require attention over the medium term. However, reaching the necessary consensus on reforms has so far proven impossible. Another related issue is housing. The absence of a social housing law affects vulnerable groups, including minorities, young families and seniors, the most. There is also a need for greater spending on the educational system, especially regarding digitalization. The state needs to attract and retain top graduates that will replace the aging teacher workforce. It should also consider overcoming issues of social exclusion by providing incentives to top graduates to serve in one of the 606 socially excluded localities. Enabling a harmonious work-life balance and creating a more welcoming atmosphere for immigrants will be essential to effectively address negative demographic trends.

Czechia would benefit from overcoming widespread skepticism about EU initiatives, and playing a more active role in supporting and developing EU policies. The European Union's resilience and recovery fund offers grants equivalent to around 3% of GDP. The emphasis on green and digital transformations could point to a new economic direction. That would be helped by a determined effort to counter resistance to tackling climate change, as evident in President Zeman's Christmas broadcast of 2019 when he speculated that higher global temperatures could be the result of a "cosmic" cause. It is surely time for the weight of genuine scientific expertise to be used to counter these kinds of statements. Embracing new technologies implies a shift from low-wage to higher added-value activities, based on domestic innovation as well as the activities of multinational companies. While public spending on R&D did increase for a time, total R&D spending remains below the average EU level. The application of research results in the economic sphere depend on the provision of support to innovative enterprises, which are currently poorly developed and, to a great extent, reliant on EU funding. Creating a strong research and innovation base depends on attracting and retaining high-skilled personnel with adequate pay levels, reducing the bureaucratic burdens faced by researchers, increasing flexibility, and providing services that support a satisfactory work-life balance. The country continues to rely on immigration for labor in the lowest-income sectors (especially from Ukraine), often with poor conditions and prospects for professional

advancement. Attracting highly skilled immigrants as part of an economic transformation depends on creating a conducive environment in terms of pay levels and social service provision.

Party Polarization

The Czech party system is polarized, but not between left and right as traditionally understood. In the 2010 parliament, 88% of members of parliament represented political parties with recognizable left- or right-wing ideological positions. Following the 2021 elections, 35.5% of members of parliament could be identified with the right, while none were identified with the left. The shift has been toward new parties that represent the ideas of individual leaders, and views and prejudices within Czech society. One element is a strong distrust toward political leaders in general which provides a base for politicians emphasizing rooting out corruption: they have often proven to be corrupt themselves. Another element is suspicion of foreign influence and diktats from outside, feeding into skepticism toward the European Union and hostility toward immigration.

While the traditional polarization between left and right has declined, there has been a strong opposition to the personality of Andrej Babiš, the leader of the populist party ANO (Movement of Dissatisfied Citizens), and the prime minister between 2017 and 2021. Credible accusations that Babiš had engaged in fraud, paired with calls to bring him to trial, hampered the formation of a new government after the 2017 parliamentary elections, and subsequently prompted large-scale protests in the summer and fall of 2019, when 230,000 and 300,000 citizens took part in two demonstrations organized by the citizen initiative Million Moments for Democracy. Even during the heydays of the COVID-19 pandemic, there was little cooperation between the governing coalition and the opposition in parliament (Guasti 2021). Before the parliamentary elections in October 2021, Million Moments for Democracy campaigns pushed the fragmented opposition parties to cooperate. Two coalitions emerged: SPOLU (Together), which united three traditional center-right parties (the Civic Democratic Party, ODS; the Christian Democratic Party, KDU-ČSL; and TOP09); and PaS, which united the ideologically more diffuse STAN (Mayors and Independents) and Pirates. The strong political polarization of the 2021 elections was evident in the almost five percentage point increase in voter turnout compared to the 2017 elections, as well as the fact that the Social Democrats (ČSSD), the junior partner in the Babiš coalition government from 2017 to 2021, and the Communist Party (KSČM), which partially supported the Babiš government, failed to cross the 5%

threshold. Both parties had been represented in parliament ever since Czech independence in 1993.

After the 2021 elections, SPOLU and PaS succeeded in forming a government headed by Petr Fiala (ODS). From the beginning, the government has faced intransigent opposition from ANO, and far-right Freedom and Direct Democracy (SPD). The investiture of the Fiala government in January 2022 took 23.5 hours, as almost every member of parliament of the two opposition parties took the opportunity to make their case against the incoming government in front of TV cameras. This made the investiture the most time-consuming in Czech history, and suggests that the political polarization between the governing coalition and ANO will remain strong. (Score: 4)

Citation:

Guasti, P. (2021). Democratic Erosion and Democratic Resilience in Central Europe during COVID-19, in: *Mezinárodní vztahy* 56(4), 91-104.

Sustainable Policies

I. Economic Policies

Economy

Economic Policy
Score: 6

The economic policies of successive Czech governments over the past 20 years have focused on achieving broad macroeconomic stability and attracting inward investment by multinational manufacturing companies drawn by wage levels about half the level of those in wealthier Western European neighbors. This strategy has ensured growth in most years. However, these growth rates have gradually slowed, as the inflow of foreign direct investment has declined markedly since 2008.

At the outset of the COVID-19 pandemic, the Czech government assumed that the pandemic would lead only to a “V-shape” recession, meaning a rapid drop followed by a rapid recovery that would return life to normal. Therefore, it focused on weathering the crisis in the short run and did not draw up an explicit economic recovery package. While the crisis has proved to be more protracted than originally thought, its measurable economic cost for Czechia was less than that recorded in many other European countries, with Czech GDP down by only 5.8% in 2020 before rebounding to around 3% growth in 2021. This was partly because of the country’s low share of vulnerable service sector activities and partly because of the strong showing of export-oriented manufacturing. One lasting cost of the COVID-19 pandemic will be higher public indebtedness. Gross public debt rose from about 30% of GDP in 2019 to 38% in 2020 to about 42% in 2021, following lower tax revenues during economic depression and higher spending to counter the effects of the pandemic. That should be a manageable level that poses no serious threat. Another change has been higher inflation, driven by oil, gas and raw material imports, reaching 6.6% in December 2021 over the previous year.

The biggest strategic issue remains the economy's dependence on the export-oriented motor-vehicle sector. The Babiš government failed to develop a new strategy to reduce the economy's dependence on multinational companies that consume a high proportion of imported components. Czechia's National Recovery Program drawn up for the European Commission has been criticized by business organizations and environmental groups alike for its vagueness and its lack of ambition. The failure to develop a new strategy for economic development poses a danger to economic growth and the external balance at a time of transformation toward the production of electric vehicles, for which Czech industry is poorly prepared.

Labor Markets

Labor Market
Policy
Score: 7

The labor market situation in Czechia is stable. Employment rates are high, and the unemployment rate has been the European Union's lowest for some time. In the years before the COVID-19 pandemic, Czechia experienced a labor shortage that has been more severe than in any other European country, according to evidence from employer surveys. The lack of staff with the right skills is identified as a barrier to investment by employers. This situation partly reflects weaknesses in the education system and, in part, pay levels for highly skilled workers, which remain unattractive by international standards. An adequate active labor market policy plan to prepare the labor market for the economy's necessary restructuring has not yet been developed.

As a result of the COVID-19 pandemic, the unemployment rate rose from an average of 2.0% in 2019 to an average of 2.6% in 2020 and to a peak level of 3.5% in March 2021, before falling to 2.3% in November 2021. Total employment has yet to return to pre-pandemic levels, but the shortage of labor experienced in previous years seems to have intensified. The number of employed persons increased across most sectors of the economy in the later months of 2021, while they remained below previous levels in service sectors that faced reduced demand due to lower levels of tourism. The number of self-employed also declined, owing to the large number of self-employed in hospitality and catering, which were hit hard during the pandemic. Labor shortages elsewhere have been partly covered by an increase in the employment of foreign workers, with 720,000 foreign workers or almost 18% of the labor force at the end of 2021, the highest level ever in Czechia. The labor shortage has also increased pressure for higher wages in some sectors. Average wages were up by 5.7%, with similar figures in manufacturing, and public and private services (third quarter of 2021 over the same period in 2020), albeit this equated to only a 1.5% increase in real wages owing to the higher price level. An exceptionally large increase was 8% in health and social care, while the minimum wage increased by only 4.1%, suggesting a possible

loss in purchasing power for the lowest earners. Thus, the pandemic has not significantly changed existing trends, with labor shortages affecting all skill levels.

Taxes

Tax Policy
Score: 6

As the low fiscal deficits before the COVID-19 pandemic show, tax policy in Czech has traditionally ensured the availability of adequate financial resources for spending commitments. The progressiveness of the tax system has been limited by a flat income tax, a strong reliance on the value-added tax (VAT) and high social security contributions. While the statutory corporate income tax rate has been relatively low, enterprises have complained about cumbersome procedures. Businesses can apply tax deductions to research and development, but have not yet fully exploited this option, due to the ambiguous interpretation of the law by the tax authorities and the complex administrative process. Adaptations to the tax system to reduce environmental harm were required to join the European Union and were legislated in 2007.

The Babiš government proposed a major income tax reform in 2019. Initially postponed for fiscal reasons, the reform was eventually approved by the Chamber of Deputies at the end of November 2020, at a time of a growing budget deficit due to the pandemic measures. The most hotly debated novelty was a change in the method of calculating personal income tax, which abandoned the so-called super-gross wage (including social insurance contributions in the sum) introduced in 2008 by a government determined to appear to be cutting personal income tax rates to a flat rate of 15%. The abandonment of the super-gross wage has been associated with the transformation of the so-called solidarity surcharge, introduced in 2013, into an explicit second personal income tax rate of 23%. The government justified the reform both as a way of enshrining progressivity and as a measure to foster economic recovery. Critics, including the Fiscal Council (Národní rozpočtová Rada, ÚNRR), have regarded the tax cuts mainly as a campaign goody ahead of the parliamentary elections in 2021 that will harm the sustainability of public finances. As a matter of fact, revenue from personal income taxes fell by 35.6% in 2021.

Save for the changes to the personal income tax, there were few tax changes in 2020 and 2021. The Babiš government did not adopt the announced changes to the tax code to support a new innovation strategy. Nor did it complete the preparation of a new tax on the use of coal and gas, promised to the European Commission in 2019.

Budgets

Budgetary Policy
Score: 6

Before the COVID-19 pandemic, Czechia's favorable economic performance allowed the government to retain its objective of reducing the general government fiscal deficit and stabilizing the public debt, while also allowing some expansion of domestic demand. While the central government posted small deficits, the general government budget produced a surplus between 2016 and 2019. Once the Czech government realized the seriousness of the COVID-19 pandemic, it responded in line with the advice of international agencies to do "whatever it takes" to protect public health, and to prevent damage being done to the economy and employment, thus leaving the resulting increase in public debt to be handled later. The result was a general government fiscal deficit of 5.8% in 2020, the highest since Czech independence, followed by a similarly high deficit in 2021. As a result, public debt rose from 30% of GDP in 2019 to 38% in 2020 and to 45% of GDP in 2021. While this is still a manageable level, the increase in debt means a narrowing of the government's future fiscal space.

In order to allow for the increase in the fiscal deficit, the 2017 Fiscal Responsibility Act was amended in April 2020. The amendment approved a structural fiscal deficit of up to 4% of GDP in 2021 and called for annual reductions by at least half a percentage point until the medium-term budgetary objective is met again. Whether or not these targets will be met, strongly depends on the future performance of the Czech economy. In 2020 and 2021, the Babiš government refrained from tapping any potentials for savings on the expenditure side of the budget in 2020 and 2021. Moreover, its controversial 2020 personal income tax reform has caused substantial revenue losses. The incoming Fiala government has announced that it will speed up fiscal consolidation.

Research, Innovation and Infrastructure

R&I Policy
Score: 5

The Babiš government continued the previous government's verbal commitment to aim for the EU target of an R&D spending level equivalent to 2.5% of GDP. Despite the substantial EU co-financing, however, R&D spending has stagnated at about 2% of GDP and even slightly declined in 2020. Five foreign-owned companies and the automotive sector continue to account for 50% of total research in the business sector. Foreign and domestic businesses benefit from indirect subsidization, as 100% of R&D expenditure is exempt from taxation. However, many smaller enterprises complain that this exemption has not been honored in practice. Various reports have highlighted R&D weaknesses, suggesting a low effectiveness rate for much of what has

been spent. Problems include the failure to attract and retain young, qualified researchers, who take advantage of the European Union's free movement of people to find better-paid work in other countries; and the low employment level among women (who accounted for just 30% of researchers in 2020), which suggests that this population's potential is not being fully utilized, and which may be a negative consequence of the lack of services supporting the work-life balance. Research groups often exhibit little change, with the same people staying together throughout their careers, and thus failing to benefit from experience acquired elsewhere. New research centers have frequently failed to make significant international contacts, and are often ignored by (largely foreign-owned) manufacturing companies.

The R&D sector, including universities and research institutes, reacted proactively to the pandemic after the government organized various forms of support. COVID-19 testing developed rapidly, but Czechia's response to the pandemic has not helped the country move toward the forefront of international scientific development. The Czech government's National Recovery Plan, as approved by the European Commission in July 2021, includes some measures to support quality research, especially in medical sciences, but does not address the structural problems of the Czech R&I sector.

Global Financial System

Stabilizing
Global Financial
System
Score: 5

Czechia is not a significant player in international financial affairs. Its main banks are foreign-owned, and their independent international involvement is limited. The country has participated in some attempts to improve the regulation and supervision of financial markets, but has not shown much initiative. It has declined to introduce the euro, and has not sought to join the European banking union.

II. Social Policies

Education

Education Policy
Score: 6

Educational outcomes in Czechia are good, graduates with a secondary-level education are quite employable and the employment premium to tertiary-level education is among the highest in the European Union. However, the Czech education system faces challenges in terms of producing an adequately skilled labor force and ensuring equity among social groups.

Socioeconomic inequalities in school outcomes continued to rise prior to and during the COVID-19 pandemic, as did school dropout rates. There are wide regional disparities, and educational inequalities are quite often passed through the generations. Roma children continue to be marginalized, and are disproportionately educated in special schools (Roma children represent about one-third of the pupils; 10.3% of Roma children are educated in special schools, compared to 2% of overall children). Participation in early childhood education has increased, but some conservative political forces are opposing measures that would enable enrollment for two year olds, arguing for the “indispensability of maternal care.” Tertiary-education attainment rates continue to rise, but completion rates remain low. Financial support is limited, with only 1% of students receiving financial aid. The share of publicly funded Ph.D. fellowships is also below the EU average. The rate of absorption of EU funds within the education sector is excellent. However, implementation of some programs (e.g., digital literacy) has been delayed, mainly because school equipment is outdated, and many teachers lack relevant skills and training. The response to the COVID-19 pandemic in the educational sector was uncoordinated and exposed continuing inequalities. Due to large differences in digitalization, children from poor families, and those with special needs, were often left behind when some schools shifted to online instruction. Tertiary education adapted better to online instruction.

Social Inclusion

Social Inclusion
Policy
Score: 6

Due to a favorable employment picture and a still redistributive social policy, income inequality and poverty in Czechia remain among the lowest in the OECD and the European Union. However, the differences between regions are relatively high and have continued to increase. A significant proportion of the Roma population, which constitute an estimated 2.2% of the overall Czech population, suffer from social exclusion. A further pressing problem of social inclusion is the lack of affordable housing and the growing number of homeless people, including children and seniors, which was exacerbated during the pandemic as street life became even more difficult for most homeless people. Another problem is the high number of people who cannot pay their debts. As of 2021, more than 712,000 people in Czechia faced legal obligations that extended to confiscating personal property and compulsory deductions from earnings due to their debts. Nearly a fifth of the population is affected. Some relief was offered by changes to the law in January 2022, including provisions that debts can only be sought for 12 years and can be canceled if, after six years and with agreement of the creditor, the costs of recovery are greater than the revenues received.

Health

Health Policy
Score: 7

Healthcare in Czechia is based on universal compulsory insurance and largely financed from public sources. While healthcare spending has been relatively low from an international perspective, the healthcare system is rather inclusive, ensures a wide range of choice for both providers and consumers of healthcare, and provides a high level of service by international standards. Prior to the COVID-19 pandemic, Czechia had among the lowest levels of unmet needs for medical care due to financial reasons, distance or waiting times in the European Union (OECD/ European Observatory on Health Systems and Policies 2021: 15). However, life expectancy, although steadily increasing before the COVID-19 pandemic, has remained more than two years below the EU level, and there have been substantial differences in health outcomes between the capital region of Prague and the rest of the country. In structural terms, the Czech healthcare system has suffered from a strong reliance on hospitals and a shortage of nurses.

The Czech healthcare system largely withstood the first wave of the COVID-19 pandemic. Despite the massive additional public spending, however, some hospitals found themselves on the brink of being overwhelmed during the second wave of the pandemic, when the number of infections was rather high in Czechia. Life expectancy fell by about one percentage point in 2020, which is stronger than in most EU member states (OECD/ European Observatory on Health Systems and Policies 2021: 4). On the positive side, the COVID-19 pandemic has fostered the digitalization of the healthcare sector and has led to some improvements in administrative methods.

Citation:

OECD/European Observatory on Health Systems and Policies (2021): State of Health in the EU: Country Health Profile Czechia. Paris: OECD, Brussels: European Observatory on Health Systems and Policies (https://ec.europa.eu/health/system/files/2021-12/2021_chp_cs_english.pdf).

Families

Family Policy
Score: 6

As evidenced by the female employment rate in Czechia being below the OECD average, parents' effective freedom to decide whether or not to work is limited. The main obstacle is the poor provision of care for very young children, the availability of which declined significantly during the 1990s, and has shown little improvement more recently. Enrollment in facilities for children aged 0–2 is rather low. The situation is better among older age groups, reaching 93% for five year olds, as kindergarten attendance during the last year of preschool has been mandatory since 2017. While public support

for alternative forms of childcare, including corporate kindergartens and so-called children's groups, has expanded, the gap in childcare facilities has persisted. A further reason for the low employment rate of women with young children is the lack of willingness among employers to provide part-time work or flexible working hours. Although the Labor Code entitles parents caring for a child under 15 years old to part-time work, only 9.9% of women were employed part-time in 2020, much less than the OECD average.

The Babiš government has done relatively little to address these issues. In 2019, it reduced the ceiling on the level of earnings required to be eligible for a parental allowance benefit, but also allowed parents to put their children in kindergarten while receiving parental allowance and increased the limit for placing children under two years of age into preschool care to 92 hours a month. During the COVID-19 pandemic, the government also extended the nursing allowance, a social benefit for persons who cannot work full-time because they care for a child, or a sick or disabled family member, with the view of supporting families hit by kindergarten and school closures. However, these measures, though they have improved the material situation of families, have not been sufficient to prevent a resurgence of traditional gender roles.

Pensions

Pension Policy
Score: 7

The Czech pension system has developed through gradual and partial reform of the pay-as-you-go system that existed before 1989. Its centerpiece is a mandatory public pension insurance scheme, administered by the Czech Social Security Administration (Česká správa sociálního zabezpečení, ČSSZ). Despite the aging population, the scheme was in surplus in 2018 and 2019, but posted small deficits in 2020 and 2021, which were largely caused by the decline in incomes stemming from the COVID-19 pandemic. Despite a 5.5% increase in pension spending in 2021 (from the first nine months), revenues from social insurance contributions grew even more rapidly with renewed economic growth and the pension fund was again in surplus. The average pension provided by this system was equivalent to only 45.2% of average wages in 2020, and there is roughly a 20% difference between the average pension for women and men. The official retirement age, which has been gradually increasing since 1996, is different for men and women. In the case of women, this age also depends on the number of children reared. In 2017, the ceiling for the maximum retirement age was set at 65 years.

Although the current system will remain sustainable for some time, reform has been on the agenda of governments since the mid-1990s and various adaptations have been made, although without ever achieving full political consensus. The Babiš government set pension reform as the first of its six

main priorities in its government manifesto, emphasizing the need for a more precise separation between the public pension scheme and the regular state budget. In February 2019, led by the Ministry of Labor and Social Affairs, a new pension commission was established, bringing together representatives from the parliamentary political parties, the social partners, the academic community and other relevant interest groups and pro-retiree organizations. In October 2019, the commission reached an agreement on a model that would separate the current public pension pillar into two components. One should be a solidarity pillar, paid from the budget. The second should be paid through contributions. However, it was impossible to propose a pension reform that would lead to a broad agreement (Jahoda 2021). Petr Fiala's new coalition government also set pension reform as a priority in its manifesto.

Citation:

Jahoda, R. (2021): Czech Republic: Parliament may not approve the pension reform proposed by the Ministry of Labour and Social Affairs. European Social Policy Network, ESPN Flash Report 2021/44, Brussels: European Commission.

Integration

Integration Policy
Score: 4

Since Czechia's accession to the European Union in 2004, the number of foreigners living in the country has significantly increased, reaching 6.1% in September 2021. EU citizens make up about three-fifths of this number. Of those from outside the European Union, a large proportion of people are from Ukraine, Vietnam and the Russian Federation. Czechia's integration policy, developed from 2000, is targeted at citizens from outside the European Union, and includes the provision of language courses and guidance on life in Czechia. However, the budget for integration measures is small. In 2021, CZK 54 million financed the equivalent of about 50 employees. The most common reason for staying in Czechia is economic activity. According to the 2021 census, among foreigners in Czechia, the percentage of university-educated people is generally higher than the average. However, most foreigners are only temporarily resident. Barriers to obtaining citizenship are such that citizenship was granted to only 2,973 people in 2019. Typically, foreign workers, especially those from outside the European Union, are recruited in their country of origin by employment agencies and come to work in the manufacturing industry, often staying in company accommodation with little integration into society. Reports from the Labor Inspectorate confirm that many foreigners are paid less than Czech employees in comparable jobs and their employment conditions often fail to comply with the law. Although Czechia is not located on one of the major routes used by refugees entering Western Europe, there have been significant numbers of applications for asylum, peaking in 2001 at 18,094 of which 83 were granted. The number of applications was particularly low during the COVID-19 pandemic. In 2020,

1,164 applications were submitted and 72 were granted. This record reflects the hostility and suspicion directed toward foreigners by a proportion of the population, which is exploited and reinforced by some leading politicians. Although four-fifths of Czechs agree that foreigners come to work, more than half of citizens (53% in March 2020) agree that foreigners coming in recent years represent a problem. However, when Czechs consider the issue of incoming foreigners with specific reference to their place residence, the proportion that perceive foreigners as a problem is lower (24%).

Safe Living

Internal Security
Policy
Score: 7

Crime figures in Czechia are unremarkable. The police have recorded a drop in crime rates for the fifth consecutive year, and more than half of all cases are cleared up. The COVID-19 pandemic led to lowest overall crime level in Czech history, mainly because of the restrictions imposed on people's mobility. At the same time, domestic violence increased and the shift of crime to cyberspace has continued. Citizens feel secure and mainly indicate satisfaction with the performance of the police. Levels of trust in the police and the army are high and stable. In September 2019, 69% of citizens indicated that they trusted the police; in September 2021, it was 70%. However, regional differences in criminal activities are increasing, and there are tensions in regions featuring a relatively high concentration of marginalized groups.

Global Inequalities

Global Social
Policy
Score: 7

Czechia is not a significant player in international development and devotes a relatively low share of GDP to development aid. However, it has been a member of the OECD's Development Assistance Committee since 2013 and has pursued a relatively coherent development cooperation strategy with a clear focus on countries where its own experience of transition can be helpful. While the Ministry of Foreign Affairs is the primary coordinator of bilateral and multilateral development cooperation, many private, public and non-governmental actors are also 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 2019, Czechia launched a new development aid program to promote investment by Czech companies in developing countries. In 2020, Czechia joined Team Europe, a joint EU response to the pandemic in partner countries (Ministry of Foreign Affairs 2020). In geographic terms, the Czech contribution to the program has focused on the existing priority countries of Czech bilateral development cooperation (Bosnia and Herzegovina, Cambodia, Ethiopia, Georgia, Moldova, and Zambia), as well as on Afghanistan, Ukraine and some further African countries.

Citation:
Ministry of Foreign Affairs (2020): Czech Diplomacy 2020. Prague
(https://www.mzv.cz/jnp/en/foreign_relations/reports_and_documents/czech_diplomacy_2020.html).

III. Environmental Policies

Environment

Environmental
Policy
Score: 5

Environmental policy in Czechia is shaped largely by the country's obligations to implement EU legislation, which sets both the policy agenda and has provided much of the necessary finance. In January 2021, the Babiš government adopted the State Environmental Policy of the Czech Republic 2030 with an Outlook to 2050, which set 10 strategic objectives: addressing water availability and quality; air quality improvement; exposure to hazardous chemicals; decreasing noise and light pollution levels; preparedness for natural disasters; quality of life and safety in cities; decreasing greenhouse emissions (only in seventh place); circular economy; landscape stability; and biodiversity (Ministry of the Environment 2021). However, there has been criticism of past policies relating to governments' lack of commitment and failure to ensure the required coordination between agencies. Water management has followed the general pattern, earning criticism for the government's lack of commitment on issues including storm-water management, water retention in agriculture and urban wastewater treatment. The case of an ecological disaster on the river Becva in September 2020 exemplifies this. While almost 40km of the river was damaged and 40 tons of fish killed, the investigation by the Czech Environmental Inspection and the police failed to find any culprit. Investigative journalists and some environmental experts link the catastrophe to DEZA – a company in Babiš's Agrofert holding. In April 2021, a parliamentary investigation committee for the Becva case was established and found significant failures in the investigation.

Poor air quality, particularly in North Moravia and North Bohemia, has made addressing pollution a high-priority issue. The problem is primarily a result of energy policy and the country's heavy dependence on fossil fuels. Air and water pollution are at the heart of an ongoing conflict between Poland and Czechia around the Polish coalmine Turow. Mining has continued despite a ruling by the European Court of Justice in September 2021 that Poland should stop mining and pay €0.5 million for each day of non-compliance.

Improvements in energy efficiency and the use of renewables have been slow, the latter reaching 16% of total energy in 2019. Coal is set to be phased out by 2038, but is to be replaced in the first instance by gas. During the negotiation of the European Green Deal in fall 2021, Czechia joined France in demanding that nuclear energy be designated as clean energy. When the National Energy and Climate Plan (NECP) for 2021–2030 was adopted, the European Commission found that of its 10 recommendations in the 2019 NECP draft only three were fully addressed (internal energy market, investment needs and analysis of air quality), six were only partially addressed (renewables, energy security, regional energy cooperation, phasing out energy subsidies, R&D, and just and fair energy transition) and one had not been addressed at all (energy efficiency) (European Commission 2020).

In biodiversity, the first strategy produced by the Ministry for the Environment was adopted in 2005, shortly after accession to the European Union. This included objectives and indicators for monitoring results but no allocation of specific tasks. An updated strategy for 2016–2025 published in 2016 (Ministry of the Environment 2016) lamented the low public awareness of the issue of biodiversity, particularly as the overall situation was continuing to deteriorate due largely to agriculture and transport activities; indeed, this meant that the issue could not be addressed by the Ministry of the Environment alone. The Nature Conservation Agency for Czechia (Agentura ochrany přírody a krajiny ČR, NCA CR), established in 2015, actively monitors the country's biodiversity and administers various categories of protected territory (including 24 protected landscape areas under the IUCN category, and about 8,000 other types of protected areas under IUCN Ia, III, IV), which cover 16% of the country's area. The use of EU funds has helped maintenance and development in this area. In November 2021, NCA CR supported the World Commission on Protected Areas' statement to global leaders at the COP26 climate summit in Glasgow, prepared by its UK counterpart.

Citation:

European Commission (2020): Assessment of the final national energy and climate plan of Czechia. SWD(2020) 902 final, Brussels (https://ec.europa.eu/energy/sites/ener/files/documents/staff_working_document_assessment_necp_czechia.pdf).

Ministry of the Environment (2016): National Biodiversity Strategy of the Czech Republic 2016-2025. Prague (https://www.mzp.cz/web/edice.nsf/4A46CA81084E521FC1258050002DAE0C/\$file/NBS_CR_2016-2025.pdf).

Ministry of the Environment (2021): State Environmental Policy of the Czech Republic 2030 with outlook to 2050. Prague (https://www.mzp.cz/C125750E003B698B/en/state_environmental_policy/\$FILE/OPZPUR-SEP_2030-210615.pdf).

Global Environmental Protection

Global
Environmental
Policy
Score: 4

Over time, Czechia has moved from being a passive recipient of EU and international agendas to playing an active role in blocking the European Union's establishment of more ambitious environmental goals. Like Estonia, Hungary and Poland, Czechia is not ready to wean itself off coal. The country also does the least amount possible to fulfill EU obligations and is not very effective when doing so. In November 2021, Prime Minister Babiš demanded major changes to the EU Green Deal, including postponing the proposed 2035 ban on combustion engines, which would significantly hurt the Czech automotive industry. Together with France and Finland, Czechia also pushed to include nuclear energy in the EU sustainable finance rules (nuclear comprised 37% of total energy sources in Czechia in 2020 compared to 70% in France). The demand was supported by Poland, Hungary, Slovakia, Bulgaria, Croatia, Romania and Slovenia.

Robust 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 lacking democratically elected organs or that aim to remove the democratic foundations of the state, restrict the freedoms of other parties, or threaten morality and public order. There are occasional calls to ban the Communist party, but no legal steps have been taken, and there is no consensus that such measures are necessary. A total of 22 political groupings took part in the parliamentary elections in October 2021, and no conflicts over the registration of candidates occurred. Since 2012, the president of Czechia has been elected by citizens in a direct election. Any citizen with the right to vote who has reached 40 years of age is eligible to run for election for a maximum of two consecutive five-year terms. The candidate must gain at least 50,000 confirmed signatures by citizens, 10 signatures by senators or 20 signatures by members of parliament.

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 have access to the public media, although presentations are often tedious and unlikely to hold viewers' and listeners' attention. Municipalities also provide billboards, and political advertisements are carried in newspapers. However, there is a distinct coverage bias toward the larger parties due to more significant resources and perception of importance. Moreover, coverage by private media is less balanced than that of public media. While there are oversight mechanisms for public TV and radio, such mechanisms are largely lacking for private media, especially in the online space. A particular issue has been the growing ownership of media outlets by Andrej Babiš, who was prime minister between the end of 2017 and the end of 2021. Babiš's media outlets have been biased against other parties, including his own government's coalition partners.

Voting and
Registration
Rights
Score: 9

All adult citizens, including convicted prisoners, can participate in national elections, and voter registration is relatively straightforward. EU citizens who are permanent residents of Czechia can participate in municipal and European elections; EU citizens who are only temporary residents of Czechia can at least participate in municipal elections. 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 having to meet a special deadline for registration and the fact that there are only a limited number of embassies and consulates. Postal ballot provision is included in the Fiala government manifesto. With a view to the COVID-19 pandemic, a special drive-thru voting option was established for the 2020 regional and Senate elections, and the 2021 parliamentary elections in order to enable those in quarantine to vote.

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 Czechia issued in 2011 and came into force in January 2017. The law introduced financial limits for party financing and electoral campaigns, the mandatory establishment of transparent accounts, and greater revenue regulation of political parties and movements. Compliance with the new rules for publishing financial reports has grown over time. While the Office for the Oversight of the Political Parties and Political Movements (Úřad pro dohled nad hospodařením politických stran a politických hnutí, ÚHHPSH), the independent regulatory authority in charge of monitoring party and campaign finance, recommended suspending the activities of 45 parties for violating some of the rules in 2020 and 2021, almost all relevant parties have largely complied with the new provisions. However, prior to the vote of investiture in December 2021, it turned out that STAN (Mayors and Independents), one of the coalition partners of the new Fiala government, had accepted donations from an anonymous account in Cyprus, leading to the new government's first scandal.

Popular Decision-
Making
Score: 5

In Czechia, 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 2020 and 2021, 53 local and regional referendums were held in Czechia. The majority of the referendums on local issues took place alongside the 2020 regional and Senate elections, and the 2021 parliamentary elections.

Access to Information

Media Freedom
Score: 6

Czechia was long characterized by a high degree of media freedom, partially due to the independence of the public media, but also because foreign media owners did not exercise any visible influence over the content and coverage of the private media. However, the replacement of foreign owners by domestic oligarchs and the capture of much of the Czech media market by Andrej Babiš, prime minister from the end of 2017 to the end of 2021, have reduced media freedom. Babiš has used his media power to support his political position and to denigrate opponents. The independence of the public media has been questioned given the controversial nominations and appointments to the councils supervising the public broadcaster Czech Television (ČT), the country's most trusted news source, Czech Radio (ČR) and the Czech news agency (ČTK). In December 2021, hundreds of ČR employees signed a petition against the new director for news given fears of undue influence. The candidate had a public track record of manipulating media coverage of the "refugee crisis" in her prior job as head of news at a private TV channel. After several days of employee and public pressure, the director of ČR withdrew the controversial nomination. Prime Minister Babiš and President Zeman have repeatedly criticized the public media for their alleged bias, thereby showing a lack of respect for media freedoms. Just before the parliamentary elections in October 2021, Babiš banned a group of journalists from Czech and foreign media outlets from attending his press conference with Hungarian Prime Minister Viktor Orbán (Boková 2021).

Citation:

Boková, T. (2021): Babiš's Media: The Erosion of Freedom of Press in Czechia, in: Verfblog, October 15 (<https://verfassungsblog.de/babiss-media/>, DOI: 10.17176/20211016-045233-0).

Media Pluralism
Score: 7

Media pluralism in Czechia has benefited from a relatively independent public media. However, the private media market has suffered from a concentration of media ownership, the departure of several international owners and the broadening of the scope of media holdings (print, online, radio and television). Babiš's business, MAFRA, dominates the daily print media, with an estimated 3.2 million readers, and the country's online media, with an estimated 3.3 million daily users. It benefited disproportionately from pandemic-related state aid for cultural institutions (Kottova 2020). A major change in media ownership was the purchase in October 2020 of the Central European Media Enterprises (CME), an international media and entertainment company, by the

PPF Group owned by Czech billionaire Petr Kellner. CME owns television stations in five countries in East-Central Europe (Bulgaria, Czechia, Romania, Slovakia and Slovenia). In contrast to Babiš's outlets, there have been no reports of political interference in news reporting. Kellner died in a helicopter crash in Alaska in March 2021, leaving the future uncertain.

Citation:

Kottova, A. (2020): Babišova vláda chystá pomoc médiím. ‚Záleží na rozpočtu, teď nemůžeme rozdávat nic,‘ říká Zaorálek (Babiš government preparing aid for the media. ‚It depends on the budget, now we cannot give away anything‘ says Zaoralek). in: iRozhlas, June 23 (https://www.irozhlas.cz/kultura/koronavirus-podpora-media-ministerstvo-kultury-zaoralek-babis-mafra_2006231300_ako).

Access to
Government
Information
Score: 7

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. Most ministries and larger public bodies now include a special section with the information provided upon request. The Babiš government has increased the visibility of the eKLEP (Electronic Library of Legislative Process). eKLEP allows the public to follow legal proposals from the point of creation to approval or rejection. All draft legislative documents are available and regularly updated. While central-government bodies are rather transparent, there are still difficulties in accessing government information within many municipalities. However, these bodies too can be taken to court if officials refuse to respond to requests for information. Some smaller municipalities have faced stiff financial penalties following failures to disclose information as requested. As a result, the actions of municipalities are becoming more transparent; for instance, municipal board meetings are being streamed online, and citizens are being allowed to participate in municipal activities in other interactive ways. Larger municipalities tend to be more open than their smaller counterparts.

When the COVID-19 pandemic struck, conflicts over access to government information gained importance. At the beginning of the pandemic, the government refrained from publishing major pandemic-related information. Media and NGOs had to invoke the freedom of information law to access controversial information on the availability of hospital beds and frontline personnel, and the acquisition of personal protective equipment by the government. In spring 2020, the government considered the idea of amending the law on access to information in order to restrict the provision of information during states of emergency. When the media found out, however, the opposition pushed back and the government left the law unchanged.

Civil Rights and Political Liberties

Civil Rights
Score: 7

The government and administration of Czechia respect and protect its citizens' basic civil rights. As indicated by complaints lodged with the European Court of Human Rights and the Public Defender of Rights, Czechia's ombudsman, 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 financial, cultural and social resources to pursue these rights. The fight against COVID-19 led to a number of temporary limitations on civil rights, including a temporary ban on citizens' ability to leave the country in the spring of 2020. However, the requirements of legality, necessity, proportionality and time-boundedness were largely upheld.

Political Liberties
Score: 9

Political liberties are protected, respected and used in Czechia. This applies to freedom of speech, freedom of association and assembly, and freedom of religion. The country has a vibrant and politically active civil society, which played a major role in keeping the government accountable during the COVID-19 pandemic. COVID-19-related restrictions on assembly during the repeated states of emergency in 2020 and 2021 largely met the requirements of legality, necessity, proportionality and non-discrimination. For some time, the number of participants allowed to attend a protest was temporarily limited to 100, with social distancing and masks required. These rules were largely followed. In November 2020, the Million Moments for Democracy initiative creatively reacted to the restrictions and organized its first online protest (on YouTube), which attracted over 50,000 participants. When the restrictions were not respected by anti-mask and anti-vaccination protesters, the police acted professionally. The police also sided with the citizens when asked by Minister of Health Adam Vojtech (ANO) to prevent large-scale anti-government demonstrations for health reasons in June 2020. Czechia managed to organize the regional and Senate elections in October 2020, and the parliamentary elections in October 2021 amidst the pandemic.

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 and has helped to limit discrimination. Still, gender discrimination remains a relatively serious problem compared to other developed countries. The gap between the average wages of women and men has decreased slightly, to 18.9%, but this remains one of the highest rates in the European Union. The representation of women in national-level political bodies increased slightly in 2021 when the highest number of women (25%) entered the parliament (31.6% of candidates were women). However, women's representation in other decision-making positions has also remained comparatively weak. The World Economic Forum's 2021 Global Gender Gap

Report ranked Czechia 78th out of 156 countries, primarily due to the challenges facing women in the areas of economic participation and opportunity, and political empowerment (World Economic Forum 2021).

Another issue is the discrimination against Roma people. Approximately half of the Roma population (estimated at 250,000 individuals or 1.93% of the population) live in poverty, indebtedness, and suffer from forms of discrimination in employment and housing provision. According to government records, the risk of poverty for Roma is six times higher than for the general population. The Czech majority continues to hold a negative perception of the Roma minority. Public opinion surveys report that Roma are perceived as being the second-most unsympathetic Czech minority, after Arabs. The main obstacles to participating in the labor market faced by Roma are societal prejudices and discrimination, and low average educational attainment and skills levels. Participation is key to the emancipation of the Roma, but voter turnout among the Roma is traditionally low. At present, there are no Roma members of parliament, and their representation in regional and municipal councils is insignificant. To address these issues, the government, in spring 2021, adopted an update of its 2015 Roma integration strategy (Czech Government 2021). The update was drafted in close collaboration with the Czech Government Council for Romani Minority Affairs and with representatives of the Romani community.

Discrimination of LGBTQ+ people exists, but is limited compared to other East-Central European countries (Guasti/ Bušítková 2020). While the Catholic Church has intensified its pro-life and anti-LGBTQ+ activism, some Protestant churches have started to cooperate with LGBTQ+ advocacy groups. Public opinion regarding the adoption of children by same-sex couples has become more positive.

Czech Government (2021): Strategie rovnosti, začlenění a participace Romů (Strategie romské integrace) 2021–2030. Prague (https://ec.europa.eu/info/sites/default/files/strategie-2021-2030_final.pdf).

Guasti, P., L. Bušítková (2020): In Europe's Closet: the rights of sexual minorities in the Czech Republic and Slovakia, in *East European Politics* 36(2): 226-246 (<https://doi.org/10.1080/21599165.2019.1705282>).

World Economic Forum (2021): The Global Gender Gap Report 2021. Geneva (https://www3.weforum.org/docs/WEF_GGGR_2021.pdf).

Rule of Law

Legal Certainty
Score: 7

In Czechia, executive actions have tended to be predictable and undertaken in accordance with the law. Government adherence to the law was stretched by the COVID-19 pandemic. During the initial phases, the publication of government directives on pandemic mitigation was chaotic, with numerous ad

hoc changes and in a number of cases independent courts concluded that the restrictions on individual liberties had not been adequately justified. These included a judgment in April 2020 by the Prague Municipal Court against the limits imposed on freedom of movement and the compulsory closure of large shops, and a judgment in February 2021 by the Constitutional Court against part of the government ban on some retail and services due to the pandemic. The Supreme Administrative Court also rejected numerous directives by the Ministry of Health.

Judicial Review
Score: 8

Czech courts operate independently of the executive branch of government. The ordinary courts and the Constitutional Court alike have continued their work even during the states of emergency and have been quite active during the COVID-19 pandemic. They have annulled several government measures and have forced the government to act in a less erratic manner (Vikarská 2021). Unlike the Supreme Administrative Court and the lower courts, the Constitutional Court initially exercised self-restraint. In a controversial decision in April 2020, supported by only eight out of 15 judges, it declared the government's declaration of a state of emergency constitutional and limited the scope for the judicial review of the emergency measures. Over time, the court has changed course and has re-widened its mandate. In February 2021, it repealed crucial provisions of the electoral law regarding the allocation of seats and the threshold for coalitions (Antoš/ Horák 2021). The surprising ruling forced the political parties to agree on new rules for the parliamentary elections in October 2021. Four of the 15 judges did not join the majority decision.

The appointment of Marie Benešová as justice minister in May 2019 raised some concerns about the independence of the judiciary. Her proposal to set new term limits for prosecutors has been perceived by the majority of the judiciary and most experts as an attempt at political interference with the courts. She continued to clash repeatedly with the Prosecutor General Pavel Zeman, who resigned on 14 May 2021 after more than a decade in office, citing undue pressure from the justice minister. Zeman's last major case was the 2014 explosion of the ammunition depot in Vrbetice, for which – as revealed in 2021 – the Russian secret service GRU was responsible. In July 2021, the government appointed Zeman's deputy, Igor Striz, prosecutor general. The opposition criticized the choice as Striz was a military prosecutor during the communist era.

Citation:

Antoš, M., F. Horák (2021): Better Late than Never: The Czech Constitutional Court Found the Electoral System Disproportionate 9 Months before Election, in: *VerfBlog*, February 20 (<https://verfassungsblog.de/better-late-than-never/>, DOI: 10.17176/20210221-033756-0).

Vikarská, Z. (2021): Czech and Balances – One Year Later, in: *VerfBlog*, March 30 (<https://verfassungsblog.de/czechs-and-balances-one-year-later/>, DOI: 10.17176/20210330-195055-0).

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, based on 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. Moreover, the involvement of both the president and the Senate increases the likelihood of balance in judges' political views and other characteristics. As a result, President Zeman's proposals have remained uncontroversial. This also applies to the appointment of Pavel Šámal, a professor of criminal law and former head of the Supreme Court, to the Constitutional Court in February 2020.

Corruption
Prevention
Score: 4

In Czechia, corruption and clientelism remain widespread. Successive governments have emphasized their commitment to fighting corruption, but have done little to address the issue. Two significant changes were implemented in 2017: amendments were made to the law on party finance and to the law on conflicts of interest. However, major cases take years to resolve and often end in mistrials. There are no public statistics on the number of cases of successfully prosecuted public officials.

Problems with fighting corruption are highlighted by the case of Andrej Babiš, prime minister from 2017 to 2021. The main issue concerns the use of EU funds, which were intended to support SMEs, to finance a business that was temporarily detached from his conglomerate, but returned to his control after the subsidy was received. Despite demands from the opposition for his resignation, and public demonstrations in Prague and other cities, Babiš weathered the storm – governing to the end of his term, as the prosecution case against him progressed at a snail's pace. MAFRA media portrayed the case as a witch hunt by the opposition and the European Union. Agrofert holding and its subsidiaries remained the largest recipient of EU and Czech government funds in Czechia. In April 2021, the European Commission published the conclusion of its audit, which stated that Babiš still controlled the business, despite having set up trust funds to hold the shares, and that his company must repay the estimated €1 million it had received from the European Union since February 2017. A further case revealed in October 2021 in the Pandora Papers that Babiš had used an offshore company to buy property in France, hoping to avoid French and possibly also Czech taxes. There were multiple signs of corruption during the pandemic, with contracts allocated to apparently inappropriate companies, while Agrofert became one of the major producers of anti-COVID-19 disinfectants.

Good Governance

I. Executive Capacity

Strategic Capacity

Strategic
Planning
Score: 5

While the institutional infrastructure for strategic planning in Czechia remains relatively weak, a number of strategic frameworks exist, partly resulting from EU pressure. In April 2017, following two years of widespread consultations, the government approved Czechia's 2030 strategic framework, which sets out a long-term vision for the development of the country (Government of the Czech Republic 2017). It also set up the Government Council for Sustainable Development, which is in charge of monitoring the implementation of the strategy as well as updating the strategy. The stated objectives correspond to the United Nations' SDGs. The document is full of worthy, but extremely general commitments, such as promising support for low-carbon technologies without offering any specifications. There have been two changes of government since its approval and little sign that it has influenced policymaking. Thus, government policy manifestos continue to be the most important form of medium-term planning. They are presented to the Chamber of Deputies, after a new government assumes office, for a vote of confidence.

Citation:

Government of the Czech Republic (2017): Strategic Framework Czech Republic 2030. Prague (https://www.vlada.cz/assets/ppov/udrzitelny-rozvoj/projekt-OPZ/Strategic_Framework_CZ2030.pdf).

Expert Advice
Score: 5

In Czechia, there are several permanent or temporary advisory bodies and several public research institutions that are closely linked to individual ministries or the Government Office and which 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 prepare a strategic agenda for the government. Under Prime Minister Babiš, the consultation of non-governmental experts has lost importance. The number of his official external advisers fell to only 11. While Babiš reactivated the National Economic Council of the Government (NERV)

– a government advisory body on economic issues, which had originally been formed in 2010, but then left to go dormant – at the beginning of the COVID-19 pandemic, the body was soon sidelined and had little impact on government decision-making. Petr Fiala, the new Czech prime minister since the end of November 2021, has expanded the number of his official external advisers from 11 to 14. The prime minister’s Council of Advisers is dominated by economists and medical experts.

Interministerial Coordination

GO Expertise
Score: 5

The Office of the Government of the Czech Republic is the central body of state administration, but fulfills primarily administrative functions. It is relatively small and has little sectoral policy expertise. While it prepares cabinet meetings and coordinates the work of cabinet councils, and other working and advisory bodies of the government, it does not provide direct oversight for line ministry proposals. However, it may facilitate some oversight by expert advisers.

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 into account comments from a range of institutions, including the Government Office and the Government Legislative Council. This consultation process primarily focuses on technical issues and the harmonization of legal norms.

Cabinet
Committees
Score: 5

The Czech government routinely establishes advisory and working bodies made up of cabinet members, ministry officials and other experts to support its activities. According to the issue under consideration, such entities may be given permanent or temporary status. In addition, there are advisory bodies, commissions and councils that are managed by individual ministries and which deal with issues related to the ministries’ portfolios. The most important ministerial committees are the National Security Council and the Committee for the European Union. During the COVID-19 pandemic, the Central Crisis Staff, a working body of the National Security Council for resolving crisis situations, has gained importance. The committees discuss and approve policy documents. However, 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 occurs. Senior ministry officials are generally crucial in collecting and discussing comments on proposed legislation. The definition of their roles and responsibilities was improved through the civil service law, which went into effect at the beginning of 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. In some cases, coordination between ministries even takes the form of contracts. For instance, there is a memorandum of mutual cooperation between the Ministry of Foreign Affairs and the Ministry of Culture in order to improve the international representation of Czech culture.

Informal
Coordination
Score: 6

Informal coordination mechanisms have featured prominently in Czech political culture. Like its predecessors, the former Babiš and current Fiala governments have depended on a coalition agreement, which includes agreements on policies and coordination mechanisms. Fundamental issues are addressed at the level of the chairmen of the coalition parties or the coalition council. The coalition council consists of the chairpersons of the coalition parties and a maximum of three other representatives of the respective coalition parties. Coordination mechanisms at the level of parliamentary and senatorial clubs are also important. Moreover, the coalition partners also maintain expert commissions consisting of members and party supporters. In the case of the Babiš government, President Zeman sometimes stepped in as an informal coordinator when the government needed support from the Communist Party. The COVID-19 pandemic severely strained these coordination mechanisms.

Digitalization for
Interministerial
Coordination
Score: 5

The digitalization of state administration featured prominently in the Babiš government's manifesto. In 2018, the government approved the Digital Czech Republic program, which aimed to advance the digitalization of the country. The implementation of the program started slowly, but has gained pace during the COVID-19 pandemic. New legislation on banking identity or the right to digital services has shifted a significant proportion of communication between the state and citizens to the digital sphere. Public authorities have expanded the use of online platforms and interactive digital forms. At the same time, progress with using digital technologies to support interministerial coordination has been limited.

Evidence-based Instruments

RIA Application
Score: 7

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. There is a standard RIA methodology, which has been refined over time. RIA reports are submitted by the ministries to the RIA unit at the Office of the Government for formal review and then to the independent RIA board for more extensive scrutiny. The members of the RIA commission also take part in discussions on selected regulatory drafts at meetings of the Legislative Council of the Government. The RIA unit provides methodological guidance, and organizes workshops and

seminars for civil servants who prepare impact assessments. Internationally, the RIA commission participates in the activities of the RegWatchEurope platform.

A major weakness of RIAs in Czechia is that RIAs are not mandatory for legislation proposed by members of parliament, or local or regional authorities. As proposals by members of parliament alone represent about 40% of all legislative initiatives, this is a major gap. The emergency measures introduced to control the COVID-19 pandemic were also exempt from RIAs. During 2020, the RIA commission considered 55 drafts, considerably more than in the two preceding years, approving 10, while recommending some changes to a further 34 and the complete reworking of 11 (Úrad vlády České republiky 2021). It is not always clear, however, how far RIAs eventually change legislation. A draft law on transitioning to a low-carbon energy policy proposed in 2020 was criticized, because it was found to concentrate only on nuclear power and failed to account for the government's long-term energy strategy, adopted in 2015. The law that was passed in 2021 (No.367/2021) seemed to be guilty of the same shortcomings.

Citation:

Úrad vlády České republiky (2021): Jednání pracovní komise Legislativní rady vlády pro hodnocení dopadů regulace v roce 2020. Prague (<https://ria.vlada.cz/wp-content/uploads/Priloha-c.-8-vyrocní-zprava-pracovní-komise-RIA-2020.pdf>).

Quality of RIA
Process
Score: 9

The RIA process is well established and transparent. Consultation with stakeholders is an essential part. In principle, all those who are affected by new legislation can express their views in advance. The parties concerned may include, among others, public authorities, professional organizations, non-governmental organizations or business entities. Czechia is one of the few countries featuring an independent RIA Board. In place since 2011, this board consists of 16 external experts, and is chaired by an environmental economist. Affiliated with the Government Legislative Council, it a) coordinates and methodically manages the RIA process; b) processes the material documents for the working commission; and c) on the basis of an opinion of the working committee, if available, drafts the draft opinion of the Legislative Council of the Government or the Chairman of the Legislative Council of the Government for the RIA area. The COVID-19 pandemic reduced the number of RIA commission meetings and most of the materials were discussed in abbreviated proceedings.

Citation:

<https://ria.vlada.cz/wp-content/uploads/Priloha-c.-8-vyrocní-zprava-pracovní-komise-RIA-2020.pdf>

Sustainability
Check
Score: 6

Sustainability checks are an integral part of every RIA, but are not very comprehensive (Cvachovcová and Polášek 2020). 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. A set of 2016 amendments to the RIA guidelines specified how to assess or quantify these effects. Criteria are refined by the relevant ministries on an ongoing basis.

Citation:

Cvachovcová, P., M. Polášek (2020): Možnosti zahrnutí perspektivy udržitelného rozvoje do systému hodnocení dopadů v ČR. Prague. (https://www.cr2030.cz/zavazky/wp-content/uploads/sites/4/2021/03/Moz%CC%8Cnosti-zahrnuti%CC%81-perspektivy-udrz%CC%8Citelne%CC%81ho-rozvoje-do-syste%CC%81mu-hodnocen%C3%AD-dopadu%CC%8A-v-%C4%8CR_final.pdf).

Quality of Ex
Post Evaluation
Score: 6

Ex post evaluations are a regular part of the RIA process. However, they are usually carried out internally by individual departments and, save for measures financed with EU funds, have not been done systematically so far. Intending to change this situation, the Government Office presented a comprehensive proposal in mid-2018 to improve the quality of ex post evaluations. An interdepartmental working group was established to draft new formal guidelines for ex post evaluations that would make findings public and make the whole process more transparent. However, the new formal guidelines are still under discussion.

Societal Consultation

Public
Consultation
Score: 6

The policy process in Czechia is relatively open. In the course of the legislative process, a broad spectrum of social and economic actors is consulted. The digital publication of laws and regulations has improved public access to information. The primary formal means of consultation is a tripartite council that includes representatives from the 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 preparing legislation. Business organizations and trade unions were also represented in the advisory bodies that helped the Babiš government to formulate its response to the COVID-19 pandemic. While the Babiš government was in regular contact with the government's social partners, it did not pay much attention to their inputs. In many cases, consultation remained formal. When the government presented the first draft of its National Recovery Plan in 2020, for instance, no material was published for discussion in advance and only five days were allowed for comments by societal actors, which were then largely ignored.

Policy Communication

Coherent
Communication
Score: 5

Under Prime Minister Babiš, government communication was less cacophonous than under the previous Sobotka government. However, rather than any proper coordination, the streamlining of government communication reflected Babiš's power over ANO ministers and the coalition partner, the Social Democratic party. The MAFRA-owned media (Babiš's media conglomerate) created scandals around every instance in which Social Democratic ministers dared to issue public statements contradicting the official government line, while ANO ministers who fell out of favor with Babiš were quickly replaced.

Implementation

Government
Effectiveness
Score: 4

The effectiveness of the Babiš government has suffered from the lack of a parliamentary majority. It failed to implement the announced pension reform and succeeded in implementing its tax reform only on a second go. After the Social Democrats, ANO's junior coalition partner, refused to support tax cuts amidst the pandemic, ANO worked together with the opposition ODS to push the law through. The serial failures to control the COVID-19 pandemic indicate an area in which the government was not successful. Crisis management was undermined by a power struggle within the coalition between ANO and the Social Democrats over the creation of advisory bodies for crisis management. As a result of this struggle, there was no adequate independent expert advisory body. More importantly, success was undermined by Babiš's premature claims that Czechia had successfully mitigated the worst of the pandemic and that the government did not need to rely on expert policy advice.

Ministerial
Compliance
Score: 6

In the past, Czech governments have tried to ensure ministerial compliance mainly through the use of well-defined government programs and coalition agreements. Differences between individual ministers and the government took the form of disagreements between parties, played out by threats of resignation, and were resolved through coalition negotiations. The Social Democrats' poor showing in the 2017 parliamentary elections made them less assertive in the coalition. To secure ministerial compliance, Prime Minister Babiš was able to capitalize on his uncontested role as ANO leader and made heavy use of naming and shaming in the media, especially in publications and outlets that he controls. The compliance of the Social Democrats was secured mostly by using the threat of early elections.

Monitoring
Ministries
Score: 5

In Czechia, the government office formally monitors the activities of the line ministries. However, the fact that Czech governments have tended to be coalition governments has strongly limited the actual monitoring of ministries.

Under the Babiš government, the online system Supervizor, designed to collect and publish data on the financial management of ministries and authorities, was used to monitor the ANO ministries only. This follows the Czech tradition that, in a coalition, government ministries are in the exclusive purview of the party that controls them and others, including the prime minister, are not expected to intervene.

Monitoring
Agencies,
Bureaucracies
Score: 5

The delegations of responsibility away from the government is limited in Czechia. Agencies take diverse organizational forms and are monitored in different ways. Some of them enjoy little autonomy and are monitored relatively tightly. In many cases, both the government and parliament are directly involved in supervision. The oversight of financial management and spending improved with the introduction of the Supervizor program, which increased transparency but did not cover all line ministries or state agencies.

Task Funding
Score: 6

The regional tier within the Czech system of governance retains importance following a consolidation process of various administrative functions. The budgetary allocation of taxes, tax autonomy, and financial decentralization have enabled regional governments to exhibit independence in fulfilling governing duties and managing necessary infrastructure. While the capacities of subnational governments to deal with the pandemic have differed, the COVID-19 response in Czechia has not been harmed by conflicts between the different tiers of government. After the regional elections in October 2020, however, the willingness of the central government and especially Prime Minister Babiš to engage with the regional governors declined, as ANO had been outmaneuvered in most regions by various coalitions of the opposition. The controversial 2020 income tax reform has reduced the revenues of subnational governments, and has reduced their ability to fund schools and hospitals.

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.

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, 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

Effective
Regulatory
Enforcement
Score: 4

between national and EU standards; there remains a strong tradition of non-implementation.

The enforcement of regulations by government agencies in Czechia has suffered from bias. The Office for the Protection of Competition (Úřad pro ochranu hospodářské soutěže, ÚOHS), for instance, has been quite effective in tackling abuses of market power, but has been broadly criticized for failing to adequately supervise public procurement. Likewise, the ecological disaster that affected the river Beca in September 2020 has demonstrated the Czech Environmental Inspection's weak enforcement of environmental regulations. Prime Minister Babiš was able to use his political power to enforce regulations against business opponents.

Adaptability

Domestic
Adaptability
Score: 5

Since the mid-1990s, government activities have adapted to, and are strongly influenced by, the European Union's legislative framework. The main structures of government and methods of functioning have improved over time. The disjuncture between domestic structures and EU provisions and requirements was demonstrated by recurrent issues accompanying the use of EU structural funds on the national and regional level, but this has significantly improved over the last several years. In general, control over the use of EU funds further improved under the Sobotka and Babiš governments. However, the sustainability of EU-funded infrastructures and measures will remain a crucial issue, especially after 2020, when the current funding period concludes. In some areas, such as R&D, the government has a medium-term strategy for financial sustainability, in other areas, such as environmental protection and regional development, such a strategy is not yet in place. The European Union's Recovery and Resilience Fund, offering the equivalent of 3.1% of 2020 GDP in grants largely for green transition and digitalization investments, required the formulation of a Czech national recovery plan. The plan, which was approved in September 2021, will be administered primarily by the Ministry of Industry and Trade. Existing structures are evidently considered adequately adaptable.

International
Coordination
Score: 4

Policymaking in Czechia continues to be inward-looking. Successive governments have confined themselves to being a trusted and reliable international partner, but have not aimed to become a leader in international affairs. Since 2015, however, Czechia has become more active on the EU stage, building alliances within and beyond the CEE region in order to shape EU policies. It has opposed EU quotas for the relocation of refugees and has tried to water down the environmental goals of the European Union. In 2021/22, Czechia allied with other countries to lobby for the inclusion of

nuclear power within the definition of green recovery. Like its predecessors, the Babiš government has invested little in improving the institutional capacities for greater international coordination.

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, as Prime Minister Babiš did in December 2021. However, these reports tend to focus on policies rather than institutions and are normally self-congratulatory. Also, there are sporadic audits within particular ministries.

Institutional
Reform
Score: 6

Under the second Babiš government, the institutional arrangements of governing remained mostly unchanged. Babiš cultivated his technocratic image by making several career civil servants ministers, and sought to increase the strategic capacity of his government primarily by exploiting his strong position as ANO leader and his grip on the media. At the beginning of the COVID-19 pandemic, the government created a new advisory body, the Central Emergency Task Force (ÚKŠ), and reactivated the dormant National Economic Council of the Government (NERV). However, both bodies soon lost importance.

II. Executive Accountability

Citizens' Participatory Competence

Political
Knowledge
Score: 6

With the increasing accessibility of online information, information on government policies is available to all Czech citizens. According to surveys, however, only half of the Czech population has a general interest in politics, a share that has remained more or less stable over the last 10 years. Moreover, media sources are themselves polarized between those presenting simplistic views and/or broad support for Prime Minister Babiš and those providing a more balanced approach or even demonstrating open opposition to Babiš. The political polarization reflected in the media landscape has deepened societal divisions.

Open
Government
Score: 6

The 2016 amendment to the Access to Information Act defined the term “open data” and led to the creation of a National Open Data Catalogue (Národní katalog otevřených dat, NKOD) and a central open data portal (<https://opendata.gov.cz>). Open government became a significant issue in the 2017 parliamentary elections and the 2018 municipal elections, largely thanks

to the newly established Pirate Party. As a result, the provision of data by the government has improved. However, it is not always provided in a user-friendly fashion and citizens seeking information are sometimes forced to jump through numerous administrative loops.

At the beginning of the COVID-19 pandemic, the Babiš government refrained from publishing major pandemic-related data and information. The Ministry of Health refused to provide data even to other ministries and experts engaged in the government response. Several economic advisers resigned in protest, as the lack of data hampered their ability to provide relevant expertise. It took the threat of litigation by the NGO Hlidac státu (National Watchdog) for the government to provide relevant health statistics. Ever since, the government has published most pandemic-related data in a comprehensive, timely and user-friendly way.

Legislative Actors' Resources

Parliamentary
Resources
Score: 9

In Czechia, members of parliament can draw on a set of resources for monitoring government activity. In addition to their basic salary, members of parliament receive additional pay for their membership in parliamentary committees, commissions and other duties. They also have a budget for assistance and expertise. Parliamentary committees have an office staff of two to three persons and a secretary, and both a parliamentary library and a Parliamentary Institute are available to members. The latter serves as a research center providing information and training for members of both chambers. The research is provided on demand (to deputies and senators) and the institute also publishes regular reports on subjects of interest to the body.

Obtaining
Documents
Score: 10

As specified in the rules of procedure of the Chamber of Deputies, Czech parliamentary committees may ask for almost all government documents. Members of parliament are entitled to request all information and documents from government members, heads of administrative authorities and local self-government bodies that are necessary for the performance of their functions. These requests are usually respected and documents are delivered 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. If the Chamber of Deputies believes that there has been serious misconduct and a minister's explanation is regarded as insufficient, it may establish a parliamentary inquiry committee.

Summoning
Experts
Score: 10

In Czechia, parliamentary committees and subcommittees may summon experts, and often do so.

Task Area
Congruence
Score: 9

The Rules of Procedure of the Chamber of Deputies do not prescribe a particular distribution of subject areas among committees. The chamber is obliged to establish the Mandate and Immunity Committee, the Committee on Petitions, the Budget Committee, the Control Committee, the Organizing Committee, the Electoral Committee, and the Committee on European Affairs. However, the establishment of additional committees is within its competence. Committee meetings are public, except for the Organizing Committee, and the Mandate and Immunity Committee meetings. In the 2017–2021 term, there were 18 parliamentary committees, 15 of which shadowed government ministries or ministerial agendas. However, there was no exact match between the task areas of parliamentary committees and ministries. For example, the Economic Committee covered the agendas of two ministries, the Ministry of Industry and Trade, and the Ministry of Transportation. Parliamentary committees can and frequently do establish subcommittees.

Media

Media Reporting
Score: 6

The main TV and radio stations provide daily news programs and some more in-depth discussion and analysis programs weekly. The quality of information on government decisions has improved with the digitalization process. In addition, Czech TV established CT24, a channel dedicated to news, which also broadcasts online and offers a continual analysis of domestic and international events. In the second and third quarters of 2021, approximately 58% of the population between the ages of 12 and 79 were readers of at least one national-level daily newspaper (12 percentage points more than in the same period in 2019). The yellow press Blesk dominates the print media with the largest readership (0.7 million readers), followed by MF Dnes (0.44 million readers, MAFRA Holding). Overall, online media, covering a broad spectrum of views, peaked during spring 2020 due to the demand for information regarding the pandemic. Social media plays an essential role in increasing the visibility of policy issues, but has also significantly contributed to the spread of misinformation and polarization, especially on vaccines.

Parties and Interest Associations

Intra-party
Decision-Making
Score: 4

The 2021 parliamentary elections transformed the Czech political landscape. Neither the Social Democrats (ČSSD) nor the Communists (KSČM) crossed the 5% threshold required for parliamentary representation. Only a coalition of three conservative parties – the Pirate Party (in coalition with a broadly liberal grouping) which had moved toward the political center, the far-right Freedom

and Direct Democracy (Svoboda a prima demokracie, SPD), and Babiš's ANO – won representation. The traditional parties had developed formal structures and means of participation in electing their leaders and voting at congresses on policies although, in practice, active involvement by members was limited. The internal organization of the Pirate party is the most systematically inclusive as it enables both members and sympathizers to engage in agenda-setting and other activities, the majority of which take place online. The internal decision-making of the ANO party is the polar opposite. The party is hierarchically organized, and its founder and leader, Andrej Babiš and a small group of his allies, dominate the decision-making process. The internal organization of SPD is even more restrictive, as the party leader Tomio Okamura controls both the decision-making and party finance in ways that involve intimidation and – according to investigative journalists – even extortion.

Association
Competence
(Employers &
Unions)
Score: 7

The main employers' unions and trade unions both have considerable resources and expertise with which to develop coherent policies. Trade unions have a significant competence with regard to labor relations and economic policy more generally; they can lobby ministries and parliament and influence government directly through tripartite consultation structures. Employers also have access to considerable resources, but have a different agenda, favoring a less regulated labor market and lower business taxes. To strengthen their position, the trade unions align their position with European legislation. Consultation with the trade unions and employers intensified during the pandemic period and their input into the recovery plan was substantial.

Association
Competence
(Others)
Score: 7

Interest associations have grown considerably in Czechia since 1990. As of March 2020, over 135,000 autonomous, self-organized groups, associations, foundations and organizations were registered in the country, although not all of them were active. Over the last decade, many new NGOs have emerged with a focus on areas such as corruption, city planning, LGBTQ+ rights, food safety, and participatory budgeting on the local level. Many of these have the resources and expertise to formulate relevant policy proposals. For example, in the 2021 general elections, two groups were visible, namely We are Fair (JsmeFer), which harnessed support for candidates committed to supporting same-sex marriage, and Circle a Woman (Zakrouzkuj zenu), which asked voters to give preferential votes to female candidates. The latter might have contributed to a significant increase of women among newly elected members of parliament. The biggest impact was from the movement Million Moments for Democracy (MMD), which formed in January 2018 with the aim of collecting one million signatures opposing Babiš as prime minister in view of accusations of his corrupt practices. In 2019, it claimed to have collected 420,000 signatures and held mass public demonstrations, which continued during the pandemic, that criticized the government's alleged incompetence and poor communication. MMD probably contributed to uniting part of the

opposition to Babiš and to the five percentage point increase in turnout in the 2021 parliamentary election.

Independent Supervisory Bodies

Audit Office
Score: 8

The Supreme Audit Office (Nejvyšší kontrolní úřad, NKÚ), which had 467 employees in 2020, audits the financial management of state entities and financial resources received from abroad. It expresses an opinion on the state's final financial accounting statement and oversees the implementation of the state budget. The NKÚ is not authorized to audit the finances of municipalities, towns or regions, or to audit companies co-financed by the state or lower-level governments. The constitution regulates the functioning of the NKÚ; the body's president and vice-president are appointed for terms of nine years by the county's president, based on proposals made by the Chamber of Deputies. The Chamber of Deputies further elects the members of the NKÚ upon nomination by the president of the NKÚ. In 2020, NKÚ audited 152 institutions, the Chamber of Deputies' Control Committee discussed 22 NKÚ audit reports and the government considered 24 audits. Reports were frequently critical, pointing to failures at varying levels of public administration to assess adequately whether money had been well spent in terms of achieving state objectives. This was exacerbated during the pandemic when many decisions were taken with more haste and, in the NKÚ's view, the state gave up on efforts to find savings. The NKÚ concluded that the stability of public finances could come under threat and that there needed to be a decisive change in how the state operated.

Citation:

NKÚ (2021): Annual Report 2020. Prague (<https://www.nku.cz/assets/publications-documents/annual-report/annual-report-2020.pdf>).

Ombuds Office
Score: 8

Czechia has had an ombuds office since 2000. Its head is elected for a six-year term by the Chamber of Deputies from among candidates nominated by the president and the Senate. The office delivers quarterly and annual reports on its activities to the Chamber of Deputies, including recommendations on where laws could be changed and report on not fulfilled recommendations. The Office also annually evaluates the extent to which these recommendations were followed. 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. The first four ombudspersons have acted independently and have taken their advocacy role seriously. By contrast, Stanislav Křeček, who became ombudsman at the age of 81 in March 2020, has undermined the reputation of the office by espousing controversial, legally dubious opinions on many civil rights issues. These include banning the presence of fathers during births, blaming discrimination against the Roma on

the Roma, and claiming that some human rights anchored in the constitution are exaggerated and superfluous.

Data Protection
Authority
Score: 8

Data protection responsibilities rest with the Office for Personal Data Protection (Úřad pro ochranu osobních údajů, ÚOOÚ), an independent body established under a law passed in 2000. It is tasked with supervising the observance of the legal obligations laid down for personal data processing, maintaining the register of notified data processing operations, dealing with initiatives and complaints from citizens concerning any breach of the law, and advising the government on issues relating to personal data protection. The president of the republic appoints the president of the office, with candidates being nominated by the president of the Senate, the upper house of parliament. The office regularly publishes an annual report on its website detailing its activities. In 2019, the Personal Data Processing Act 2019, the country's second data protection act, sought to implement the European Union's GDPR. As a result, the scope of ÚOOÚ's activities has widened. During the COVID-19 pandemic, the ÚOOÚ has provided answers to the most frequently asked questions on personal data processing on its website and has not refrained from criticizing the government.

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