

Strategic Framework Czech Republic 2030





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Dear readers,

Dear fellow citizens,

Ladies and gentlemen,

We are pleased to present the Strategic Framework Czech Republic 2030; the result of two years of hard work contributed by many people, institutions and organisations. The wide scope of cooperation makes it a document which goes beyond government departments, but also, I believe, it is a well-presented document that works across political parties. Its strength and ability to convince stem from the fact that it captures a consensual view of strengths and weaknesses of our country, and that it formulates goals crucial for long-term development of the Czech Republic. Thanks to this approach, the Czech Republic proves it belongs to the family of well-developed countries which are responsible not only for themselves but also for global development.

Sustainable development represents respect for the world that we have inherited from our ancestors. It stands for respect for the limits of nature and our planet as well as for the provision of the same opportunities for development for generations to come. Quality water, available water, quality soil and diverse landscape are not to be taken for granted and they represent our common interests. A sustainable world appreciates their complexity and mutual context. It is respectful towards humans and their society; it excludes no one.

However, efforts for a sustainable world do not seek to preserve it; they seek to improve it. These efforts strive to create fundamentals for a life of quality and dignity for all of us. Functional families and communities, public service that is of high quality and available, dignified work; these are the foundation stones for a cohesive society. A green and blossoming economy stands upon them, contributing to the stabilisation of economic institutions while at the same time developing people's creative abilities. I am glad to see that today we are already able to find innovative and progressive industrial solutions and implement them into our lives. I hope we will see them soon, for example in the responsible use of land, dignified living and adapting our cities to the impacts of climate change as well.

Wherever we live, whether in cities or in the countryside, they are essential to our satisfaction and if we look after these places properly then it will improve our quality of life. We are only able to handle the challenges if the state administration adjusts its workings to suit the needs of its citizens, increases its effectiveness and includes the citizens in the process of policy preparation at all levels. We are only able to tackle the problems we are facing once all of us feel that our efforts and engagement are meaningful. It is therefore necessary to create and expand opportunities to include citizens, since building a civil society is an inherently never-ending process.

Obviously, we share many problems, regardless of our convictions. It is in the interest of all of us to preserve the world as a place to live and to hand it over to future generations in a better shape than we received it, if possible. However, we have not been successful in achieving this for some time. Czech Republic 2030 was created as a set of instructions for the public administration to change this situation. Transitioning to the sustainable way of life places demands on each of us. That is why Czech Republic 2030 mainly represents a challenge to go through with this transition, a hand reaching out to all who do not view the future with indifference.

Czech Republic 2030 is our shared future.

Let us shape it together.

Bohuslav Sobotka

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Dear readers,

We are pleased to present the Strategic Framework Czech Republic 2030 called *Czech Republic 2030*. It is a result of an update to the *Strategic Framework of Sustainable Development* accepted by the government in 2010. The update commission has been approved through the Government Resolution of 29 July 2015 No. 622 on the Sustainable Development Agenda. The Strategic Framework is a result of an extensive participative process that has been taking place since September 2015; firstly, it was coordinated by the Department and then by the Division for Sustainable Development of the Office of the Government of the Czech Republic. Learn more about the whole update process on the website www.vlada.cz (bookmark 'Advisory and working bodies', The Government Council for Sustainable Development).

Since it is a document covering a wide range of topics, we made its navigation and utilisation as straightforward as possible. The first three sections (Introduction, Vision, and Principles of Sustainable Development) define the basic development approach, introduce the process of the document creation and describe the general vision of development up to the year 2030. This is followed by a summary of the Development Analysis in the form of six SWOT analyses (overviews of strengths and weaknesses, opportunities and threats), one for each key topic area. These SWOT analyses state the main conclusions of analytical works that preceded the creation of draft sections of the individual key areas and their goals. The complete Analysis of Development forms the entire Annex No. 2 of the Strategic Framework. Visions extended for each area have been formulated in the key areas and a desirable direction of development in the corresponding topic areas have been presented. Each key area is concluded by a list of strategic goals and their specifications in the form of specific objectives. Indicators in Annex No. 1 are designed to measure fulfilment of these specific objectives. At the beginning of each key area, there is a graphic overview of sustainable development goals set by the United Nations, with highlighted goals related to the given key area.

For ease of readability, the paragraphs of key areas are numbered (each of the key areas has its own numerical series which always begins with 101, 201, etc.). Furthermore, the paragraphs include summary descriptions in the left column. The footnotes include brief bibliographic information that allows the reader to easily find the source in the bibliography listed at the end. Departments' strategic and conceptual documents stated are usually available in the Strategy Database (www.databaze-strategie.cz).

Introduction

1. *Czech Republic 2030* is a strategic framework that indicates the direction the development of our country and society should take in the decades to come. Fulfilling it should improve the quality of life in the Czech Republic and point our country towards development sustainable in terms of social, economic and environmental aspects.
2. The document forms a basic framework for other strategic documents on national, regional and local levels. It cannot replace sector documents and it does not aspire to do so. With regards to links with these documents, it indicates areas that are decisive in terms of long-term development of the Czech Republic. Specific steps leading to fulfilment of its objectives fall under the corresponding Ministries and the Office of the Government of the Czech Republic. It is desirable that fulfilling the objectives set out in *Czech Republic 2030* is also reflected in regional and local policies and everyday life of all citizens. The strategic framework is not only designed for public administration; all citizens, companies, social partners and not-for-profit organisations are invited and encouraged to actively participate to fulfil its objectives.
3. *Czech Republic 2030* replaces the *Strategic Framework of Sustainable Development* accepted by the Government in 2010. It constitutes part of our common effort for sustainable development in the European Union and at the same time it is a contribution of the Czech Republic to fulfil the global *Sustainable Development Objectives* adopted by the United Nations in 2015. These global objectives are common for all; however, each state decides on the specific contents of the objectives depending on its own specifics as well as on the specific ways to meet them.
4. By restoring the activity of the Government Council for Sustainable Development in 2014 and especially by creating the capacity to provide the sustainable development agenda at the Office of the Government of the Czech Republic (Division of Sustainable Development), the Czech Republic is continuing its long-term operations in the sustainable development agenda both on a domestic and international level. Transferring the responsibility to the Office of the Government has emphasised the strategic and cross-sectional importance of this agenda.
5. *Czech Republic 2030* stems from two main approaches – quality of life and sustainability. The quality of life perspective reminds us that the progress in society cannot be evaluated solely using economic indicators. For example, GNP increases even when we are stuck in a traffic jam and consuming fuel – the contribution made to the quality of life is at least debatable. Apart from a macroeconomic perspective, we also need to take into account individuals, families and societies and various aspects of their mutual interactions. Quality of life presumes investments into human potential as a basis for development. Organisation for economic cooperation and development therefore recommends monitoring various parameters of quality of life, e.g. health, balance between work life and personal life, education and skills, interpersonal relationships, civic engagement, environment quality, personal safety and subjectively perceived life happiness.¹ Naturally, these attributes are predominantly (but not completely) determined by material conditions, i.e. income, wealth, employment and profits.

¹ OECD (2015) *Measuring Well-being and Progress*.

6. Principles of sustainability remind us that society's development is influenced by the physical limits of our planet and landscape. Most natural resources are finite; by consuming them excessively, we may damage our society, burdening our development with natural debts. *Czech Republic 2030* accepts that humans are part of nature; however, it concentrates on people and their needs. The Act No. 17/1992 Col. on the environment states that "sustainable development is such a development that meets the needs of the present generations without compromising the ability to fulfil them to future generations while not reducing the diversity of nature and preserving the natural functions of ecosystems." The sustainable development perspective has tended in recent years to become the main subject of political debates in Europe and around the world. It tackles the contemporary world's hot issues such as climate change, demographic changes, loss of fertile soil and increasing inequality. It also concerns increasing the way we all connect with the present world which forces us to look at the world in context and take into account the responsibility of each state to the global community.

7. *Czech Republic 2030* was being formed at the time when the global community formulated its vision of the future world at the United Nations in *17 Objectives of Sustainable Development*. The idea of development as a matter for developing countries has changed. Each country has a responsibility to its citizens and the environment, and the responsibility and development are never-ending processes.

8. During preparations of the strategic document, the international community also adopted a new *Paris Agreement* under the United Nations Framework Convention on Climate Change, with ambitious goals. The Agreement is also complemented by the *Global Plan of Action on Disaster Risk Reduction*. The awareness that climate change needs to be prevented and prepared for, and that we need to identify and manage risk related to it, has also been growing in the Czech society – mainly because of visible negative impacts, e.g. torrential rains, droughts and other extreme weather conditions.

9. The Czech Republic has to think its future through, bearing in mind the complexity and interrelationships of the present world. That is why *Czech Republic 2030* puts the development of our country in the context of global development. It uses the concept of so-called global megatrends. These are development tendencies on a global level; we presume they will significantly influence the ability to fulfil the development objectives set in *Czech Republic 2030* in the future. One of the keys to sustainable development is the ability to make decisions in the long-term perspective, being aware of tremendous uncertainty and taking into account various impacts of the solution selected. That is why this strategic framework is now also thoroughly concerned with the issue of governance.

10. *Czech Republic 2030* understands the topic of security as part of a more general problem of resilience of societal and ecological systems. Maintaining security in the narrower sense of the word – handling issues of defence and international security or issues such as spreading weapons of mass destruction, organised crime and criminality in general, terrorism or extremism – is conceptually covered sufficiently by existing strategic materials on the basis of which necessary measures are taken. However, the resilience is two-part in terms of sustainable development. The first part is resilience against various unexpected hazards, or more specifically the capacity to foresee and manage crisis situations, whether of natural or man-made origin. This capacity universally complements identified security threats; existing activities in the field of security reflect it, and *Czech Republic 2030* therefore only puts it into

the context of sustainable development. The other part is resilience in the form of wide-range prevention on one hand and tools of adaptation to change on the other hand. This dimension of resilience is emphasised in *Czech Republic 2030* (in comparison to current strategic materials from the field of security).

11. *Czech Republic 2030* sums up the progress made by the Czech Republic, what risks it is facing and what opportunities lie ahead in six key areas. The document formulates strategic and specific objectives for each of these areas. Apart from three traditional pillars of development (social, environmental, and economic), the key areas also concern the life in regions and municipalities, the Czech contribution to development on a global level as well as good governance. The division of the strategic document into six areas stems from expert assessment of these in response to the appeal by the Prime Minister and the Chairman of the Government Council for Sustainable Development which addressed all advisory bodies of the government and not-for-profit organisation networks.

12. *Czech Republic 2030* is the result of more than a one-year participative process taking place within the Government Council for Sustainable Development and led by the Department and subsequently the Division for Sustainable Development of the Office of Government of the Czech Republic. Hundreds of participants from various sectors of society were involved, including committees and task forces of the Government Council for Sustainable Development.² The preparation followed the assessment that verified the extent of fulfilment of the *Strategic Framework for Sustainable Development* in the years 2010 to 2015.³

13. The adoption of *Czech Republic 2030* will be followed by an implementation document that shall provide its link to further documents and indicate specific measures to ensure its fulfilment. The Office of the Government of the Czech Republic shall coordinate this implementation: The Government Council for Sustainable Development and its committees shall have the supporting role of an expert network. The implementation shall also include monitoring of accordance with specific programmes and measures. The set of indicators in *Czech Republic 2030* serves to measure the progress in meeting specific objectives and also as a foundation for regular assessment reports processing (see Strategic framework implementation).

² For more information on this process, see <http://www.vlada.cz/cz/ppov/udrzitelny-rozvoj/aktuality/-informace-o-priprave-strategickeho-dokumentu-ceska-republika-2030-142957/>.

³ The assessment is available here: http://www.vlada.cz/assets/ppov/udrzitelny-rozvoj/CR-2030/Vyhodnoceni-SRUR_2016.pdf.

Vision: How should the Czech Republic look in 2030?

In 2030, the Czech Republic is a democratic legal state based on respect to civic, political, economic and social rights of its citizens and has developed its identity based on its culture. It provides a good quality of life for its population and at the same time respects natural and territorial limits and protects biological diversity. It also purposefully helps to meet these values elsewhere in the world. Sustainable development of the Czech Republic is measured through improvements in the quality of life for each individual as well as in society as a whole. It fulfils the needs of present generations without compromising the ability of future generations to fulfil theirs. The Czech Republic is a cohesive, active and energetic society of equal opportunities; it minimises structural and social inequality. Society and its decision-making structures are resilient and flexible, able to recognise possible development risks in time and respond rationally to unexpected changes and to the ever-changing dynamic of global development. Resilience of societal relations and structures and factual problem-solving are strengthened with discussion and agreement.

Executive summary

14. *Czech Republic 2030* is a strategic framework for long-term development of Czech society, the objective of which is to improve the quality of life of all inhabitants of the Czech Republic while respecting natural limits. Based on the structural analysis of the contemporary condition and trends, the document formulates strategic and specific objectives the Czech Republic should fulfil by the year 2030. Their fulfilment will be the responsibility of relevant central bodies of the state administration. At the same time, the Strategic Framework shall also serve as a guide for development of regions and municipalities.

15. *Czech Republic 2030* connects two major concepts – quality of life and sustainable development. Quality of life cannot be measured exclusively by economic indicators such as GNP; on the contrary, evaluating it requires monitoring of other aspects of human life as well, such as health, balance between work life and personal life, education and skills, interpersonal relationships, civic engagement, environment quality, personal safety and subjectively perceived life happiness. We must monitor sustainability and evaluate it also in terms of resource and energy intensity.

16. *Czech Republic 2030* is the result of a process taking place within the Government Council for Sustainable Development and led by the Department and subsequently the Division for Sustainable Development of the Office of Government of the Czech Republic. The Division was created in 2014 as a coordinating body for the sustainable development agenda that was now the responsibility of the Prime Minister. This significantly contributes to perceiving its importance and facilitates solving problems and topics beyond Ministries; abroad, this structure is considered to be a paragon of good practice. The document preparation began in 2015 and hundreds of experts were involved. The document has been consulted with more than 100 organisations and institutions from the civic, private and academic sectors. Nine expert committees of the Government Council for Sustainable Development provided major support in this process.

17. *Czech Republic 2030* replaces the *Strategic Framework for Sustainable Development* from 2010 and other conceptual documents in this field. Its preparation has been influenced by the adoption of *Agenda 2030 for Sustainable Development* and its 17 *Sustainable Development Objectives* created by the United Nations in September 2015 as well as the adoption of the *Paris Agreement* under the United Nations Framework Convention on Climate Change. *Czech Republic 2030* serves as a foundation for the assessment of development of the Czech Republic and its global responsibility. The government will report regularly on the fulfilment of the *Sustainable Development Objectives* in the United Nations; the first report is due in July 2017.

18. In its Introduction, the document formulates six cross-sectional principles of sustainable development and indicates how to apply them in the creation of public policies. *Czech Republic 2030* formulates its objectives across a total of six key areas. *People and society, Economic model, Resilient ecosystems, Municipalities and regions, Global development and Good governance*. The key areas have been appointed on the basis of theses prepared on the development acquired from key participants. Compared to the *Strategic Framework for Sustainable Development of the Czech Republic*, the topic of governance proved to be an important topic and it has recently been recognised as an autonomous key area. The document also takes into account the external context of development of the Czech Republic

and concerns so-called global megatrends and their impact on strategic objectives for the development of the Czech Republic.

People and society

19. In terms of society, the Czech Republic has a range of structural advantages. It has a universal system of social protection that successfully performs the function of a contemporary “safety net”; in international comparison, the Czech Republic shows low general income inequality, has a stable public education system, a good level of education and quality healthcare available. In recent years, the general unemployment rate has been decreasing; however, the rate of long-term unemployed within the total unemployment rate is growing. Despite that, there are some crucial challenges identified in terms of long-term development: The danger of poverty is above-average in certain population groups (the elderly, single-parent families), there are gender inequalities in society, the social-economic background of students significantly determines the results of their education. People are living longer, but they end their days suffering from diseases and general health is significantly influenced by social-economic conditions. Trends of demographic ageing, progressive robotisation and job market digitalisation will continue to significantly influence the development of society. Dealing with these trends in favour of quality of life will constitute a major task of public policies. By 2030, the strategic document suggests increasing investments into prevention and health literacy, strengthening system support for educators as bearers of change in the education system, maintaining the employment rate via development of the green and silver economy and increased involvement of underrepresented groups on the job market.

Economic model

20. The economy of the Czech Republic must find new sources of growth after depleting the growth model based on an influx of direct investments from abroad. The key aspect is support of innovative initiatives in small and medium enterprises which have the biggest growth potential as well as in large companies which form the largest part of the economy. However, the economy must grow without increasing consumption of resources and energy at the same pace. Therefore, the objective is to cancel the dependence of economic growth on the growth of material and energetic consumption (so-called *decoupling*) by the year 2030. Another technological opportunity and at the same time a contribution to the international efforts to mitigate climate change is gradual decarbonisation of the economy. Economic development depends on adaptation and maintenance of the infrastructure which is also a security element bringing the desirable resilience. In the future, sustainable public finance must be able to cope with changes in income structure, new requirements for expenses and also to provide optimally efficient distribution of public resources.

Resilient ecosystems

21. Ecosystems of the Czech Republic are under significant pressure from intensive agriculture and forestry which contribute to soil degradation and decrease its ability to retain water. There is more landscape fragmentation and less biological diversity. A significant part of the surface water is contaminated by discharge from fields and by waste water. We need to reverse those trends by 2030 and achieve a gradual improvement of the contemporary

conditions. We can use synergy between improvement in soil fertility, carbon capture and storage in the form of organic matter, and retaining water in the landscape. The restoration of ecosystem services may be provided by suitably adjusted conditions of farming; distribution of subsidies will depend on fulfilment of these conditions. Synergy between the necessary landscape restoration and creation of jobs in the country in landscape maintenance and tourism will also contribute to balanced regional development.

Municipalities and regions

22. Inequalities between municipalities and regions are growing; they manifest mainly through the occurrence of internal peripheries and poor availability of public services and amenities, as well as a result of the outflow of the younger and more educated population to cities. At the same time, municipalities and regions have been dealing with the consequences of gradual suburbanisation that has also gradually been affecting smaller settlements. The gradual urban sprawl also leads to poorer availability of public services, increases forced mobility and related negative phenomena, for example, health-threatening factors induced by an increase in traffic. Cities and municipalities will also have to start accepting measures for adaptation to climate change and prevent its impact by 2030. Climate change is the typical example that by its cross-sectional nature imposes complex demands on municipalities, their representatives and expert bodies. However, some cities and municipalities have yet to face those demands, because they are still struggling with various problems such as an unclear situation in terms of competence between the national administration and municipal administration, shortcomings in governance effectiveness, quality and legitimacy, including involvement of the public. By 2030, it is therefore necessary to support municipalities and regions in planning in spaces smaller than regions and transcending territory of a single municipality that will take into account functional relations. We will also need to develop a network of services in the territory and cooperation among municipalities, support emission-free transport, provide new uses for brownfield sites and reurbanise city centres, reduce greenhouse gas emissions and take adaptation measures, such as better care for greenery in cities, or mitigation measures, e.g. in the form of passive-energy civil engineering.

Global development

23. The Czech Republic accepts its global responsibility and it will continue to cooperate on the development of the global environment suitable for sustainable development affirmation by 2030. The impact of domestic policies on development in other countries will be assessed regularly and the Czech Republic will strengthen the coordination of its representation within international organisations.

Good governance

24. Good governance is the basic prerequisite for long-term development. In this area, *Czech Republic 2030* identifies several crucial challenges such as decreasing the extent of political participation via traditional channels (political parties and elections), weak ability of horizontal coordination of the public administration, limited ability to work when making decisions with long-term perspective, poor involvement with contemporary international debate and severely limited ability to innovate the governance. It is therefore necessary to

strengthen all mechanisms by 2030 that provide policy coherence, develop an innovative environment in public administration, improve representative and strengthen participative and deliberative elements of democracy, strengthen data, knowledge and skill capacity of the public administration and develop a system for sharing data and information both inside the public administration as well as with citizens. These principles should be adopted at all levels of public administration.

25. In order to provide implementation of the strategic document *Czech Republic 2030*, an autonomous implementation document will be adopted that will assess fulfilment of contemporary specific objectives and identify the space for adjustment of existing policies or potential for adoption of new policies or measures. The objectives of the strategic framework *Czech Republic 2030* will be fulfilled via measures on a national and regional level. The Division for Sustainable Development of the Government Office will prepare an analytical *Report on the Quality of Life and Its Sustainability* every two years. This report will assess the condition and trends in quality of life and its sustainability in the Czech Republic on the basis of indicators. Representatives of other sectors will be invited to prepare and challenge it. The report will also include recommendations on a possible update of the strategic framework.

26. *Czech Republic 2030* represents a vision of long-term development to which non-state participants must also contribute. That is why it will be possible to apply to fulfil its objectives via so-called voluntary commitments. The implementation will also include strengthened sustainability in the internal workings of government and administration offices on a national, regional and municipal level, and methodical support of the Office of Government in the application of sustainable development principles in the decision-making of central bodies of state administration.

Principles of sustainable development

27. *Czech Republic 2030* sets out the principles specified below that are reflected in all key areas, and presents possible practical ways to fulfil them in specific policies.

Let us keep in mind that sustainable development is a complex and dynamic system

28. The human world is one whole. Each division into environmental, social and economic interests is secondary. All these areas are interconnected. That is why it is necessary to approach them in an integrated manner and respect the need to maintain a complex and dynamic balance in time and space. That can be achieved by striving for balance between the three pillars of sustainable development via strategic planning and management. The result should be coherent/interconnected policies for sustainable development that communicate with the whole society (including all sectors), stemming from objective division of the decision-making power which are to be implemented throughout all decision-making levels, from the top down (subsidiarity). Their contribution is not only to be measured by expense, but also by their external manifestations and impact.

Let us support and maintain diversity

29. Stable complex systems are usually in a condition of dynamic balance. Higher diversity lowers the risk of collapse of entire ecosystems. However, diversity is crucially important not only in natural ecosystems, but also in social, cultural, political and economic spheres. Sustainable development includes diversity of perspectives and tolerance for difference. These manifest practically, for example, in the following principles – the principles of partnership, equal opportunities, inclusion, preventative caution, cohesion and global responsibility. Diversity also entails acknowledging that environmental protection is a necessary part of the development process and it has to be assessed alongside other aspects.

Let us respect basic human rights

30. Sustainable development is not possible without respecting the principle of equality, freedom and rights of all people, their mutual solidarity, responsibility and tolerance in terms of achieving the highest quality of life of individuals as well as society. That is why sustainable development respects basic values of human society, both individual (the right to life, freedom, security, education, equality, equal opportunities, etc.) and collective (global and intergenerational responsibility, security, solidarity, social cohesion).

Let us participate, discuss, be transparent and seek non-violent conflict resolution

31. Another necessary prerequisite of sustainable development is transparency understood not only as sufficient information on the decision-making processes of the state and institutions, but also the quality and comprehensibility of the background. Policies must be based not only on the results of quality scientific knowledge, but also on participation, i.e. involvement of the public having access to sufficient quality and comprehensible information. At the same time, the political principle of subsidiarity, i.e. decision-making at the lowest

possible level, must respect the attitudes of various social groups. Decisions asserted by force are not sustainable in the long-term perspective.

Let us learn

32. Another one of the fundamental sustainable development principles is the increasing rate of knowledge across all areas. However, this also includes the ability to put such knowledge to use, pass it on in education and hone the skill of learning from experience. Cooperation between the public administration and science institutions is therefore essential as well as the application of its results in strategic planning. With deeper knowledge, the respect for cultural heritage grows; the knowledge of sustainable patterns of production and consumption leads to more provident processes and knowledge of natural sciences contribute to a greater understanding of ecosystems. A quality system of education, parenting and enlightenment is important for a sustainable society which allows various spheres of society to use the knowledge they receive.

Let us think globally and long term, but act locally

33. Life is not simply about the here and now. Many forms of impact only become evident over time; we notice them only when taking a long-term perspective. That is why we must think all our decisions through very carefully. We should abide by the following principles – the principle of intergenerational solidarity, responsibility and transparency, international responsibility, preventative caution and preventing negative phenomena, adaptation to long-term trends, building an infrastructure with respect to critical elements which could seriously impact national security if disrupted, the principle of securing basic life needs of the state population, health and the state economy. We should also keep in mind risk reduction, ecosystem preservation, reasonable expense, deviation from unsustainable patterns of production and consumption, growth of the range of the circular economy, transforming the economy to one that is less demanding in terms of energy and resources, and other issues such as waste management, recycling, etc.

Summary of analysis of the Czech Republic development

34. Strategic and specific goals of *Czech Republic 2030* stem from a detailed analysis capturing contemporary structural challenges and opportunities as well as significant trends that influence the development of our society in the future. The complete Analysis of Development forms the entire Annex No. 2 of the Strategic Framework. The following part outlines conclusions of the Development Analysis for each key area in the form of a SWOT chart that describes *Strengths (S)*, *Weaknesses (W)*, *Opportunities (O)* and *Threats (T)*.

People and society

S	W
<ul style="list-style-type: none"> • increasing life happiness thanks to the contemporary favourable macroeconomic situation • historical experience and tradition of Czechoslovakia and the Czech Republic in the field of family policy and support for families with children • in recent years, the general total unemployment rate has been decreasing; it is low even by international comparisons • a universal system of social protection serving as a temporary “safety net” • low income inequality as a whole by international comparisons • a stable public education system and good education levels • quality healthcare • growth in public expenditure for culture 	<ul style="list-style-type: none"> • weakened society family model due to impact of external pressures • fulfilling the family function without relevant material and financial appraisal – when losing direct benefits for children, families with children are significantly disadvantaged compared to rest of population • insufficient range of suitable employment options for greater involvement of some groups on the job market, little connection of these groups with the job market (women with small children, disabled people) • growing proportion of long-term unemployed within the total unemployment rate • prevailing discrimination based on age and ethnicity • prevailing gender inequality in society and significantly higher sexual discrimination in the Czech Republic than in other states of EU28 • the social system is not helping to improve the situation of the most at-risk population groups • the results of education are significantly determined by students’ social-economic background • significant deviations from the median lifespan in some population groups • high health-risk impact on people (air pollution above set limits, smoking, alcohol, etc.) • healthy lifespan together with median lifespan are increasing gradually

O	T
<ul style="list-style-type: none"> • opportunity to strengthen the ability of the state to provide public services by cooperating with other participants (non-profit sector, local administrations, communities) • efficient family policy and social acknowledgement of the goal of a functioning stable family and providing home-based care in the family • balancing social-economic transfers between the family and society • efficient policy of balancing family life and work life • preventing the potential financial losses to a family following the arrival of a new child • balancing the decrease in number of jobs in the secondary sector caused by digitalisation and robotisation not only by downsizing the workforce due to demographic development, but also by expanding employment rates in ICT, so-called green economy and so-called silver economy and in services in general • the possibility of making the job market far more accessible to population groups who have so far been alienated due to the growth of unprecarised and flexible forms of employment • using advancing digitalisation and robotisation to improve quality of life • increasing availability of public services in peripheral areas leading to prevention of their depopulation • allowing greater use of human potential and preparing people for contemporary and future challenges by educating them, including life-long education • supporting the increasing lifespan in health by reducing the impact of hazardous substances and noise, by increasing health literacy and creating an environment and services supporting health • the possibility of a more precise focus of health policies towards greater transparency of (aggregated) health data • cultural attractiveness of the Czech Republic • using the increasing tendency of immigration into the Czech Republic to obtain an optimum number of foreigners via a well-adjusted immigration and integration policy 	<ul style="list-style-type: none"> • underestimating preparations for demographic ageing of the population • impact on demographic development of insufficient support for families • increasing income inequality, fragmentation and atomisation of society that prevents its cohesion and cooperation • changes in employment rates in the secondary sector – digitalisation and robotisation and general transformation of society • deepening the existing social inequalities by unbalanced division of both negative and positive impacts (profit distribution) of digitalisation, robotisation and technological changes in general • increasing job market polarisation in terms of incomes and working conditions influenced by current trends • not everyone will profit equally from increased work productivity • further weakening of traditional types of employment and pressure on its more flexible forms, weakening labour relations and work precarisation with consequential spread of uncertain and underpaid forms of employment unprotected by the social system • increase in work precarisation within the framework of advancing digitalisation • gentrification of some cities and consequential growing suburbanisation • significantly lower level of risk of poverty in some social groups (depending on education, age, family status) • high risk of social exclusion of some population groups • depopulation of the country with consequential population concentration in several settlement centres and population ageing in peripheral areas

Economic model

S	W
<ul style="list-style-type: none"> • Czech Republic is a successful European economy with an economic level that is close to the average of EU28 over the last 25 years, mainly thanks to absorption of a significant volume of foreign direct investments • geographic location • increase in expenses for R&D and their effectiveness, strong tradition mainly in industrial and ICT fields • qualified workforce • increase in resource productivity in absolute terms (from EUR 0.5 to 1 between the years 2004 and 2014) • high quality and reliability of energy supply systems • low import dependence in electricity production thanks to the consumption of lignite, the only fossil fuel with significant deposits in the Czech Republic • independent currency policy • prospects of sustainability of the Czech fiscal system assessed as low- or medium-risk; a relatively low public debt of the Czech Republic in European terms • macroeconomic stability 	<ul style="list-style-type: none"> • foreign direct investments will no longer be the main source of economic growth (unlike in the last 25 years) • low work productivity, comparatively low value added of economic activities • a weak level of production of applied research results, transfer of knowledge from public research into applications and cooperation of research organisation and companies • high exigency of products in terms of energy and material consumption and greenhouse gas emissions • weak transportation connectivity to economic population transport centres, mainly in Germany • unbalanced quality of transportation infrastructure in individual parts of the Czech Republic • insufficient effectiveness assessment of public expenditure • generally high administrative burden (not only in terms of taxes) • high rate of financing of public budgets from ESIF
O	T
<ul style="list-style-type: none"> • increasing quality of FDI, attracting higher functions of foreign enterprises (regional central headquarters, research centres) • improving the position of Czech enterprises in global value chains and asserting their capacity in pre-production and post-production processes • increasing the state helpfulness towards entrepreneurs • removing obstacles to establishing and developing SME • improving institutional foundation of applied research • decreasing the risk of dependence on imports and at the same time improving the Czech Republic economy's environmental trace as well as its competitiveness in terms of strategies for decreasing unit consumption of resources and energies while preserving economic growth at the same time, so-called <i>decoupling</i> • developing the circular economy and increasing the rate of recycled materials and secondary resources in resource flows • gradual decarbonisation of economy as an opportunity for technological development and innovations, including development of intelligent networks • use of domestic secondary and renewable energy resources • use of strategic advantage of geographic vicinity to the main population centres of the European region, also through high-speed connection • modernisation of the railway system comparable with Western Europe, including the possibility of connecting the high-speed railways • improving information and communication infrastructure in regions • maintaining fiscal discipline 	<ul style="list-style-type: none"> • the possibility of clamping the ability to finance public policies by increasing the difference between GDP and GNI • stopping the convergence towards Western Europe (remaining in the medium income trap) • slowing economic growth because of ceased growth of FDI • losing competitiveness because of the inability to keep up with innovations abroad • discrepancy between qualifications of graduates and employer requirements (<i>skills gap</i>) • specialisation and creation, and comparative advantage in low-tech or only in high-tech assembly • missing the imminent technological leap (digitalisation, biotechnologies, etc.) • failure to meet international commitments made by the Czech Republic by transitioning to the low-carbon economy • postponing full connection to the European transportation network and occurrence of stable transit routes bypassing the Czech Republic territory • the risk of degradation of water management services following occurrence and effects of long-term hydrological drought • limiting income for public budgets from ESIF (a third of expenses for R&D, investment into infrastructure) and the necessity to replace these resources in public budgets

<ul style="list-style-type: none">• improving the ability to assess effectiveness of public expenditure• a simple, transparent and predictable tax system• using the potential of Czech enterprises in perspective fields, e.g. IT security	
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Resilient ecosystems

S	W
<ul style="list-style-type: none"> • high and increasing rate of forested areas in the total area of the Czech Republic • a growing rate of permanent grasslands in the total area of the Czech Republic • an established system of institutional environmental care • high diversity in landscape types due to diversity of natural conditions and historical ways of agriculture 	<ul style="list-style-type: none"> • a still high rate of arable land prone to erosion in the total area of the Czech Republic • Deteriorating landscape connectivity due to fragmentation with linear structures, suburbanization and large-scale agriculture • Bad condition of many natural habitats and low vitality of populations of many biological species • Low quality of a significant part of surface waters and their excessive enrichment with nutrients – by discharge from soil and furthermore with phosphorus from waste water • Fast water discharge from contemporary landscape • Deteriorating quality of agricultural and forest soil due to unsustainable forms of agriculture and forestry • Significant rate of damage to forest stands • Unsatisfactory forest structure
O	T
<ul style="list-style-type: none"> • synergy between restoration of ecosystem services and creation of jobs in the countryside to maintain the landscape and in the field of tourism • the possibility of application of subsidy policy for improvement of the landscape condition and country development • synergy between increasing soil fertility, carbon capture and storage in the soil in the form of organic matter, and retaining water in the landscape 	<ul style="list-style-type: none"> • advancing landscape fragmentation • ongoing decrease in biodiversity • increasing frequency of extreme hydrometeorological phenomena caused by climate change • insufficient amount of water available throughout the whole year • deteriorating soil structure, especially further decrease in the amount of organic matter

Municipalities and regions

S	W
<ul style="list-style-type: none"> • structure of urban settlements contributing to stabilisation of the settlement structure of the Czech Republic • since 2007, regional inequalities have only grown slightly, especially between Prague (the capital) and other regions, but not between individual regions • rapid decrease in certain types of air pollution • decrease in inequality in education achieved or accessibility to services • increasing diversity in national urban population structure without establishment of ghettos • increasing significance of civil society and its interest in development of its environment, municipality and region • gradual occurrence of mediating platforms on various levels that try to encourage participation from all sectors involved • ninety-two percent of the Czech Republic territory is covered in the spatial-planning records of municipalities • established tools for sustainable development in municipalities • participation of 90 % of municipalities on some form of intermunicipal cooperation 	<ul style="list-style-type: none"> • occurrence of internal peripheries with poorer availability of public services and service functions; these areas lose in particular younger and more educated inhabitants • low extent of international cooperation • increasing inequality between the regions in terms of income, air quality and security • idle brownfield sites contributing to extensive development of cities and municipalities • increased number of socially secluded locations • harmful influence of externalities from traffic in the form of noise and air pollution on human health • regional public administration has problems handling pressures from the private sector • municipalities coping with lacking governance effectiveness, quality and legitimacy, including public involvement • unclear agenda division between the state, regions and municipalities • Some inefficient decision-making without planning and coordination across administration borders • importance of greenery in municipalities is frequently underestimated • lacking complex preparation of cities and municipalities for negative impact of climate change
O	T
<ul style="list-style-type: none"> • support of polycentric settlement structure, balanced regional development and encouraging international cooperation • planning on a level lower than regional and going beyond the area of a single municipality and considering functional relations • making suburbs sustainable and functional parts of the area • supporting qualified job opportunities in places where they lack • new uses for brownfield sites, support of reurbanisation • limiting forced mobility • urban development connecting integrated solutions, technological innovations and preservation of cultural identity • providing available and dignified housing for all inhabitants • adjusting public spaces and buildings to make them accessible and friendly to everybody • making cities greener, renovating buildings and new structures in passive or positive energy standards • supporting emission-free and low-emission transportation • integrating foreigners in all types of areas, preventing ethnic or other ghettos • involving stakeholders and the public in planning and decision-making on all levels • methodical support for regions, intermunicipal cooperation and information sharing among all levels of governance • developing local communities, strengthening trust and reciprocity • regular evaluations of local policies in terms of sustainable development and fulfilment of national policies • improving the competence of public administration by 	<ul style="list-style-type: none"> • growth in regional disparities, depopulation and ageing of peripheral areas and country • suburbanisation endangering ecosystems and public services and budgets (disintegrating investment and operational resources, even in smaller cities) • concentration of commercial facilities of civic amenities into larger centres and complexes on the outskirts of cities • “shrinking cities” with new pressure on making changes in terms of planning and governance • improvement mainly in automobile transportation as a consequence to digitalisation and related changes on the job market • increasing number of socially secluded areas supporting increase in regional disparities • limiting incomes from public budgets from ESIF • continuing the previous practice of selective involvement of participants or leaving the public out of the decision-making process • not asserting the subsidiarity principle • significant negative impact of climate change on cities and municipalities, more frequent extreme meteorological phenomena

<p>strengthening knowledge and skills of clerks and officials</p> <ul style="list-style-type: none"> • improving quality and interrelationships of strategic planning and management as well as spatial planning 	
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Global development

S	W
<ul style="list-style-type: none"> • the good world reputation of the Czech Republic thanks to its successful results in the field of developmental and transformational cooperation, cooperation on a bilateral level and involvement in activities of international organisations • new experience with transformation and access to EU • formal existence of an institutional framework for cohesion of policies for development, or more specifically for sustainable development • a good system of foreign developmental cooperation 	<ul style="list-style-type: none"> • compared with countries of EU15, the Czech Republic has a low budget for foreign developmental cooperation not corresponding to international commitments • limited implementation of policy cohesion principles for sustainable development on a practical level, because there are problems in igniting relevant interest mainly in key participants of executive political power • limited capacities and abilities of the Czech Republic to influence the external environment
O	T
<ul style="list-style-type: none"> • the existing medium-term perspective of improve in developmental help volume • momentary wide and internationally discussed political support of the field of sustainable development usable for direction of important structural changes • active participation and representation of the Czech Republic in international organisations concentrating on co-creation of a common agenda and its principles on a global and regional level • low awareness of sustainable development mainly in the private sector, although it continues to improve alongside the willingness for activities supporting sustainability 	<ul style="list-style-type: none"> • low trustworthiness in areas of sustainable development in which the Czech Republic itself falls behind (high exclusion rate in education, sustainable production and consumption, high CO₂ emissions per inhabitant) • prevalence of other topics in the political life in the Czech Republic that frequently go against the principles of sustainable development • not using opportunities stemming from efficient cooperation with developing countries • lack of necessary willingness, communication and administrative culture and capacity of Ministries for coordination within the ministries and across them

Good governance

S	W
<ul style="list-style-type: none"> • experience of using various democratic forms (representative, participative and deliberative) • relatively successful mitigation of certain social or structural-social inequalities (e.g. total rate of poverty threat) • some public administration problems have already been identified, included into strategic intentions of the public administration and are now being solved 	<ul style="list-style-type: none"> • low or decreasing rate of political participation via traditional representation channels (political parties and elections) and weakened trust in these tools • increasing influence of social or structural-social inequalities on the extent of political participation and representation • low ability of horizontal coordination of the public administration, and consequentially a problem with policy coherence (mainly in cross-sectional topics) • weak emphasis on long-term perspective and impact assessments in medium- or long-term time horizons • low connection between the current international and expert debate on policy-making process and functioning of the public administration (constructivism, development beyond the New Public Management – synthesis of approaches, systems thinking, resilience), and consequentially leading to conceptual backwardness • general problem with innovations in policy-making process
O	T
<ul style="list-style-type: none"> • many previously existing tools for problem solving – it is necessary to apply them more actively and consistently (both in the field of democracy and in the field of long-term governance effectiveness) • prerequisites for long-term system solutions in the Act No. 234/2014 Coll., on Civil Service • <i>e-Government</i> – a basis for synergic approach in many directions 	<ul style="list-style-type: none"> • decrease in support of democratic political order in general • a possibility of weakened democratic governance in another area or weakening the long-term governance effectiveness by making short-sighted changes in the field of democratic governance • using approaches that have not proven reliable or, on the contrary, not using approaches that could be beneficial if considering the Czech context carefully; consequently, there is a threat of long-term low policy effectiveness

**PEOPLE
AND SOCIETY**





1 People and society

Vision

The Czech Republic is a cohesive society of educated, responsible and active inhabitants. The society is cohesive thanks to functional families and participating communities, dignified labour, accessible healthcare and social care, an equal approach to culture and an effective education system that allows everyone to reach their individual maximum level of education and that supports development of transferable competences. People living in this society prefer a healthy lifestyle, to live in a healthy environment and prefer purposeful consumption. Both material and non-material needs of individuals are met while environmental impacts and social exclusion are minimised.

Introduction

Public policies aiming to improve quality of life

101. Narrowing the issue of development exclusively to its economic and technical aspects would lead to losing its actual contents that concerns human dignity. The primary objective of public policies is to improve the quality of life of all inhabitants while simultaneously respecting development's natural limits.

Impact of demographic ageing and digitalisation change in the job market

102. In the future, the quality of life will be significantly improved by trends such as population ageing and related demands for provision of sufficient manpower for the job market, increased needs of personal care and healthcare. Material prerequisites for quality of life will also be influenced significantly by transformation of the job market related to accelerated development of technologies – advancing automation (digitalisation and robotisation).

The state must continuously guarantee quality public services

103. It is therefore obvious that risks for an individual's quality of life are of a wider nature, sometimes even of a global nature, and one cannot face them solely with individual activity in the long-term perspective (e.g. by a personal decision about a change in lifestyle), within small local communities or solely by voluntary charity. Economic and technological development must not compromise human dignity. State-guaranteed public services will remain crucial in the future as well; they must be able to respond adequately not only to the aforementioned trends, but also to risks

that are difficult to predict or foresee even today (e.g. natural catastrophes, terrorism or economic crises).⁴ Systems of public health and social insurance (including pensions) constitute the basic pillar of public services. The state will continue to develop further systems of public health and social insurance in order to provide an improving quality of public services.

Cooperation between the state and the communities

104. Public services have a key task – they have to be available to all inhabitants of the Czech Republic at a standard that is sufficient now and in the future based on long-term population growth in order to improve their quality of life. With respect to specific problems of communities and rapid dynamics of change, it is necessary for the state to cooperate with institutions of other kinds with respect to the subsidiarity principle and on all levels – from supranational institutions and neighbouring countries, across local administrations, to various forms of partnership with not-for-profit organisations, entrepreneurs, labour unions, churches and last but not least, with communities on a local level ([Municipalities and regions](#); [Good governance](#)).

Meaningful rational sustainable consumer policy

105. As consumers purchasing products and services, people do not only satisfy their immediate needs, but they also improve their quality of life which is facilitated by the range of goods and services on the domestic market as well as foreign markets, including online shops, which also brings its pitfalls. Therefore, the state will contribute mainly to consumer protection against the possibility of purchase of dangerous products and services, protect their rightful economic interest and support consumer education with a primary focus on children and young people (up to 18 years of age), on the elderly and people with health impairments. Furthermore, it will improve the effectiveness of market supervision performed by the existing state bodies and strengthen law enforceability, among other things, due to the development of the newly introduced system of out-of-court solutions to consumer litigations. The Czech Republic will also contribute to the change of lifestyle leading to a preference of sustainable consumption in order to protect the environment, and it will also support social cohesion by making efforts to achieve environmental sustainability and economic transformation towards reduced resource exigency.

1.1 Family and community

The institute of family fulfils important social functions

106. A family is the basic social unit and the first place of socialisation necessary for development of both individuals and society. A stable and functioning family helps overall social cohesion and it is able to teach and to share and pass on cultural, ethical, social and spiritual values in a unique

⁴ In accordance with the principle of *resilience* understood here as “the ability of households, societies and nations to absorb unexpected hazards and recover from them, and at the same time to adapt in a positive way and transform our structures and ways of life face-to-face with long-term tension, change and uncertainty.” MITCHELL, A. (2013) *Risk and Resilience*, pp. 4.

way; these values are entirely crucial not only to create and share the identity and development of its own members, but also for development of wider communities, the entire society and for the wellbeing of all. Development of human personality and value formation begin in a family. Although making a family is a personal decision of a private nature, it also has a social dimension since it fulfils basic social functions. With respect to all irreplaceable functions of the family within society, appraisal and support for families is insufficient which has a decisive impact on the demographic ageing of the population.

Comprehensively focused
and intergenerational family
policy

107. Family policy is an inherent part of the entire social and economic system and within it, it may play a significant pro-growth role. Family policy is complex to understand – mainly as a pro-growth programme of long-term investments into “human capital”, furthermore as support for families dealing with standard life situations, but also as prevention against new social risks stemming from demographic ageing, changes in family structure, etc. Efficient policy supporting families in all its basic functions (pro-family policy) is founded on an acknowledgement of family autonomy; a family as a unit, when working properly, proves beneficial for the entire society. A major element of the successful development of a society is children’s upbringing in their family. With that in mind, we need to create conditions in which people may implement their ideas of the number of children – arrival of another child may not bring potential risk of poverty (a risk of poverty is considered to be income lower than the standard established limit on the level of 60 % of median balanced disposable income per consumption unit⁵).

Material position of families
with children

108. One of the important factors when people decide whether to have children or how many children is the material position of families with children. That represents the standard of living of families with children, both in the sense of an absolute standard (average income per consumption unit) and a relative standard, expressed by a comparison of their material situation to childless people on the same gross income level. Expenditure for fulfilling family functions do not have adequate economic compensation. That is why the state will consider more closely ever-increasing expenditure and the value of missed opportunities related to childcare and parenting.

Balancing personal life and
work life

109. Another measure of the pro-family policy concerns public services for families, housing support and support of flexible unprecarised forms of employment (working from home, part-time employment, flexible working hours, etc.) as well as financial and local availability of preschool and early years childcare. That will allow for better *work-life balance* on the basis of needs and free choice of parents. The work-life balance must also allow families to support their elderly members. Its goal should be to provide an

⁵ According to the EU, that is defined as follows: The first adult in the household = 1.0; each additional adult in the household (a person over 13 years of age) = 0.5; each child (up to 13 years of age, incl.) = 0.3.

improved quality of life thanks to sufficient leisure time outside of work as well as sufficient manpower for the job market. It is necessary to operate systematically to induce change in stereotypes with certain employers who do not appreciate the significance of parenthood and family background for personal growth of their employees and they disadvantage their employees who take care of children or elderly members of the family.

Attention paid to families with special needs

110. It is also necessary to pay particular attention to families in special situations – mainly to single-parent families, families with members who have special needs, families with three or more children and other families with special needs who are simultaneously mostly affected by both relative and absolute poverty. It is necessary to take specific measures that contribute to members of such families having equal access to education, the role they play on the job market and in society, and therefore not being at risk of social exclusion.⁶ The state will help single-parent families to make sure they have maintenance for their children.

The state shall support functioning communities

111. Strengthening local communities is one of the pillars of development. The basic prerequisite for community development in municipalities and regions is a developed infrastructure (transportation, social care, healthcare, education). The public administration and local municipal councils link with central support from the state and must create tools to help communities operate sustainable water management, energy production and distribution and waste management (via collectives, local companies, not-for-profit organisations, etc.). Development of small and medium enterprises, collectives and communal businesses stabilise the economy in communities. Financial support tools for these activities will be created. Building and organising communities (community work) enhance internal capacities and resources of the communities; it helps with solutions that stem from the needs of target groups. That consequently leads to improved effectiveness of social intervention, cost reduction, and furthermore it also provides feedback to central structures.

1.2 Work

Work not only provides a source of income, it also helps to define a person's identity

112. Work plays a key role in our lives and not only as a way for us to make money; it is also important in terms of personal identity, personal happiness, personal development and human socialisation. It represents a significant way of participating in society's development. Work is essential for quality of life; work that is not harmful to human health but that also provides a suitable work-life balance. The problem in this context is a

⁶ Households defined as resource-deprived are households without a sufficient or satisfactory situation in at least four or more areas out of a total of nine areas – ownership of durable goods such as a colour television, a washing machine, a car or a phone, furthermore are not able to make regular payments – rent, loans, mortgage, energy bills or to pay an unexpected expense amounting to several thousands CZK, afford at least a week-long family vacation away from home, afford sufficient heating, purchasing meat or its vegetarian equivalent at least every other day. MINISTRY OF REGIONAL DEVELOPMENT OF CR (2014) *Social Integration Strategy 2014–2020*.

decrease in traditional jobs and an increase in flexible and more precarised forms of employment as well as an increase in demand for them in terms of location, time and job function. Such “shattered” forms of employment reduce the potential of work helping to define human identity and allowing socialisation.

Digitalisation as a major social transformation brings risks and opportunities

113. Digitalisation of the economy and society brings essential changes in the nature of work. Digitalisation and robotisation may free people from a wide range of routine activities and improve work safety. At the same time, many job roles may simply disappear, e.g. in the secondary sector (which is a very significant employer in the Czech Republic; in the first half of 2015, 38.1 % of employees worked in that sector, according to MRD CR data), but also in certain sectors with a high degree of labour intensity.⁷ However, digitalisation and robotisation may also lead to negative quantitative changes in work life, e.g. an increase in precarised forms of employment, a feeling of insignificance and alienation at work in a virtual environment as well as overloading workers due to the 24/7 availability of communication technologies and improved performance monitoring options.⁸

What is work precarisation?

114. Work as a source of income must not be precarised. We define job precarisation as involuntary flexibility and work uncertainty; it is a condition when people are forced to accept insecure employment. People with precarised work do not enjoy a sense of professional identity due to the absence of a career path.⁹ According to the ILO, precarious work is defined through both objective and subjective uncertainty, especially regarding employment duration, unclear job role, lack of access to social insurance and other typical benefits associated with employment. It is also defined by low wages and obstacles to labour union organisation and collective negotiation.¹⁰

Digitalisation opportunities bring risk of precarisation

115. Work precarisation is not a phenomenon necessarily related to digitalisation. However, digitalisation does lead to the creation of atypical forms of work opportunities that may provide some income possibilities for individuals through various platforms, but these platforms do not fall within the traditional paradigm related to the term employment. A greater extent of individualisation and increased popularity in remote working may lead to weakened labour union organisation and weakened collective negotiation. Therefore, the state must protect employees efficiently and comprehensively, not specific job roles.

Life-long professional education as support of frequent profession changes

116. The purpose of digitalisation and robotisation potential should always be used to improve quality of life for all inhabitants. Employment policy must ensure it benefits all different age groups. Life-long professional

⁷ OG CR (2015) *Dopady digitalizace na trh práce v ČR a EU*.

⁸ EP (2015) *Employment and Skills Aspects of the Digital Single Market Strategy*, pp. 24; EP (2016) *Industry 4.0.*, pp. 47-49; BUNDESMINISTERIUM FÜR ARBEIT UND SOZIALES, BRD (2015) (2015) *Green Paper Work 4.0*.

⁹ According to STANDING, G. (2016) *The Precariat*, pp. 28.

¹⁰ ILO (2012) *From Precarious Work to Decent Work*, pp. 27.

education allows greater professional mobility and various types of career counselling may help people navigate the changing job market upon re-entry. The way traditional work activities are carried out will change quickly; some jobs will disappear and new jobs will appear. People accept many job roles during their working life.

Employment in a platform economy should still be dignified

117. Economy of platforms (frequently also called *sharing economy*, *collaborative economy*) intermediating jobs (*on-demand economy*, *gig-economy*), a sector that also emerged thanks to the digitalisation process and development in the field of ICT brings new possibilities for all parties. At the same time, it erases boundaries between actual service providers, consumers, workers and the self-employed, and potentially leads to an increase in atypical forms of employment. Precarisation should not impact on these new types of employment either. The state must lead this new type of economic activity into the formal economy. Furthermore, it must provide a declaration and compliance of labour laws, including work safety rules even in activities performed in the platform economy and other new atypical forms of employment in an effort to fulfil the principle of work with dignity. Work with dignity is defined as productive work enjoying the conditions of freedom, equality, safety and human dignity, during which the rights of workers are respected and the worker is paid an appropriate reward along with social security.¹¹ The state will also turn its attention to the issue of consumer protection in this sector.

Commercially-provided services and sharing will be managed separately

118. The state will enforce its contemporary rules consistently, since economic activity performed through certain platforms (at least the local platforms) is within their legal competence.¹² The activity carried out through them will be considered as employment if it is performed in a subordinate relationship, its content is considered as work and if it provides a salary.¹³ The state will generally attempt to penalise *bogus self-employment*. The Czech Republic will, however, distinguish between professional services and peer-to-peer services (without any inferiority or superiority), taking into account the potential benefits of the so-called sharing economy, by setting so-called limit values (depending on the level of income or regularity of service provision) to reimburse the costs to service providers and are not motivated by the gain of financial compensation.

Preparation is key for digitalisation's transformation of society

119. Digitalisation will be an asymmetrical phenomenon, both in terms of regions and professions, on both a national and global level. Digitalisation will also bring changes into other areas beyond the job market; work is not only a source of income. Digitalisation will not only bring about quantitative change (it will deepen or inhibit some of the current problems), but also a qualitative change as it will also bring new types of problems. Although it is

¹¹ Definition according to ILO (2009) *Partnership for decent work*.

¹² DRAHOKOUPIL, J.; FABO, B. (2016) *The platform economy and the disruption of the employment relationship*.

¹³ EC (2016) *Evropský program pro ekonomiku sdílení*.

difficult to estimate the timescale of individual changes, the Czech Republic is likely to be a digitised society within the next 15 years and as such must be preparing for such a concept.

In the future, work may cease to be the main life activity

120. In the future, we are facing living in a society in which most of today's human work activity will be performed by programmes and machines. Only a small part of the population will have employment and existing work activity in its current form (e.g. in the field of creativity, innovations and top management, and in the nursing sector). It is appropriate to consider this when looking at the social discussion on the development of social security systems.

Debate on shortening working hours

121. In the event of significant technological development throughout the Czech economy, it is possible to lead an all-society debate on shortening working hours (while maintaining the level of wages and salaries). Shortened working hours may also stimulate an increase in demand in other economy sectors (e.g. tourism and services in general).

Even activities outside employment should be paid work

122. However, we first need to expand our definition of work by including activities that are beneficial for society and are frequently unrewarded. It is, for example, taking care of a dependent person,¹⁴ environmental care, some forms of civic involvement, etc.

The need to prevent increase of social-economic inequalities via regulation and redistribution

123. Tax and social policies must be able to respond to the risk of job market polarisation between high- and low-qualified segments due to robotisation of routine activities. That may reflect in significant salary polarisation with a growing representation of so-called working poverty and with a negative impact on the growth of inequalities in society.¹⁵ From the state's point of view, steps must be taken to develop the positive effects of digitalisation (e.g. reduction of working hours as a step towards increasing leisure time, and not as a step towards precarisation for dismissed employees). However, digitalisation of the economy and society will also bring new jobs.¹⁶ Rapid adaptation and further development of digitalisation and robotisation technology may have a positive influence on the position of the Czech Republic in the European and worldwide division of labour.

Growth in silver and green economy

124. Demographic ageing of the population will not only lead to a decrease in the number of people in the population who will be working, but it will also require an increased number of workers in healthcare, social services and nursing and in the *silver economy* in general (i.e. in economic opportunities related to increased expenditure due to population ageing and with people over the age of 50 with special needs)¹⁷. The need for life-long education may require a higher number of workers in the education system.

¹⁴ We may support caring for a dependent person, e.g. via a so-called carer's leave financed from public systems.

¹⁵ AUTOR, D. H.; DORN, D. (2013) The Growth of Low-Skill Service Jobs and the Polarization of the U.S. Labor Market. *American Economic Review* 103(5).

¹⁶ FREY, C. B.; OSBORNE, M. A. (2013) *The Future of Employment*. BRYNJOLFSSON, E.; MCAFEE, A. (2014) *The Second Machine Age*.

¹⁷ EC (2015) *Growing the European Silver Economy*.

Climate change, pressure on more efficient use of resources and a decrease in pollution production and environmental protection will require measures of environmental and economic contributions within the so-called green economy (i.e. economy built on a mutually enhancing relationship between economic growth and responsibility of the environment; this economy focuses on decreasing the risks and impact of human production on the environment and strives for sustainable development)¹⁸. Among other things, it will also require increasing the number of workers by implementing, for example, landscape water retention, and energy savings that may produce a significant effect in the Czech economy.

To attract Czechs to return to their homeland, to their domestic job market

125. One of the options for how the make-up of the workforce meets the changing demands and strengthens the diversity of experience, knowledge and contacts is to encourage Czechs living abroad to return to their homeland in the spirit of the NÁVRAT (RETURN) programme to support research, experimental development and innovations.¹⁹ Tools for this may include salary offers comparable to salaries for a given position in Western Europe; it is also possible to introduce a preferential tax zone or at least a tax credit for a limited period for experts from abroad.²⁰ Aside from the incentives of a salary or advantageous tax rates, the non-economic aspects of life quality may also help to encourage individuals to return, for example, creating greater potential for self-fulfilment.

Support for working elderly citizens

126. Another option is to involve elderly citizens and to encourage their return to the job market. It is necessary that the state is able to use the potential of the elderly to share their experience with younger workers, among other things, for example, via various forms of intergenerational tandems. This seems desirable also because elderly citizens living alone (mainly female elderly citizens) are an economically inactive part of the population and they fall within groups currently most at risk of poverty. International comparisons show that the employment rate of pensioners could actually be increased by more than 20 %.²¹

Support for disadvantaged groups and people from abroad to gain employment

127. The Czech Republic will support gainful employment of groups that have traditionally been disadvantaged on the job market, i.e. mothers; people up to the age of 24 years, including students; people older than 50; elderly female citizens and handicapped people. The state will enable

¹⁸ KAHLE, L.; GUREL-ATAY, E. (ed.) (2014) *Communicating Sustainability for the Green Economy*.

¹⁹ For more information on the NÁVRAT programme, see Ministry of Education, Youth and Sports, CR. NÁVRAT (LK) *Ministerstvo školství, mládeže a tělovýchovy* [online].

²⁰ E.g. Slovakia provides a subsidy to university graduates and experts for returning from abroad. Ministry of Education, Science, Research and Sport of the Slovak Republic. O schéme Návraty. *Centrálny informačný portál pre výskum, vývoj a inovácie* [online]. Denmark offers income tax, reduced by 40 %, for a period of three years to highly-qualified and high-income groups of workers from abroad. The number of highly educated foreigners and Danes who came back from abroad after implementing this tax relief has increased by 23 %.

KLEVEN, H. J.; LANDAIS, C.; SAEZ, E.; SCHULTZ, E. (2014) Migration and Wage Effects of Taxing Top Earners. *The Quarterly Journal of Economics* 129(1).

²¹ ŠATAVA, J. (2015) *Pracovní aktivita po dosažení důchodového věku*.

mothers to make a smooth transfer back to work from their maternity leave and to adjust their *work-life balance*. The state will do so via using flexible working conditions with respect to minimising precarisation and improving the availability of quality preschool childcare which meets their needs. The state will also encourage a higher representation of women in leading positions in public institutions and companies and it will decrease the *gender pay gap*.

Optimum immigration policy

128. The Czech Republic will create its immigration policy in an optimal way in order to use immigration to bring educated and qualified workers who will support diversity in society, and with it also creativity, innovation and competitiveness of companies and institutions in terms of their highly qualified (*white-collar*) and managerial work positions. A well-prepared immigration policy will also help improve economic performance and strengthen public budgets financially.

Successful integration as a competitive advantage

129. The Czech Republic will prepare a suitable environment for the integration of qualified foreigners into the job market and society in order to be able to use their experience and diversity as a competitive advantage. The state will strive to increase tolerance and positive attitude amongst the majority population towards foreigners. It will work on promoting our country abroad and improving our reputation amongst foreigners who are highly skilled and qualified workers. The state will also provide equal access to education and public healthcare for citizens and their families. It will simplify the system of foreign education recognition so that the recognition procedure does not become an unnecessary obstacle. The state will support Czech language courses for foreigners and the establishment of international foreign-language schools.

1.3 Inequalities

Quality public services accessible locally

130. The state will provide a sufficiently comprehensive network of public services throughout the territory of the Czech Republic.²² The development of peripheral areas can be enhanced by support for the local economy, affordable high-quality healthcare, improved public transport service, greater coverage by high-speed Internet, energy self-sufficiency built on renewable energy sources, environmentally friendly (and, among other things, organic)²³ agriculture and tourism.

Systematic discrimination

131. Discrimination prevents optimal use of human potential, causing economic losses; it is therefore not only a problem of values, but of society's economy. The Czech Republic will therefore strive to eliminate discrimination both systematically and as a long-term objective, by drafting efficient legislative solutions that will penalise the given phenomenon, but also in the form of targeted support for groups considered at risk.

²² According to MINISTRY OF INTERIOR, CR (2004) *Strategie podpory dostupnosti a kvality veřejných služeb*.

²³ For definition, see Ministry of AGRICULTURE, CR. Green agriculture. eAGRI [online].

Prevention of criminality and recidivism as a way of reducing inequality and protecting society

132. The Czech Republic will focus on a functional system of criminal prevention, fight against criminal recidivism and improve the position of the victims of crimes. It is further necessary to work towards humanisation and overall modernisation of the Czech penal system and to focus our attention on the necessity for efficient and tailored penal care (special care for incarcerated people) in addition to keeping society safe and secure from criminal offenders. It is also necessary to acknowledge the need for an interconnected systematic approach with active post-penal care (special care for persons released after incarceration).²⁴ The penal part is important, but it must not be perceived as an isolated approach. Efforts will be made to increase the protection of society against the consequences of criminal conduct by developing probation activities (among other things: supervision of the accused person, defendant or convicted person; supervision of sentences not involving incarceration; monitoring the behaviour of the offender during a probationary period of conditional release from imprisonment) and in particular by supporting the resocialisation function of the penal aspect, including introducing modern methods of working with offenders in a suitable and safe penitentiary environment for the purpose of reintegration of prisoners into society, to reduce the rate of recidivism as one of the causes of social inequality with the consequence of discrimination. Developing international cooperation and research activities in the field of sanction policy will be a necessary prerequisite for the formation of an efficient, balanced and rational sanction policy.

Gender inequalities prevail across various areas of social life

133. The Czech Republic aims to reduce gender inequalities which prevail in various parts of society, mainly in terms of low participation in the job market of mothers with small children (up to 15 years of age)²⁵ and a large *gender pay gap* and *gender pension gap*. The state will also focus on the low representation of women in politics and decision-making positions, and on the high proportion of vertical and horizontal gender segregation in the job market.²⁶ The state will impose severe penalties for violence towards women (domestic violence, rape, sexual harassment or cyber-violence) as well as the existing regular sexual discrimination that is experienced by women much more frequently than by men.²⁷ In this matter, we also need to take into account the negative role of gender stereotypes that support the preservation and replication of gender inequalities.

²⁴ For more details, see MINISTRY OF JUSTICE, CR (2016) *Koncepce vězeňství do roku 2025*.

²⁵ Employment of Czech mothers with children under 15 years of age is only 57 %, which is one of the lowest values in the EU, see HAŠKOVÁ, H.; KRÍŽKOVÁ, A.; DUDOVÁ, R. (2015) *Ekonomické náklady mateřství*, pp. 1.

²⁶ Measures are further discussed in OG CR (2014) *Vládní strategie pro rovnost žen a mužů v ČR na léta 2014–2020*, that the government approved in November 2014 and that aims to achieve a 40 % representation of both sexes in decision-making positions in both the public and private sector by the year 2020.

²⁷ According to the Ombudsman's research, 13 % of women and 9 % of men report a personal experience with discrimination. They are discriminated most frequently when searching for paid work and during work, see PA (2016) *Diskriminace v ČR*, pp. 12.

The key to a successful process of integration of the Roma population is mutual understanding and an equitable approach

134. Reversing negative trends in the development of the situation regarding the Roma population in the Czech Republic will require an equitable approach to inclusive education starting at preschool age, a non-discriminatory environment in the areas of employment, housing and health.²⁸ In the social arena, it is necessary to enhance exclusion prevention and to support community approaches.²⁹ In the integration process, the issue of whether it is possible for an individual or a group to be integrated into society that generally does not accept them and that shows a predominantly negative and judgemental approach towards them, according to public opinion surveys, is gaining more importance. That is why it is crucial to create opportunities for a mutual dialogue and tolerance. It is equally as important for other minorities as it would help eliminate differences among a significant part of the minority and the majority population.

We need to manage the problem of homelessness through public services

135. Managing homelessness as an extreme form of social exclusion requires efficient coordination of a wide range of activities that may influence the individual causes of homelessness and ongoing homeless situations (using social work and social services, healthcare, support of housing via social transfers, etc.).³⁰ In order to reverse negative trends, it is necessary to complement existing public services with a functional social housing system which, in combination with existing instruments, will provide decent housing conditions for the vulnerable and reduce the likelihood of them falling into poverty.³¹

1.4 Education

Education must be prepared for a change

136. The globalised world will bring multiple challenges and the people in it will need a wider range of skills and the ability to navigate it. In a fast-changing world, the composition of knowledge and skills necessary continues to transform and evolve, and the need for transferable competences continues to rise. On the one hand, for example, the need for digital literacy development arises (the ability to handle digital technologies that have been rapidly changing societies all over the world), and on the other hand, the urgency to develop the weakening levels of literacy related to the real world is dropping (natural sciences, environmental, polytechnical, language and financial fields).³² That is why the educational system must adopt critical thinking and preparation for the changes that lie ahead of us, but also to strengthen the ability to influence and direct these changes (participate in planning and decision-making). The educational system of the Czech Republic will develop cognitive abilities as well as practical competences for dealing with the real world, but also provide a

²⁸ For more details, see OG CR (2015) *Strategie romské integrace do roku 2020*.

²⁹ For more details, see OG CR (2015) *Strategie romské integrace do roku 2020* and OG CR (2015) *Strategie boje se sociálním vyloučením do roku 2020*.

³⁰ MLSA (2013) *Koncepce prevence a řešení problematiky bezdomovectví v ČR do roku 2020*.

³¹ MLSA (2015) *Koncepce sociálního bydlení České republiky 2015–2025*.

³² EC (2008) *Zlepšování schopností pro 21. století*.

robust foundation of general education and develop skills to work with this knowledge (ethic, logic, systematic and critical thinking) so that people could specialize in later life, including the ability of critical work with resources – mainly with the new ones (e.g. Internet). Major emphasis will also concern language competences, i.e. mastering international foreign languages, mainly those used the most in Europe (especially English at present, but of others as well), both in terms of quality and quantity. We need to view language competences not only as a work mobility tool, but also as a part of general education and practical skills that represent a pre-requisite to gaining orientation in our dynamically changing globalized world. It is also necessary to emphasize understanding and adoption of European cultural values stemming from the traditions of humanism and enlightenment. All these aspects must be affirmed in planned revisions of curricular document contents.

Education must represent the development of general competences

137. The meaning of education must not be narrowed to preparation of the workforce for the job market,³³ or more specifically for the needs of employers which are evident at the time. The objective of education in the 21st century must be to develop competences for the whole active civil, professional and personal life (such as, for example, civic participation, initiative, creativity, communication, cooperation during conflict resolution, behaviour in a crisis and other “soft” skills). Education must focus on the development of life-long competences necessary for taking the path of sustainable development. The content of education must emphasise the aspect of *transdisciplinarity*,³⁴ i.e. the interconnection of various fields and areas of human activity – understanding the mutual interconnectedness of processes both social and natural, local and global, past and future, with the objective of accepting responsibility for creating the world we live in. In order to achieve that, we need to cultivate diversity of active and participative educational approaches and methods. On the contrary, it is necessary to reduce the large amount of facts which we learn but which prevent creativity and deeper knowledge of topics taught. That is the only way to achieve the lifestyle transformation towards preference of sustainable consumption which is crucial for environmental sustainability and transformation of the economic system towards lower material demand; it is the only way to support environmental protection and social cohesion³⁵ so that we are all able to be involved and live with dignity.

Pupils should not be subject to selections at an early age

138. By international comparison, Czech children show³⁶ little interest in school (they are a group that is one of the least motivated to study, “they do not like going to school” and “they get bored at school”). So far, our education system has been dividing children at a fairly early age into talented and non- talented and directs them to various types of schools.

³³ OECD (2016) *Trends Shaping Education 2016*.

³⁴ According to MoE CR (2014) *Rámcový záměr rozvoje vysokých škol do roku 2020*.

³⁵ For more details, see MoE CR (2015) *Dlouhodobý záměr rozvoje vzdělávání*.

³⁶ According to research conducted by PISA and TIMSS, see FEDERICOVÁ, M.; MÜNICH, D. (2014) *Srovnání oblíbenosti školy a matematiky pohledem mezinárodních šetření*.

The society is therefore unable to appreciate the diverse strengths of each pupil, limiting their life chances and weakening society itself. The goal should be a shift towards so-called *Human-Centred Design*, i.e. to primarily consider the needs of individual pupils. Various educational methods must enable mutual permeability.³⁷ The state shall provide that the education system continues to fulfil its socialisation function, supporting social cohesion. This should be achieved by creating conditions in education, including personal and spatial capacity, in which every student is able to equally access mainstream education. That is also important because education should go on to provide a place of socialisation (aside from family), because with respect to the weakening socialisation role of work, education will become the key socialisation system and an all-society outreach guaranteeing social cohesion.

Universities as autonomous
centres of education

139. Universities should continue to fulfil their irreplaceable role in society by developing their four basic and equally significant functions. Firstly, their importance as autonomous and independent centres of new knowledge and innovations that bring benefits to the whole of society in the form of new information, products and services. Secondly, their importance as centres of education where knowledge, wisdom and type of thinking are passed on to people and enable personal development. Thirdly, as institutions preparing highly qualified experts for the world of work. And finally, they are important as spaces for the development of active citizenship considered necessary for the further functioning of democratic society. The role of university education continues to expand by society becoming increasingly complex and interwoven and by the growing role of modern technologies as well as the necessity to manage very complex learning. Universities must be able to respond to major changes in society; however, they must not do so at the expense of autonomy and academic freedom. It is utterly crucial that universities are accessible to anyone, regardless of their social or economic position, and remain a public asset and public responsibility, including the corresponding level of financing.

Science and research as a
path to knowledge and
innovations

140. Science (research and development) provides the basic means to the long-term achievement of innovations and to the management of economic, social, environmental and other changes. Quality research and scientific activity is also a foundation for quality education at a university level. In order for scientific and research activities to be truly beneficial for the whole of society in the long-term perspective, it is necessary to preserve the major role of basic research that is crucial, for example, for the long-term support of applied R&D, among other things. It is simply impossible to subordinate R&D to market logic and to perceive expenditure on basic research as ineffective. It is necessary to support cooperation among universities, research institutions and the private sector; however, not at the expense of research. This will be provided mainly through adequate financing of basic

³⁷ For more details, see MoE CR (2014) *Strategie vzdělávací politiky ČR do roku 2020*, priority 1. decreasing inequality in education.

and applied research and through support for scientific centres, universities, applied research facilities and companies, based on the principle of equal conditions and transparency.

Life-long learning for all

141. Supporting life-long learning across the entire population is also important, both civic and professional, including the involvement of age groups 55+ (including 65+) in education and competence improvement related to functioning in the changing world. The system of life-long learning should be based on the possibility of options of various interconnected education pathways. Regular education of people working with socially excluded persons, including public guardians, is also desirable, with the aim of preventing an increase in social exclusion and possible discrimination. Similarly, as in the area of culture, independent public service media will continue to be important for the fulfilment of education needs of society. In this matter, we may use distance forms of education, including online education.

The support of educators' role is crucial

142. A crucial prerequisite for the implementation of the aforementioned objectives is support for educators to provide quality teaching.³⁸ The public education system must be provided with sufficient resources similar to those of developed countries.³⁹ However, system changes are also important to ensure full training and development of our educators across all levels of education is integrated into the systematic support in terms of quality improvement in order for them to become heralds of change and take over the role of guides through education in a changing world. Total education democratisation and participative approaches in education should be supported as well.

Openness towards education

143. Educational institutions must be open to cooperation; all initiatives must be supported from lower levels, networking, involving non-governmental participants in education, connecting various forms of education and various educational institutions (both formal and informal, curricular and extracurricular, early and further education).⁴⁰ Basic cooperation between families and schools and higher parental participation in their children's education are necessary. It is also necessary to re-evaluate the "positivist" approach to education and to nurture diversity of active and participative educational procedures and methods, with respect to the future involvement of the individual in society in all aspects.⁴¹ Supported approaches should particularly include the constructivist

³⁸ For more details, see MoE CR (2014) *Strategie vzdělávací politiky ČR do roku 2020*, priority 2. We need to support quality teaching and teachers as its key prerequisite.

³⁹ According to ME, average education expenditure amounted to 11.6 % of total public expenditure in OECD countries in 2012; in the Czech Republic, it was 8.9 % of public expenditure, see MoE CR (2015) *České školství v mezinárodním srovnání 2015*, pp. 18.

⁴⁰ For more details, see MoE CR (2014) *Strategie vzdělávací politiky ČR do roku 2020*.

⁴¹ For more details, see e.g. ASPEN INSTITUT PRAGUE (2016) *Česko*, pp. 87-103.

approach to teaching,⁴² system thinking and nurturing the ability to adapt to change, including *resilience*.

Education as a catalyst for comprehension of sustainable development principles

144. Education is an important area that significantly conditions the direction of the Czech Republic towards sustainable development.⁴³ The form and content of education must be such that it supports achievement of objectives and measures in other areas of the Czech Republic 2030 strategic framework, whether it is access to work, digitalisation, inequality, health, or culture. In this context, curricular documents will be revised and development of competences for sustainable development will be included in them (active civic, professional and personal life – managing and influencing changes and understanding mutual interconnectedness of social and natural, local and global, past and future processes) and activating participative methods focused on students' own initiative. It is necessary to increase teachers' participation in the further involvement of pedagogic workers focused on the coordination of education for sustainable development in schools.⁴⁴

1.5 Health

It is necessary to reduce health inequalities of individual social groups

145. In terms of population health status, there are noticeable inequalities among population groups in the Czech Republic (e.g. in areas with high emission load or median lifespan according to education achieved). We must improve the health of all inhabitants and reduce inequalities in the field of health.⁴⁵ The role of social health determinants is crucial,⁴⁶ as well as the significant influence of environment quality and work environment quality on human health.

Healthcare should not only be for the sick

146. The healthcare policy of the Czech Republic will be based on supporting health throughout life, i.e. a long-term regular systematic approach to health protection and support of healthy lifestyle, with primary prevention of illness. The healthcare system should not only work as a safety net for people who are already sick; on the contrary, it should also have a preventative function and strive for people to avoid becoming ill, or work to minimise the number of sick people.

We need to create health support centres

147. Tools supporting health and disease prevention also include support for the more intense application of preventive check-ups, including

⁴² KORCOVÁ, K. (2013) Konstruktivismus v inovativních vzdělávacích programech v české škole. *Studia Paedagogica* 54(11).

⁴³ UNESCO (2016) *Global Education Monitoring Report Summary*, pp. 8.

⁴⁴ CSI (2016) *Vzdělávání v globálních a rozvojových tématech v základních a středních školách*.

⁴⁵ For more details, see MH CR (2014) *Zdraví 2020* which defines the strategic objective 1 – To improve population health and reduce inequalities in the field of health.

⁴⁶ "Dealing with social inequalities significantly contributes to health and life happiness. (...) Disadvantaged people and their vulnerability usually increases throughout their life and it is conditioned by behaviour that significantly influences their health, e.g. hazardous and harmful alcohol abuse, smoking, poor eating habits, insufficient physical activity and mental problems. To a large extent, the aforementioned behaviour is a result of further life problems." MH CR (2014) *Zdraví 2020*, pp. 19.

screenings (to recognise the early stages of possible diseases before the patients experience any obvious problems or symptoms). It is also important to consider evaluations of public administration strategic documents in terms of public health protection and support (*Health Impact Assessment*). Priorities include the creation and operation of a network of centres for support of health and primary disease prevention. These centres then need sustainability and institutional support.

Effective health protection supported by public budget resources

148. In order to operate effective health protection and disease prevention, we need the provision of sufficient finance, both from the state budget as well as from general health insurance and other resources. It is necessary to use the resources from health insurance (mainly from so-called prevention funds of health insurance companies) efficiently to support health and prevent diseases.

Health literacy is an efficient tool

149. The state shall invest more into disease prevention, support of health and development of so-called health literacy of the population. Health literacy is the ability to expand knowledge and skills so that people become able to decide for their own health as well as for health in their environment, and the ability to navigate through the complex system of healthcare and social care. However, the approach of individuals to fulfilment of their own healthy lifestyles and their responsibility for their own health is also important.

Adopt a healthy lifestyle in a healthy environment, including a good diet

150. In order to further improve our health, we need to significantly reduce the amount of harmful substances and noise. Hazardous emissions of pollutant from home solid-fuel heaters (coal and wood), hazardous emissions of pollutants from diesel and petrol-powered motors mainly in traffic (PAH, B(a)P, PM_{2.5}) and other harmful hazardous substances in the air, in water, in soil and building interiors, foods, drinks and other objects represent the most urgent issue in this area. The state will support important positive lifestyle changes in terms of quality of life, such as limiting hazardous behaviour – prevention of tobacco use and transition to a non-smoking society, alcohol abuse prevention, abuse of other addictive substances and addiction behaviour. Moreover, the state shall consistently support physical activities, improve eating habits and nutrition of the population. The state will also contribute to changing social circumstances and improve opportunities for life in a healthy environment, support health within communities, access to quality foods, access to quality water, decrease in air pollution – smog or tobacco smoke in workplaces and outside of them.

Growing significance of gerontology and the spa industry

151. With respect to the demographic ageing of the population, it is necessary to provide healthy workplaces for all age groups. The state will focus its support on sustainable work and healthy ageing. It is necessary to consider the future needs of patients, working people and workplaces. In the context of lifespan increase, quality of life (healthy lifespan expectancy) will improve via improving the development of geriatric medicine (i.e. clinical gerontology that deals with health and functioning in old age, taking

into account diseases predominantly affecting this age group and their treatment) and the spa industry, including wider use of spa treatments in the context of post-operative care and prevention.⁴⁷ The spa industry will therefore have to be perceived as an interdisciplinary field going beyond the Czech Republic and the Ministry of Health of the Czech Republic, since it also provides protection of natural healing sources and protection of spa locations, including the adjacent landscape used for treatments.

Healthcare that is generally accessible, quality, public and sufficiently financed

152. In order to minimise the impact of social differences on the population's health, it is crucial to maintain publicly accessible healthcare in sufficient quality and capacity (especially in terms of personnel and number of beds in healthcare facilities) throughout the territory of the Czech Republic. The essential challenge is sustainability and institutional support of a system for public health protection and support and disease prevention. The state shall provide mainly overall and stable institutional support because weakening this system could lead to its ineffectiveness causing major impacts not only on the health of citizens but also on total public expenditure for healthcare and the economy of the Czech Republic. In order to improve the quality of life, the state wants to gradually increase resources allocated to the healthcare system to the level of advanced states. Investments into healthcare personnel stabilisation and development, including making up for local (regional) shortcomings in specific specialisations, are the key. In order to have quality healthcare, it is necessary to provide a sufficient number of doctors and nurses and other healthcare personnel, with consideration given to their ageing and shortage in some areas. That is why the state shall strive to increase the number of medical students and motivate them to stay in the Czech Republic to work after they finish their studies. This will be facilitated by keeping the students sufficiently informed throughout their studies and also by a more straightforward system of certifications necessary to practice medicine. The state shall also strive to increase the number of university teachers, mainly in theoretical fields. Regarding the length of medical studies, we can only expect to see improvement of the current situation after 2025.

Adapting the healthcare system to cope with hazardous trends

153. The healthcare system must be prepared to face new problems, e.g. risks of new infectious diseases, increase in resistance to antibiotics or increase in mental illness in society.

Statistical analysis and innovation process setting in the healthcare system

154. Other possibilities can also be found in significant improvement of quality and provision of healthcare data and statistics, including individual health indicators, both as international comparison as well as on national, regional and municipal levels.⁴⁸ Procedures are established for the introduction of new technologies into healthcare, which provide screening

⁴⁷ Although the spa industry may be related to tourism and hiking, it is primarily a form of subsequent treatment, not a general field of services such as the hotel industry.

⁴⁸ In the fields where short-term trends do not influence "hard data", hard data is more conclusive in the long-term perspective, e.g. some disease prevention and health support fields. In such fields, it is desirable to also look for so-called process indicators, use them for assessment and then respond appropriately with political measures.

of key aspects of application (clinical adequacy, treatment benefit, use effectiveness, ethical and socio-cultural impact). The state shall therefore develop the aforementioned procedures for impact assessment (e.g. *Health Technology Assessment*) operatively.

Creating policies for the field of healthcare

155. Healthcare goes beyond the Ministry of Health of the Czech Republic and requires participation of all institutions on all levels of public administration, not-for-profit and private sectors, scientific and educational institutions, communities and individuals themselves. All elements of society, social groups and individuals must be invited to manage it and make decisions. The Czech Republic shall strengthen public healthcare, mainly bodies and institutions of public health protection and support.

1.6 Culture

Culture as a source of national identity

156. We can perceive culture as a sphere of development of creativity and active formation and reflections of society's values. It includes social heritage and arts as well as the way of life, value systems, traditions and beliefs. Its importance keeps growing in the modern secular democratic state where it becomes a crucial part of national identity formation and preservation. That is why the policy of culture is a part of the democracy we live in.

Identity based on culture guarantees social cohesion

157. Culture and media policies are responsible for the formation, strengthening and preservation of national identity that is based on culture, which is a key element of social cohesion and sustainable development. Culture and arts play an important role in intensifying social resilience against anti-democratic tendencies. In this context, media policy also deserves our attention, as independent media of public services play an irreplaceable role in it, serving as a point of reference for the population and significantly supporting cultural diversity. We also need to pay special attention to support for culture of all national minorities.

Supporting equal access to culture

158. Knowledge of our own culture and awareness of its value together with respect for diversity of cultural expression and positive cultural values of foreign cultures and minorities allow us to protect society against negative events, e.g. against the spread of uniformity, loss of cultural identity, xenophobia or spread of the consumerist society around the world, including its negative environmental consequences. The state will therefore support development of cultural knowledge and competences across the entire population and reduce inequalities in accessibility to culture (using the potential of the Internet, among other things) across society, mainly in disadvantaged groups, including ethnic minorities. Ignorance of majority cultural values is one of the obstacles of successful integration of these disadvantaged groups.

Development of culture requires sufficient resources

159. Culture contributes to our quality of life; it transforms cities and municipalities into pleasant places for life, work and travel, stimulates education and contributes to life-long personal development. However, it is

the main element of identity policy and creativity development. We therefore need sufficient public resources to develop it, mainly for the purposes of systematic and financial support and decent employee rewards in public, private and not-for-profit institutions in the culture sector.

State support for culture as a source of innovation and employment

160. The objective of a culture policy must be to support all current and historical culture that, although not necessarily commercially viable, is still considered as high-quality art. Art also brings about innovation that can be applied outside of its own cultural sector. Art, cultural heritage and its care also represent significant generators of jobs. Cultural heritage restoration and support for art that requires skilled expertise boosts the employment rate and opportunities for small and medium businesses and creates space for the preservation and restoration of unique procedures and techniques. Cultural and creative sectors are sources of technological and non-technological innovation and they bring value added to the development of other economic sectors. Their interdisciplinary range also positively influences sustainable development, creation and strengthening of social capital, development of tourism and an increase in the values of products and services generated in other industries. The state's task is also to consider new disciplines from the digital economy and cultural and creative industries in its support of balanced and efficient innovation management, since their results go beyond the borders of culture and contribute to the social and economic development of the Czech Republic.⁴⁹

Equal access to creativity as a prerequisite for adaptability towards change

161. Creativity as a central value of European identity is a part of a fully developed human life, and therefore the opportunity to develop it must be open to all regardless of social status. At the same time, it is vital as a source of solutions to the challenge of world change that is ahead of us.

Culture and art accessibility take priority over commercial gain

162. Making cultural and artistic values accessible to the public must take priority over generating financial resources. With respect to historical development, many cultural institutions in the Czech Republic remain public property. The desirable goal is then to provide and actively make cultural values in the public sphere accessible and free of charge, wherever possible.

Public creative competitions as a tool for quality improvement

163. The main criterion in the field of culture is always its effective production. Applying the principle of a public creative competition facilitates such effective production. We must establish an environment that provides cooperation between the state, local administration and the private sector which is beneficial for all parties.

Cultural policy must also be supported on a local level

164. The state's cultural policy must be interconnected at all public administration levels. It is necessary to actively support local administrations in their ability to efficiently link the state cultural policy with

⁴⁹ See e.g. OG CR (2016) *Národní výzkumná a inovační strategie pro inteligentní specializaci České republiky*. Or MC CR (2015) *Státní kulturní politika ČR 2015–2020 s výhledem do roku 2025*.

local conditions to enable the resources and focus to adequately distribute for the purpose of quality cultural production on a local level.

Cultural heritage contributes to our regional development

165. We must continue to pay special attention to cultural heritage (monuments and collections of art). Surveys show a positive impact of cultural heritage on quality of life and the state's economy.⁵⁰ Material cultural heritage brought to the public has an undeniable positive economic impact in the locality where it contributes to the development of a wide range of services. Cultural heritage and cultural and creative sectors represent significant job creators, boosting local businesses that employ people from the locality.

Promotion of cultural heritage will support tourism

166. Tourism in general raises awareness of a country. Many tourists head to the country for its monuments and live culture. We can use our unique cultural identity to build sustainable cultural tourism. Promotion of the state abroad will intensify by participation in European, internationally respected statuses of cultural heritage, such as participation in the UNESCO World Heritage List, the Representative list of UNESCO's non-material cultural heritage, UNESCO's International Registry of World Heritage and in other European, internationally respected tools for cultural heritage support, for example, European Cultural Route, European Heritage Label or in European Routes of Industrial Heritage.

Cultural landscape for climate change management

167. Cultural landscape is a specific cultural value. We need to ensure its protection is in accordance with requirements for climate change adaptation with responsible regard to the balance between the two needs.

1.7 Strategic objectives

1. Social climate is universally favourable to families; barriers and social pressures have been minimised. Family, parenthood and marriage are covered by special legal protection and are highly valued in society.

1.1 Suitable social-economic conditions are important for the good functioning of families. They focus on the financial wellbeing of families, good work-life balance and services of care for children and the elderly. Therefore, these conditions allow people sufficient leisure time to improve their family relationships.

1.2 Families with specific needs require special attention. Targeted measures are taken, contributing to equal access to education and affirmation of members of these families on the labour market and in society.

⁵⁰ A survey within an EU project 'Cultural Heritage Counts for Europe' which aimed to analyse all quantitative and qualitative data available related to economic, social, environmental and cultural impacts of our cultural heritage, see CHCFE CONSORTIUM (2015) *Cultural Heritage Counts for Europe*.

2. Technological and social development extend the approach to dignified work.

- 2.1 The labour market shows lower structural imbalances at national and regional levels; the polarisation of the labour market and its social impacts are mitigated.
- 2.2 Access to dignified work is also extended to groups that remain disadvantaged on the labour market, i.e. parents on parental leave, people with disabilities and people over 50 years of age.
- 2.3 The general unemployment rate decreases along with the proportion of long-term unemployed in the total unemployment rate.
- 2.4 The degree of precarisation and involuntary flexibility of work is minimised, including activities carried out through the platform economy and other new atypical forms of work.
- 2.5 Immigration and integration policies emphasise the attraction of qualified foreigners and intensify the diversity of the workforce which is vital for innovation. Public policies also support the return of Czech citizens from abroad.

3. Structural inequalities in society are low.

- 3.1 In the long-term perspective, the proportion of people at risk of poverty and social exclusion is decreasing.
- 3.2 Income inequality is decreasing and emphasis is placed on maintaining a strong middle layer.
- 3.3 Gender inequality is decreasing.
- 3.4 Equal approach to persons at risk of discrimination based on sex, age, dependency, disability, ethnicity, nationality, sexual orientation, religion or worldview is ensured. Multiple discrimination prevention is particularly emphasised.

4. Education develops individuals' unique potential and ability to manage and influence change, and promotes a cohesive, sustainable society oriented towards sustainable development.

- 4.1 The education system is inclusive and mutually permeable; it does not divide pupils at a young age into gifted and not gifted and limits the dependence of educational paths and results on students' socio-economic background.
- 4.2 The education system encourages teachers and other educators to bring about the necessary changes in education and to assume the role of guides for education participants in a changing world.

The system is very open to contact with the real world and involves all participants in education.

- 4.3 Education provides everyone with access to the development of transferable competencies needed for active civic, professional and personal life. The system provides an adequate general foundation necessary for further education, engagement in society, and for understanding the interdependence of the contemporary world.
- 4.4 The system of life-long education is publicly guaranteed and widely available. It focuses on both vocational education and training in transferable skills.

5. The health of all population groups is improving.

- 5.1 The lifespan and health of all Czech population groups is improving.
- 5.2 Influences causing inequalities in the field of healthcare are decreasing.
- 5.3 The public health system is stable, generally available in terms of both quality and capacity, while developing a corresponding professional structure. The average age of both medical and non-medical personnel is decreasing and the rewards for all healthcare workers are improving.
- 5.4 A healthy lifestyle is supported by higher public expenditure, with an emphasis on primary disease prevention and health promotion throughout life.
- 5.5 Consumption of addictive substances as well as the load of hazardous harmful substances and noise are reduced by improving the quality of the environment. Specified limits of harmful substances and noise are not exceeded.

6. Greater public investment supports key cultural functions and equal access to culture and creativity.

- 6.1 Increased public spending is directed towards culture, and the possibilities for long-term financial planning of cultural organisations are improved.
- 6.2 Depending on the needs of the changing society, the development and establishment of new cultural organisations is systematically supported.
- 6.3 Cultural and creative industries are being promoted as an opportunity for economic development.
- 6.4 Culture workers are supported both systematically and financially to increase their significance and improve the conditions needed for their creative and motivational role towards other groups in society.

ECONOMY





2 Economic model

Vision

The economy of the Czech Republic is purposefully reducing its material and energy intensity. Economic institutions deliver long-term growth in the economy, built on entrepreneurship, innovation, people's creativity and abilities, higher value added industries, the circular economy, low-carbon technologies, robotics and digitisation, and rely on a robust and quality infrastructure. It is based on the principles of the social-market economy, the core of which is cooperation and coordination between the public, business and non-profit sectors. Public finances ensure that the resources for the implementation of public policies are spent adequately and efficiently.

Introduction

Efficient and eco-friendly economy is the goal

201. The economy is a sum of creative (productive) activities that satisfy people's material and non-material needs. A sustainable economic model ensures the economy's ability to increase the scope and quality of services and goods provided in the most efficient way in the long-term perspective, while at the same time managing to sustain natural resource requirements within the acceptable limits of the long-term production capacity of the country (*decoupling*). Promoting an efficient and environmentally-friendly economic model is the main general objective of this chapter.

There is more to measure success than GDP

202. Economic success is measured by the material wealth of the economy. Several indicators can be used to measure it. GDP is the volume of a national economy's final production. GDP per capita is the measure of country economic level. There is a correlation between the growth of economic levels per capita and improving quality of life. For a small open economy such as the Czech Republic, gross national income (GNI) is also an important indicator. This is the volume of income of residents – domestic economic entities. The difference between GDP and GNI shows what proportion of the income created within the economy will remain in it (and can therefore serve to further the economy, finance public policies, consumption, investments, etc.).

Macroeconomic stability is a prerequisite of economic success

203. Economic cycles and fluctuations in economic performance can affect success in meeting sustainable development objectives. Therefore the achievement of this strategic framework' objectives must always be assessed considering eventual phase of economic cycle, whether the

economy is in recession or boom, but also macroeconomic stability. For this reason, GDP, GNI, real household consumption, inflation rate and external balance (current balance of payments ratio to GDP) will always be taken into account when evaluating the success of the *CR 2030*.

GDP has limitations as an indicator

204. These indicators have limited reporting value; there are a number of alternatives such as the Human Development Index or the Index of Sustainable Economic Welfare. However, quantitative indicators series, in particular GDP and GNI, are very similar to other “softer” indicators of quality of life and the level of wellbeing as perceived by Czech households in their everyday lives. Therefore, we use this standard economic metric. The material wealth thus expressed is also an integral part of a broader quality of life assessment within the OECD *Wellbeing Framework*.

Convergence to the EU15 requires a major transformation of the economy

205. The Czech Republic is close to the average EU economic level. Converging to the original EU15’ GDP per capita, which is above the entire EU average, within 15 years is very ambitious. The prerequisite for achieving it would be a qualitative jump of the economy to a higher performance level. This is only possible if there are significant structural changes accompanied by growth in productivity and value added. The necessary structural reforms must link to the five areas specified in detail in the five numbered sections of this chapter.

2.1 Economic institutions

Foreign investments as a growth engine are history

206. The growth of the Czech economy has been largely based on external sources, on a massive inflow of foreign direct investment (FDI). However, this external source of growth is depleting, with FDI opportunities apparently largely saturated. This trend illustrates, for example, the ceased growth of FDI (see Chart 2.3 of the Development Analysis). The goal for the next 15 years is to maintain and increase the benefits of FDI, and to find and activate FDI-independent internal sources of growth.

The three pillars of economic policy

207. Should Czech economy generate sufficient output over a long period, it is necessary to focus on three tasks: (1) support for entrepreneurship, (2) direct implementation of pro-growth measures focusing on education (see [Subchapter 1.4](#)), research, development and innovation, including infrastructures, and (3) emphasising resource efficiency and reducing the damage caused by the consumption of natural resources. These three tasks are addressed further. Business support must include all business sectors, but particularly small and medium enterprises (SME) as the least developed sector with the highest growth potential. The most important thing is to focus on FDI quality growth. In the large business sector which forms the backbone of the economy, it is necessary to promote quality and international competitiveness of their products. The second and third tasks are discussed in sections 2.2 to 2.4.

Improve the quality of foreign investment

208. The Czech Republic will strive to improve the quality of FDI of foreign companies operating in our country. The goal is to achieve the most

sophisticated upper levels of international value chains, i.e. those with the highest value added. The FDI quality score *ex post* is represented by labor productivity and wages, the *ex ante* indicator can be the technological intensity of the investment.

Take advantage of the subcontractor position and advance to independence

209. The Czech Republic will support the development of business with the highest value added in domestic companies, which is partly related to the improvement in the quality of FDI, but also to investments in research, development and innovation. Exacting demand for subcontractors by foreign companies operating in the Czech Republic may be an appropriate impetus and opportunity for domestic enterprises. The second part, supported more in the long-term perspective, is the shift from the position of a subcontractor to an independent producer able to apply their own product to the final production market.

Large businesses competitive abroad

210. Large businesses form the backbone of the economy. Their 45 % portion of GVA is dominant. Increasing the share of this sector in the production of GVA is therefore not so important. It is much more important to improve its quality, as is the case with FDI. The support of large businesses should therefore focus on the ability of large businesses to step up and keep abreast of technical, organisational and business developments around the world, which requires a significant investment in their own infrastructure and in research, development and innovation.

Small and medium enterprises have the greatest growth potential

211. SMEs have the greatest potential to contribute to economic growth because as a sector in the Czech Republic they are less developed than the large and micro enterprises. Although they have approximately the same proportion of workers as the other average EU countries, they have a lower share of GVA. The greatest obstacles to the development of SMEs need to be removed, particularly access to capital should be facilitated and relatively high administrative barriers should be reduced.

Support for SMEs through social entrepreneurship

212. One of the elements of support for SMEs is also the support of a participatory economy, which includes social entrepreneurship and entrepreneurship through employee participation or cooperatives. This type of business can effectively combine profitability with social inclusion and democratic decision-making systems. It also facilitates the financing of start-ups or the transfer of ownership of pre-existing businesses, so-called succession.

The adoption or non-adoption of the euro will affect the performance and shape of the Czech economy

213. The shape and performance of the Czech economy in the next 15 years are closely related to whether we will adopt the euro or not. Adopting the euro will have both economic and political consequences. From the economic point of view, the euro brings advantages, in particular lower transaction costs, as well as disadvantages, in particular the loss of our own monetary policy which allows for coping with economic shocks through our own currency instruments, including the floating exchange rate. In addition to fulfilling the relevant formal criteria in the Czech Republic and the consent of the Eurozone countries, any decision on admission includes

a prerequisite of the admission being economically viable in the long-term perspective, so that its benefits outweigh its costs. In addition, the Eurozone itself, which is currently facing a number of internal problems, should be internally consolidated and its long-term functioning clarified. On the other hand, the Czech Republic should reach a reasonable level of competitiveness in the EU internal market before adopting the euro, which will lose its ability to be strengthened by exchange rate depreciation once it is adopted.

Follow the continental model
of the economy

214. Most indicators show the economic model of the Czech Republic stands between the liberal Anglo-Saxon model and the coordinated continental model. However, it does not take full advantage of either.⁵¹ In order to improve the growth and convergence potential of the Czech Republic's economy, financing the R&D, education and training system and management and industrial relations must be changed to avoid the necessity for long-term, systematic and unilateral transfers (e.g. know-how or capital) from abroad. The structure and advantages of the Central European region and the tradition of large industrial enterprises in Bohemia and Moravia correspond rather to the coordinated model of the economy, which developed most in Germany. Changing domestic economic institutions towards this model should not be mechanical, but should take into account domestic specificities and current trends.

2.2 Research, development and innovation

Link research, education and
business together

215. Innovation is an improvement in a product or service. It is often result of R&D. A precondition for a greater degree of innovation is the effective link between research organisations, high-quality education and businesses. It is necessary to restore and support the institutional base of applied research and to streamline dissemination and sharing of knowledge originated in research organisations with an emphasis on their subsequent application in practice.

The ability to innovate is the
key to achieving a long-term
efficient economy

216. The ability to innovate on the basis of R&D is a necessary condition for raising the standard of living. Our ability to respond to society's expected needs and global challenges also depends on mastering innovation. An integral part of this process is to support education for innovation and to support the development of an environment where intellectual property and know-how have their social and economic value. Actually, for example, there is a need to implement a range of climate change-related measures, such as the transition to a low-carbon circular economy and the reduction of energy intensity (mitigation) and the restraint of its negative effects on society and the environment (adaptation). Only an innovating economy is able to absorb and acquire new technologies and ways of corporate organisation and capitalise on them.

⁵¹ For more details, see OG CR (2016) *Analýza odlivu zisků*.

Strengthen the innovation potential of domestic enterprises

217. The Czech economy can absorb new technologies and processes which have been developed elsewhere. Similarly, with the overall strong position of foreign companies operating in the Czech Republic, it is actually both foreign and large enterprises which push applied R&D forward. The segment of research and technology-oriented small and medium enterprises is relatively undeveloped.⁵² There is a need to encourage companies that do not yet invest and do not do any R&D or buy their results to start their own R&D activities, or to encourage them to cooperate with research organisations, including universities. The aim is to ensure the shift of SMEs' towards value chain positions with higher value added (the ability to sell their products and services at a higher price). Supporting SMEs' research and innovation activities, with the help of appropriate yet minimally-expanded support tools responding quickly to market demands, is another step in supporting this segment. Entry to new markets is also often the impetus for innovation. However, the rate of internationalisation of SMEs is low in the Czech Republic in the long-term perspective, and should therefore be more pronounced in the future, as well as increasing SME participation in international programmes. In the context of a frequent enterprise strategy for adopting and adapting technologies from abroad, it is also important to place an emphasis on introducing higher-order innovations (the higher the order of innovation, the more significant the change of process or product).

Promote business use of domestic innovations

218. The challenge for the future, in addition to innovation itself, is the ability of businesses to capitalise on innovation and to create a whole value chain on its base. Businesses need to discover, but also use and sell the new solution discovered in our country, so that most of the value added remains in the domestic economy. The key task of the state is to support the establishment of interconnections between research organisations and SME sector and to streamline and accelerate the commercialisation of research results, thus strengthening the inadequate institutional basis for applied research.

2.3 Resources management

Efficiency of resource consumption is desirable feature of the economy

219. Sustainability, productivity and ultimately the very sophistication of the economy is reflected in the ability to manage resources, especially effectiveness of reusing and recycling. The most important resources for the Czech economy are fuels and other mineral resources, soil, water and clean air. Another important parameter of resource consumption is greenhouse gas emissions, especially carbon dioxide, pollutants and waste production.

It is beneficial to take externalities into account

220. Use of resources is linked to externalities, or external costs and benefits. Externalities are only partially included in the price of resources.

⁵² OG CR (2016) *Národní politika výzkumu, vývoje a inovací České republiky na léta 2016–2020*.

Therefore, the society uses resources more, or conversely less, than what is their corresponding social value. Both Czech and European legislation is trying to remedy this, in varying degrees and via various instruments. A balanced combination of different approaches should enable taking externalities into account, e.g. expressing the value and compensation of ecosystem services (see [Section 3.1](#) and the specific objective [12.6](#)), i.e. compensation to suppliers of these services, or taxes or limits on resource consumption, which harms the environment, public health or overloads the infrastructure.

The Czech Republic and its surroundings are not self-sufficient

221. The Czech Republic, as a European state, is part of the geopolitical space that consumes more raw materials than it produces. More than three quarters of metal ores, two thirds of fossil fuels and practically all phosphorus consumed in the EU come from non-EU countries⁵³, and our own (i.e. EU) fossil fuel production is declining rapidly. It does not necessarily have to be negative in itself; manufacturing creates higher value added than the mining industry and is more sophisticated. Despite this, rising resource consumption in emerging economies can put Europe in a weaker strategic position. The state will therefore work with other EU members on legislation, tax incentives and other rules to ensure increased circulation of raw materials in the economy. It focuses on reducing raw materials, extending product life, and decreasing wasteful behaviour.

The circular economy is one of the solutions to the limited availability of resources

222. An important part of such a solution is better use of domestic resources – replacing natural materials with recycling waste and secondary raw materials. The state supports the waste management hierarchy where waste prevention is preferred over recycling, recycling over energy recovery, and energy recovery of waste over waste disposal. In summary, such an approach is referred to as a circular economy. A necessary condition and part of the support of the circular economy is also building a relevant environmental service infrastructure.

Water becomes a strategic resource

223. The Czech economy will have to respond at all levels to the ongoing changes and associated extreme meteorological phenomena, particularly drought and water scarcity, floods, torrential rains and heatwaves.⁵⁴ Another serious problem is the inability of landscape to retain water (see [Section 3.3](#)). Czech agriculture, forestry and water management await a fundamental change facing the need for adaptation to the expected changes in the landscape water regime. It is also necessary to prepare conditions for recycling, collection and utilisation of rainwater and to control run-off from paved areas in urban water management systems.

⁵³ EUROSTAT. Dataset Material flow accounts. *Eurostat*. [online].

⁵⁴ FOR MORE INFORMATION, SEE MOE CR (2015) *Strategie přizpůsobení se změně klimatu v podmínkách ČR*, Chapter 3.3 Water regime in the landscape and water management.

Soil is an integral part of ecosystem services and an irreplaceable source of food production

224. Most of the Czech land is used by agricultural and forestry businesses. Especially in agriculture, there is an imbalance between short-term market incentives and long-term economic prospects. Enterprises adapt their production to market conditions and subsidies. The state will gradually change the incentives and rules to encourage agriculture and forestry to make better use of the land. Another dimension of efficient land use is food production. It is desirable that consumption of foods that we can produce in our country is adequately covered by domestic sources. That is to say, it is desirable that the Czech Republic is reasonably self-sufficient by 2030. This will not only help to maintain the know-how and the level of equipment, but it will also improve the condition of agricultural land (see [Section 3.4](#)), encourage employment in the countryside and reduce the negative external costs of over-importing food.

More efficient use of energy and reduction of greenhouse gas emissions

225. The Czech Republic will systematically strive for an economically viable improvement in energy efficiency. At the same time, it will systematically reduce greenhouse gas emissions (absolute and relative to the volume of production) in line with international, European and national economic strategies. To achieve both, a combination of different resources will be needed. This will include a more effective setting of the emissions trading system starting in 2021, an analysis of the options for introducing environmental elements in consumer and energy tax rates for fuels consumed in non-ETS installations, building insulation support, use of secondary energy sources, wider deployment of emission-free and low-emission vehicles, etc. In the energy industry, this will induce a demand for reducing fossil fuel consumption. This can be achieved in several ways, including increasing the share of renewable or nuclear energy production or from waste and by improving energy efficiency. Even in the case of new sources, account must be taken of the externalities they cause, by means such as the departure from first-generation biofuels, etc. Coal reserves – as the only significant source of fossil fuel in the Czech Republic – should remain a reserve source.

The mix of energy resources must be resilient, competitive and sustainable in the long-term perspective

226. Any solution to the transformation of energy resource supply in the Czech Republic must meet the following conditions: (1) resilience, i.e. security of supply both in normal operation and with sudden changes of external conditions; (2) competitiveness, i.e. energy prices for businesses comparable to those of foreign countries, and households without the threat of energy poverty; (3) long-term sustainability in the sense that the structure and function of energy does not compromise the emphasis on environmental and climate protection. The sector is financially and economically stable, so businesses can secure the necessary investment in restoration and development; and last but not least, sufficient primary resources are provided.

2.4 Infrastructure

Securing critical infrastructure is the first condition for infrastructure development

227. Infrastructure allows people, goods, services and information to travel. Infrastructure, the “disruption or malfunctioning of which would have a serious impact on state security, on security of the population’s basic living needs, on the health of the people or on the state economy” is called critical infrastructure.⁵⁵ This concept emphasizes the safety. It relates to technical and organisational parameters of infrastructure, which then affect its resilience and flexibility. Both of these properties are important. The safety of the population depends on them. In cooperation with operators of critical infrastructure elements, a critical infrastructure protection system is being developed to address prevention, a state of readiness and resolving consequences and impacts of failures of critical infrastructure elements on the lives and health of the population, securing their basic living needs, and also impacts on the economy. Sustainability of critical infrastructure is determined by the costs of its maintenance and improvement of resilience (both public and /or private policy-induced expenses), a comprehensive definition of obligations (of operators and crisis management bodies) in the event of crisis and the extent and structure of threats (natural, anthropogenic, foreign, etc.).

Strategic infrastructure is important for the economic model

228. However, the way infrastructure contributes to the performance of the economy in the long-term perspective is important for us. The main types of so-called strategic infrastructures are: energy (electricity system and heat supply system, gas pipelines, oil pipelines and product pipelines); transport (road and rail network, air transport infrastructure, waterways and combined transport); water management (supply of drinking water, drainage and waste water treatment); telecommunication and digital network. Strategic infrastructure is sustainable provided by the ability to deliver services of general economic interest in a sufficient way, at an affordable price using economically efficient systems (with full cost coverage by users, including some positive externalities in revenues). Its sustainability also depends on the structure and interaction of network industries operating the infrastructure, public and induced private costs for its recovery, changes in terms of demand and technological innovations in the field of network services.

Infrastructure is measured by the quality of its services

229. The condition of a resilient economy, business and quality of life is based on a well-designed, high-quality and reliable infrastructure in good condition that is designed with sufficient reserves. It contributes to the smooth functioning of other industries. In addition, it provides resilience against crises caused by humans or nature. The success of building and managing an infrastructure relates to the quality of services it provides. Therefore, the state wants to support the continuous improvement of the quality of infrastructure services. Further development and strengthening of the infrastructure must ensure that it produces as little damage as possible,

⁵⁵ Act No. 240/2000 Coll., On Crisis Management and on Amendments to Certain Acts, § 2, letter g).

such as fragmentation of land or soil occupation. The standard of sustainable infrastructure network services relates to their accessibility, continuity, security and accessibility, including an acceptable, non-inhibiting price. Local conditions, user income, consumer standards, and an alternative and individual share of service provision therefore affect Maximum benefit.

Infrastructure operation
needs regulation

230. High-quality infrastructure is strategically important to the state. Without systematic and long-term investments (with a significant public share) there may be risk of water, energy or transport services being compromised, thus disrupting the basic functioning of the state. Infrastructure management, operation and maintenance cannot usually be left to short-term decision-making based on a market mechanism. The focus of possible disparities shifts from security and qualitative factors to economic and social factors. The state should therefore set, maintain and improve the regulatory framework in a consistent manner to ensure the long-term functionality and resilience of the infrastructure as well as the high standard and the social effectiveness of its services.

The electricity network must
be ready for decentralisation

231. An electricity network is an important part of the energy infrastructure. In this subchapter, we are referring to its transmission and distribution aspects, not the source. Its concept is based on the traditional centralisation of production into large power plants. The emergence of small, decentralised energy sources, such as solar panels on roofs, municipal wind farms or biogas stations, will primarily require a qualitative adaptation of this network. The state is planning a gradual investment into infrastructure.⁵⁶

Heat supply systems will
contribute to the
decentralisation and
localisation of production,
especially in agglomerations

232. Thermal energy supply systems represent the energy infrastructure that is essential for the efficient use of heat from renewable and secondary sources of energy that are difficult or impossible to obtain efficiently and used separately at the level of individual buildings (less valuable biomass, biogas derived from biowaste, geothermal energy, waste heat from industrial processes, etc.). The use of locally available heat sources contributes to the decentralisation of energy, reduces dependence on fossil fuel imports and strengthens the local economy. The Czech Republic has a developed heating system that needs to be gradually transformed for the use of low-carbon energy sources, including energy from secondary sources and waste heat, and their transportation to consumers, especially in urban agglomerations.

A good connection with the
economic core of Europe is a
prerequisite for the success
of the Czech economy

233. The Czech Republic must not become the inner periphery of Europe. It is therefore necessary to ensure quality and efficient transport connections between all regions of the Czech Republic within the trans-European transport networks to all neighbouring states, so that transport is not a limiting factor of import and export preventing the economic development of all regions of the Czech Republic. However, steps should

⁵⁶ MIT CR (2015) *Národní akční plán pro chytré sítě*.

be taken not to increase the volume of transit road freight transport significantly, given the high externalities associated with its operation. In the area of rail transport, on the other hand, the role of railway infrastructure in terms of transit should be intensified, both by modernising rail freight corridors and by building high-speed railways. It is also necessary to reduce the administrative burden created by the construction and technology approval process.

Deficiencies in transport infrastructure must not restrict the development of the regions

234. Another part of the transport infrastructure is regional communication. All regions of the Czech Republic show great deficiencies in the quality of transport infrastructure, which limits the economic potential of the regions and, as a result, the ability to reduce regional inequalities (see [Section 4.2](#)). This is also a weakness in view of the expected increase in mobility requirements of the population (see [Section 4.1](#)). It is therefore important to reduce the differences in transport infrastructure quality across regions.

Support lagging regions by developing information infrastructure

235. Technological changes in the global world increase economic differences. Rich and innovative parts of the world – states, urban agglomerations – are able to adapt to these transformations better than middle income areas and peripheries. Therefore, the state wants to invest in the information infrastructure in the peripheral parts of the Czech Republic, where jobs disappear, public services are deteriorating and people are leaving (see [Municipalities and regions](#)).

The emphasis on water management is related to water becoming a strategic resource

236. The water industry infrastructure must supply municipalities and towns reliably with drinking water and effectively drain and clean waste water, despite the long-term deterioration of hydrological conditions. This is pre-conditioned by improving resistance of water sources against contamination and at the same time to substantially improve the quality of discharged cleaned water into watercourses to ensure a lasting opportunity for life of aquatic fauna and flora in a natural environment (for more information, see [Resistant ecosystems](#)). Another supporting step is the improvement of the technical parameters of the water management infrastructure, in particular the improvement of the hydraulic effectiveness of the drinking water distribution systems and their systematic restoration ensuring long-term sustainability and the construction of new multipurpose water reservoirs, as a minimum.

Consider increasing state influence on water infrastructure to ensure sufficient investment

237. Owners must provide sufficient investment to ensure that the water management infrastructure continues to deliver its services to the highest standard. It must be able to mitigate the consequences of drought related to climate change. Upon expiration of lease contracts with foreign partners, the state should consider taking steps to regain responsibility for the operation of the water supply infrastructure at all levels in the Czech Republic's competence and administration, or identifying possible tools for regulating the integration of owners. This measure can achieve a significant increase in investment in the coming decades.

2.5 Public finance system

Public finances are a tool for implementing public policies

238. Fiscal policy is one of the instruments of economic policy, primarily carried out by the government. It uses the budgets of public institutions (in particular, the state budget and state funds) that affect the monetary relations between the state and other economic entities. In particular, the state uses fiscal policy to implement its plans – to promote economic growth, reduce social disparities, reallocate budget funds optimally or as incentives to reduce unnecessary consumption (e.g. tobacco or alcohol) or invest in R&D. The role of fiscal policy in macroeconomic stabilisation is equally important. However, its long-term sustainability is a necessary condition.

The three pillars of public finance

239. Sustainability of public finances must be based on three well-balanced pillars: (1) the quality of public expenditure (money spent must match the results achieved); (2) an acceptable and yet sustainable structure and level of tax revenue from a social point of view (it must tax different population groups fairly and take account of demographics), economic (not limit economic activity) or administrative (effective choice, low administration of taxes); (3) a flexible balance of income and expenditure, which will be balanced in the long-term perspective (without a structural deficit) and counter-cyclical (allowing, for example, investment in the recession to offset the economic downturn).

Politically-determined expenditure must be spent as efficiently as possible

240. Deciding what public funds are used for and where they come from is a political decision. Effectiveness of public spending should be reflected by the long-term universal success rate, i.e. measuring the success of public policy and expenditure, even with international comparisons. Other instruments include external auditing of public budgets, adherence to the 3E principle (economy, efficiency and effectiveness), strengthening of good central purchasing practice or emphasis on open data.

The tax system can be streamlined by reconfiguring some of its parameters

241. The Czech Republic needs to streamline its tax system. There is useful guidance for this process in the form of repeated recommendations from the World Bank, the International Monetary Fund, the OECD and the European Union, which highlight a relatively low current tax burden, an excessive tax burden on labour, a lower than average capital and asset burden and a disproportionately long time for tax administration. Companies also legitimately call for more predictable tax rules. In order to improve the effectiveness of corporate tax collection, the strengthening of European and international cooperation, including the reduction of the role of tax havens, should also be promoted.

The sustainability criterion of the tax system is to ensure sufficient income under changing conditions

242. The public finance system must prepare for the impact of megatrends – ageing, technological leaps, growing inequalities and climate change. In addition to changes in terms of expenditure, a change in the tax mix (income taxes, environmental taxes, property taxes, indirect taxes, etc.)

could be a response to these trends. In some cases, these may not necessarily entail higher rates, but more efficient choices.

Public finances must be prepared for a possible reduction in the European funds revenue

243. European funds have strengthened the Czech economy, helped to revitalise cities and towns, and to revitalise the countryside. We must be careful to adhere to the principle of additionality to avoid displacement of national resources and to make public policies and the normal operation of the state dependent on EU funds. Their inflow into the Czech Republic will gradually decline. The emerging dependence may undermine the fulfilment of the tasks that have eventually been successfully funded. The state should therefore prepare public budgets to counteract the future decline. Meanwhile, it is necessary to consider concentrating the funds on investments to increase the growth potential of the Czech economy. Innovative financial instruments can also be used as available risk capital for investment into small and medium enterprises.

Changes in the public finance system must not compromise social peace

244. All changes to the fiscal system must respect the principle of solidarity and justice. The same tax can have a different impact on different social groups. When using taxes (instead of expenditure) for direct implementation of policies, it is necessary to consider which groups can achieve tax benefits. The state must also subject the same tax considerations to existing tax bonus-malus setting.

2.6 Strategic objectives

7. The economy grows in long-term and the domestic sector is strong.

- 7.1 Domestic parts of the economy develop.
- 7.2 The SME sector grows.
- 7.3 The state supports the shift of the economy towards higher positions in the international division of labour and the international value chain.
- 7.4 The quality of foreign direct investment in the Czech Republic improves.

8. The Czech Republic has well-functioning and stable institutions to support applied research and development and to identify opportunities in this area.

- 8.1 The Czech Republic has a stable material and human capacity for R&D with the appropriate structure and direction, in which both the state and businesses invest sufficient financial resources.
- 8.2 Innovative enterprise activity is growing, based mainly on the results of domestic R&D, and the extent of cooperation between the academic and business sectors.

9. Natural resources are used as efficiently and economically as possible to minimise the external costs caused by their consumption.

- 9.1 GHG emissions are reduced and so is GHG intensity of GDP.
- 9.2 The share of the circular economy is increasing in the total volume of material flows.
- 9.3 Energy and material efficiencies of the economy increase.
- 9.4 The use of domestic agricultural production is increasing, thus reducing the imports of agricultural products and strengthening food self-sufficiency.

10. A working and stable infrastructure promotes economic activities.

- 10.1 Maintaining state control over the critical infrastructure system and developing a critical infrastructure protection system.
- 10.2 Sound transport links are provided with the economic population and transport centres of Germany, Austria and Poland.
- 10.3 The electricity network ensures electricity distribution at the required technical standard regardless of the resource structure.
- 10.4 Thermal energy supply systems create conditions for the efficient use of heat from renewable and secondary energy sources available at regional and local level.
- 10.5 The availability of high-speed internet is improving.
- 10.6 Despite the negative impacts of climate change, the state maintains a high standard of water services while improving accessibility.

11. The fiscal system as a prerequisite for a successful economy is stable.

- 11.1 The medium-term outlook retains structurally balanced budgets, ensuring both the stabilisation of public budgets and their long-term sustainability.
- 11.2 Improving the effectiveness of public funds expenditure in selected public policies (health, education, science and research, etc.).

**RESILIENT
ECOSYSTEMS**





3 Resilient ecosystems

Vision

Agriculture, forestry and water management respect natural limits and global climate change; they improve soil quality, slow water drainage from the landscape and help maintain biodiversity. The development of settlements and technical infrastructure, especially transport infrastructure, takes place with the utmost regard to maintaining and strengthening ecosystem services provided by landscape.

Introduction

Our landscape has changed dramatically over the last century – mostly for the worse

301. The structure of the Czech landscape underwent a significant change in the second half of the last century. Efforts to rapidly increase agricultural productivity, regardless of other landscape functions, led to rapid water drainage, increased water and wind erosion, extensive soil degradation, and a significant reduction in biodiversity and overall landscape uniformity.

We can compensate for the fluctuation of precipitation by slowing water drainage

302. Advancing climate change will mainly bring changes in rainfall distribution. There will be less snow as well as periods of mild, longer-lasting rain. On the contrary, there will also be torrential precipitation and rainless periods. Slowing water discharge from the landscape by improving its ability to withhold precipitation is therefore vital to us.

Climate change in the landscape will gradually force major changes

303. Unless compensated by improved landscape structure and more appropriate farming practices, climate change will also lead to further soil degradation and the extinction of some biological species. Change must be gradual and long-term, but fundamental and permanent. Due to ongoing climate change, these changes are indispensable, unquestionably demanding, but manageable.

3.1 Landscape and ecosystem services

The country needs the principles of long-term restoration and creation

304. The current Czech landscape contains both valuable parts that need to be protected and degraded parts, the gradual change of which needs to be decided (see Development Analysis). Spatial planning is of crucial importance for decision-making in terms of the landscape, so it is necessary to create conditions for the creation and use of specific spatial planning documents aimed at sustainable use, management and landscape planning as well as protection of its natural and cultural values. The creation of a landscape policy in public debate and the definition of

instruments for its implementation form a suitable framework for this process. The country's policy will, in a broader context than in the current spatial planning, deal with the assessment of the landscape's current state and will propose the principles of its long-term restoration and creation. In situations where there are fundamental changes in the landscape – the decline of intensive agriculture on less fertile soils, suburbanisation (Development Analysis, [Municipalities and regions](#)) and the landscape burdened by other intensive uses – and on the other hand the demand for ecosystem services, landscape policy will be the basis for other forms and levels of planning (strategic and spatial planning, catchment area planning, complex landscaping, etc.).

Subsidies can motivate farmers to sustainable development

305. The structure of the Czech landscape was shaped mainly by agriculture. The conditions of subsidy support (see Development Analysis) give the Czech state the possibility of reducing the negative impacts of agriculture on the landscape, within the limits given by the respective common EU legislation. Therefore, the state will use a system of European and national support to permanently strengthen ecosystem services and achieve appropriate level of food self-sufficiency ([Economic model](#)). The provision of subsidies will be linked to improving soil fertility, increasing the capacity of the landscape to retain water and restore biodiversity.

The landscape must be permeable again

306. At the same time, it is necessary to maintain and progressively improve the permeability of the landscape for wildlife (see Development Analysis), in particular by protecting important migration corridors from placing new barriers and make existing obstacles in these corridors permeable. In the case of placing new linear structures in these corridors, it is necessary to design the crossing sites to be as permeable for the purposes of wildlife migration as possible.

Accelerating the complex landscaping will be necessary to improve the landscape

307. Efforts to improve the landscape condition will also include creation or restoration of pathways to make the landscape accessible to people again (see Development Analysis) and planting associated elements such as tree alleys that will help to improve landscape diversity, refer to the following subchapter. It will be necessary to accelerate complex landscaping, including landscape features implemented within the so-called shared facilities.

3.2 Biodiversity

We only have a few decades left to restore the landscape diversity

308. The goal of the Czech Republic for the next few decades is to achieve the presence of viable, genetically diverse populations of indigenous species in our landscape. To reach this, it is necessary to achieve the individual natural habitats in a sufficient range and quality, through a well-established restoration. This plan also features leaving a portion of contiguous areas with preserved wildlife to spontaneous natural development.

Some of the abandoned areas will be left to spontaneous development

309. In the countryside, there are abandoned areas and they keep emerging. They were previously used for agriculture, mining, industry, transport or defence. Where appropriate, some of the abandoned areas will be left to spontaneous development based on natural processes. Protection of natural processes together with protection of habitats and species is the third pillar of biodiversity protection.

310. Furthermore, it will be necessary to limit the spread of existing invasive species and to prevent or reduce the spread of new invasive species (see Development Analysis).

It is necessary to increase the proportion of landscape features and the number of crops grown

311. The conditions for making greener direct payments to farmers under the Common Agricultural Policy have so far had a dubious impact on the biodiversity of the Czech Republic as well as of other member states.⁵⁷ The real value added can only be the obligation to grow more crops, combined with the limitation of the maximum size of a single area that can be planted by a single crop. Substantial improvements can then bring a relevant share of landscape features in Ecological Focus Areas (see Development Analysis).

3.3 Water in the landscape

Lack of water can lead to restrictions on some consumers

312. Expected changes in the distribution of precipitation during the year may cause local water scarcity, leading to restrictions placed on consumers (see Development Analysis), which may lead to conflict with an interest in the protection of aquatic ecosystems.

To compensate for precipitation fluctuation, we must slow down the drainage of water

313. If we want to mitigate the consequences of hydrological extremes, reduce the release of nutrients from fields into watercourses, reservoirs and groundwater, or more specifically to accelerate degradation of these nutrients in the aquatic environment, it will be necessary to accompany the restoration of riverbeds themselves, river floodplains, wetlands and other water reservoirs by further long-term measures throughout the entire catchment area. Therefore, the following subchapter on [Soil care](#) is devoted to other measures affecting the water regime in the landscape.

It will be necessary to review the necessity and condition of drainage systems

314. Revision of the status, functionality and justification of drainage systems will improve the water regime in the landscape as well as the effectiveness of agriculture. Considering the needs of the site, parts of these systems are designed and implemented inappropriately⁵⁸ and will need to be eliminated. Typically, these are cases of unnecessarily high levels of drainage from extensively used locations. The remaining parts of these often large-scale systems will have to undergo a gradual reconstruction, often linked to the modification of their function.

⁵⁷ UNDERWOOD, E.; TUCKER, G. (2016) *Ecological Focus Area choices and their potential impacts on biodiversity*.

⁵⁸ KULHAVÝ, Z.; FUČÍK, P.; TLAPÁKOVÁ, L.; SOUKUP, M.; ČMELÍK, M.; HEJDUK, T.; MARTÁK, P.; STEHLÍK, M.; PAVEL, M. (2011) *Pracovní postupy eliminace negativních funkcí odvodňovacích zařízení v krajině pro podporu žadatelů o PBO v Prioritních osách 1 a 6*.

We need to know more about the effects on human health of pesticides and medicinal products in water

315. We need to provide sufficient support to investigate the impact of pesticide residues, pharmaceuticals and other relatively new chemicals, including those that are hormone-active, on aquatic ecosystems and human health. With regard to pesticides themselves, the previously accepted objective is to reduce the area of bodies of groundwater, or more specifically the number of surface water bodies that have exceeded environmental quality limits due to the presence of pesticide residues.⁵⁹ Encouraging organic farming and the more precise use of pesticides, in particular, choosing the least hazardous product to meet the intended purpose and using it in the right amount at the right time at the right place, for example, within integrated agricultural production, will not only contribute to achieving the goal set out in the previous sentence, but it will also help to improve soil and biodiversity in the Czech landscape.

3.4 Soil care

Little fertile arable land should be transferred to other uses

316. For soils at all altitudes which, due to their properties (such as waterlogging, low depth, considerable damage or location on a steep slope) can no longer be used as arable land, it is necessary not only to continue in their grassing and afforestation but also to support their conversion to wetlands and other suitable natural features. This will dramatically improve the resistance of such soils to erosion and lead to increased carbon storage, and improved water regime. It will also improve the diversity of landscape features (Subchapter [Biodiversity](#)).

To reduce erosion, we will need to return dividing features into the landscape

317. In order to slow the erosion of arable land (see Development Analysis), we will need to return dividing features into the agricultural landscape, using trees, shrubs and permanent grasslands to divide the existing blocks of arable land into smaller units. At the same time, suitable habitats are created for some species of plants and animals (see Subchapter [Biodiversity](#)). In the case of soil endangerment by wind erosion, dividing features with orientation and structure acting as windbreaks are preferable.

It is necessary to limit the cultivation of maize, potatoes and beets on sloping land

318. On sloping land where the erosion risk level does not require unconditional physical partitioning of existing blocks of arable land into smaller plots, it will be necessary to avoid growing crops that provide very little protection of soil against erosion. These include maize, potatoes and sugar beet. On all arable land, it will be necessary to keep to a minimum the cultivation practices that leave the soil surface uncovered by growth and thus significantly prone to erosion.

Permeable surfaces reduce drainage concentration

319. To reduce the erosion of forest soils, it is preferable to use permeable surfaces when establishing forest paths, and equipping them with a sufficient number of capacity culverts to avoid too much drainage accumulation in trenches (see Development Analysis).

⁵⁹ MA CR (2012) *Národní akční plán ke snížení používání pesticidů v České republice*.

Sufficient organic matter improves soil resistance

320. A sufficient proportion of its organic component improves the soil's resistance to erosion. The organic part is also essential to maintain soil fertility, to slow water drainage⁶⁰, and to carbon capture and storage from the atmosphere. In the case of both agricultural and forest soils, it is therefore necessary to keep sufficient post-harvest/logging residues on the spot⁶¹, to plough a sufficient amount of organic fertilisers into the arable land and to improve gradually the selective and undergrowth forestry methods on the forest soil as they do not lead to the rapid decomposition of humus and consequently to acidification of the soil.⁶² The use of varietal crop rotation with the representation of perennial forage crops (e.g. clover and alfalfa) also helps prevent acidification and compaction of agricultural land.

Forest stability can be improved with trees appropriate for the given habitat

321. The shift towards natural species and natural age and spatial structure of forest stands (Development Analysis) and more considerate methods of their establishment and restoration without so-called area-wide soil preparation will lead to an improvement in the overall condition of forest soils, to a higher proportion of organic matter and more favourable chemical composition and water regime. It will also improve the microclimate in forest stands, reduce their susceptibility to insect mass outbreaks and improve their resistance to wind.

3.5 Strategic objectives

12. The landscape of the Czech Republic is conceived as a complex ecosystem and ecosystem services provide an appropriate framework for the development of human society.

- 12.1 The landscape policy and the rules for its implementation have been processed which the different levels of public administration use in their decision-making process.
- 12.2 The share of arable land is decreasing and the share of permanent grasslands in the agricultural land stock is growing.
- 12.3 The share of arable land managed under the organic farming regime has been increasing significantly.
- 12.4 The share of forest land in the total area of the Czech Republic is increasing.
- 12.5 The connectivity of the landscape necessary for migration of wild organisms will also improve.

⁶⁰ HUDSON, B. D. (1994) Soil organic matter and available water capacity. *Journal of Soil and Water Conservation* 49(2).

⁶¹ Meant in places where this procedure will not lead to increased risk of insect mass outbreaks.

⁶² HRUŠKA, J., CIENCIALA, E. (eds.) (2001) *Dlouhodobá acidifikace a nutriční degradace lesních půd – limitující faktor současného lesnictví.*

12.6 Ecosystem services assessment is integrated into decision-making processes.

13. The Czech landscape is diverse and biodiversity is being restored.

13.1 The diversity and stability of habitats and populations of individual native species of plants and animals is improving.

13.2 Natural restoration of ecosystems significantly modified by man is a commonly used process.

14. The landscape is adapted to climate change and its structure helps water retention.

14.1 The drainage of water from the landscape is slowing down significantly.

14.2 The quality of surface water and groundwater is improving.

15. Soils are protected from degradation and landscape potential is utilised to the maximum extent possible to capture and store carbon.

15.1 Organic matter content in the soil and soil structure correspond to the natural state of the given soil type.

15.2 Levels of soil and water erosion have been decreasing.

15.3 The species composition of the forests planted corresponds to habitat conditions and prevents further degradation of forest soils.

**REGIONS AND
MUNICIPALITIES**





4 Municipalities and regions

Vision

Responsible use of land creates the conditions for a balanced and harmonious development of municipalities and regions, improves spatial cohesion, directs the suburbanisation trend and limits forced mobility. Cities and towns create preconditions for maintaining and improving the quality of life of their population. Competent public administration communicates openly with citizens and integrates them systematically into decision-making and planning. Housing is adapted to climate change.

Introduction

Maintain the polycentric character of the territory

401. The Czech Republic must find and maintain a balance between the role of large cities as poles of growth at a European level and a balanced development that preserves the polycentric nature of the territory at all levels. This is the only way to ensure that everyone has an adequate quality of life, with the freedom to choose the environment in which they want to reside and live.

Make suburbia sustainable

402. The division of the country into metropolitan, stabilised and peripheral areas will probably continue to increase. The suburbanisation trend will not disappear in the near future, but the character of urbanisation will change. The main challenge therefore lies in limiting the pace of suburbanisation, making both the existing and emerging suburbs sustainable and functional, and reducing the accompanying negative phenomena such as the increase in commuting and increased traffic load with all its negative effects – noise, pollutants and growing inequalities between different parts of the republic.

Strengthen cross-border links and internal peripherals

403. In order to maintain the historically established polycentric settlement structure, it is necessary to strengthen cross-border links. More than anything else, it was the isolation of the border regions in the second half of the 20th century that caused their transformation in the periphery.⁶³ It is therefore necessary to build infrastructure and promote economic

⁶³ MAIER, K. (2009) Polycentric development in the regional development policy of the Czech Republic. *Urban Research & Practice* 2(3), pp. 324.

development so that both cities and municipalities on both sides of the border form a functional whole. The same applies to internal peripherals.

4.1 Survival and growing spatial mobility

Suburbanisation will also affect smaller towns

404. So far suburbanisation has been threatened mainly by regional centres, but smaller cities are also likely to be affected. It will bear the costs of infrastructure and transport services that will be lacking during the development of the core city and at the same time will endanger the non-production function of the suburban landscape. Based on the experience of cities in Western and Northern Europe, it can be expected that some public and commercial services will shift to the suburban space.

The phenomenon indicating suburbanisation will be the concentration of services

405. However, commercial amenities – shops or services – are mostly concentrated in larger centres and complexes. On the contrary, small local establishments that have served small municipalities or local parts in cities are disappearing. The trend mainly affects the elderly and the socially weaker households that may find it physically or financially difficult to travel for purchases. Excessive concentrations of out-of-town activities also result in urban functions moving out from historic city centres, thus contributing to the degradation of public space in the physical and philosophical sense of the word. If the territorial public administration wants to face this trend, it cannot do so without purposeful and effective regulation of spatial plans and without investment from public budgets. A key role is played by a state that can support small and medium businesses, including services.

Shrinking cities will need to adapt to socio-demographic changes

406. Cities that economically-active residents are leaving are called *shrinking cities*. This is a negative process, which is reflected in the degradation of the physical part of the city, the reduction of budget revenues, and inefficient use of services. At the same time, it has a negative effect on the attractiveness of the city, for example, for investors. Although this trend has not been as significant in the Czech Republic as in other European regions, it is a trend that cannot be avoided. Almost one sixth of cities are already shrinking.⁶⁴ This situation raises new demands for the management of affected cities; responding only to enhancing economic performance is insufficient.⁶⁵ In addition to the new approach to spatial planning, local authorities and the state must also modify management, improve and prepare public services. They must be prepared for the new trend and not leave the cities to change based on *ad hoc* decisions.

Planning at the level of functional urbanised units

407. The multilateral development of cities capable of directing the suburbanisation trend also requires better national and regional strategic planning, including mutual communication between national, regional and local institutions. Traditional spatial plans are not sufficient to support

⁶⁴ SCHMEIDLER, K.; JIŘÍČKOVÁ, H.; ZÁMEČNÍK, P. (2011) Výzva shrinking cities u nás, v Evropě i ve světě. *Urbanismus a územní rozvoj* 14(6).

⁶⁵ RINK, D.; COUCH, CH.; HAASE, A.; KRZYSZTOFIK, R.; NADOLU, B.; RUMPEL, P. (2014) The governance of urban shrinkage in cities of post-socialist Europe. *Urban Research & Practice*, 7(3).

economic, social and environmental links between cities, their backgrounds and the countryside. The state therefore will support the coordination of planning at a level lower than a region and beyond the territory of one municipality, characterised by the strong relationship people have with their place of work and home life in their locality, i.e. support shared co-ordination of cities and surrounding municipalities.

Re-urbanisation and the use of the existing urban structure should be encouraged

408. Suburbanisation is not the only trend. Alongside, it is also possible to expect further changes, especially the revival of the core towns that are or will become centres of functional urbanised areas. Re-urbanisation, which is an alternative to the extensive urban growth, can encourage the use of existing urban structures and so-called brownfield sites (abandoned industrial sites). However, it remains in the public interest to prevent their occurrence.

Standards for public planning are a prerequisite for a balanced and inclusive development

409. The development of lively and cohesive cities cannot be achieved without adequate and affordable housing, without addressing the causes of discrimination and inequalities (e.g. families with children or multiple-generation families) in the housing market and without eliminating social exclusion and homelessness. In terms of both spatial and strategic planning, standards of availability of public services in municipalities must therefore be developed according to their type and size. Spatial and strategic planning must also ensure the protection of cultural and natural heritage.

Cities must adapt to demographic change

410. Population ageing also makes its demands on cities and public services. This change requires that most of the dwellings, public spaces, and amenities in cities and their structures be accessible, permeable and friendly to all ages and user groups. The local administration, which plans and implements investments in streets, squares, parks and buildings, plays a very important role in this.

Foreigners can also be integrated using appropriate urban solutions

411. The population composition will also change, especially in the cities. The first wave of immigrants from other countries have settled in large cities in particular and did not create closed ethnic or religious enclaves. In the coming years, some of them – or their descendants – will probably move to other places in the country and also commute for work. It will be necessary to promote the integration of foreigners into society in the full range of activities carried out by regional centres to support the integration of foreigners (social and legal counselling, socio-cultural courses and Czech language courses).

Technological innovation must not compromise city identity

412. In urban development, cities and municipalities must seek to combine technological innovation, in particular so-called integrated solutions (transport, energy, architecture, communication and green technologies). However, the overall effectiveness of the urban system, such as the Smart Cities concept, must not be at the expense of preserving the identity of other buildings, public spaces, culture and everyday life. Planning at the local level must therefore also promote social cohesion and create living

communities and viable cities. Support for the Smart Cities concept should be heading for this objective. Technological change is significant, but social innovation and innovation are often more important.

Restriction of forced mobility
is in the public interest

413. Cities and regions are exposed to a growing mobility trend. Commuting for work or education is necessary due to job opportunities and schools (but also services) being located away from the home. It is in the public interest to reduce this imbalance and to promote qualified job opportunities where they are missing. This will reduce the demand for transport, and therefore energy and economic costs, and will support the preservation of the polycentric settlement structure and the balanced use of the landscape. Restricting forced mobility allows people to make free choices where they want to live, work and spend leisure time.

Digitisation does not have to
reduce mobility

414. Pressure on labour migration and the production of externalities, particularly from passenger car traffic, can mitigate the digitisation of industry and services, as well as the development of telecommunication and information technology, which allows many entrepreneurs and workers to work from home.⁶⁶ Internet shopping which has grown significantly over the last decade (only between 2005 and 2015, the percentage of online shoppers has grown from 5 % to 42 %⁶⁷) also brings an increase in the supply of goods and services, as well as time and cost savings. However, as experience from other countries shows, the other side of digitisation and electronisation of the world as well as the personalisation of work services may also bring an increase in mobility, especially with regard to the long-term growth of e-commerce (internet shopping and subsequent delivery) and the gradual forcing of commercial infrastructures away from areas showing symptoms of suburbanisation.⁶⁸ Maintaining available and quality postal services cannot be achieved without the multi-purpose use of post offices, which, in addition to postal services, can serve as a public administration contact point as well as service providers.

Mobility will also be related to
life cycle phases

415. People are likely to move more in various stages of their lives. In this respect, Czech families are beginning to follow the trends of Western European countries. The elderly tend to leave the cities and seek a more peaceful environment in their own country or abroad, where they are close to nature and necessary services. Recreation and seasonal housing in summer houses and cottages will therefore be less popular than ever before in the coming years.⁶⁹

⁶⁶ Example is provided in the study VAN LIER, T.; DE WITTE, A.; MACHARIS, C. (2012) The Impact of Telework on Transport Externalities. *Procedia – Social and Behavioral Sciences* 54.

⁶⁷ CZSO (2015) *Využívání informačních a komunikačních technologií v domácnostech a mezi jednotlivci*.

⁶⁸ Compare the study by VISSER, E.-J.; LANZENDORF, M. (2004) Mobility and Accessibility Effects of B2C E-Commerce. *Tijdschrift voor Economische en Sociale Geografie* 95(2).

⁶⁹ We perceive second housing as “a complex of phenomena and processes associated with the object (or part of the object) that is the temporary location of the owner or users who use this object primarily for recreational purposes.” Quote FIALOVÁ, D. (2014) Second housing in

Factors that will affect mobility

416. All of these types of mobility will probably increase. But the places where the people come from and go to can change. They can also move back home (to the countryside or to another country) if they accumulate capital, retire or lose their jobs. Mobility will affect energy prices, political stability, availability of housing in places offering work and services in small towns or in the countryside.

4.2 Regional inequalities

Cities will continue to grow if they avoid threatening their spatial and social cohesion

417. The growth is driven by and probably will remain driven by large cities or settlement agglomerations of closely interconnected medium and small towns. They are usually more productive, with their gains increasing in size. They also strengthen the growth in their vicinity. At the same time, smaller towns can prosper from their proximity to neighbouring cities – even at the level of public service sharing (see paragraph 427) – which compensates for their small size.⁷⁰ However, urban development must not be at the expense of spatial and social cohesion, nor should the disparities between them and the country be negatively affected. Therefore, municipalities must carefully consider the construction of new commercial, industrial and business premises and buildings during strategic and spatial planning in such a way that they do not contribute to the excessive degradation of traditional centre functions and avoid a concentration of services and work on the outskirts of the city. These processes reinforce differences in quality of life, especially for the ageing and socially weak members of society. An appropriate tool to prevent these negative phenomena is the above-mentioned planning at a level lower than the region and beyond the territory of a single municipality allowing for the polycentric character of the state and its regions.

Social inequalities need to be reduced through integrated strategies to solve the problem on the spot

418. The state wants to put functioning national strategies in place that respond to the identified needs of the area in a timely manner and focus on measures that support regions, cities and municipalities in addressing social disparities in their territory. The state will provide systematic support to regions and municipalities and will provide mechanisms for the transfer of information between national, regional and local levels in addressing social integration and inclusion in housing, education, employment, health, setting up social services, solving excess debt, as well as in other areas. The basis for the successful management of social inequalities is the simple and balanced accessibility of the service functions, their balanced distribution throughout the state and the solution of the problems at their place of origin. Prevention which is focused on particular people and households must go hand in hand with solutions that revive peripheral regions, rural communities, or parts of cities in terms of the economy, and provide the same standard of public services as in the prosperous parts of

the Czech Republic. In BLAŽKOVÁ, T.; FIALOVÁ, D.; MATOUŠEK, V. (eds.) *Individuální a masová rekreace v okolí velkých industriálních měst v 19.–21. století*, pp. 43.

⁷⁰ OECD (2015) *OECD360 Czech Republic 2015*.

the country. In the case of economically problematic regions according to the definition of the *Regional Development Strategy*, emphasis will be placed on their systematic support and economic restructuring.

There is a need to promote entrepreneurship using and strengthening local resources

419. The state will focus on targeted and greater support for the creation of highly skilled jobs, especially in those areas where the economic recovery is yet to be successful. It also wants to strengthen the performance and capacity of regions, cities and municipalities in charge of development programmes. It is especially desirable to promote the creation of highly qualified job roles in small and medium enterprises using local potential.

Promoting affordable rental housing prevents the emergence of socially excluded enclaves

420. Not all internal migration is due to work, but for cheaper and affordable housing. Socially weak families are moving from socially excluded localities to cities, rural areas and peripheral parts of the country. The state will therefore support the diverse forms of housing in all parts of cities and regions, especially rental housing for all segments of society. For life in cities and municipalities, the emphasis on prevention and gradual transformation of segregated and socially excluded homes, streets and districts is important; just as regulations should prevent the emergence of closed *gated communities* at the opposite end of the social ladder.

4.3 Increase the importance of non-state participants and community development

Involving all participants in decision-making stabilises governance at all levels, even the lowest levels

421. Major companies have frequently been one of the main counterparts of the public administration in the decision-making process concerning spatial planning. The public administration partner in decision-making should primarily be the public in a broad sense – local citizens, citizens' initiatives, associations and not-for-profit organisations, small entrepreneurs or special-purpose associations of municipalities. Solutions should arise in the spirit of public administration and investor cooperation with this public, avoiding conflicts, challenging decisions and using remedies; planning becomes more robust and more conceptual. A critical point may be the year 2023, when funding from Europe, which now supports equal representation and partnership building, is likely to drop sharply. Fulfilling the partnership principle, however, must respect the responsibility of the public administration for the final decision. An undesirable alternative to partner development is the increase in the importance of legal conflicts of non-state participants in the form of more frequent use of all legal means (petitions, administrative proceedings, court proceedings), which may increase the conflicts of the planning and decision-making processes.

Strategic planning and governance should involve all participants and use all instruments to do so

422. Public administration at all levels must learn how to stir up an ongoing public debate and moderate it. It should prepare and create a space where various participants – businesses, local citizens and others – can jointly participate in strategic planning and governance, discuss land use and specific structures, seek consensus and compromise. This discussion must also lead to practical results and, ultimately in the public's interest, because it is the public administration that bears the greatest responsibility for the

implementation of the agreed intentions. However, the constructive approach of companies, citizens and not-for-profit organisations, and their willingness to accept (at least moral) responsibility for failure, i.e. the ability to accept change and continue to cooperate, is a condition. The state will therefore strive to develop and promote tools enhancing participation, in particular MA21, and integrated rural development tools (CLLD), agglomerations (ITIs) and regional centres (IPRs) which also require a consensus of partners from the public, private and not-for-profit sectors. An alternative to cities to which integrated tools do not apply may be the community-supported development linked to MA21 in the future.⁷¹ Cooperation between rural and urban LAGs can strengthen social cohesion and help solve urban and rural interconnections with suburbanisation and climate change.

Enhanced participation and community life

423. Through effective participation and involvement of all participants, the state will support the development of local communities at different levels (municipalities, city districts or the whole region). Support will be based on trust, partnership and networking as they strengthen each other. The community is a group of inhabitants, the unorganised public, living in a shared territory consistently perceived as their neighbourhood, participating in self-government and respecting the constitutional and legal framework of the Czech Republic. A prerequisite for the functioning of a resilient community is the equal standing of its members, a sense of belonging, awareness and the ability to cope with failure, i.e. the ability to absorb disruption and change, while maintaining its basic functions and structure.

An alternative to developing and improving public administration is the delegitimisation of development policies or their centralisation

424. One undesirable alternative is the continuation of never-ending conflict and dissatisfaction amongst all parties, which can lead to a significant weakening of the legitimacy of development programmes and decisions by the authorities. Careful planning is replaced with chaotic approval of individually enforced projects, unsustainable settlement development and a waste of resources on incoherent infrastructure. Another undesirable alternative is a reduction in the power held by local government, centralisation and stronger regulation, which may also be dependent on the influence of participants outside government. Solutions will be looked at and delivered in a clearer way and less tailored to local possibilities, opportunities and needs.

⁷¹ EESC (2014) *Opinion of the European Economic and Social Committee on "Community-led Local Development" (CLLD) as an instrument of cohesion policy for the period 2014-2020 for local development and development of rural, urban and suburban areas.*

4.4 Competence and quality of regional public administration for the sustainable development of settlements

The performance of regional public administration is coordinated; it respects the principle of subsidiarity and takes advantage of functional urbanised areas

425. The economic performance of the spatial units and the quality of life of their population directly and significantly influence their management and development. The steps taken by households and companies, as well as cooperation between individual sectors of public administration, typically have a greater positive or negative effect in functional urbanised areas, i.e. cities and their suburban backgrounds, than in more populated areas. Therefore, synergies and coordination across departments, regions and different levels of government are needed. These are often insufficient today. Regulation at various levels of government often creates contradictory incentives, and the principle of subsidiarity is also not applied consistently. The problem is compounded by the fragmentation of public administration at the level of municipalities, and especially in large and politically complicated metropolitan areas and urban regions. The OECD survey has shown that this fragmentation leads to wastefulness and ineffective decision-making. There is a need to strengthen the coordination of decision-making across administrative boundaries within functional urbanised areas, i.e. in agglomerations determined by the character of settlements and forming functional units. Examples of such an administrative complex may be metropolitan areas and ITI – an integrated tool for their development.⁷²

It is necessary to continue reform of public administration

426. By 2030, the state wants to complete the ongoing reform of regional public administration, to simplify and consolidate the existing system. First of all, it is necessary to establish clarity and coordination of public administration activity as well as composability of the regional administration structure. Prerequisites for high quality management performance at the base level also need to be considered. In this respect, OECD recommends that the Czech Republic considers joining up municipalities, however, from a realistic viewpoint it considers this effort to be politically difficult to enforce. However, the administrative reform will not affect the character of the Czech Republic's settlement directly. Therefore, it is preferable for the state to set minimum standards for the availability of public services (which will have been considered through strategic and spatial planning), and to support integrated planning and inter-municipal cooperation in terms of sharing public services. Collaboration of municipalities needs to be further enhanced, especially in terms of the principle of voluntarism and search for its new forms, which will be particularly appropriate for the exercise of delegated powers, possible compulsory tasks of local administration and the search for consensus at the local level.

⁷² OECD (2015) *OECD360 Czech Republic 2015*.

The basic skill for community management is strategic planning and management

427. Successful urban or municipal development is built on robust and stable local governance. It has to rely on sufficient institutional capacity, expertise and mutual communication between all participants of change in the territory (local administration, companies, citizens, universities and research organisations, associations, not-for-profit organisations and informal initiatives). It should not only reach a few current objectives, but also regularly assess local life from the point of view of sustainable development, quality of life and fulfilment of national policies. Public administration should set tasks and measurable goals and achieve them in clearly-controlled policies. Not only do they need to know the current standard of legislation, regulations and norms and rely on expertise, but they also need to understand sustainable development, have managerial skills and know-how to work with local partners.

It is necessary to create conditions for quality performance of municipal competences at different levels

428. High-quality public administration also requires adequate determination of the scope of application of the subsidiarity criteria. Competencies should correspond to the possibilities of the municipalities of the given category and to the public administration bodies at the given level. Legal regulations and financial relations should support a conceptual and comprehensive approach to the fulfilment of public administration tasks, including establishment and enforcement of minimum standards for the availability of public services in the territory.

Given the regional capacities, the MEC need to be strengthened

429. The scope of the state administration tasks carried out by municipalities with extended competence (MEC) needs to be improved. This is also necessary in the context of the systematic support they should provide to other municipalities in their administrative district and which are not yet established in the form of a legal obligation. This systematic support is necessary due to the large number of municipalities in the regions, which naturally limits the possibilities of systematic assistance from the regions.

The municipality should not dispose of its property

430. Development of municipalities should be ensured by linking spatial planning with its own land policy. Positive foreign examples of good governance are generally created in situations where there is a preference for municipalities to develop land they own, thereby diminishing the conflict of interest between the public and private sectors.⁷³

Participation promotes the resilience of cities

431. The resilience of cities and municipalities is preconditioned by the consensus between authorities and local partners. The public administration must also involve citizens in their decision-making process and consult with them on their proposed actions – starting with planning and ending with implementation (see also paragraph 422). The realisation and development of proven methods (MA21, CLLD) supplemented by

⁷³ For example, the majority of owners of the major development project of the new Vienna district of Aspern Seestadt are in the public sector. See HINTERKÖRNER, P. (2013) *Veřejný prostor v Jezerním městě Aspern*. In *Veřejný prostor, veřejná prostranství*, pp. 57–60. We would also like to point out the approach adopted by the city of Stockholm during the restoration of former brownfield sites that also included active spatial planning policy, see LEKEŠ, V. (2015) *Urbanismus a ekologie. Urbanismus a územní rozvoj* 18(6).

partial innovative processes such as participatory budgeting represents an opportunity for the near future.⁷⁴

Documents must be linked both vertically and horizontally

432. In terms of sustainable development of settlements and regional development in general, it is important to ensure the interdependence of documents at both the horizontal level (e.g. continuity of regional or urban documents) and vertical (e.g. continuity of national, regional and municipal level). In order to provide a meaningful development of cities and municipalities, it is important to ensure that the decision-making process concurs “across” decision-making bodies (for example, that different unions of the same city unite their goals and plans) and “from the top to the bottom” (for example, the region's intentions must respect the state policy). The state also wants to encourage cooperation between local authorities – even across borders – and to share examples of appropriate solutions.

Strategic and spatial planning documents must be interlinked

433. Spatial planning documents must be linked to strategic documents. At the level of cities and municipalities, a link needs to be established between strategic plans and spatial plans. A strategic plan describes what the city or municipality would like to work towards. A spatial plan sets out the concept of regional development and its regulation in terms of area and space. In order to do this, the plan needs to know the development goals and intentions of the strategic plan. Similarly, it is necessary to ensure the consistency of spatial planning documents at all levels and to link them with strategic and sectoral documents that have a spatial impact.

Regional public administration workers should be capable of meeting the demands expected of them

434. Authorities need to strengthen the knowledge and skill base of staff and workers in four areas. Employees and office workers should gain expertise – not just the development of knowledge in their own field, but also long-term management of a complex agenda and a coherent, interrelated approach. They also need to hone their communication skills in order to be able to interact with the public, to moderate and facilitate discussion between various partners, to present their colleagues with modern practices and to work effectively with various public administration bodies and with various hierarchical levels within its structure. They also need to be competent in planning (strategic planning and management across varying timescales) and in evaluating results, particularly data processing.

Networking and sharing good practice promotes community development

435. Regional and municipal authorities should further develop networking cooperation between municipalities, including the international dimension (e.g. ICLEI, Energy Cities and other initiatives), to ensure the transfer of good practice examples at all levels. Many municipal associations in the Czech Republic have long-term networking experience.

⁷⁴ MIČKA, P. (ed.) (2016) *Analýza občanské participace v České republice*, pp. 44.

4.5 Adaptation of settlements to climate change

The impact of climate change will affect all types of municipalities and territories

436. Forecasts expect gradual climate change in the Czech Republic over the next few decades – even if we manage to partially reduce the rate at which the temperature rises. Summer and winter temperatures will be higher than in previous decades. There will also be more summer heatwaves and extreme droughts which will occasionally alternate with very heavy rainfall. The drought will be most hazardous for South Moravia (the area south of Brno), Vysočina and locations with a lower altitude in the northwest half of Bohemia (from the Beroun region through Lounsko down to the lower Ohře basin). Water shortages and more frequent floods are therefore to be expected. Water quality will fluctuate. In big cities, the influence of the so-called urban heat islands will increase – the temperature difference between the cities and the surrounding landscape will grow. Groups of people with a reduced ability to maintain body temperature will be affected – the elderly, sick and very young children. Drought and heat may also have a negative effect on the operation of buildings as well as all types of transport.⁷⁵

The impact of climate change will be reflected in both spatial planning and crisis management

437. So far, Czech cities and municipalities have made little effort to prepare for the complex impact of climate change. Adaptation and mitigation at local and regional level requires responsible spatial planning for agricultural management, thoughtful creation of landscape structures that have a positive impact on the landscape, soil, biodiversity, and that improve the functional link between natural and urban structures ([Resilient ecosystems](#)). Strengthening the link between spatial planning, population protection and crisis management and taking into account the negative impact of climate change will ensure better protection of people, property and infrastructure from natural disasters (long-term droughts, extreme temperatures, floods and heavy rainfall, extreme wind)⁷⁶ and anthropogenic dangers.⁷⁷ Settlements have always been an integral part of the landscape, and they always will be. The impact of climate change in relation to the effects of suburbanisation will further increase the impact of settlements, far beyond their land registry office, on the associated landscape (e.g. on river basins and streams). The need to preserve or restore the functional interconnection of natural and urban structures in the wider landscape will grow, and planning needs to be adapted.

Cities need to save water

438. The state, the regions and the local administration must work together to strengthen the resilience of cities and municipalities. Adapting to extreme weather patterns requires better care of greenery, and more greenery

⁷⁵ BELDA, M.; PIŠOFT, P.; ŽÁK, M. (2015) *Výstupy regionálních klimatických modelů na území ČR pro období 2015 až 2060*.

⁷⁶ THE MINISTRY OF INTERIOR OF THE CZECH REPUBLIC AND CZECH SECURITY COUNCIL (2015) *Analýza hrozeb pro Českou republiku*, pp. 8.

⁷⁷ Act No. 183/2006 Coll., *On Spatial Planning and the Building Act*, § 19, letter g).

throughout the cities. Saving drinking water – and saving water in general – will become increasingly important and will become a daily part of life. Planning must support increasing the capacity for artificial recharge, retaining and using precipitation water, revitalising watercourses in cities as well as increasing the amount of water in public areas such as rivers, fountains, etc. Such solutions must be considered as part of the decision-making around the use of water resources, and not only based on the control of the infrastructure.

Cities must be green and their operations more ecological

439. Access to nature will be an important dimension of quality of life in urban spaces. Cities and municipalities are currently taking insufficient action needed to adapt to climate change. Appropriate measures must be gradually integrated into strategic and spatial planning. It is necessary to create a dense network of small and large green elements that will systematically make use of inner courtyards, lawns, walls and roofs of large buildings. A green and ecological city also encompasses urban farming. Apart from the areas themselves, it will also provide support for their natural diversity. Research shows that the greater the number of birds, butterflies and plants in the greenery, the more valued by inhabitants.⁷⁸ It is also necessary to remove obstacles and risk factors for animals (glazed walls, etc.).

Cities must start measuring carbon footprint as part of sustainability evaluation

440. There is also a need to reduce the energy intensity of cities. Cities must be prepared for possible power outages and reduce its dependence on fossil fuels. The state will support cities in reducing pollutant emissions and in preparing carbon footprint plans. A good example is the European initiative *Covenant of Mayors* whose participants have decided to cut CO₂ emissions by two-fifths by 2030 and to implement adaptation measures to mitigate the risks and negative impact of climate change on their territory. Each signatory is preparing a sophisticated plan for sustainable energy and climate protection. There are already nine pilot Czech cities and municipalities who have signed up as members of this initiative, which is still a low number compared to countries within Central and Eastern Europe.

Requirement to construct buildings capable of maintaining a comfortable temperature

441. The state wants to continue to help cities and municipalities make major changes in heating (or cooling), reducing building energy performance, using locally available energy sources, and developing public transport and sustainable mobility. The state wants to support both household and municipal programmes. The challenge is not only to keep the heat in the house during the cold season, but to maintain a comfortable temperature throughout the year. It will not be a piecemeal project, but a systematic transformation of cities. Existing buildings will undergo renovations that will help to bring the maximum possible energy savings (*deep renovation*). Besides insulation, part of the programme must include screening for external windows and glazed facades, transverse ventilation,

⁷⁸ FULLER, R. A.; IRVINE, K. N.; DEVINE-WRIGHT, P.; WARREN, P. H. ; GASTON, K.J. (2007) Psychological benefits of greenspace increase with biodiversity. *Biology Letters* 3(4).

etc. Over the next 15 years, civil engineering will more or less update new buildings in line with passive energy standards. New emerging solutions, including energy storage, or cogeneration and trigeneration technologies (electricity, heat and cooling) will start to appear on the market.

Urban energy should be decentralised

442. Cities and municipalities should also transform from simple energy consumers to producers and local providers and to use locally available energy sources. Urban decentralisation, smart grids and a higher share of renewable energy sources in the energy mix will appear in the urban environment (see paragraphs 222, 225 and 232). We can also expect development of integrated projects that will combine various solutions in one city or municipality, including various technologies, e.g. use of current surpluses of solar power to recharge electric cars or heat from industrial waste used for heating purposes. Sending usable and recyclable waste to landfill will be prohibited. Mixed communal waste (after dividing the waste into materials that can be used and biodegradable waste) will be used, in particular in the purpose-built facilities in accordance with the applicable legislation.

Cities need to learn how to handle waste efficiently and make the most of it

443. Changes in energy will affect the ordinary municipal waste disposal process. The state wants to continue to work with cities and municipalities to improve recycling, including the return of organic matter to the soil. Separation of biowaste should become standard practice for Czech cities and municipalities over the next 15 years; it should be used to compost or produce biogas and digestate.

The state will support electromobility, non-motorised and integrated public transport

444. The state wants to encourage cities to move away from car usage and increase the share of electric mobility, including electric vehicle recharging and renewable mobility. Transportation must take into account the needs of the population as a result of ageing and lifestyle changes. New urban transportation policies will move away from unilateral preference and will favour individual motoring through sustainable urban mobility plans. Local administration should motivate people to change their transport behaviour towards more sustainable forms of mobility, but also address significant administrative restrictions as well as charging entry or private parking for some city locations. There is also a need to invest in the cycling and pedestrian infrastructure, support for shared transportation and services, and the creation of a network of dedicated roads (walking and cycling trails, in-line skating rinks, pavements, etc.) and compact, accessible neighbourhoods. A reliable and clean public transportation system will form the backbone of transportation in the regions. Although it will continue to provide individual carriers, the state wants to gradually integrate regional transportation systems into national interconnected timetables, unified transportation conditions, mutual recognition of tickets, minimum transfer distances and a common information system. It also intends to link public transportation to individual transportation via *bike and ride* systems (building sites and equipment for safe bicycle storage near public transport stops or terminals), *park and ride* (building car parks close to public transport stops or terminals); and *kiss and ride* (setting up

stopping or waiting places for passenger cars in the vicinity of public transport stops or terminals).

4.6 Strategic objectives

16. Public services in the area are more accessible to all residents.

- 16.1 Strategic and spatial planning is coordinated at all levels.
- 16.2 Binding standards for the availability of basic public services and appropriate public infrastructure for civilian facilities are in place and are valid for all settlements.
- 16.3 Necessary conditions to ensure the availability of basic public services are already in place at the stage of spatial and strategic planning.
- 16.4 Strategic and spatial planning procedures are coordinated at a level exceeding the level of individual municipalities.

17. Improving quality of life in individual municipalities reduces regional inequalities.

- 17.1 Today's rural and peripheral areas are not depopulating, and their populations do not age more than in urban areas.
- 17.2 Support for highly qualified job opportunities in SMEs using local and regional potential.
- 17.3 Support for various forms of housing, especially affordable housing for all segments of society.
- 17.4 Local integrated strategies reduce social disparities in the territory, strengthen non-conflictual coexistence and improve the quality of life for everyone.

18. Guarantee of high-quality urban development of settlements.

- 18.1 The decline of agricultural land appropriation in cities and in the open countryside is decreasing. Brownfield sites are regenerated and revitalised.
- 18.2 Cities are friendly to all age and user groups.
- 18.3 Municipalities regularly work together with the public to plan their development.

19. Cities reduce greenhouse gas emissions and adapt to the negative impact of climate change.

- 19.1 Municipalities of the III. level prevent the effects of climate change and are able to adapt to them.

- 19.2 The number and intensity of urban heat islands are decreasing.
- 19.3 All newly completed buildings are classified as Energy Class A. Existing buildings are gradually being renovated at least to Energy Class C.
- 19.4 The amount of public greenery in urban agglomerations is increasing.
- 19.5 There is an increase in the length of cycling routes and roads suitable for cyclists.
- 19.6 The number of zero-emission and low-emission vehicles is significantly increasing.
- 19.7 The amount of municipal waste that is stored is decreasing.

20. Regional public administration uses the tools for sustainable development of municipalities.

- 20.1 The central state administration systematically supports and develops tools for the sustainable development of municipalities.
- 20.2 Regional public administration has sufficient institutional capacity to deliver a sustainable development agenda.
- 20.3 The number and quality of Local Agenda 21 implementers will increase.

**GLOBAL
DEVELOPMENT**





5 Global development

Vision

The Czech Republic, as a confident and cooperative member of the international community, contributes both through its domestic and foreign policies to the promotion of values and principles of sustainable development in the EU and the world.

Introduction

Positive actions by the Czech Republic in the field of sustainable development

501. In certain areas of sustainable development, the Czech Republic is successful, even by international comparison. Significant results have been achieved primarily through coordination with other EU countries and the Organisation for Economic Co-operation and Development. Above all, the responses of the Czech Republic to global developments, as well as the adoption of the *Agenda 2030 for Sustainable Development and Sustainable Development Goals*⁷⁹ and the contribution to the adoption and implementation of the *Sendai Global Action Plan on Disaster Risk Reduction* (see Development Analysis) are considered outstanding. The Czech Republic will use this favourable situation to support the fulfilment of global and domestic sustainable development commitments and to promote its sustainable development priorities through coherent external policies and its actions in the European Union and international organisations.

The Impact of the Czech Republic on global sustainable development

502. Some aspects of the development of the Czech Republic and the European Union influence the direction of sustainable development in non-EU. The Czech Republic will strive for the coherence of external policies of sustainable development through closer coordination at the domestic level in order to fulfil its global responsibilities.

Sustainable development agenda and multilateral system

503. The Czech Republic will encourage the world community to use its existing infrastructure of international organisations to fulfil its sustainable development commitments. The Czech Republic does not consider it necessary to create new international organisations and mechanisms, however, the multilateral system, cooperation among individual participants and cohesion of their actions need to be streamlined in order to achieve a

⁷⁹ See GOVERNMENT OF THE CZECH REPUBLIC (2016) *Government Resolution of January 25, 2016 No. 61 to the Report on the Course and Results of the United Nations Summit on Sustainable Development*.

more successful and effective fulfilment of all the commitments of the global integrated sustainable development agenda.

National sustainable development priorities in a global context

504. Given the limited human and financial capacities of the Czech Republic, it is appropriate to focus on a limited number of priority areas. These topics should logically be based on the national priorities⁸⁰ and comparative advantages of the Czech Republic as well as on the current international contexts. The formulation of national sustainable development priorities for global action will be based on the Czech Republic 2030 strategic framework.

Sustainable development policy must be coherent at all levels

505. One of the main principles and key instruments for fulfilling the commitments of sustainable development at both domestic and global level is an integrated approach based on ensuring the coherence of sustainable development policies. The external impact of individual national policies should not be detrimental towards other countries, especially developing countries. The individual activities underpinning sustainable development policies must be interconnected and coherent, at local, national, regional⁸¹ and global levels. The interconnection of individual aspects and elements is a prerequisite for the effectiveness and balance of efforts for sustainable development, both in terms of resource and capacity utilisation on the part of those who provide them, and in terms of impact on the part of those who accept them.

Developing partnerships among participants

506. Besides participation of the government, parliament and other state and public institutions, the preparation and implementation of effective measures to promote global sustainable development also require participation of partners outside of the public sector. These partners are representatives of the civil sector, private companies, academia and the general public. Sustainable social consensus must be based on cooperation in partnership.

5.1 A global environment conducive to sustainable development

Global commitments to sustainable development

507. The Czech Republic is a responsible member of the international community. To maintain this status, above all it must comply with the sustainable development commitments it has made, including regular reporting. Due to higher democratic legitimacy, the Czech Republic shall support the global agenda of sustainable development in the long-term perspective, particularly within the framework of the United Nations.

⁸⁰ In the field of foreign policy, national priorities are reflected in the Ministry of Foreign Affairs of the Czech Republic (2015) of the *Foreign Policy Concept of the Czech Republic*, which also mentions sustainable development in chapter 4.2.

⁸¹ In terms of international regions.

EU trade policy vis-à-vis non-EU countries must be consistent with sustainable development

508. In the European Union, the Czech Republic as an open economy intends to support new trade agreements with other states or blocks if they respect the principles of sustainable development. It will also support multilateral agreements of the World Trade Organization, while respecting the same principles. The Czech Republic wants to apply these trade treaties to prevent social dumping and to give signatories an explicit and effective right to use social, environmental, consumer and hygienic regulations according to their needs and to be consistent with sustainable development. It will further promote coordination in the field of tax reforms. The Czech Republic will also actively contribute to a fundamental review of existing but obsolete frameworks and instruments (such as the Cotonou Agreement).

Development aid will be increased to 0.33 % of GNI and its effectiveness will be regularly evaluated

509. In order to strengthen its political position, credibility and operational capacity, the Czech Republic will also strive to meet international financial commitments in the area of Official Development Assistance (ODA) and to take steps to fulfil its commitment by gradually increasing its level of 0.33 % of GNI by 2030. Emphasis will be placed on the effective use of funding and experience in favour of reducing inequalities and achieving sustainable development in the world. In its foreign development cooperation, the Czech Republic will also focus on the implementation of recommendations from the OECD's *peer review* in 2016 which commended the functional institutional system of Czech development cooperation and humanitarian aid as well as a specific contribution of the Czech Republic to reducing poverty and inequality in partner countries.

Support for the Agenda 2030 for sustainable development

510. At the global level, the Czech Republic will promote the implementation of the *Agenda 2030* and global agendas on climate change, resilience and disaster readiness and its cooperation in its work with international organisations. It also wants to support the mindset change that *Agenda 2030* strives to bring into the global agenda of sustainable development. Special emphasis is on the Sustainable Development Objective No. 16 *Peace, Justice and Strong Institutions*, with a particular focus on the promotion of responsible and transparent institutions that are honest and open with the public and ensure enforceability. This focus is based on the long-term priorities of Czech foreign policy – the promotion of democracy, good governance and human rights. This goal has a cross-sectional validity. It is impossible to achieve efficient and long-term fulfilment of other goals without it. A peaceful and coherent democratic society is also a prerequisite for security and stable international relations.

Strengthening the value added of the Czech Republic for its operations in an international environment

511. Responsible actions taken by international organisations also require a consistent and coherent approach to sustainable development debates in international forums, as it also contributes to spreading the reputation of the Czech Republic around the world. It also helps to strengthen its value added in international organisations both at home and abroad, and for this reason the Czech Republic will develop interdepartmental coordination to effectively enforce its own priorities and Czech expertise in international organisations, to ensure the Czech Republic's participation in their

decision-making processes, implementing the Czech Republic into programmes and projects of these organisations as well as to support Czech experts, especially in the elected bodies of international organisations.

Coordination of operations at a global level

512. In order to operate consistently and efficiently at a global level and within international organisations, the Czech Republic will actively enhance its coordination capacity in the field of sustainable development. The main coordinating body is the Government Council for Sustainable Development, and its respective committees at the working level. The Foreign Development Cooperation Council Coordination is responsible for the issues related to foreign development cooperation and humanitarian aid provided abroad.

5.2 Policy coherence

Progressive revisions of policy documents and instruments for external policy

513. The Czech Republic will outline the national sustainability priorities described in this document, the principles and objectives of Agenda 2030 as well as other international commitments made to the main external relations and external relations policy instruments and strategies at multilateral and bilateral levels, such as the *Foreign Policy Concept, Czech Republic Security Strategy, Concept of Foreign Development Cooperation* and the *Transformation Cooperation Programme* as well as the relevant business, tax, energy, migration and other policies which come under the responsibility of other departments, which have an impact on other countries and on the external relations of the Czech Republic. These include, for example, *Export Strategy* of the Ministry of Industry and Trade of the Czech Republic, *the State Environmental Policy* of the Ministry of the Environment of the Czech Republic, *the Strategy of the Ministry of Agriculture with a Perspective to 2030* and *the Concept for Assistance to Refugees and States under Strong Migration Pressures of the Ministry of the Interior* (see Development Analysis). Policy coherence will be taken into account both in legislative activities and in the implementation of partial policies and programmes both at home and abroad. The Czech Republic will also seek to ensure that the European Union and other relevant international organisations of which it is a member reflect coherently the *Agenda 2030* in their internal policies and external policy instruments.

Building capacity to monitor policy coherence for sustainable development

514. The public administration will strive to create sufficient institutional and analytical capacities to ensure policy coherence for sustainable development. Monitoring the impact of policies on other countries will help reduce the negative impression held of the Czech Republic in these countries (see Development Analysis) and strengthen the value added of the Czech Republic's external actions in the political, security, environmental, trade and development sectors. The central state administration of the Office of the Government of the Czech Republic will build capacity for monitoring policy coherence to ensure – the necessary expertise, capability and range across the state administration and thematic focus on the area of sustainable development.

Monitoring the coherence of policies at global and EU level	515. The Czech Republic will push for the European Union to jointly promote sustainable development on the international scene. It will also seek to make the key principles for the Czech Republic integral to EU concepts, strategies and documents, and to ensure that national priorities are duly respected in EU priorities for sustainable development. One of the priority themes is the coherence of internal and external EU policies for sustainable development.
Adequate self-sufficiency will benefit ecosystems in other countries	516. An appropriate response to unsustainable ways of producing many imported raw materials (see Developmental Analysis), with a significant impact on the external security of the Czech Republic is the support of the consumption of domestic raw materials wherever possible and beneficial for the quality of the environment (Economic model).
Coordination mechanisms to monitor policy coherence	517. The core coordination mechanism for tackling issues related to policy coherence for sustainable development is the Government Council for Sustainable Development and its committees at the working level. Coordination in the European Union Committee and the Ministerial Coordination Groups is ongoing to monitor the coherence of EU policies. For other external impact policies, the coordinating role of the Economic and Social Agreement Council team can be used. Monitoring policy coherence will be (or perhaps already is) embodied in the statutes of these bodies.

5.3 Strategic objectives

21. The Czech Republic co-creates an environment actively supporting sustainable development at a global and European Union level and with an emphasis on national priorities.

21.1 The Czech Republic promotes the global implementation of international commitments in the field of sustainable development, their implementation at the European Union level and their reflection in the activities of international organisations and fulfilment of these commitments.

21.2 The Czech Republic at both global and European Union level supports the fulfilment of the Sustainable Development Objectives and specifically Objective No. 16 *Peace, Justice and Strong Institutions*.

21.3 The Czech Republic increases its value added for operations in international organisations and the European Union.

22. By reinforcing the coherence of internal policies with external impact, the Czech Republic supports global sustainable development.

- 22.1 The Czech Republic continuously pledges international commitments and national priorities in the field of sustainable development which have been developed into policy documents and external policy instruments.
- 22.2 The Czech Republic is actively building institutional capacity to monitor the coherence of internal policies with external impact and to limit their negative impact on the global move towards sustainable development.
- 22.3 The Czech Republic actively promotes the monitoring and implementation of policy coherence at European Union level, in the external policies of the European Union and at the global level.

GOOD GOVERNANCE





6 Good governance

Vision

The Czech Republic has a mode of governance that is both democratic and efficient in the long-term perspective. The decision-making structure is resilient, flexible and inclusive. Citizens participate in decision-making on public affairs and the state creates suitable conditions to facilitate this. Public administration enhances the quality of life of the population of the Czech Republic via public policies and achieve the goals of sustainable development in the long-term perspective.

Introduction

Good governance turns sustainable development into action

601. The plans for sustainable development of the Czech Republic will only ever remain on paper unless we are able to manage such plans well. The quality of governance is fundamentally evident through our quality of life. It decides what our schools or hospitals look like. It also influences whether we are disadvantaged at work because of our gender or age ([People and society](#)). Through governance mechanisms, we determine the level of taxes or conditions for innovative business ([Economic model](#)), for example, if public transport will work in our village or if a new building ([Municipalities and regions](#)) will be built on neighbouring land. Good governance also ensures that the first torrential rainfall does not wash away the soil from the field onto the village green or that people are able to walk down a shady alley ([Resilient ecosystems](#)). We are all able to make decisions about our activity within the Czech Republic as well as beyond its borders ([Global development](#)). We also see the quality of governance reflected in the ability to express our views about public affairs, in dealing with the public administration, or in the possibility of fast-track justice.

Good governance is a matter for all

602. The state can influence many things. However, achieving the vision of good governance in a democratic republic is not only a matter for the state, but for all citizens of this republic. The state creates opportunities and incentives that can be ineffective if there is no active interest in their application. The *Czech Republic 2030* shows that good governance can be achieved if we work on it together.

Better policy making

603. To achieve good governance, the Czech Republic sets a comprehensive goal of a better way of policy making. A human-centred way that is inclusive, transparent, and pursued on the basis of the

necessary knowledge and skills. A way that will take the long-term impacts and side-effects of decisions into account, resulting in coherent public policies. A way that should be able to improve itself systematically, to innovate.

6.1 Democratic governance

More inclusive governance

604. The Czech Republic will increase the inclusiveness of governance, i.e. the real possibility of involving its citizens in decision-making on public affairs, or more precisely into the policy-making process. Present dominant democratic forms will also be improved. This means that constant attention will be paid not only to elections (e.g. to the maintenance of equality of electoral law, availability of polling stations, etc.) and to the functioning of political parties (e.g. ensuring their transparency) but also to the promotion of greater representation of women in decision-making positions. Instruments of this improvement and support need not only be legislative, but may also be cultural, administrative, technological, etc. There will also be greater use of participatory forms of democracy which emphasise direct involvement in the decision-making process, and deliberative democracy oriented towards discussion and mutual persuasion. For example, public consultation on legislative proposals, whether by the government, or by anyone else, using referendums or inviting citizens to co-decide on budgetary priorities (participatory budgeting), especially at the local level. Civil and social dialogue at EU level also offers considerable opportunities.

Public policies as a result of deliberation and not power superiority

605. The deliberation of public policies brings many opportunities. Deliberation is a discussion method in which we try to justify our attitudes. This discussion is open; everyone has the opportunity to speak. The basic logic of the such discussion is argumentation, and not depends on power dominance (e.g. number of votes or privileged position). The main objective is mutual assurance that different perspectives will be taken into account in decision-making and that they will be taken seriously. Deliberations can take place at all phases of policy-making process. It can be used to discuss proposals in assemblies at all levels, and one form may be a substantive and responsive discussion between the government coalition and the opposition. However, deliberation should be used to a greater extent at the phase of policy formulation, setting its origins and objectives and through the direct involvement of citizens. The technical solution may be different (e.g. public forums based on the so-called mini-publics concept, working groups involving various participants, individual in-depth interviews or focus group, deliberative polls, various forms of public consultation using *e-Government* frameworks, etc.).

Obstacles to representation, participation and deliberation

606. The Czech Republic will remove obstacles that prevent or complicate good representation, participation and deliberation. There are not many legislative barriers and immediate technical barriers are relatively easy to remove. In the long-term perspective, we must therefore focus mainly on barriers that restrict access to certain information, barriers that restrict access to certain skills, and obstacles linked to social inequalities.

Easier access to information	607. Easier access to information can be ensured in a variety of ways. First of all, by developing an <i>e-Government</i> system or generally by building an open data infrastructure, furthermore by strong public service media, and by supporting the building of professional backgrounds for political parties, etc.
Learn to discuss	608. Participation and particularly deliberation are “soft” skills. We can learn to master them and become aware of their inclusion in the education system, including adult education. However, they are improved mainly by use. The more citizens are involved in the debate, the more meaningful their next debate will be. Discussion skills may not only develop open political forums, but they also represent opportunities for employee participation or participation in the form of co-operative business (Economic model). Apart from the economic dimension, both forms also have participative and deliberative dimensions.
Reducing inequalities in society	609. In a democracy, rights are guaranteed by law, they are equal for all, and provide citizens with support of the high-quality and swift decision-making of the legal system without any significant regional deviations. However, it is not enough to grant citizens formal rights to achieve democracy. They must also have real opportunities. These will always be different due to different personal interests, skills, etc. However, some people are also limited by social barriers, the removal of which is the task of the state. Reducing the poverty rate, eliminating gender inequalities or inequalities in education (People and society) are also essential for democratic governance.
Democratic thinking is open	610. In the Czech Republic, there must also be room for alternative thinking about how to govern democratically, because it is not possible to estimate the democratic needs “from scratch” and to develop appropriate forms for decades to come. The Czech Republic will create this directly, in the form of state support for scientific R&D. However, the source of innovation in democratic governance can also come from the proposals of various think tanks and NGOs, the work of so-called political institutes in political parties, the activities of municipalities, etc.
Good intentions are not enough	611. Any particular form that will increase governance's inclusiveness must always be considered. Long-term impact and impact on other areas must be taken into account. Experience from other countries as well as experimental implementation of new solutions on smaller samples, i.e. different forms of piloting, may also help. Innovation in democratic governance should also be retrospectively evaluated with respect to meeting the objectives set and taking into account their side-effects.

6.2 Long-term effectiveness of governance

Public administration values

612. The long-term effectiveness of governance particularly depends on the long-term effectiveness of public administration, which therefore face high demands and expectations. Public administration should be transparent, predictable, accessible and should not violate the impartiality principle in order to achieve unauthorised private gain. It should be effective and efficient. It should be able to respond to changes and learn from experience. Each of these aspects is important and none of them must be systematically neglected. However, there is tension among the different types of expectations, or more specifically among instruments to fulfil them. The fulfilment of different expectations associated with public administration must therefore be balanced against the current situation and the mission of the particular institution. Given that in the Czech Republic the functions of public administration are performed both by the state administration and through the competence transferred via local administration, it is necessary to take into account the differences between them in the claims of specific institutions.

Horizontal and vertical coordination

613. The Czech Republic shall improve the policy coherence by improved horizontal and vertical coordination in policy-making process. Horizontal coordination will be both intra- and interinstitutional (e.g. within ministries and among ministries, at regional level, etc.). This requires a sufficient institutional background and intensive day-to-day communication. We can use existing communication channels or the existing network of strategic and analytical services in different institutions if they have the necessary skills, abilities, employees and budget. The system of employee circulation, such as internships in other ministries or other regions, support for internships in the European Commission, exchanges through different networks and associations of cities and municipalities or regions will also help. Vertical coordination should take the form of bidirectional circulation of suggestions, solutions and experiences.

Consider impact in advance and evaluate the outcomes retrospectively

614. Another important step towards achieving policy coherence will be to strengthen the strategic approach and greater emphasis on preliminary impact assessments and retrospective evaluation. For each decision, consideration should be given to impact on other areas (side-effects), especially long-term impact and, if possible, to developing variants solutions. Particular impact assessment tools are mainly RIA (*Regulatory Impact Assessment*), EIA (*Environmental Impact Assessment*), TIA (*Territorial Impact Assessment*), SEA (*Strategic Environmental Assessment*), or HIA (*Health Impact Assessment*). We can create more tools in the future, if necessary. However, it is not sufficient to formulate good policies, it is also necessary to evaluate them retrospectively, and modify further according to these evaluations, e.g. to perform parametric adjustments to systems, to adjust less effective regulation, to reduce the

administrative burden on citizens, entrepreneurs/companies and public administrations, etc. For the purposes of evaluation, it is necessary to clearly define the purpose to be achieved by the given public policy and to pursue this purpose. This will enable public policies not only to improve but also to better manage the resources (competencies, financial resources, personnel, etc.).

Policy coherence not only on the inside but also on the outside

615. Coordination and coherence of public policies does not only concern the territory of the Czech Republic. It will also be applied at European and global level, from preparation of documents for government meetings in EU institutions to coordinated activities in functionally defined international organisations ([Global development](#)).

Policy coherence not only of executive power, but also of the legislative and judicial system

616. The policy coherence is not just a matter of executive power. Greater emphasis on coherence, especially on impact assessments on other areas (side-effects) and long-term impact, should also be proposed by legislative bodies. The quality of public debate would be improved if legislative proposals by MPs and regions used the impact assessment instruments at least as much as government proposals. If there is insufficient institutional capacity for this purpose, it should be created. Policy coherence is also not just a matter of policy formulation and decision, but also matter of policy implementation and conflicting issues solution. Here, in addition to public administration, high-quality, accessible and fast-paced judiciary plays a key role, which must not show significant regional deviations in their decisions. A prerequisite for such a judiciary is a long-term strategy, which should set out primarily a model of the administration of justice, optimise the organisational processes, accelerate the electrification of justice, and identify the methods to systematically improve the rule of law. These intentions should then be tailored to the institutional capacity of the judiciary.

Human-centred approach

617. In the provision of public services, the Czech Republic will focus their attention on individual inhabitants, and consider their needs and their lives, not the internal needs of public administration. In public administration, quality management should be enhanced, especially on TQM (*Total Quality Management*) principles. It is not enough to “do things right”, it is necessary to “do the right things” at the same time. Public services will be planned by working together more closely with those to be addressed and the public administration will also ask recipients whether or not the service had helped them or indeed whether it had had an adverse effect on them. This will allow public policies to be improved, synergies to be sought among them, and better resource management (competencies, funds, staff, etc.). From the conceptual and technical point of view, different *e-Government* tools are also appropriate for the service recipient, if they are used for the purpose of the service. They should go hand-in-hand with a reduction of administrative burdens for citizens, entrepreneurs/businesses and public administrations.

Foreign inspiration, but not copying

618. Foreign experience may inspire us. We need to maintain a level of knowledge of such experience and use it wherever possible. The Czech

Republic must be able to register change in foreign development and compare its efforts with current trends, not past ones. However, it is necessary to avoid mechanical adoption and implementation of a solution that may not be sufficiently effective in the Czech context. Tools for drawing of foreign experience may be cooperation with scientific organizations, education systems for public administration and the promotion of internships in public administrations in other countries or in the European Commission.

First test and discuss, then
implement

619. In policy-making process, it is necessary to honour the “count twice, cut once” rule. To test the effects of the intended solutions, it is crucial to evaluate current knowledge, including foreign knowledge, and then use different forms of piloting, i.e. testing on small samples with rigorous evaluation. Suitable opportunities are currently available, for example, in the regulatory impact assessment process. However, these pilots must not simply take on the form of scientific experiments. They must also have a deliberative dimension, i.e. involve those who are about to propose the solution and those who have something to contribute (for example, professional or public).

Resilience and security

620. The system of governance will be resilient. Specific security threats can change rapidly, as well as their importance. But the types of possible impact when these threats are fulfilled are relatively stable. Therefore, a system of crisis anticipation and response will be further developed, whether it relates to natural or man-made crisis situations (e.g. floods, long-term droughts, epidemics, leakage of dangerous substances, disruption of important electronic communications systems, large-scale electricity outage, large scale legality violation, etc.). In terms of security, there is also a need for coherence of executive and judiciary power (for example, a good criminal policy in which the punishment component is balanced with the correction component).

Resilience and innovation

621. However, in the long-term perspective, resilience is improved by the ability to prepare for possible changes or adaptability – in other words, the ability to innovate in the designing and implementation of public policies in general, in form of process innovations (administrative, technological), service innovations, management innovations and conceptual innovations. To a certain extent, this is already feasible. By 2030, however, the Czech Republic will create conditions for innovation to proceed systematically and rightly to their purpose. Within a shorter time frame, it should be possible within the Czech public administration to experiment with processes, services and other activities. In the future, it is important to ensure a degree of autonomy for lower levels of public administration, a certain type of knowledge and skills and a sufficient information base.

Subsidiarity in services,
systematic support and
evaluation

622. The principle of subsidiarity, i.e. decision-making and responsibility at the lowest level on which the solution from the citizens’ perspective is effective in the long run, will be applied consistently. In view of this principle, we will look for an appropriate institutional set-up for specific

areas. There are public services that are best created from the centre of the administration. Faced with the individualisation of needs, however, the role of lower levels of public administration, where most services are provided in fact and which have an immediate experience of service effectiveness, is increasingly important. Thus, lower levels of public administration receive a degree of autonomy that will enable them to innovate, and a greater degree of responsibility for innovative solutions. Autonomy and innovation, of course, must not undermine policy coherence throughout the Czech Republic. However, no solution is only a matter of a single level. Therefore the systematic support provided by the centre (e.g. specifically-tasked departments of ministries on a government level, regular meetings, a common information system, etc.) and a system of consistent evaluation (evaluation and audit of innovations) must be added to the lower levels of autonomy and their capacity to innovate. All levels must have sufficient institutional capacity to perform their tasks ([Municipalities and regions](#)).

Sufficient knowledge and skills

623. The Czech Republic pays particular attention to the development of expertise for the policy-making process. In addition to understanding the diversity of values and experience with the impact from policies, expertise and skills are an important factor influencing public decision-making. This affects not only the institutions that public policy makers primarily create or implement, but also those that make decisions about them (e.g. legislative bodies). Therefore, more intensive interconnection of public administration with specialised workplaces, such as universities, research organisations, the Academy of Sciences of the Czech Republic and public research institutions (PRI). The state support system for R&D will create and encourage this cooperation. The public administration's demand for various forms of analysis and counselling will increase which can be provided by specialised departments.

Systematic education

624. The system of public administration employee education intermediaries the latest scientific knowledge, contacts with experience from other countries and insight into how to work with these findings. It will encourage public administration employees to realise the possibilities and limits of different methods, data and information. For this purpose, it is possible to use the existing forms, e.g. the system of education pursuant to the Act on the Civil Service (No. 234/2014 Coll.), the Act on Local Self-Government Officials (No. 312/2002 Coll.), the Public Administration Institute established by the Ministry of Interior, education in a network of municipalities developing MA21, various forms of cooperation with public universities or a system of internships in public administrations in other countries or in the European Commission.

Availability/accesibility and quality of data and information

625. Better data and information are essential to good policy-making. Data will therefore be systematically collected and their circulation facilitated. There is also a wide range of domestic and foreign data sources that could be used much more regularly than currently (e.g. so-called administrative data of public administration, information from companies, NGOs, academic information, data from international institutions, regulations and

legislative process data, etc.). Evaluation of policies also provides key information for decision-making. A system will therefore be developed to regularly update the data and information needs of public administrations, linking resources from different areas to enhance coherence of policy-making. The *e-Government* provides a suitable framework for this endeavour. Assessment of existing policies will be based on evaluations and on a comprehensive system of measurement and public administration evaluation. If we want citizens to be involved in policy making and if we want the result to be a meaningful public debate, data and information must also be provided to them. Again, tools enabling this may come from *e-Government* projects and generally open data approaches, both with respect to the right to protection against unauthorised interference with privacy. These activities should be linked to the effort to reduce the administrative burden on citizens, entrepreneurs/companies and public administrations.

Protection against corruption
and discrimination is a fair
public policy justification

626. Applying the principle of subsidiarity, sufficient knowledge of public administration employees, and good data and information help to also better justify and defence of decisions. In the policy implementation phase in particular, we need to be able to prevent violating the impartiality principle of public administration by clearly defining public interests, by being transparent and whistleblower protecting.

6.3 Strategic objectives

23. Policy makers have the knowledge and skills to enable them to participate fully in the public debate.

- 23.1 The education system for public administration employees will develop conceptual thinking and provide the latest scientific knowledge, contact with experience from other countries, and insight into how to work with this knowledge.
- 23.2 The education system provided by public education institutions ensures the development of participative and deliberative skills of citizens.
- 23.3 The state system of support for oriented and applied research will ensure a steady influx of knowledge, innovation of democracy and long-term effectiveness of governance.

24. Public policies are coherent in respect to the goals of the *Czech Republic 2030* strategic framework.

- 24.1 Public administration at all levels will have sufficient institutional capacity to make coherent policies (competencies, personnel, funding, communication channels, etc.).

- 24.2 Public policies will take into account long-term impact; public administration will monitor such impact within their own strategic materials.
- 24.3 Public policies will be based on available knowledge and systematically assessed in advance with regard to possible impact on recipients and on areas other than primary interest.
- 24.4 Public policies will be systematically evaluated retrospectively (ex-post evaluation).

25. Policy makers have quality and accessible data and information for decision-making.

- 25.1 Inside the public administration, a system for collecting and sharing data and information will be further developed to enable problem analysis, variation creation and impact assessment.
- 25.2 Public administration data and information will be accessible in a way that is most convenient for citizens.
- 25.3 A system of experience exchange between higher and lower levels of public administration, among different sectors of government and among Czech public administration and public administrations abroad will be developed.

26. Innovation in public policy making is a progressive solution that enhances the democratisation and/or long-term effectiveness of public policies; such innovation is a permanent part of the functioning of public administration at all levels.

- 26.1 A system of innovation support will be developed in public policy making.
- 26.2 Pilotage will become a part of public policy making wherever it is appropriate in terms of the given policy.
- 26.3 The deliberation of public policies will be the rule wherever it is appropriate for the given policy.

27. The quality of governance has been improved in terms of public policy recipients.

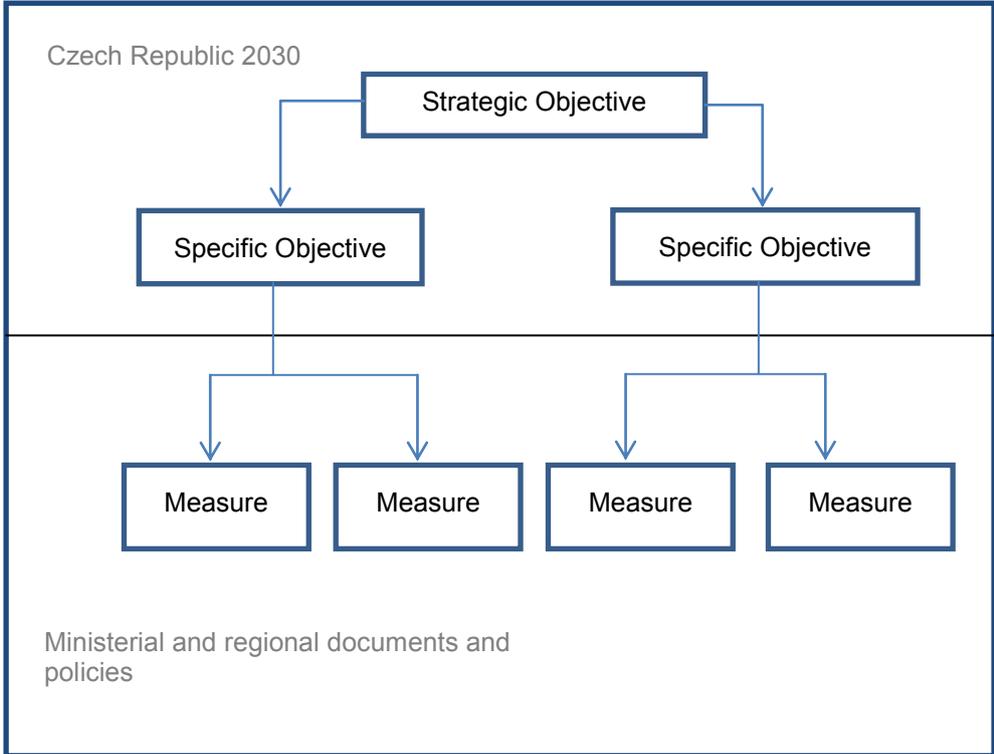
- 27.1 Procedures will be developed to increase the inclusiveness of governance from the point of view of citizens.
- 27.2 Procedures will be developed to improve the effectiveness of public administration in terms of citizens, entrepreneurs and companies.

Strategic framework implementation

701. The Strategic Document *Czech Republic 2030* is a comprehensive government document for national, regional and local levels. It also serves as a transfer mechanism for Czech commitments to the European Union and the global community in the field of sustainable development. It sets six priority areas for development of the Czech Republic in the long-term perspective and formulates strategic and specific objectives. Specific measures to achieve strategic goals fall within the responsibility of the relevant departments or the Office of the Government in accordance with current competencies.

702. Following the approval of the *Czech Republic 2030*, an implementation document will be prepared and submitted to the government in 2017 to determine the mechanism for monitoring compliance and interaction between the strategic and specific objectives of the *Czech Republic 2030* and the sectoral strategies, concepts, programmes and measures. For all national strategy papers, regional development strategies, concepts, programmes and measures that have a structural impact on the long-term development of the Czech Republic, the compliance with the strategic and specific objectives of the *Czech Republic 2030* will be assessed. The result is to ensure the linkage between the comprehensive strategic document through sectoral and ministerial strategies at national and regional levels. The tool for tracking the compatibility of strategic goals at each level of government is the Strategy Database. The Strategy Database should be interconnected with data sources for monitoring indicators (e.g. PDB CZSO, RIS MRD etc.).

Figure1 Relationship between strategic and specific goals of CR 2030 and measures

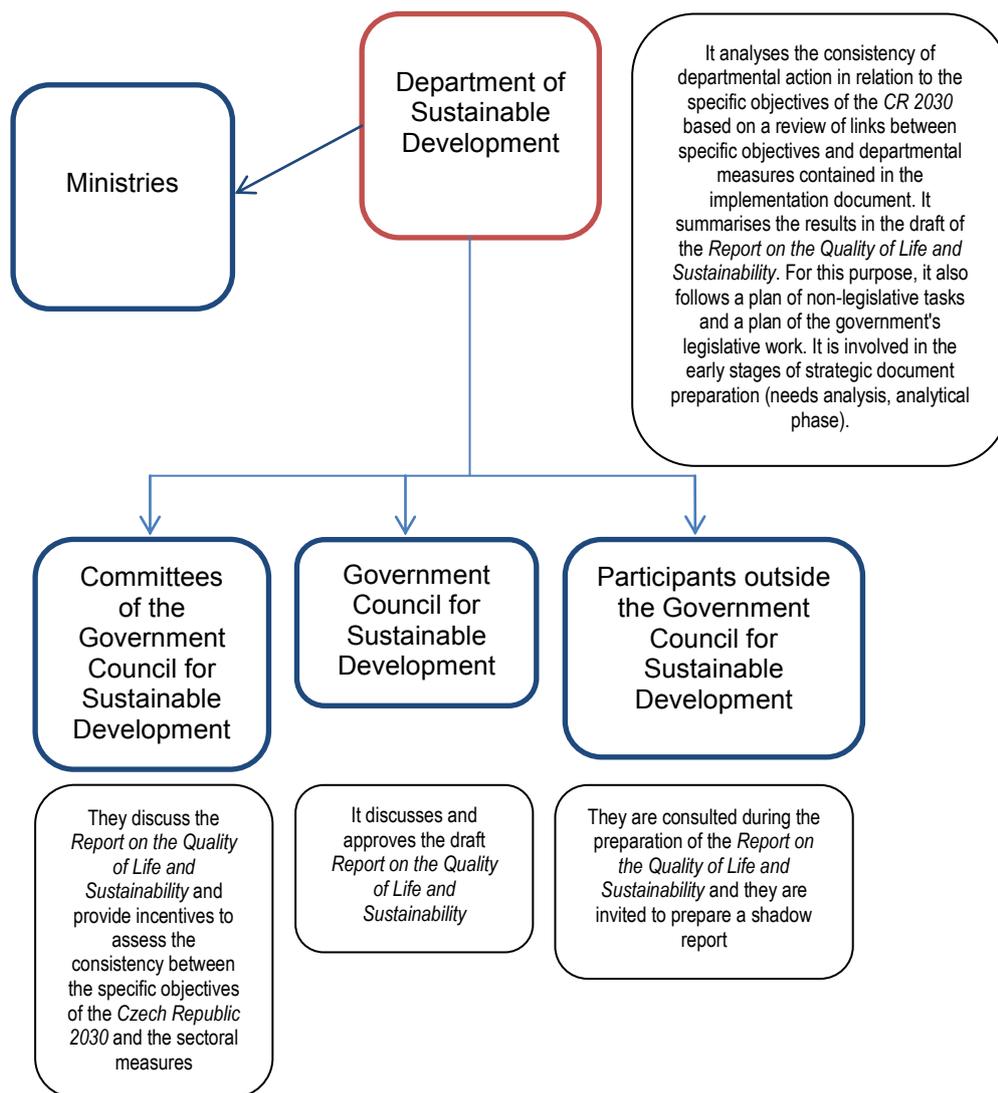


703. The implementation document will include a proposal on how to analyse gaps in current policies and identify causes that prevent potential goals from being met. At the same time, it will determine the responsibility of individual ministries for achieving and fulfilling the goals of the Czech Republic 2030. There will be concrete actions and measures (such as regulation of legislation and regulation in general, securing financing, etc.).

704. Evaluation of the compliance of strategic documents, programmes and measures with the *Czech Republic 2030*, fulfilment of sustainable development principles and progress in quality of life and sustainable development will be assessed by the *Report on Quality of Life and its Sustainability* (hereinafter referred to as the “Report”) which will be submitted to the government every two years on the basis of indicators approved as part of the *Czech Republic 2030*. This Report will be based on an analytical part that evaluates developments in each priority area with a specific link to strategic and specific objectives. The Report will also include recommendations on the content of policies or strategic documents, concepts, programmes and measures. Data collection and preparation of indicators is ensured by the relevant Committee of the Government Council for Sustainable Development; the Department for Sustainable Development of the Office of the Government then elaborates a draft Report based on this data. The Report is then subsequently discussed in the Committees of the Government Council for Sustainable Development, approved by the Council and submitted for discussion to the government. On the basis of this, and on the basis of interim findings, the Office of the Government enters a dialogue with ministries to ensure compliance with the *Czech Republic 2030*.

705. Non-profit and private sector participants not represented in the government's Sustainable Development Council will be invited to prepare a shadow report during the preparation of the Report.

Figure 2 Participant Tree CR 2030



706. The Department for Sustainable Development in the aforementioned process also ensures alignment of strategic objectives of the CR 2030 with strategic documents at international and European level (*Agenda 2030 for Sustainable Development, Europe 2020 Strategy, Sustainable Development Strategy of the European Union*).

707. The Department for Sustainable Development will play a precise role in the application of sustainable development principles, the development of instruments to promote sustainable development and the fulfilment of the strategic objectives of Good governance for Sustainable Development. This role will be fulfilled in close cooperation with other agendas.

708. The Department for Sustainable Development will also provide systematic support to public institutions to make use of voluntary instruments and innovative approaches as examples of sustainable development.

709. Strategic objectives of *CR 2030* will be further enhanced by providing a framework for so-called voluntary commitments that enable a wide range of participants outside the public administration to subscribe to the objectives and principles of the *CR 2030*.

710. The *Czech Republic 2030* is a live strategic document that responds to contextual changes and developments in priority areas. The review of the strategic document will be conducted as necessary via a regular assessment by the Department for Sustainable Development or on the basis of identified needs within the sectoral, regional and other strategic documents and policies, at least every five years.

List of abbreviations

B(a)P	Benzo(a)pyrene
CLLD	Community Led Local Development
CR 2030	Strategic Framework Czech Republic 2030
CR	Czech Republic
CZSO	Czech Republic Statistical Office
CSI	Czech School Inspection
EESC	European Economic and Social Committee
EIA	Environmental Impact Assessment
EC	European Commission
EP	European Parliament
ESIF	European Structural and Investment Funds
ETS	Emission Trading Scheme
EU	European Union
GNP	Gross national product
HIA	Health Impact Assessment
GNI	Gross national income
GVA	Gross value added
CZFBRC	Czech Fire Brigade Rescue Corps
CHCFE	Consortium of "Cultural Heritage Counts for Europe"
ICLEI	International Council for Local Environmental Initiatives
ICT	Information and Communication Technology
IT	Information Technology
ILO	International Labour Organization
IRDP	Integrated Regional Development Plans
ITI	Integrated Territorial Investments
KA	Key area
LAG	Local action groups
MC	Ministry of Culture of the Czech Republic
MRD	Ministry for Regional Development of the Czech Republic
MIT	Ministry of Industry and Trade of the Czech Republic
MLSA	Ministry of Labour and Social Affairs of the Czech Republic
SME	Small and Medium Enterprises
MJ	Ministry of Justice of the Czech Republic
MOI	Ministry of the Interior of the Czech Republic
MH	Ministry of Health of the Czech Republic
MA	Ministry of Agriculture of the Czech Republic
MFA	Ministry of Foreign Affairs of the Czech Republic
MoE	Ministry of the Environment of the Czech Republic
NEA	National Ecosystem Assessment
NCG	National Coordination Group
NGO	Non-Government Organisation
NPM	New Public Management
OECD	Organisation for Economic Co-operation and Development
MEC	Municipalities with extended competence
UN	United Nations

PAH	Polycyclic aromatic hydrocarbons
PISA	Programme for International Student Assessment
PM ₁₀	Flying dust – suspended particles smaller than 10 micrometres
PM _{2.5}	Flying dust – suspended particles smaller than 2.5 micrometres
FDI	Foreign direct investments
RIA	Regulatory Impact Assessment
RIS MRD	Regional Information Service MRD
SEA	Strategic Environmental Assessment
SFSD	Strategic framework for sustainable development
TIA	Traffic Impact Assessment; not implemented in CR yet
TQM	Total Quality Management
UNESCO	United Nations Educational, Scientific and Cultural Organization
OG CR	Office of the Government of the Czech Republic
PRI	Public research institution
R&D	Research and development
PDB CZSO	Public Database of the CZSO
PA	Public Advocate

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Appendices:

Appendix 1: Indicators for specific objectives of CR 2030

Appendix 2: Analysis of the Czech Republic development

Appendix 3: Overview of UN sustainable development objectives