



Ministry of Foreign Affairs  
of the Czech Republic

# 25 Years

of the Czech Republic's OECD Membership



Introduction of Mr. Andrej Babiš, Prime Minister of the Czech Republic	3	National Cyber and Information Security Agency	18
Introduction of Mr. Tomáš Petříček, Minister of Foreign Affairs of the Czech Republic	4	Ministry of Labor and Social Affairs	19
Introduction of Mr. Vladimír Dlouhý, Candidate for the post of Secretary-General of the OECD	5	Ministry of Education, Youth and Sports	22
Ambassadors	6	Czech School Inspectorate	24
Important milestones	8	Ministry of the Environment	26
Ministry of Finance	10	Ministry of Health	27
Czech Statistical Office	11	Ministry of Regional Development	28
Ministry of Foreign Affairs	12	Ministry of Agriculture	30
Ministry of Industry and Trade	13	Ministry of Justice	31
Government Office	15	CzechInvest	32
Ministry of the Interior	17	Confederation of Industry of the Czech Republic	33
		Office for the Protection of Competition	34



Ladies and Gentlemen,

This year, the Czech Republic is celebrating the 25th anniversary of its admission to the Organization for Economic Co-operation and Development (OECD). We were the first post-communist country to be accepted into this prestigious international organization. The membership was of a great symbolic importance to us at the time, as it meant correction of the historical injustice of 1948 when, under Soviet pressure, Czechoslovakia refused to participate in the Marshall plan's efforts to restore Europe's war-torn economy.

The events of 1989 permitted Czechoslovakia, and subsequently the Czech Republic, to effect what was then referred to as the "return to Europe". The OECD was the first international organization to accept our republic as a member during this period of social and economic transformation. It has been through the OECD that our country has been able to fully participate in the organization's discussions of key issues pertaining to economic and financial policies and to gain access to its high-level analytical and data resources.

The most well-known, publicly available regular reviews published by the OECD are its "*Economic Surveys*", which provide a gateway for countries to cooperate in non-economic areas such as education and development, policies related to science, technology and innovation, the environment, public administration and agriculture.

I am convinced that joining the OECD has been both successful and was a correct step. Within the family of the most advanced countries in the world, we can work together to come up with solutions to today's fundamental economic issues and worldwide crises.

Andrej Babiš  
*Prime Minister of the Czech Republic*



Membership in the OECD has made it possible for the Czech Republic to successfully complete its 1990's economic transformation and to execute the changes required to become a member of the European Union. For 25 years, the OECD has provided our country with information and insights from other more advanced economies, all of which have helped with our own development efforts. We recognize its importance in the establishment of global business frameworks and we are proud of the contributions we have been able to make in the promotion of its core values and guiding principles, including the global dissemination of best practices.

As a mid-sized, open and export-oriented economy, the past 25 years of active membership in the organization have seen our country focus on basic recommendations emphasizing liberal and market-originated investment business and trade policies. We have been a strong supporter of all OECD activities related to global issues such as climate change, aging, employment and digital transformation. From being a recipient of development aid, we have turned ourselves into one of the world's most advanced donor countries. The importance of free economies to cooperate is clearly evident in today's crisis in which the world is facing a global economic downturn. I am convinced that the OECD, as a union of economically important and democratically oriented countries, will be able to meet these challenges and play a critical role in the recovery of the world economy.

Tomáš Petříček  
*Minister of Foreign Affairs of the Czech Republic*



The Czech Republic wants to actively contribute to the further development of the OECD and to the promotion of its core values from a senior management level of the organization. I appreciate that the Government of the Czech Republic has nominated me as a candidate for the position of Secretary General, which I consider one of the most important international positions.

I had the honor of being the first member of the Czech Government to attend the OECD Ministerial Meeting as Minister of Industry and Trade shortly after the Czech Republic's admission in 1995. Since then, our country has come a long way and our OECD membership has helped in a substantive way in the successful development of our economy. Our economy and society are based on OECD values such as free markets, free trade, a pluralist democracy and respect for human rights. At the same time, we are involved in solving many of the other problems in today's world; and, here also, OECD membership has provided us with significant analytical and economic policy assistance. I feel that now is an opportune time to give back to the organization - to reciprocate for what it has given our country and enabled it to do, to enhance its relevance and its role in global affairs.

For a long time, the world economy will struggle to overcome the economic impact of the current pandemic. I believe that the OECD can continue to play a key role in shaping the economic policies that can drive a global recovery. Because of my experience in the transformation of the Czech Republic's economy, my professional background and skills, I believe I am ready to accept this new challenge.

Vladimír Dlouhý  
*Candidate for the post of Secretary-General of the OECD*



[www.vladimirdlouhy.cz](http://www.vladimirdlouhy.cz)



### Jaromír Přivratský

*Ambassador and Permanent Representative of the Czech Republic to the OECD (1997 - 2002)*

*In Memoriam*

- The first ambassador of the Czech Republic to the OECD.
- During his tenure, the Czech Republic occupied its first Chair and Vice-Chair positions on OECD committees.
- In 2001, the Czech Republic became a member of the OECD's "Participants to the Arrangement on Officially Supported Export Credits" (referred to as the OECD's "Consensus Group"). Participation in this Group has enabled the Czech Republic to take part in the Group's decision-making on rules on state-support for exports. This has permitted the Czech Republic to participate in the promoting of equal conditions for export financing and insurance on the European and world markets.



### Jiří Maceška

*Ambassador and Permanent Representative of the Czech Republic to the OECD*

- Doyen of the OECD's College of Ambassadors from 2006 to 2007. In this position, he supported the appointment of the new OECD Secretary-General, Ángel Gurría.
- On the 10th anniversary of the Czech Republic's admission to the organization, he arranged for an OECD Council meeting to be held in Prague.
- He has contributed to the country's cooperation with the OECD on the development of the national economic strategy of the Czech Republic
- He provided significant help to Israel's admission to the OECD.



### Karel Dyba

*Ambassador and Permanent Representative of the Czech Republic to the OECD (2007-2012)*

- He worked to to improve other members understanding of the historical context of what the Czech Republic experienced during the period of the communist (non) economy, including the unique characteristics of the post-communist Czech political and economic transformation.
- He sought to make more extensive use of OECD resources and expertise to improve and shape Czech domestic economic policies.
- Through his lectures and popularization activities, he expanded the public's knowledge and awareness of the goals, objectives and activities of the OECD.



## Pavel Rozsypal

*Ambassador and Permanent Representative  
of the Czech Republic to the OECD (2012-2017)*

- During his time at the OECD, he was involved in negotiating key elements of the BEPS (Base Erosion and Profit Shifting) program to combat tax avoidance by multinational companies.
- He was directly involved in the initiation of the discussions between the EU's Member States on the proactive "Strategic Foresight" program - i.e. to provide an ability to anticipate and prepare for long term disruptive changes in the economy and society. This effort drew on the experience of the United Kingdom of Great Britain and Northern Ireland, Finland, Denmark and other countries, which embarked on similar approaches.

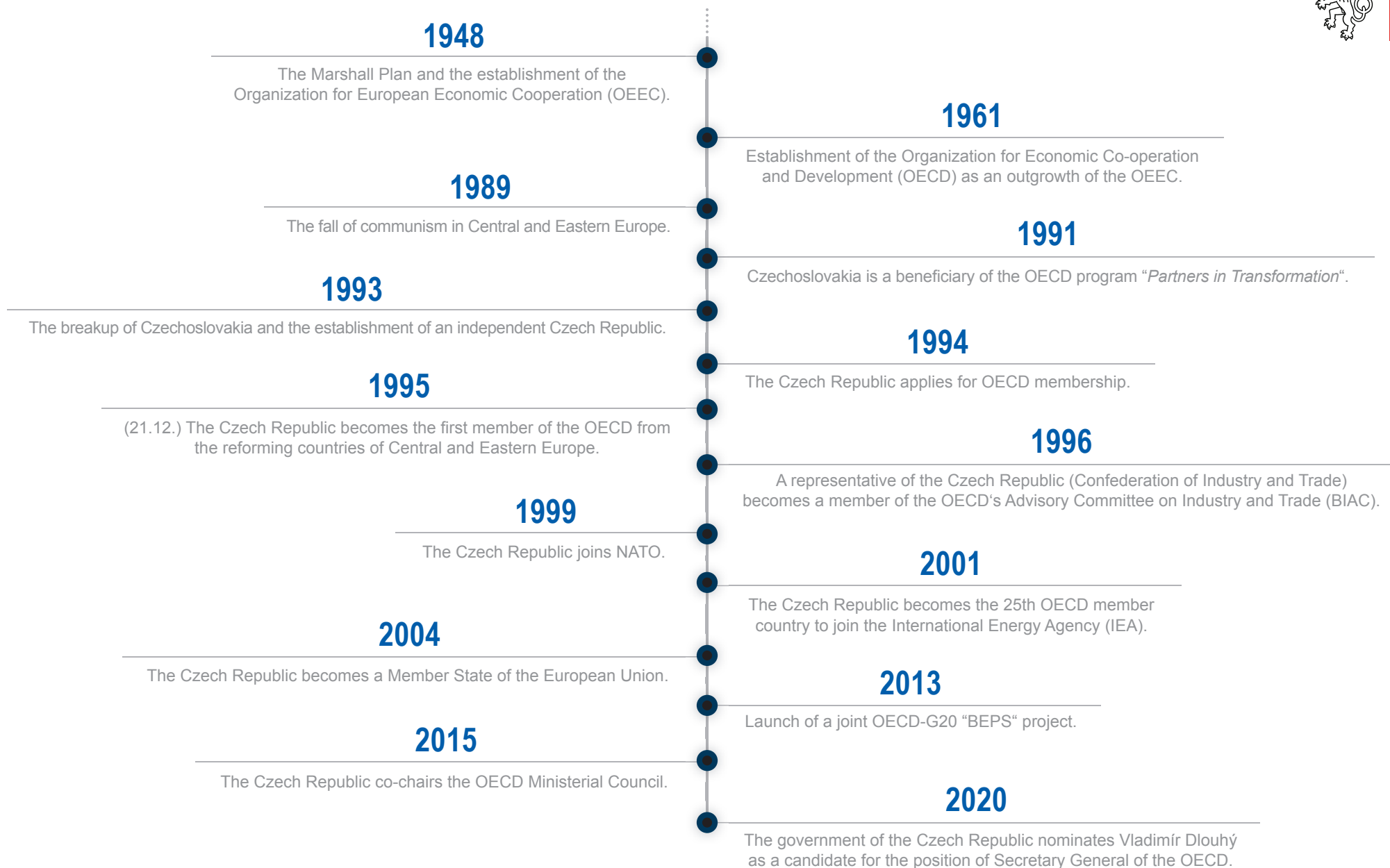


## Petr Gandalovič

*Ambassador and Permanent Representative  
of the Czech Republic to the OECD since 2017*

- From 2017 to 2018, he was the Chairman of the OECD Budget Committee - a period in which there were significant funding disagreements between member countries. He therefore considers his tenure in this position to have been successful with the reaching of a budget compromise at the end of 2018 and the OECD budget's final approval.









**Chateau de la Muette, Paris 28. 11. 1995  
Czech Republic joins OECD**

**From left to right: Petr Lom, Czech Ambassador to France,  
Josef Zieleniec, Foreign Affairs Minister  
Jean-Claude Paye - OECD Secretary General**



## The OECD's “*Economic Survey: Czech Republic*” Provides Recommendations Based on Best Practices

The Czech Republic greatly appreciates the Economic Survey which, every two years, summarizes the current economic development status of the country, paying particular attention to those areas needing extra work. The December 2020 Economic Survey of the Czech Republic has a targeted chapter on fiscal decentralization. Previous Surveys contained chapters focused on recommended improvements to the health care system, information on increasing productivity, public sector efficiency, the competitiveness of the domestic economy and energy efficiency.

Each Survey contains recommendations and examples of best practice from other OECD countries covering a wide range of areas, from education to support for small and medium-sized enterprises and the pension system – all of which are important important areas of interest as we seek to improve conditions in the Czech Republic. The “*Economic Survey: Czech Republic*” brings together approaches and recommendations that cut across the interests of a number of state administrative institutions. Many topics are discussed from different perspectives, which we consider yet another added value of this publication. The OECD produces these Economic Surveys for each of its member countries, not just for the Czech Republic. They are thus invaluable 100 page documents, which can be used to get a comprehensive overview of the economies of any OECD member.

## In the Area of Taxation, Progress Would Be Impossible Without International Cooperation

Another area in which OECD membership is of fundamental importance to the Czech Republic is in the discussions being held on current issues of tax policy. By strengthening the cooperation between individual member countries, it becomes much easier to find common solutions to problems. Drawing on the experience of other OECD member countries is one of the cornerstones of any effort to develop a modern tax system in which there is a minimum of distortions.

The OECD produces a wide range of reports and documents related to tax policies, containing data and statistics which are invaluable in drawing up our country's own tax policies and making related analyses. Recommendations, guidelines, model agreements and other similar documents, which are issued by the OECD, are important in helping to establish global cooperation on taxes regimes. The OECD not only brings together experts in the field of taxation, but also provides them with the opportunity to take advantage of the experience of foreign colleagues. All of this helps the Czech Republic to learn what it can do to build a modern and well-functioning taxation system. The most important topics in which cooperation within the OECD is irreplaceable for us include: avoiding double taxation, taxation across the digital economy, the negative impact of tax competition, tax evasion and the issues related to the attribution of profits to what should be considered “*permanent establishments*”.

<http://www.oecd.org/czech/>





## OECD Statistics

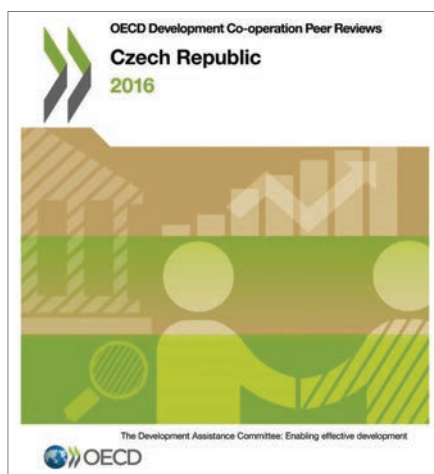
Although it might not seem so at first glance, the OECD is the place to go to find extensive statistical information. Much of the website ([www.oecd.org](http://www.oecd.org)) is devoted to data on individual countries, with both long time series and also current information on an extensive range of topics covering the environment, economy, finance, education and social data. The different ways in which the OECD presents its data is also particularly helpful to offices wanting to make use of the information. There are screen tiles showing some basic information, dynamic graphs and users can download data for further manipulation. There are also development tools for creating files using different open data formats and ways to visualize the data. Representatives of the Czech Statistical Office have in the past participated in several OECD working groups - including those working on the provision of statistical outputs.

<https://data.oecd.org/czech-republic.htm>





## Membership of the Czech Republic on the OECD's “Development Assistance Committee”



Since 2013, the Czech Republic has been actively involved in the activities of the OECD's Development Assistance Committee (DAC), which brings together the most important donors from OECD member countries. The admission of the Czech Republic to participation in the work of this Committee was a symbolic recognition of the success the Czech Republic has achieved with its own efforts in the areas of foreign development assistance and humanitarian aid. The primary benefits of membership in this international forum include the ability to share experiences at an international level and the opportunity to participate in the formulation of OECD rules.

Membership is, among other things, also both a motivator and an opportunity to improve the results of our own development efforts. In 2016, the Czech Republic's development cooperation and humanitarian aid system was evaluated by DAC member countries as part of a so-called peer review process. Experts from the Netherlands and Sweden participated – evaluating the results of the Czech Republic's own foreign development efforts as well as the overall functioning of the

Czech system for providing foreign aid. At the same time, the resulting evaluation report provided recommendations on how the Czech Republic could make future improvements. In 2019, the OECD confirmed (during its mid-term review) that most of its recommendations were being met, including the introduction of new tools, more effective private sector involvement and support for what the United Nations refers to as the “Humanitarian Development Nexus”. Our country has also been on the other side of the experience as one of the OECD's peer review evaluators for Portugal and Greece.

Other benefits of DAC membership include access to the Committee's statistical systems and methods for evaluation. Because of this, we can assess our own results using DAC approaches, with the evaluations invaluable for our own future planning. By using the statistical standards of the DAC and the OECD, the Czech Republic annually collects and processes internationally comparable data on official development assistance programs, simplifying the presentation of Czech development cooperation opportunities to foreign countries.

<http://www.oecd.org/dac/>

<https://www.oecd.org/dac/oecd-development-co-operation-peer-reviews-czech-republic-2016-9789264264939-en.htm>







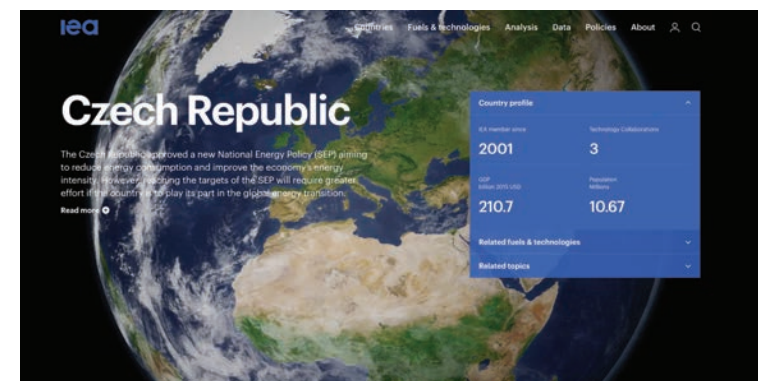
## From International Trade to the Consumer

In the context of foreign trade, the OECD provides member countries with areas for international cooperation, including opportunities for dialogue and for the analysis of trade policies. It also helps member countries to take full advantage of trade opportunities and adapt to the changing nature of trade. Unlike the more traditional, which is just to focus on cross-border trade, the OECD maps out the systems of global value chains, especially in terms of value-added. In this regard, the OECD, in cooperation with the World Trade Organization (WTO,) has created a unique TiVA (Trade in Value Added) database, which takes a broad-based look at the role globalization has been playing in relation to trade. With respect to the trade being carried out in services, a significant milestone was the 2014 introduction of the “*Services Trade Restrictiveness Index*” (STRI), which uses a unique database to illustrate international barriers to trade in services covering 22 different sectors and 46 countries. Compared to other countries, the Czech Republic has a low STRI index rating for 21 sectors. In response to all that is going on globally with respect to digital transformation, the OECD has stepped in to analyze what is going on in digital trade, which is currently one of the most important areas for the Czech Republic. In this context, the OECD’s Trade Committee is analyzing barriers to digital commerce through digital STRIs.

Representatives of the Czech Republic also participate in the discussions and preparation of reports by the working group dealing with Small and Medium-sized Enterprises (SMEs) and Entrepreneurship at the OECD (the “*Working Group on SMEs and Entrepreneurship*”). This Group looks at what different countries are doing in terms of their SME policies, their strategic directi-

ons and current activities and prospects, which are put together into an annual “*OECD SME and Entrepreneurship Outlook*”. The Group also looks at specific issues facing SME’s and business startups among which are the use of new technologies, digitization, blockchain, artificial intelligence, etc. Another area of interest is the quality and inclusiveness of the new jobs being created by these business firms. Annually, the OECD publishes its “*Scoreboard on Financing SMEs and Entrepreneurs*”, which collects data from 48 countries from around the world on SME lending, alternative finance instruments and financing conditions, as well as information on policy initiatives to improve SME access to funding. (Loan conditions remained more or less favorable in the run-up to the COVID-19 epidemic, despite some signs of tightening. However, bank lending to SMEs increased only slightly in many countries and declined in some other countries.)

Through its “*Committee on Consumer Policy*” (CCP), the OECD provides a platform for discussing consumer issues, consumer rights and their enforcement in a global context. The CCP addresses a broad range of consumer issues and provides a range of tools for public authorities to use in helping to formulate effective consumer protection programs as well as enforcement mechanisms. The CCP conducts research and analysis of consumer problems, develops general guidelines on topics of common interest, monitors and analyzes markets with regard to their impact on consumers, and provides a space for the exchange of information on consumer-related issues. The docu-



ments prepared by the CCP are important in shaping consumer policy priorities at national levels and include proposed solutions for the analyzed problems. The Czech Republic makes use of the information provided in formulating the country’s own consumer protection strategies. As a result of the world’s ever increasing use of digitization, the CCP regularly addresses issues related to how to protect consumers in this digital environment. One example is its focus on the impact of misleading information in advertising for products and services being offered to consumers online. In this area, the CCP looked at how the Czech Republic addresses deceptive online advertising practices through the use of national supervisory authorities, as well as the country’s other good practices in this area.

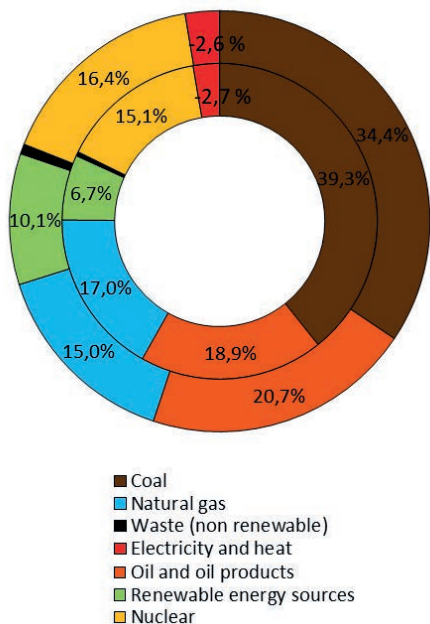
<https://www.mpo.cz/cz/zahranicni-obchod/>





## The Gold Standard for Data and Analysis in the World of Energy

Primary energy sources by fuel  
(2010 inner circle, 2018 outer circle)



In 2001, the Czech Republic became the 25th member of the International Energy Agency (IEA), an organization operating “under the umbrella” of the OECD. Its mission is to provide up-to-date information on the global energy environment, including forecasts of future changes. Its data, statistics and analyzes have become the gold standard for use by experts around the world. This information is widely used in the preparation of strategic planning and policy materials such as the country’s “*State Energy Concept*” and the “*National Plan of the Czech Republic in the Field of Energy and Climate*”. The Agency also prepares numerous other in-depth studies, which are made available to the Czech professional community, and conducts periodic, in-depth reviews of the energy policies of its other member countries, on the basis of which it issues non-binding recommendations. The availability of the above-described expertise has been of inestimable benefit to the Czech Republic in making informed decisions and setting out strategic directions for its own energy sector. The additional benefits of international cooperation can also not be overlooked, including the strengthening of relationships with, not only our neighbors, but also with the world’s largest economies. In the area of research and technology, hundreds of projects are underway involving the cooperative efforts of a multiplicity of research institutions from throughout the world, including the Czech Republic.

Czech governmental bodies that have a significant relationship with the International Energy Agency include the Ministry of Industry and Trade, the State Material Reserves Administration (in cooperation with the Ministry of the Environment) and the Czech Statistical Office. The Ministry of Foreign Affairs is responsible for the budget. The regular meetings of the Agency’s working bodies discuss, among

other things, the current developments in world energy markets, the state of emergency oil stockpiles in EU Member States, issues related to energy security, energy research and technology, the fight against climate change and the need for sustainable development.

Since 1996, the Czech Republic has also been a member of another OECD intergovernmental body, the Nuclear Energy Agency (NEA), which represents 85% of the world’s nuclear energy capacity. OECD member countries participate in several working groups and, as with the IEA, it is recognized for its extensive and high level of technical expertise. The NEA conducts a wide range of studies and is a source of reliable data and information in the nuclear energy field on topics such as nuclear safety, new nuclear technologies, radiation protection and the use of nuclear energy in science and research.

The technological objectivity and apolitical nature of both the IEA and NEA provide a significant added value to the Czech Republic’s membership in these organizations. The removal of bias in the weighing of the scientific and technological pros and cons of nuclear energy is much needed today as we confront too many media acronyms, politically motivated attempts to delay new nuclear plants and attempts to obfuscate the unquestionable benefits of using nuclear energy to mitigate the impact of our energy sources on the on the climate - as we transition to a low carbon emission economy. Due to the planned construction of a new nuclear power plant in Dukovany and to help overcome preconceived objections, membership in the NEA has been particularly beneficial to the Czech Republic. The broad participation of experts from OECD member countries in its individual working groups has helped us to gain know-how and develop important contacts in this sector.

<https://www.iea.org/countries/czech-republic>



[https://www.oecd-nea.org/jcms/pl\\_23357/regulatory-and-institutional-framework-for-nuclear-activities-czech-republic](https://www.oecd-nea.org/jcms/pl_23357/regulatory-and-institutional-framework-for-nuclear-activities-czech-republic)



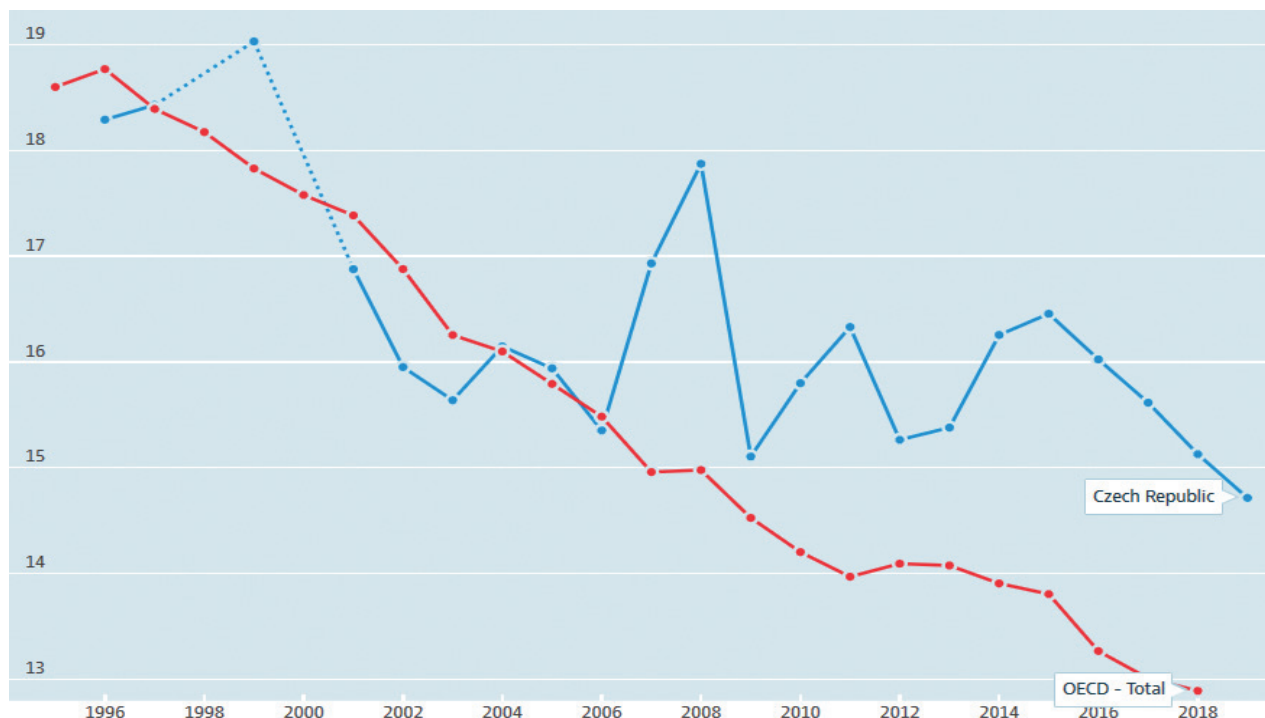


## A Better Understanding of Gender Equality Issues through Cooperation with the OECD

The OECD has long been interested in the issue of gender equality and, as a result, it has been publishing studies on the subject, including recommended standards such as the “*OECD Recommendation of the Council on Gender Equality in Public Life*”, data and research reports on violence against women and the recent comparative studies on the effects of the Covid-19 pandemic on gender equality in OECD member countries. Important sources of information on conditions in the Czech Republic are the “*Program for International Student Assessment*” (PISA) reports, which are demographically-based comparisons, measuring the level of reading, mathematics and science literacy of pupils aged 15, and the “*Social Institutions and Gender Index*” (SIGI), which is designed to measure gender equality in a society. The expertise, data and recommendations from the OECD are used in the setting of the Czech Republic’s national strategic commitments to improvements in gender equality, including its “*Strategy for Equality between Women and Men in the Czech Republic 2021-2030*”, which represents a comprehensive framework for promoting gender equality in the upcoming decade.

The Department of Gender Equality of the Office of the Government of the Czech Republic is the national coordinating body for the country’s gender equality agenda, It works closely with the OECD on formulating the country’s strategic plans in this area, using working group meetings, seminars and conferences, where OECD experts are often invited to share the results of OECD studies and to offer a more comprehensive overview on the subject of gender equality. The Czech Republic actively participates in the activities of the “*OECD Working Group on Gender Mainstreaming and Governance*”.

In close cooperation with the OECD, the Czech Department of Gender Equality has also prepared a project designed to strengthen national capacities for promoting its gender equality



agenda. The project has been submitted for funding under this year’s EU “*Technical Assistance Instrument*” call and, if given support by the European Commission, it will provide a chance to review the current institutional framework for the promotion of gender equality in the Czech Republic and to issue specific recommendations for improvements. The outputs of the project will be used not only to set up better national processes, but also as a source of suggestions for better implementation of those hori-

**Gender Wage Gap (red OECD average, blue the Czech Republic)**

Source: <https://data.oecd.org/earnwage/gender-wage-gap.htm>

zontal principles that cut across and have relevance to all areas of the work of EU funded projects that have a relation to equality between women and men within the EU’s “*Operational Program Employment +*” (in Czech the abbreviation is “*OP Z +*”) for the project period 2021-2027.

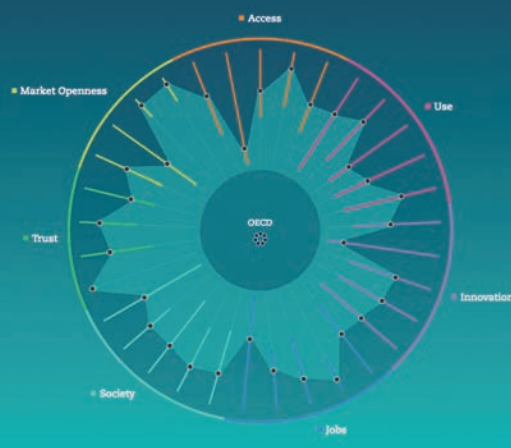




## Digital Economy

### Going Digital Toolkit

The Going Digital Toolkit helps countries assess their state of digital development and formulate policy strategies and approaches in response. Data exploration and visualisation are key features of the Toolkit.



As an organization with a primary focus on economic cooperation and development, it is easy to understand the OECD's keen interest in the global transition to a digitally based economy. Here, its key role is informational, developing indicators to measure this digital transformation and to provide streamlined data to its member countries to help them create their own national strategies and long term approaches to the changes taking place. The OECD also chooses to work on key themes, which it bases around trends it identifies in the digital economy. It then examines and analyzes these trends to provide valuable input for its different member countries' national policy-making. Examples here would include the use of online platforms and their impact on the labor market, the protection of children on the internet and the benefits of technologies such as artificial intelligence (AI) and blockchain. All of these activities are brought together in a multi-faceted project entitled "Going Digital"<sup>1</sup>, in which a number of tools are provided for policymakers to help economies and society prosper in an increasingly digital and data driven world.

One of these is the "Going Digital Toolkit"<sup>2</sup>, which is interactive and helps individual countries assess their state of digital development and preparedness in more detail. The toolkit is focused

on areas such as connection quality, market openness, innovation, the overall labor market and public trust in technology. The OECD also presents data on economic growth and quality of life. The OECD is very active in looking into the field of AI. During its Ministerial Conference in 2019, the member countries adopted the "OECD Council Recommendation on Artificial Intelligence"<sup>3</sup> which identified the "OECD Principles on AI", which are non-binding and values-based. Subsequently, in early 2020, the "OECD AI Policy Observatory"<sup>4</sup> was launched. It is interactive and online and designed to help monitor the implementation of its advocated principles, map national initiatives in support of AI and identify newly published academic research. The Czech Republic is actively involved in the field of AI and has signed onto these OECD AI principles, regularly providing updated data to the AI Observatory and it has nominated one of its own experts, who is a member of the Czech Academy of Sciences, Alžběta Krausová, for inclusion on the OECD's network of AI experts. In addition, a national observatory on AI was established in the Czech Republic in 2020. It is the "AI Observatory and Forum"<sup>5</sup>, which is used to monitor the development of AI technology in terms of its legal and ethical contexts and to work actively to respect and fulfill the OECD's accepted AI principles.

<sup>1</sup> OECD Going Digital Project <http://www.oecd.org/going-digital/>

<sup>2</sup> Going Digital Toolkit <https://goingdigital.oecd.org/en/>

<sup>3</sup> Recommendation of the Council on Artificial Intelligence <https://legalinstruments.oecd.org/en/instruments/OECD-LEGAL-0449>

<sup>4</sup> OECD. AI Policy Observatory <https://oecd.ai/>

<sup>5</sup> AI Observatory and Forum <http://observatory.ilaw.cas.cz/>





## Keeping Up with Global Trends

Keeping up with the latest global trends and best practices in the area of public administration, including the digitization of work flows and processes and human resource management, is the responsibility of employees of the Czech Ministry of the Interior. They do this through committees and working groups.

The sharing of best practices from other countries and the use of the OECD's methodological materials has also been helpful in strategic planning work looking to make improvements in areas of public administration. One example has been the OECD's "*Policy Framework on Sound Public Governance*", which sets out an ideal vision for a public bureaucracy and some of the tools that might be used. Another useful document has been the OECD's "*Recommendation of the Council on Public Service Leadership and Capability*", which looks at how to lead, manage and develop human resources in public administration with the objective of making it more flexible and responsive to the public's needs. The preparation of the Czech "*Client-Oriented Public Administration 2030*" concept document was carried out in accordance with the above Framework's recommendations, which provided strategic guidelines for the development of the Czech public administration of the future.

The OECD also has tools that help its member countries respond to new and changing circumstances, such as its "*Innovative Response Tracker*" platform, where specific examples of innovative approaches to dealing with the current COVID-19 pandemic have been published.

## The Digital Transformation of Public Administration

There are OECD committees and working groups on the digital economy and eGovernment, which are available to international experts to exchange information and discuss the latest digitization trends. They also support cooperation between member countries and the coordination of national policies.

OECD publications, such as the "*Digital Economy Outlook*", take an in-depth look at what is going on in member countries and then arrive at recommendations to assist with developments in specific areas. Examples are the OECD's "*Recommendations on Digital Government Strategies*", "*Recommendation on Digital Security of Critical Activities*" and the soon-to-be-released recommendations that will focus on two new technologies (blockchain and artificial intelligence).

The OECD has also developed the "*Going Digital Integrated Policy Framework*". Its purpose is to help individual countries develop the best possible integrated policy making infrastructure for the digital age in order to inclusively serve all sections of the population. The multi-dimensional work in the *Going Digital* project maps out the manner in which the digital transformation can take place and provides information on how to develop tools to operate in an increasingly digital and data-driven world. The project covers technologies such as artificial intelligence and blockchain, and also addresses the related issues of education, employment and social inclusion. In this context, the OECD has developed the "*Going Digital Toolkit*", which provides member countries with interactive indicators, policy guidance and analysis to help measure and compare their digital development.

# GOING DIGITAL

Making the transformation work for growth and well-being



## Cyber Security as Part of the Digital Economy

The Czech Republic's membership in the Organization for Economic Co-operation and Development (OECD) permits the country's respective state institutions and private entities to work cooperatively on cyber and digital security, user privacy, protection of children in the online world and data governance. The Czech Republic participates in the area of cyber security through, among others agencies, representatives of the National Office for Cyber and Information Security and the Ministry of Trade and Industry and it does so through the "*OECD Working Party on Security and Privacy in the Digital Economy*". On an ongoing basis, the Czech Republic is part of the OECD's updating and development of recommendations and strategic documents focused on the digital economy's cyber security, which includes

the *Internet of Things* (IoT). The Czech Republic's goal in this area is to promote an approach based on risk assessment, the protection of human rights and privacy. There are other OECD tools and instruments, which serve as starting points for the adoption and establishment of national programs and standards. For example, in the field of public-private cooperation in a coordinated sharing of vulnerabilities, this can involve the filing of a so-called "*Coordinated Vulnerability Disclosure*" (CVD). Last but not least, the country's membership in the OECD makes it possible to send Czech experts from the public and private sectors to participate in individual OECD working groups on cyber and digital security and to share Czech know-how.

<https://www.oecd.org/sti/ieconomy/workingpartyonsecurityandprivacyinthedigitaleconomyspde.htm>

<https://www.oecd.org/digital/ieconomy/information-security-and-privacy.htm>





## Social Policy and the OECD

### 1. Social Dialog

By joining the OECD, the Czech Republic was given access to a number of OECD studies and guidelines dealing with work, employment and industrial relations. One of these was the “*OECD Guidelines for Multinational Enterprises*”, in which governments can find non-binding recommendations on standards for responsible business conduct by multinational enterprises, as implemented in the legislation of other member OECD countries. For its part, the Czech Republic passed a government resolution establishing a “*National Contact Point*” (NCP) and, to increase the awareness of the legal impact of this resolution, the Ministry of Industry and Trade conducted a number of promotional activities and provided a mediation and conciliation platform for solving practical problems that might arise from non-compliance in specific situations. In the period 2001 - 2004, at the initiative of Czech trade unions (especially the CMKOS (Bohemian-Moravian Confederation of Trade Unions)), five specific cases were discussed on the NCP platform in which multinational companies were found to have violated particular legal regulations in the area of labor law and industrial relations. In each case, through the use of the NCP platform, an amicable resolution to the violations was found.

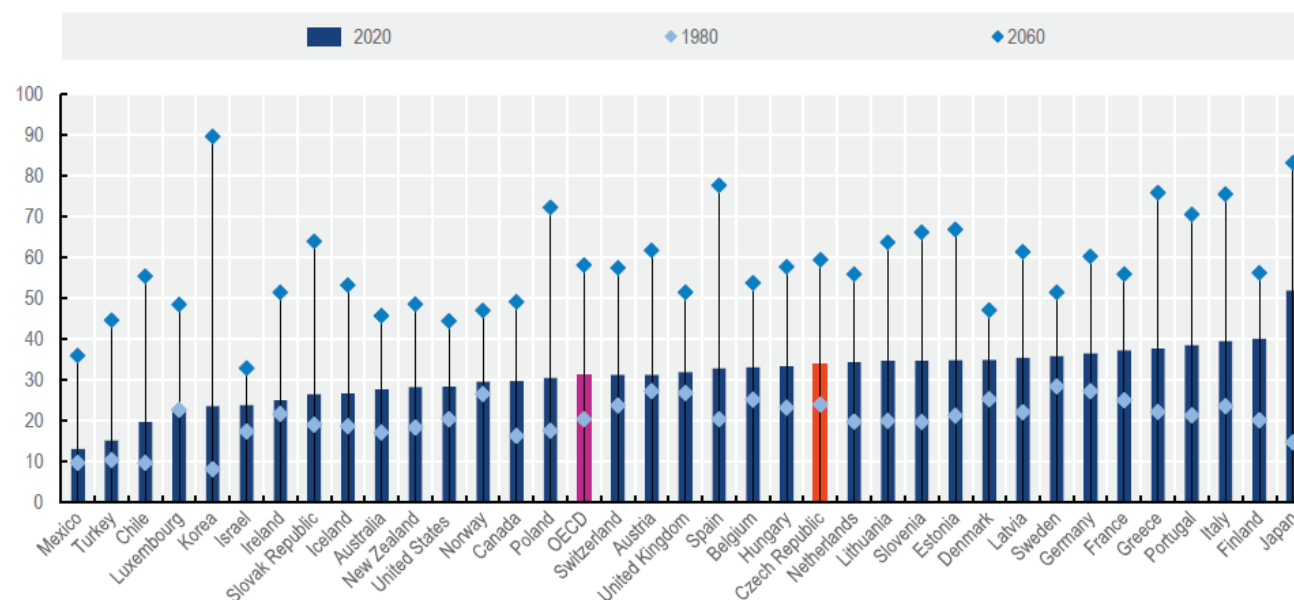


<https://www.mpo.cz/cz/zahranicni-obchod/narodni-kontakni-misto/>

### 2. Employment Policy and Public Employment Services

In 2000, the Ministry of Labor and Social Affairs of the Czech Republic celebrated the tenth anniversary of the establishment of a network of public employment services (labor offices), which in the first decade of the country's economic

Number of People Over the Age 65 per 100 Persons of Working Age (20-64)



transformation made significant contributions to the creation of a functioning labor market. These offices became the primary tool for implementation of an active employment policy, centrally managed in a market economy. To mark this anniversary (on 3-4 of July 2000), the Czech Republic and the OECD jointly hosted a high-level conference on “*Active Labor Market Policies and Public Employment Services: Lessons from Past Experience and Directions for the Future*”. Attendees included senior civil servants, prominent academe-

tics and practitioners from a wide range of countries (including Norway, the Netherlands, the USA, Canada, Australia, Denmark and Finland). The conference focused on advances in information technology that facilitated the integration of the unemployed into the labor market, on modern management methods and innovative approaches in publicly run employment services, on front-line employment service operations, on single points of contact and the de-centralized management of such services, on services offered to both workers and em-



employers, on the conditionality of entitlement to unemployment benefits, on the benefits of proactive approaches by jobseekers, on the use of employment guarantees for the long-term unemployed and other intervention strategies during periods of unemployment, on improvements to the accountability of public employment services through external audits, performance indicators, on appropriate funding mechanisms and on competitiveness in the provision of services.

<https://www.oecd.org/els/emp/labourmarketpoliciesandthepublicemploymentserviceproceedingsofthepragueconferencejuly2000.htm>

### 3. Managed Migration of Skilled Foreign Workers as a Source of Labor and How to Address the Impact of Demographic Changes

For a number of years, the OECD has worked on issues related to labor migration and the integration of migrants into the society of host countries. During the period 2000-2002, the Ministry of Labor and Social Affairs of the Czech Republic worked with the OECD in putting together a pilot project on immigration entitled “*The Active Selection of Qualified Foreign Workers*”. The project was approved by the Czech government in September 2001 and launch preparations were completed in July 2002. An informational seminar for foreigners on the new policy was held in May 2000 to introduce and explain the new immigration policy proposals with the participation of experts from France, Canada and the OECD Secretariat. For the next

stages of the project, OECD experts again participated, drawing on the immigration experiences of Canada, France, Australia, Sweden, Switzerland and the USA. The project’s goal was to come up with government responses to the already evident demographic changes occurring within the country (in particular the aging of the population and the decline in birth rates). The objective wasn’t to deal with the country’s current issues of circular and repeat migration but to help select those foreigners that might permanently relocate to the Czech Republic and to determine those factors that would likely permit a seamless integration of such individuals into Czech society, such as education levels and certain personal qualities, and produce long-term societal benefits.

<https://migraceonline.cz/cz/e-knihovna/ziskavani-kvalifikovanych-pracovniku-v-zahranici>

### 4. Aging and Employment Policies in the Czech Republic

No one disputes the fact that the aging of the population is having a significant impact on the economy, labor markets and economy. The related issues have been at the forefront of OECD policy recommendations for a number of years. In addition to looking at public pension system reforms and reductions in early retirement options, there are discussions on a number of other issues: how to encourage the population to stay working longer, how to eliminate workplace age discrimination and negative

attitudes towards employing older workers, how to maintain and improve the skills and qualifications of older people and how to make adjustments to working conditions to encourage older people to stay in the labor force longer and what can be done to encourage employers to hire older workers. In 2001, the OECD decided to carry out targeted assessments and issue reports on what was going in these areas within its member countries. The Czech Republic, together with a dozen other countries, signed up for these assessments; and, in 2001-2003, such an assessment was conducted on the situation in the Czech Republic in cooperation with the OECD Secretariat. The assessment report contained an overview, which highlighted the main barriers to the employment of older people, an evaluation of the effectiveness and efficacy of existing measures to overcome such barriers and a set of recommendations for further policy actions to be taken by government bodies and social partners. The conclusions from this assessment review were discussed both at a national conference held in Prague (December 2003) and at a meeting of the OECD’s “*Employment, Labour and Social Affairs Committee*” (ELSAC). The results provided a number of recommendations on how to create a national active employment policy and develop comprehensive national strategies to prepare for the aging of the Czech population.

[https://www.oecd-ilibrary.org/social-issues-migration-health/ageing-and-employment-policies-vieillissement-et-politiques-de-l-emploi-czech-republic-2004\\_9789264016620-en](https://www.oecd-ilibrary.org/social-issues-migration-health/ageing-and-employment-policies-vieillissement-et-politiques-de-l-emploi-czech-republic-2004_9789264016620-en)



## 5. Pension Review

According to a number of demographic forecasts, life expectancy in the Czech Republic can be expected to increase dramatically over the next few decades. This will significantly increase the number of pensioners, while the numbers in the working-age population will decline. These developments will put enormous pressure on the pension system, critically affecting its long-term fiscal sustainability. At present, a detailed analysis of the Czech pension system is being carried out in cooperation with the OECD. The OECD offered its assistance in this project in connection with the “*Economic Survey of the Czech Republic 2018*”, which identified the need to address the future sustainability of the country’s pensions as a result of its rapid aging population’s impact on public finances. The OECD study will provide a detailed assessment of the Czech pension system, projected demographic changes and the anticipated costs related to the aging of its population; and, it will propose measures, which can be implemented to ensure the long-term stability and sustainability of the system. It is expected that the results of this analytical study will be used by all interested parties – state administration, legislative bodies, social partners, the financial sector and academic and research institutions – in professional and political discussions on the needed changes to the future direction of the Czech Republic’s pension policies. The results of the analysis are expected to be completed in November 2020.

 [https://www.oecd-ilibrary.org/social-issues-migration-health/oecd-reviews-of-pension-systems-czech-republic\\_e6387738-en](https://www.oecd-ilibrary.org/social-issues-migration-health/oecd-reviews-of-pension-systems-czech-republic_e6387738-en)

## 6. Family Database

The Czech Republic’s policies on family benefits, parental leave, pre-school childcare services and efforts to increase the employment of women (especially mothers with young children) are all subject areas that are traditionally studied by the OECD. The OECD’s “*Family Database*” is a key comparative tool used to see how the Czech Republic ranks on a number of related international indicators, which are used by other OECD member countries, the EU and key partners to assess the condition of families and the applicable family policies. The current database includes 70 different indicators broadly grouped into four key areas: the structure of families, the labor market position of families, public policies for families and children and child outcomes. There is also the “*OECD Child Well-Being Data Portal*” (CWBDP). Because of the amount of data it contains, the breadth of its monitored indicators and the number of participating countries, the *Family Database* is a key source of information for the Czech Ministry of Labor and Social Affairs in its conceptual work on developing and enhancing the country’s family policies and family activities. Regular updating of existing indicators, the adding of new, the updating of interactive tools, the development of a module dedicated to data on children and their families guarantee that international and national analyzes are based on relevant information. In the years 2010 - 2012, the Czech Republic supported the expansion of the *Family Database* with voluntary contributions in the total amount of 15,000 euros.

<http://www.oecd.org/social/family/database.htm> 





## OECD Helps to Improve Czech Education

The Ministry of Education, Youth and Sports certainly appreciates the many benefits and opportunities that OECD membership brings to it. One of these is the ability of Ministry staff to have access to the extensive resources that membership makes available - including national and multinational surveys, assessments and comparisons. The added value of these resources is further enhanced by access to the opinions of the OECD's own experts.

Some of the information that the OECD makes available is for members only. They receive the information free-of-charge but are asked to pay their membership fee. One example of such information is the annual economic overview, which, in addition to general macroeconomic issues, can also be used to address particular areas of interest to the Ministry. As in past years, the Ministry of Education, Youth and Sports was invited to participate in the preparation of this year's "OECD Economic Survey of the Czech Republic 2020" with its focus on fiscal federalism. Education in the Czech Republic was assessed in terms of the readiness of the country's educational system to adapt to changes in the labor market and in terms of its ability to provide equal access to education throughout the country.

Another important benefit for the Ministry from OECD membership has been the ability to have contacts and meet with other country's leading educational professionals. A good example here was the seminar on education held on 16 May 2019, which was organized by the Ministry and attended by Andreas Schleicher, Director of the OECD's Directorate for Education and Skills. He spoke at the seminar on the teaching profession - in an international context. Prof. PhDr. Stanislav Štech, CSc. made a presentation on the main findings regarding teachers in the Czech Republic.

In addition to the above-noted networking opportunities, the OECD also provides a wide range of other types of up-to-date and relevant information, e.g. in the form of publications, statistical data and surveys. Many of these can be found in the OECD's iLibrary or on the OECD's "O.N.E." platform. O.N.E. is open to government officials, OECD delegations and other policy experts involved in or following any of the OECD's work-in-progress. It contains all OECD official documents, information and documents related to official meetings (webinars and online), as well as access to policy communities for easier collaboration with peers.

Webinars are another valuable and up-to-date source of information. These are in addition to the OECD's useful, publicly available resources, such as podcasts, interactive charts, videos, animations and blogs. At the Ministry, some of the most used OECD publications are "Education at a Glance" and the "Education Policy Outlook". Individual representatives of the Ministry get to serve on OECD committees, where they can build up long-term relationships with OECD experts and, depending on their areas of focus and interest, draw on relevant webinars and other online resources to share and discuss with their Czech colleagues.

### Examples of the Interactions between the Czech Republic and the OECD on the Development of Innovative National Policies and Strategies

Since it became a member, the Czech Republic has been actively involved in projects of the OECD's "Committee for Scientific and Technological Policy" (CSTP) and its subordinate working groups. It has contributed to policy-making in the areas of re-



search, development and innovation (*R & D & I*), in the fostering of public-private-partnerships (*PPP*) and the knowledge triangle, which brings together the roles of education, research and innovation. The Czech Republic has also been involved in the fields of biotechnology, nanotechnology, other new and convergent technologies and it regularly contributes expert opinions and statistical data to OECD documents and analyzes. Below are examples of selected CSTP activities in which the Czech Republic has participated and from which it continues to benefit in relation to its own *R & D & I* efforts.





- The “*Innovation Strategy*” is one of the OECD’s initial horizontal projects. It was launched in 2007 at the OECD Ministerial Conference in Paris with its initial report published in 2010. In 2010, the Ministry of Education, Youth and Sports of the Czech Republic held a high-level workshop in Prague, titled “*High-Level Roundtable on OECD Innovation Strategy: Fostering Cooperation between the Public and Private Sectors in Research, Development and Innovation*”. The Czech Prime Minister and the then Minister of Education attended. The discussions from this round table were used in the promulgation of a number of national strategic R & D & I documents.
- The OECD’s “*Science, Technology and Innovation (STI) Outlook*” is the CSTP’s flagship publication, coming out every 2 years (with the 13th edition in 2020). It is based on a large-scale survey of research, development and innovation policies in OECD member countries. It presents key trends that include what is going on with national frameworks for research, development and innovation information system policies, significant changes, new directions and national and international priorities. The publication also highlights current crisis areas and suggests possible solutions. An added value of the publication is its forward looking analysis of the R & D & I changes that are likely over the next 10 years. The report has continuously expanded its content to include various other OECD horizontal projects, and the latest edition covers the current global epidemiological crisis caused by SARS CoV-2 / COVID-19.
- The privately created and funded “*Getting Started with the RIS3 KEY*” was developed as an easy-to-use self-assessment tool for an initial, quick look at a given region’s research and innovation strategy for smart specialization, which can then be used to encourage individual actors to develop their own RIS3 strategies. Work on the RIS3 KEY handbook began in 2011-2012 within the EU’s project “*Drafting and Implementing Smart Specialization Strategies*”. The Czech Republic put together its own

version of the handbook in the Czech language for use at the national level.

- The “*Frascati Manual 2015*” is an updated version of the internationally recognized methodology for the collection and use of research and development statistics, developed by the “*CSTP Working Party of National Experts on Science and Technology Indicators*” (NESTI) and it is designed to support cooperation between experts and international organizations. The publication contains definitions of basic terms, guidelines for data collection and classifications for the compilation of R&D statistics and is extended to include new chapters on data collection in various sectors, as well as new guidelines to capture various aspects of public support for research and development. In the Czech Republic, the OECD’s *Frascati Manual* has become an essential statistical tool for innovation policy makers in the preparation and implementation of applied research and innovation programs, including project evaluations.
- The “*Oslo Manual 2018*” is the international reference guide for collecting and using data on innovation. Its subtitle “*Guidelines for Collecting, Reporting and Using Data on Innovation*” is the result of joint work by the CSTP (NESTI) and the Eurostat Working Group and their Community Innovation Surveys (CIS). The Manual was put together by experts from almost 45 countries and international organizations. The updated 4th edition is based on the evolving changes in statistics and data collection both within the OECD and EU member countries and in non-member economies. The preparation of the most recently updated version took three years and the Czech Republic participated in the Manual’s complementary expert consultations and workshops.

Due to the internationally recognized methodologies being used for the collection and use of statistics on innovation, the Oslo Manual is mainly used in the Czech Republic to define public

support programs for research and development that have an innovation focus and for data to monitor innovation activities. The data obtained is used by the European Union institutions to shape the related common EU policy and national innovation strategies, which are designed to increase the competitiveness of national enterprises.

The Czech Republic makes use of the publications, periodicals and other analytical and statistical documents of the OECD in the preparation of national strategy documents related to research, development and innovation programs and activities.

One of these is the framework document “*Innovation Strategy of the Czech Republic 2019-2030*”, which was approved by the Government of the Czech Republic in 2019. It consists of nine interconnected pillars, which contain starting points, basic strategic goals and tools to be used in achieving these goals. These pillars are (1) R&D Funding and Evaluation, (2) Innovation and Research Centers, (3) National Start-Up and Spin-Off Infrastructure, (4) Polytechnic Education, (5) Digitization, (6) Mobility and the Built Environment, (7) Intellectual Property Protection, (8) Smart Investments and (9) Smart Marketing. This strategic framework document is a plan guiding the government’s policy efforts in the areas of research, development and innovation and the goal is to help the Czech Republic be among the most innovative countries in Europe within the next twelve years.

<https://www.vyzkum.cz/>

<https://www.oecd.org/sti/45326349.pdf>

<http://oe.cd/oslomanual>

<http://oe.cd/frascati>

<https://www.oecd.org/sti/science-technology-innovation-outlook>





## We Get the Opinions of Teachers and School Principals Thanks to TALIS

Since 2013, the “*OECD Teaching and Learning International Survey*” ( TALIS), also known as the “*Voice of Teachers*”, has been assisting the Czech Republic to obtain valuable empirical data on what is happening with teaching and learning at the lower secondary level. TALIS is a unique international project in that it surveys the experiences, opinions and attitudes of teachers and principals and does so for a large number of countries and economies (in 2018, almost 50). The survey is also renowned for the representativeness and validity of its data obtained.

At a national level, the TALIS survey provides important feedback and supplies inspiration from what is happening in other countries. All of this can be used to come up with specific steps to support the work of Czech principals and teachers

(e.g. at <https://www.csicr.cz/Prave-menu/Mezinarodni-setreni/TALIS/Navazujici-aktivita/TALIS-2013-Vzdelavaci-lidr-zkusenosti-s-realizaci>).



Repeated involvement in the TALIS surveys has provided the Czech Republic not only with the opportunity to look objectively at what is going on in Czech schools but also to do so from a transnational perspective. These surveys have been the source for a number of follow-on national projects and activities addressing key issues in Czech education (e.g. the level of educational leadership provided by school principals and learning about why teachers are leaving the profession). In the Czech Republic, the Czech School Inspectorate is responsible for the preparation, implementation and evaluation of the results of the OECD’s TALIS surveys. In addition to the use of TALIS’ information by the Czech School Inspectorate and the Ministry of Education, Youth and Sports, there is publicly available TALIS data and other materials available to those interested in early education



## Educational Policy Has Changed with the Arrival of PISA

You may have heard people saying that success in education depends on the amount of money invested, that smaller classes lead to better student outcomes, that children from economically disadvantaged families automatically receive a lesser education or that more school work and class time leads to better educational results. The educational process is rife with such myths and hearsay.

For twenty years now, the OECD's "Program for International Student Assessment" (PISA) has sought to show, using representative data from more than eighty countries and economies, that in many respects it may be more effective to focus efforts on teacher quality and support rather than focus on class size. And to show that there is no direct correlation between the amount of funding for education and the educational results of pupils. We learn that in some countries, pupils from the most disadvantaged families perform better than the most advantaged pupils in other countries. And that by increasing the quality of teaching, it is possible to achieve an improvement in student results without the need to increase the number of hours spent in class.

The OECD's International PISA survey is not prescriptive; it does not say how things should be but rather, how things are. In addition to mapping out the potential for future employment of 15-year-olds - should they choose to go on to further studies or decide to enter the labor market without additional schooling -

the PISA survey provides other important empirical information on the state of the Czech educational system. The survey is conducted every three years and its results are a frequent basis for educational policy changes in the Czech Republic. The survey has highlighted the following: the differences in pupil's educational aspirations in different types of schools, an above-average dependence of pupils' results on the socio-economic status of their parents, above-average differences in pupil's results between schools, differences in pupil's results in individual regions and other findings. This latest PISA data is part of the latest strategic educational planning document "Key Educational Policy Directions in the Czech Republic through 2030+", which in turn has led to the latest strategic document "The Educational Policy Strategy of the Czech Republic until 2030+". The 2012 PISA survey first pointed out the importance of financial literacy and, in the Czech Republic, this was the beginning of the emphasis on financial literacy as an explicit part of the educational curriculum. In the Czech Republic, the Czech School Inspectorate is responsible for the preparation, implementation and evaluation of the results of the OECD's PISA survey, which systematically links relevant findings in the survey with information from the country's own assessment activities.

<https://www.csicr.cz/Prave-menu/Mezinarodni-setreni/PISA>





## What is the Joint OECD “Circular Czechia” Flagship Project – and How Does it Relate to other Countries?



### Projected Global Use of Raw Materials in Different Groups of Countries

Source: Report on Macroeconomic Projections in the Czech Republic

The *Circular Czechia* project was launched as an example of effective cooperation between the OECD and a member country. The goal was to prepare a national strategic framework for the circular economy of the Czech Republic through the year 2040 (project reference often: “*Circular Czech Republic 2040*”). The project was launched on 11 October 2019 and is funded by the EU. While unique, the project is on track and working well. Interim reports deal with consumption volumes and consumption behavior in the Czech Republic, a range of economic and financial instruments, an analysis of the various national strategies for a circular economy, which have been adopted in individual EU Member States, economic projections and information on the consumption of raw materials in the Czech Republic, the political environment of the Czech Republic with regard to implementing circular economy strategies and what is now being done in the area of waste management. The final report shows that, although the Czech Republic has made significant progress in recent decades and reduced the

impact on the environment of its economic activities, the country’s economy remains one of the most energy, CO<sub>2</sub> and resource intensive in the OECD and the European Union. All of this is partly due to its strong industrial base but also due to its heavy reliance on coal. This is shown in the graph of the projected global use of raw materials (biomass, fossil fuels, metals and non-metallic resources) in different groups of countries. Here the increase in the projected consumption of non-metallic raw materials (such as construction sand and gravel) will increase faster in the Czech Republic than the EU average and faster than in other OECD countries due to the anticipated gradual increase in investment in infrastructure. At the same time, the analysis in this report shows that the Czech Republic has a well-developed and relatively comprehensive policy and legal framework dealing with waste management and resource utilization. It also has well-established digitization efforts. The strategy will be available to the professional public and the OECD hopes to use it as an example for other countries.

[https://www.mzp.cz/cz/news\\_191011\\_OECD\\_pomuze\\_Ceske\\_republice\\_pripavou\\_strategie\\_obehoveho\\_hospodarstvi](https://www.mzp.cz/cz/news_191011_OECD_pomuze_Ceske_republice_pripavou_strategie_obehoveho_hospodarstvi)







#### Press Conference

Left to right: Petr Gandalovič, Ambassador to the OECD, Adam Vojtěch, Minister of Health, Falilou Fall, lead author in the OECD Economics Department

## The Most Extensive Analysis of the Czech Healthcare System in Recent Years

In November 2018, the Ministry of Health organized a conference for the professional community to present the Ministry's "Health Chapter", which would be included in the OECD's upcoming "Economic Survey". In addition to summarizing the major findings from the authors of the OECD publication, the Minister of Health acquainted the conference's participants with the specific positions of the Ministry on the OECD's recommendations.

The OECD's *Health Chapter*, which is in its *Economic Survey*, is one of the most extensive analyzes of the Czech health care system by an international organization completed in recent years. The OECD has found that the country's health care system is achieving good results in comparison with other economies of Central and Eastern Europe and its quality is approaching the OECD average. In addition, the OECD recommendations are in line with the positions and strategies of the Ministry and have become an important basis for further professional and political debate.

<http://www.oecd.org/health/bycountry/czechrepublic/>

<https://www.mzcr.cz/cesky-preklad-zdravotnicke-kapitoly-hospodarskeho-prehledu-cr-2018/>





## Improving Housing Affordability in the Czech Republic



source: Wikicommons

The OECD has extensive data sets, which it can use to compare the results of housing policies in different OECD member countries. As a result, the Ministry of Regional Development submitted a proposal to the OECD to conduct a European Commission funded structural reforms project entitled “*Analysis and Recommendations for Improving the Availability of Housing in the Czech Republic*”. The primary objective here was to see what outside experts, working for a highly respected international institution, might recommend, based on their extensive experience and comparative data on housing affordability issues in other countries around the world.

Part of the project included an in-depth questionnaire, which was designed to survey the housing conditions in hundreds of Czech municipalities. Here the goal was to broadly look at housing market conditions across the country while taking a closer look at conditions in two Czech cities - Pilsen and Olomouc. The project was launched in September 2019 in Prague, Pilsen and Olomouc and was originally scheduled to run for 15 months in the years 2019-2020. This would include the detailed case studies in the two selected cities. Due to the Covid-19 pandemic, the project’s deadline has been extended into 2021. The project’s recommendations are expected to be used to help formulate a new housing strategy for the Czech Republic through the year 2030. Once approved by the government, this strategy will then become the basis for numerous specific operational measures to increase the affordability of housing in the Czech Republic.

<https://www.mmr.cz/cs/evropska-unie/spoluprace-v-ramci-eu-a-mezinarodni-spoluprace/>





## Experience Sharing and Accurate Data Help Find Effective Solutions



Goals of regional policy in the Czech Republic include reducing disparities between individual regions, increasing economic growth, improving the quality of life of residents and providing support for sustainable growth efforts. In setting out the strategic direction for its regional policies, the Czech Republic realizes that it is important to pay attention to recommendations from OECD regional overviews, research projects and studies, all of which build on successful approaches to regional issues from other parts of the world.

At this time when the world is having to deal with the COVID-19 pandemic, we have welcomed the creation of the “*OECD Covid19 web platform*”, which has been put together to provide up-to-date data on the spread of the coronavirus and information on the economic impact of the virus on individual member countries. The report, “*The Territorial Impact of COVID-19, Managing the Crisis Across Levels of Government*”, which was published by the OECD in the spring of 2020, has been very helpful to the Czech Republic. It has provided an overview of the measures and best practices that countries have put in place to mitigate the effects of the coronavirus crisis. Inspired by this OECD publication, in the spring of 2020 the Czech Republic put out its own document “*COVID-19 Proceedings of Good Practices from Regions and Cities*,” which summarized observed urban and regional best practices found in the country, along with information on interesting and inspiring foreign best practices.

This publication is available at:

<https://www.mmr.cz/getmedia/72d322c1-9bf0-410f-a093-9de5b04d2d3d/sbornik-finalni.pdf.aspx?ext=.pdf>





## About the OECD Schemes for the Varietal Certification of Seed

The Czech Republic has long been part of the OECD's "*Schemes for the Varietal Certification of Seed*". Participation in this program allows Czech producers and suppliers of seeds of agricultural plant species to trade these commodities worldwide. The seeds are officially certified to be of high quality according to a set of harmonized procedures established across the participating countries, which are linked to other certification schemes, such as the *International Seed Testing Association (ISTA)* Rules and various EU regulations.

The main objectives of these Schemes is to unify and improve the seed trading system across international markets, to simplify the applicable certification procedures, to reduce technical barriers to trade and to ensure seed-source trackability. These Schemes contribute to the harmonization of international standards through the consistent enforcement of quality and control procedures. The Schemes program was established in 1958 and currently has 61 member countries worldwide. The Czech Republic (at that time as Czechoslovakia) joined as an associate member in the 1970s, before later becoming a full member. Since joining, it has been actively involved in the development of these Schemes, which currently contain rules for 204 agricultural and vegetable species.

In 2017, the Czech Republic hosted the Annual Meeting of the OECD's Schemes for the Varietal Certification of Seed. The event took place on the 140th anniversary of seed control in the Czech Republic and was hosted by the Czech Minister of Agriculture.



<http://eagri.cz/public/web/en/ukzuz/portal/seeds-and-planting-materials/>



<http://eagri.cz/public/web/ukzuz/portal/osivo-a-sadba/certifikace/oecd/>

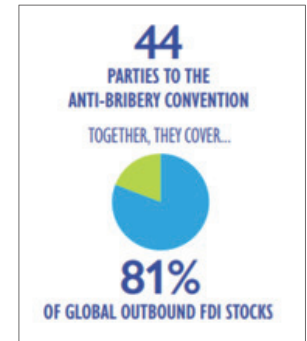


## Czech Republic Support for the OECD's Anti-Bribery Convention

The Czech Republic is one of 44 signatory countries to the OECD's "*Convention on Combating Bribery of Foreign Public Officials in International Business Transactions*" (the "*Convention*"). The Convention covers 66% of world exports and its signatory countries are home to 95 of the 100 largest non-financial international companies.

In line with the terms and conditions of this Convention, the Czech Criminal Code was amended, making it a crime for a Czech company to provide, offer or promise a bribe to a foreign official, either directly or through an intermediary. In more than 20 years of the Convention's existence, member countries have punished a total of more than 560 individuals and around 200 companies for the cross-border bribery of public officials.

<http://www.oecd.org/corruption/anti-bribery/anti-briberyconvention/oecdworkinggrouponbriberyininternationalbusinesstransactions.htm>





## A Comparative International Look at Investment Policies

The Czech Republic's business and investment support agency, *CzechInvest*, has long drawn on OECD expertise and analytical materials to prepare and justify its recommended domestic economic policies in support of investment and the modernization of Czech industry. This involvement with the OECD includes consultations with OECD experts as well as discussions with OECD member countries in order to learn about the latest global developments and trends in such policies.

Over the course of the past 25 years, *CzechInvest* has participated in the implementation of numerous OECD-related programs and been part of the member country discussion groups including those involving countries receiving technical assistance, such as Kazakhstan, Azerbaijan, Serbia and others. Among such programs are the "*Investment Compact for South East Europe*" and the "*OECD Eurasia Competitiveness Program*". *CzechInvest* also works with the newly established group focused on the practical implementation of investment promotion and investment programs within the "*OECD Investment Committee*". Comparisons with the policies and programs of other OECD member countries, along with recommendations from evaluation missions, help *CzechInvest* make appropriate changes to its individual investment incentive policy measures. Such changes include adjustments to the programs targeting job

creation and regional development, job training programs and efforts to fight international corruption. In all of these areas, the Czech Republic shares its insights and expertise with other OECD member countries in the design of their own investment promotion and facilitation activities. Such help from the Czech Republic can be especially beneficial because of the large contribution manufacturing makes to the domestic economy. Experience shows that the assistance of the Czechs on these matters is well received.

We would also like to take this opportunity to thank the Eurasia staff and its analysts - Fahdi Farra, William Tomson, Patrik Pružinský, Daniel Quadbeck, Iris Mantovani, along with many others - for their contributions and assistance in advancing the policy priorities of the Czech Republic in working with representatives of Central Asian partner countries, in the restructuring of their economies through the arrangement of study visits to the Czech Republic and in the transfer of Czech know-how to the region.

[www.czechinvest.org](http://www.czechinvest.org)





## Trade without Borders

The 25th anniversary of the Czech Republic's membership in the Organization for Economic and Development (OECD) is also an important milestone for the Confederation of Industry of the Czech Republic, the country's largest business and employer organization at a national level. OECD and BIAC membership is not automatic. Each candidate country must demonstrate political readiness and economic stability in order to become a member of this prestigious community of the world's most economically advanced countries, which recognize the principles of democracy and have a market economy.

Companies operating in the Czech Republic and associated under the auspices of the Confederation of Industry of the Czech Republic (abbreviated in Czech as "SP ČR") have been significant contributors to the country's stability and economic development. Credit must be given to Mr. Tomáš Baťa, who believed in the strength and ability of Czech industry and business to succeed at an international level, for the support needed for the SP ČR to join as a member of the BIAC. In 1995, after the Czech Republic became a member of the OECD, the process of preparing for the entry of the Confederation of Industry of the Czech Republic into the BIAC was started; and, at the beginning of 1996, the "Czech BIAC" was formed by leading figures and experts from Czech business and industry. As the OECD's role in shaping policies promoting prosperity, equality, opportunity and prosperity has gradually grown,

and its influence within the G-20 group of countries has also grown; this has included the role of global business through the OECD's BIAC. Today, the BIAC is a trusted partner for both the OECD and other international organizations, bringing together a network of more than 7 million companies of all sizes; and, because of the expertise of its membership, the BIAC plays a significant role in influencing OECD initiatives and policy decisions at all levels affecting industry and business.

The accession of the Czech Republic to the European Union and the membership of the Confederation of Industry of the Czech Republic in Business Europe has helped strengthen the role of the business sector in the affairs of Europe and globally. Business is borderless and its core principles, such as openness of the economy and markets, a level playing field that strengthens competitiveness, a responsibility to create value and sustainable jobs, continues unchanged. There are a number of concerns and challenges that are crucial for business communities, transcending national and EU boundaries. These need to be addressed globally and in line with the goals of sustainable development in order to create a sustainable business environment to help businesses comply with these principles.

Today, the Confederation of Industry of the Czech Republic is a full, well-respected member of the European and global business community and, as such a member, it is well-positioned to defend and promote the interests of its members in Europe



and globally. We recognize the need for entrepreneurs and businesses to stick together for the benefit of all in times of financial and economic stress, including those related to immigration crises and the current COVID-19 pandemic.

[www.spcr.cz](http://www.spcr.cz)





## Fair Competition in the Field of Public Procurement

For the Czech Office for the Protection of Competition (in Czech abbreviated as “ÚOHS”), the Organization for Economic Co-operation and Development (OECD) and, in particular, its “*Competition Committee*”, and the Committee’s related working groups, are an invaluable resource for information and inputs to the formulation of a national competition policy.

The Committee regularly publishes its “*Recommendations and Best Practices on Competition Law and Policy*”. These reports seek to address the concerns of practically all impacted competition policy setting and control institutions, which in turn impact the national economies of member countries and also those of associated and non-member countries.

An example of the effective support given to national governments by the OECD’s Competition Committee are recommendations related to the issue of fair competition in the public procurement process. This is one of the Czech government’s priority areas, as the OECD is well aware that member countries spend around 12% of their GDP on public procurement.

As a result, the OECD recognizes the importance of efficient and fair public procurement processes as a key factor in successfully obtaining goods, which represent good and fair value for money – for taxpayers, final consumers and the users of public goods in general. Recognizing that certain public procurement rules and the way in which tenders are conducted and bids evaluated can prevent effective competition and thus promote agreements between competitors in the submission of tenders, the OECD Council in 2012 issued its “*Recommendation on Fighting Bid Rigging in Public Procurement*”.

These Recommendations, together with the OECD’s “*Guidelines for Fighting Bid Rigging in Public Procurement*”, are essential tools in helping governments, not just in OECD member countries but also in other non-member countries, to reduce anti-competitive practices in the public procurement process and to

come up with finding effective means to detect such practices. Collectively, the OECD’s *Recommendations and Guidelines* contain checklists, which can be used to help set up public procurement systems that can detect signs of bid rigging. This information helps governments come up with national strategies to combat the manipulation of bids in public procurement, to ensure effective competition in the bidding process and to develop specific tools to address manipulated bidding activities.

Both the Czech public procurement review bodies and the Czech competition authorities have concluded that the OECD’s recommendations are very relevant and they have sought to incorporate these suggested rules in market situations in which a large number of public contracts are awarded. The Czech Office for the Protection of Competition, drawing on the findings and recommendations of the OECD, has long focused primarily on combating prohibited agreements between the bidders on public contracts.

In a recent study by PaRR Global, one of the leading experts on global intelligence, analysis and data on competition law, the Czech Office for the Protection of Competition was rated as the second most active in detecting bid rigging within the Member States of the European Union. In addition to the Czech office’s efforts to investigate and combat bid rigging agreements in public procurement (which in 2019 resulted in bidder fines exceeding CZK 92 million), the Office is also active in providing information and conducting awareness-raising to both tenderers and contracting authorities (in the form of training and lectures).



<https://www.uohs.cz/cs/verejne-zakazky/osveta-a-transparentnost-verejnych-zadavatelu/zakazane-dohody-bid-rigging.html>

<https://www.uohs.cz/cs/verejne-zakazky/osveta-a-transparentnost-verejnych-zadavatelu/publikace.html>

<https://www.oecd.org/daf/competition/oecd-work-on-fighting-bid-rigging-in-public-procurement.pdf>





## 25 Years of the Czech Republic's OECD Membership

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