

CZECH REPUBLIC

Back in the Second World

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One of the important issues in the transition of Eastern European countries from central planning to market economies was the lag behind the then so-called First World, especially behind the states of Western Europe. Unfortunately, even after 26 years, this lag persists. Attempts to develop civic structures and to integrate them into international networks have largely failed, though in this respect the Czech Republic has advanced further than most of the former Eastern Bloc. A sustainable development agenda might help to change the situation, if it were treated seriously by all participants. As for now, however, it remains unclear whether the interests of a decent standard of living and environmental protection will prevail over the interests of selfish profit.

The 2030 Agenda

The Office of the Government of the Czech Republic has finalized the draft National Agenda 2030, which was discussed and commented upon by a broad range of stakeholders and approved by the government. Now it remains to be seen what attitude the new government emerging from this year's elections will adopt towards this strategy and its implementation.

The Social Watch 2017 Report is structured, in accordance with the preamble of the declaration "Transforming our world: the 2030 Agenda for Sustainable Development", into five sections – People, Planet, Prosperity, Peace & Justice and Partnership.

PEOPLE

Forced labour

Five years after the Constitutional Court abolished unpaid "public service", the parliament has introduced forced labour once again. If unemployed people, who are registered at the Labour Office for more than half a year, do not work for at least 20 hours a month free of charge at the "public service", their subsistence minimum will be reduced by one third to the so-called existential minimum. Even if we count this amount as a reward for work, we will not get an hourly minimum wage. The state thus supports violation of the law. On top of that, there is no programme to secure such jobs for free.¹

Gender inequality and violence against women

SDG 5 stresses the importance of gender equality and removing all forms of discrimination against women and girls. In the Czech Republic, however, women are still disadvantaged in the labour market and more threatened by poverty and social exclusion than men. The most vulnerable groups include single mothers and women above 65 years.

¹ Respekt; Veřejná služba podruhé, available at: <http://eliskawagnerova.cz/ew-v-mediich/respekt-verejna-sluzba-podruhe/>

In the Czech Republic single parents, of whom 87 percent are single mothers,² face a five times greater risk of experiencing poverty than two-parent families with children.³ Presently women on average earn 22 percent less than men.⁴ The inequality in wages persists, despite the existence of pay tables, even in the civil service.

This income gap is further reflected in lower pensions for women. As a result, among one-person households of people aged over 65 years twice as many women as men are threatened by poverty.⁵

The most pressing issue with regard to gender inequality is violence against women. The Czech Republic has not yet ratified the Council of Europe Convention on preventing and combating violence against women and domestic violence (Istanbul Convention).⁶ The reason for delaying its ratification is the unwillingness of political representatives to accept the gender dimension of violence.

A tragedy is the situation of involuntarily sterilized women in the Czech Republic, who have not yet been indemnified and only received an apology on behalf of the government. The sterilizations were carried out not only under the former regime, this practice prevailed even in the new conditions after November 1989. Despite repeated appeals from the Committee on the Elimination of all Forms of Discrimination Against Women (CEDAW) the government remains passive and refuses to indemnify the unlawfully sterilized women.⁷

2 Czech statistical office, 2013. Households by gender, 2011; available at: <https://www.czso.cz/documents/10180/20533848/1000113.pdf/fcee57a0-f0d9-4264-80c5-dc4f261eb028?version=1.0>

3 EUROSTAT, "Income and living conditions" database - data from 2015, available at: <http://ec.europa.eu/eurostat/data/database>

4 EUROSTAT - data from 2015. <http://ec.europa.eu/eurostat/tgm/table.do?tab=table&init=1&language=en&pcode=tsdsc340&plugin=1>

5 EUROSTAT - data from 2015. <http://appsso.eurostat.ec.europa.eu/nui/submitViewTableAction.do>

6 <http://www.czlobby.cz/cs/zpravy/ceska-republika-podepsala-jako-jedna-z-poslednich-zemi-eu-istanbulskou-umluvu>

7 <http://www.czlobby.cz/cs/zpravy/nevladni-organizace-upozornuji-osn-ze-ceska-vlada-neodskodnila-nedobrovolne-sterilizovane>

Stumbling on the way to social justice

One of the main priorities of the current government was to pass a law on social housing to end the current situation that allows speculators to profit from social benefits for the poor with support from state and local authorities. Interest groups on the local level, in particular, have been successfully hindering the preparation of the bill. They were aided by sluggish work of the government and obstructions made by some of the ministers.

There is also no hope for the adoption of an amendment to the law on registered partnership, the goal of which was to allow the registered partner to adopt his/her partner's child in order for both of them to legally become co-equal parents of the child.

Another bill whose adoption has been blocked is the draft bill on advance alimony, aimed at solving the persistently bad social situation of single-parent families with children that do not receive the alimony the other parent was ordered to pay by court. Conservative politicians are boycotting the adoption of the bill, claiming the woman "should find another man", or that "if the woman made a poor choice as to who she wants to have a child with, she should be held accountable for this choice".⁸

On the other hand, the government has succeeded in increasing the minimum wage - in 2017 as well as in the previous years. The minimum wage has been growing for three years in a row after a long time of stagnation and is slowly approaching the level of working poverty. The government also continued to increase wages in the civic sector, especially for employees in the health, social services and education sectors.

This year the Chamber of Deputies has passed an amendment to the law on pension insurance, which limits the retirement age to 65 years. It has also succeeded in increasing old-age pensions. We can also

8 Filip Outrata; Deník Referendum; At si najdou jiného chlapa, available at: <http://denikreferendum.cz/clanek/tisk/25134-at-si-najdou-jineho-chlapa>

assume that before the end of the current Chamber's mandate another draft bill will be finalized to regulate long-term family care benefits for people caring for their family members in their home environment.

PLANET

In the Czech Republic the interest of corporate profits still prevails over the interests of sustainability. This is reflected in the way the government clings to the fossil fuel-nuclear energy paradigm, including the material strategy of the Ministry of Industry and Trade; in the negligible support for decentralized renewable energetics and in the abolition of the civil right to raise objections against construction projects relating to environmental or health issues. The change of rules for national parks is hard to assess at the moment, but the legislation has not accepted the worst proposals and long-term development should lead to positive changes. The planned revitalization of coal-mining regions seems promising.

Chamber of Deputies revoking civic rights

On 5 April 2017, the Chamber of Deputies has abolished the right of neighbours to raise objections to factories' impact on health and the environment. While the majority of the country's political representatives agreed to curtail the right of the people to influence projects significantly encroaching on the local environment, opinion polls show 81 percent of the adult population is convinced that local issues should be decided by the citizens.⁹ The abolishment of this right is a major and deep change, giving precedence to entrepreneurial and financial interests over the interests of the people. It also contradicts the Sustainable Development Goals, both SDG 11, to make cities and human settlements inclusive, safe, resilient and sustainable and SDG 12, to ensure

sustainable consumption and production patterns.¹⁰

Raw materials policy of the Czech Republic

As early as 2014 prices of the majority of renewable energy sources lay in the range of prices of energy from fossil sources.¹¹ Yet the government, in its "Raw materials policy", still considers the option of continued coal mining with very distant horizons – 2050 or 2060 – which, according to studies, are past the time limits of the internationally recognized termination of fossil minerals mining, especially the production of coal, with its high level of emissions. Hence the Czech Republic ignores SDG 13 – to take urgent action to combat climate change and its impacts.

Renewable energy in context of the EU

In 2015 the Czech Republic was the seventh biggest absolute electric energy exporter in the world.¹² It also ranked third in a hardly flattering comparison of the biggest European coal energy producers on an absolute scale,¹³ being the biggest per capita coal energy exporter in the world! Coal power plants in the Czech Republic are producing smog and causing great harm to citizens' health and the environment. Economists from Charles University in Prague estimate this

9 Názory na podílení se občanů na rozhodování – únor 2016, Centrum pro výzkum veřejného mínění Sociologický ústav AV ČR, available at: http://cvvm.soc.cas.cz/en/media/com_form2content/documents/c1/a7296/f3/pd160323.pdf

10 Ekolist.cz, Zelený kruh: Sněmovna poprvé od listopadu 1989 ruší občanská práva, 6. dubna 2017, available at: <http://ekolist.cz/cz/zpravodajstvi/tiskove-zpravy/snemovna-poprve-od-listopadu-1989-rusi-obcanska-prava>

11 Renewable Power Generation Costs in 2014, IRENA, January 2015, str.12, available at:

https://www.irena.org/DocumentDownloads/Publications/IRENA_RE_Power_Costs_2014_report.pdf

12 Electricity Exports by Country, March 30, 2017 by Daniel Workman, available at: <http://www.worldstopexports.com/electricity-exports-country/>

13 Sandbag - smarter climate policy, The Energy Transition in the Power Sector in Europe Carbon Pricing, Coal, ETS, General, 24 January 2017, available at: <https://sandbag.org.uk/project/energy-transition-2016/> 2016 EU Power Sector data

damage at US\$ 2.2 billion every year.¹⁴

According to statistics of the domestic energy market operator OTE not a single wind power plant was built in 2016 and only 50 small solar sources producing 0.7 MW were created.¹⁵ The government's power-producing conception, lacking both specific support for renewable energy sources and taxation of fossil sources, cannot lead to any substantial reduction of global and local emissions, nor decrease the country's dependency on fossil fuels.

Regeneration of coal-mining regions

In the beginning of 2017 the government approved the Strategic framework for economic restructuring of the regions affected by coal mining, as proposed by the Ministry of Regional Development, according to which development in the regions will move from coal mining to a modern economy, decrease social differences and improve the environment. It will be important to observe whether and how the strategic framework will be followed by action plans including specific measures.¹⁶

The waste controversy

According to the Ministry of Environment, only 36 percent of municipal waste is currently being separated for recycling in the Czech Republic, while two thirds of it end in landfills and incineration plants. The EU waste recycling average is 44 percent and some states recycle

about 60 percent.¹⁷ The European Commission's plan proposes to increase recycling to 60 percent in 2025 and to 65 percent by 2030.¹⁸ A substantial increase in recycling and reuse will not only reduce the amount of municipal waste, but also create new work opportunities. Nevertheless, regional governments still plan to dump more than 52 percent of municipal waste into landfills or incinerators by 2025.¹⁹ The government's pledge to increase recycling has thus been abandoned.

PROSPERITY

The Czech economy is currently growing, which is positively reflected, after a long time, both in the situation of the labour market and in wage dynamics. The main macroeconomic indicators are favourable: GDP growth reached 2.3 percent in 2016, driven mostly by household consumption supported by labour market changes. The labour market registered a number of positives: an increase in employment, low unemployment levels, higher wage dynamics. Though inflation sped up at the end of 2016, real wages noted a substantial growth of 3.5 percent, the greatest growth since 2007. Apart from a tight labour market the continuous increase in minimum wages played a positive role.

The peak of the boom, however, lies significantly lower than in 2006-2007, and so the convergence with EU member states is hardly possible in the near future. It is becoming clear that the current model of the Czech economy (a colony, or a dependent economy) has become obsolete and is unable to generate economic growth numbers of about 6 percent, which would be

14 Elektrína.cz: Uhelne elektrárny v ČR napáchají škody za 51 miliard ročně, tvrdí studie, 15. ledna 2015, available at: <http://www.elektrina.cz/uhelne-elektrarny-v-cr-zpusobi-skody-51-miliard>

15 Hospodářské noviny, 5.4.2017 Rozvoj zelené energetiky se v Česku zastavil, loni nepřibyla jediná větrná elektrárna, available at: <http://archiv.ihned.cz/c1-65685190-rozvoj-zelene-energetiky-se-v-cesku-zastavil-loni-nepribyla-jedina-vetrna-elektrarna-muze-za-to-legislativa-i-spory-s-eru>

16 Strategický rámec hospodářské restrukturalizace Ústeckého, Moravskoslezského a Karlovarského kraje, Ministerstvo pro místní rozvoj, 2016, available at: http://www.restartregionu.cz/content/uploads/2016/10/Strategicky_ramec.pdf

17 EUROSTAT, Press Release 56/2016 - 22 March 2016, available at: <http://ec.europa.eu/eurostat/documents/2995521/7214320/8-22032016-AP-EN.pdf>

18 Circular Economy, Implementation of the Circular Economy Action Plan, available at: http://ec.europa.eu/environment/circular-economy/index_en.htm

19 Outsidermedia, Tisková zpráva Hnutí DUHA úterý 29. listopadu 2016, available at: <http://outsidermedia.cz/potvrzeno-ministerstvo-zivotniho-prostredi-posvetilo-plany-kraju-skladkovat-a-palit-vetsinu-komunalnich-odpadu-i-v-roce-2025-evrope-navzdory/>

necessary to achieve convergence – “catching up with the old EU members” – provided, of course, that such growth was sufficiently reflected in living standards.

The relatively low unemployment rate is covering up the phenomenon of working poverty. While increasing the minimum wage is a step towards the boundary line of working poverty, the longer term problem of working poverty is clearly present, as the minimum wage had not been increased for more than seven years. It should also be noted that about a quarter of working women remain in the sector of working poor.

Furthermore, assessing poverty in the EU is carried out only in so called standardized households and does not include all sorts of dormitories, shelters or homeless people.

The problem of poverty is ever present in the Czech Republic. It is connected to the government’s social policy, but also to the general situation of the labour market and to the involvement of the Czech economy in the international division of labour, which influences the amount of ‘resources’ available for investment and redistribution. Hence we must conclude that from the viewpoint of distribution between profit and wages (i.e., gross operating surplus and so-called employee compensation) according to Eurostat data the Czech economy actually belongs to the ‘East’. This fact reminds us that the problem of poverty cannot be separated from the country’s macroeconomic context.

PEACE AND JUSTICE

Exporting war crimes

The growth of weapons and military material exports continued throughout 2016, reaching a record high of about 741 million Euro. Apart from exports total weapons production grew at such a rate that arms manufacturers began to experience a shortage in available manpower. Nevertheless, pleasure from positive economic results is thwarted by the fact that a great number of Czech weapons keep finding their way to non-democratic and dictatorial regimes. In 2015 as much as 53 percent of the value of weapons exports ended up in countries assessed by the Freedom House

Index as “partly free” or “not free”. Official data for exports in 2016 have not been published yet, but there is no reason to expect this shameful practice has changed.²⁰

Advocates of weapons deals with the governments of Iraq and Nigeria often argue these weapons are used to fight the terrorist organizations ISIS and Boko Haram, but little attention is being paid to alleged war crimes perpetrated by government forces in both Iraq and Nigeria. According to the UN, the Nigerian army’s violent behaviour towards civilians help Boko Haram recruit new combatants. It is therefore questionable whether equipping such armies with Czech weapons is an effective contribution to the fight against terrorism.²¹

Usury and debt collection – failure of the legal state

One of the worst problems of legislation that signals a failure of the legal state in the Czech Republic is the existence of usury and trading in the collection of small debts or micro-loans. The problem stems from unregulated offering of micro-loans with high interest rates and all kinds of fees and swift selling of these loans which private executors, supported by the government and legislation, then collect with high surcharges. In the Czech Republic, one in every ten adult citizens is currently facing such proceedings, a total of 834,000 people have been charged in over 4.5 million collection proceedings and the total sum being exacted is as high as US\$14 billion – a quarter of the state budget. In 2016 over 600,000 new collection proceedings were initiated, 85 percent of which were against people who already face three or more such proceedings. In the same year 100,000 orders for the sale of property were issued.

These alarming numbers clearly show the vast extent of the link between usurious micro-loans, swift debt

20 http://ekonomika.idnes.cz/export-zbrani-a-vojenskeho-materialu-z-cr-byl-loni-rekordni-pq1-/ekonomika.aspx?c=A170130_145622_ekonomika_rts

21 <http://america.aljazeera.com/articles/2014/3/14/human-rights-nigeriasecuritybokoharam.html>

collection and poverty; its negative impacts are becoming more and more visible. The main reason is legislative inconsistency and the refusal to recognize numerous warning signals and recommendations by various independent organizations that continually pointed out the problems with so-called micro-loans and the high profitability of trade in such loans.

Usurers and poverty traders pose a great threat to any society. Unfortunately, the Czech Republic has largely underestimated this threat in the past. Nowadays it faces its adverse consequences on both the social and the macroeconomic level.

PARTNERSHIP

Partnership with the private sector

One of the tools currently promoted to support sustainable development is public-private partnerships (PPPs). Unlike many other countries, the Czech Republic tried to take advantage of this tool in the past. While there are some successful small-scale projects on the local level, big nationwide projects are failing. The only outcome so far is millions spent on studies in preparation of PPP projects.

Czech development aid and global development education

Czech development aid, at 0.14 percent of gross national income (GNI) is stagnating not only far below the 0.7 percent GNI goal, but also below the 0.34 percent GNI benchmark the Czech Republic pledged to achieve during accession negotiations with the EU. The low level of official development assistance does not allow for sufficient development of internal capacities in the state administration and diplomacy, nor in the civic and private sector. The situation is no better with the EU policy, which continues to fail to reflect the problems of the civic sector in the new member states.

Due to insufficient support for global development education and awareness campaigns only a few people are aware of the global context of both international and national problems. This plays into the hands of

nationalists and populists who are gaining power not only in extremist, but also in democratic political parties.

Still the second world

The social, environmental, economic and legal realities in the Czech Republic do not reflect the standards set up a quarter of a century ago in the democratization process. Apart from indisputable internal responsibility, international cooperation has been lacking, especially in terms of support for independent civic activities. The EU's agenda is deepening the gap between old and new member states and there is minimum support for the development of independent civic structures. It is not surprising that trust in the EU is decreasing in new member states. The same attitude can be seen in the EU's development programmes with third countries, where it also focuses solely on big international companies and ignores the needs of the end recipients.

The Slavs are still seen as second-class citizens in the EU and used as a threat in political campaigns – the Polish plumber threatening the stability of another member state. Ethnically motivated murders of Czech and Polish workers in Great Britain after the neo-Nazi surge in connection with Brexit are only the tip of the iceberg.

Another indicator of the neglect of the problems of former Eastern Bloc countries – including members of the EU – is their total underrepresentation in international forums – as seen in the representation of civic organizations from East European states in ECOSOC.

Though this fact has often been pointed out, the situation is not changing and the idea of a real partnership between civic movements from Western and Eastern Europe is receiving minimum support. Official structures are only worsening the situation and treating eastern organizations as legally incapable. Ignoring this problem further can only worsen the disastrous social consequences we are already witnessing today.