

# Digital Council

**Position of the Digital Council on the  
Economic Strategy  
“Czechia: Country for the Future 2.0”**



## Introduction

The Digital Council welcomes that the new Economic Strategy “Czechia: Country for the Future 2.0” places digitalization, innovation, artificial intelligence, the capital environment and education among the key pillars of the transformation of the Czech economy. The digital agenda is not a standalone policy, but a cross-cutting prerequisite for productivity growth, competitiveness and technological sovereignty. At the same time, it is clear that the Czech Republic’s progress in the digital agenda has repeatedly failed in the past not due to a lack of strategies, but due to weak implementation, insufficient state capacity and an excessively burdensome regulatory environment.

The strategy represents a strong framework for the transition to a knowledge economy. However, its successful implementation will depend primarily on consistent execution, regulatory competitiveness and the ability to mobilize both talent and capital. The Digital Council therefore identifies not only areas of alignment, but above all the necessary conditions for success, without which the strategic ambitions will not be fulfilled.



## 1. Digital government as the foundation of competitiveness

The digitalization of public administration is correctly defined as a tool for transforming the functioning of the state, not merely as technological modernization. The “once-only data” principle, universal electronic submission, system interoperability and a unified architecture represent essential prerequisites for modern public administration. This framework is correct, but its success will depend primarily on the state’s ability to deliver it.

The Digital Council considers it essential that:

- digitalization is always accompanied by a reduction in administrative burden, not merely by the digitalization of existing processes, particularly through the accelerated launch of the Business Portal as the single place for fulfilling obligations,
- models of public-private cooperation are systematically used, especially in the implementation of the European Digital Identity Wallet (EUDIW), which must build on the success of bank identity,
- the state applies the “Cloud-first” principle and actively uses secure cloud services to increase flexibility, security and enable efficient scaling of digital services as is common in the commercial sector,
- the state strengthens its own digital capacities and is able to compete with the private sector in acquiring key IT experts, including through a revision of the remuneration system,
- a transparent system for measuring digitalization progress is introduced through publicly available indicators and regular reporting.

However, the Digital Council expresses serious concern about the postponement of key implementation deadlines in the final version of the strategy. Digitalization must not accumulate multi-year delays already at the stage of strategic planning.

Successful digitalization of public administration must be managed as a transformation project with clear accountability, measurable milestones and regular evaluation. If the state’s capacities are not strengthened, digitalization projects will continue at the pace of the past decade – slowly, fragmented, and without a positive impact on productivity.



## 2. Artificial intelligence as a multiplier of growth

The Economic Strategy correctly identifies artificial intelligence as the technology with the greatest impact on productivity, competitiveness and modernization of the public sector.

The Digital Council welcomes the government's commitment to ensure affordable AI infrastructure for Czech science, public administration, startups and SMEs in general, to support mission-oriented AI projects in public services – particularly in healthcare – and the intention to build a central repository of AI components for the state.

However, achieving real competitiveness requires more than supporting AI adoption alone. Without truly powerful and accessible computing infrastructure, the ambitions of the Economic Strategy in the field of AI will remain only on paper. Key priorities include:

- building AI infrastructure of pan-European significance – creating real capacity that increases the performance and competitiveness of startups and industry,
- participation in EU initiatives – active involvement of Czechia in further initiatives such as EuroHPC and AI Continent,
- a national AI Hub – establishing a national AI hub connecting research, industry and the startup ecosystem in cooperation with regulators,
- AI sandboxes – creating AI sandboxes with an emphasis on favorable conditions for SME participation, facilitating safe testing of innovations,
- increasing the budget of the Czech Telecommunication Office (CTU) – strengthening legal certainty in the implementation of the AI Act and other European regulations, particularly with regard to SMEs, and minimizing national administrative over-regulation.

The Digital Council supports maintaining the strong coordination role of the Government Commissioner for AI and consistent inter-ministerial coordination to prevent fragmented regulation and interpretative uncertainty.

## 3. Startups, innovation and capital

The strategy correctly emphasizes the need to increase spending on research and development, improve the commercialization of results and support the startup ecosystem. At the same time, the strategy introduces specific commitments: launching the ESOP system by 2026, adopting a Startup Act by 2027 and introducing patent boxes (2029). The Digital Council supports these steps.



However, in order to fully achieve these ambitions it is necessary to:

- adjust ESOP legislation so that it is simple and motivating,
- ensure a stable and predictable tax environment for innovative companies. The government should pursue its long-term program and should not support parliamentary amendments that burden the private sector and were not discussed across sectors in advance,
- limit formalism in the control of tax deductions for R&D, which in the past discouraged companies from investing in research,
- adapt subsidy rules to the growth dynamics of technology companies. The state should therefore also use tax incentives for investments in high value-added technologies.

While we appreciate the effort to legalize and increase the flexibility of cooperation with independent professionals, including their ability to receive employee shares, we point out that this cannot fully replace the missing structural reform and flexibility of the entire Labour Code. The retreat from more ambitious visions for liberalizing the rigid labour market, which would allow startups to respond more agilely to economic cycles, is seen as a missed opportunity.

The goal must be to create an environment where the long-term growth of innovative companies in Czechia is a rational and attractive choice, not a reason to relocate abroad. The Czech Republic cannot afford further outflow of technology startups abroad. If the government does not ensure a predictable environment, this trend will continue.

## 4. Digital infrastructure and connectivity

Digital connectivity today is as strategic as energy infrastructure. The ambition of the strategy to achieve by 2030 coverage of 95% of households and businesses with high-speed internet and to eliminate white spots is a step in the right direction.

To realistically achieve this goal, it is necessary to:

- consistently implement the European GIA Act, which will reduce costs and accelerate permitting processes for network construction. The key to rapid deployment is primarily the removal of bureaucracy,
- significantly accelerate permitting processes through an amendment to the Building Act,
- support a combination of optical, mobile and satellite technologies in order to achieve the strategy's goals,



- ensure long-term and stable financing for solutions addressing so-called white spots to prevent widening disparities between urban and rural areas.

Infrastructure development is a prerequisite not only for the digital economy but also for regional cohesion.

## **5. Talent, education and the digital labour market**

The transformation towards a digital economy is impossible without systematic work with human capital. This remains one of the weakest elements of Czech digitalization and simultaneously one of the greatest risks for the implementation of the entire strategy. The Digital Council supports the strategy's emphasis on modernization of education, revision of the Framework Educational Programs (RVP) and support for STEM disciplines. However, the critical factor for success is speed and openness.

It is essential to significantly strengthen Czechia's ability to attract foreign talent. Although we welcome the planned introduction of easier visas for AI and digital talents, we call for the broad adoption of this faster immigration regime regardless of sector. Processing work permits for qualified foreign workers within several weeks should be the standard, not the exception.

We therefore strongly disagree with the retreat from more ambitious plans in the area of labour migration. The current migration system effectively paralyzes the efforts of technology companies to recruit key personnel. We consider it a mistake that the strategy opts for defensive restrictions and postpones such basic measures as digital nostrification of diplomas. In the global competition for talent, the Czech Republic cannot afford to wait several more years.

Czechia must not only attract new talent but also retain those who already study here. We therefore recommend simplifying the transition of foreign graduates of Czech universities into the labour market so they do not leave to apply their education abroad. At the same time, with the rise of AI it is essential to massively support lifelong learning and reskilling programs focused on digital skills, including in cooperation with the private sector.

Without a fast and predictable migration regime, part of the investment and innovation opportunities will remain unused.



## 6. Cybersecurity and regulatory proportionality

Strengthening cybersecurity is essential in the context of growing geopolitical risks. The Digital Council takes note of the government's goal to meet the requirements of the Cybersecurity Act by 2028. At the same time, it is necessary to ensure that security measures do not stifle the digital economy.

The Digital Council recommends:

- regularly evaluating the impacts of the implementation of European digital regulations,
- opposing the adoption of NIS3 at the European level, given that the security measures resulting from NIS2 – or from its national transposition – are not yet effective,
- avoiding stricter requirements than those required by the European Union. Gold plating disadvantages Czech companies compared to European competitors,
- deepening cooperation between NÚKIB and the private sector in sharing threat information, because cyber defense is a shared responsibility,
- actively engaging at the EU level and seeking rational cybersecurity solutions that do not impose excessive administrative burdens on small and medium-sized enterprises,
- providing methodological and financial support to SMEs in meeting new obligations so that companies are able to comply. Regulation must not be based solely on the threat of fines.

Regulation must protect security and trust without constraining innovation and growth. Cybersecurity must therefore not become synonymous with administrative burden.

## 7. Implementation, coordination and continuity

The success of the strategy will depend not only on its content, but on the ability to actually deliver it without extending the deadlines for implementing the defined objectives.

For successful execution, the Digital Council emphasizes:

- a strong mandate for the so-called Delivery Team at the Ministry of Industry and Trade. The team must have real authority to coordinate ministries and enforce deadlines,



- economic transformation requires close cooperation with the private sector. We appreciate that the strategy was developed in consultation with business and call for this dialogue to continue during the creation of action plans,
- active promotion of Czech priorities at the EU level,
- simplification of public procurement so that the public sector can effectively acquire new technologies,
- transparent measurement of progress and regular public reporting.

Digital transformation goes beyond a single electoral cycle. The key to success is stability, predictability and the courage to complete ongoing projects.



## Conclusion

The Economic Strategy “Czechia: Country for the Future 2.0” represents an ambitious and necessary framework for transforming the Czech economy toward higher added value, technological advancement and long-term competitiveness. In the area of the digital agenda there is a high level of conceptual alignment between the government’s strategy and the recommendations of the Digital Council – particularly with regard to the role of state digitalization, the development of artificial intelligence and digital infrastructure, and support for the startup ecosystem and capital markets.

However, the real test of this strategy will not be its formulation but its implementation. A major risk can already be seen in the postponement of key deadlines, while digitalization must not accumulate multi-year delays already at the stage of strategic planning. Digital transformation is not a one-off project or an isolated policy, but a systemic change that must be managed over the long term, consistently and across ministries. Success will depend on the strong mandate and functioning of the new Delivery Team, the ability to link digitalization with reducing bureaucratic burdens, ensuring regulatory predictability and creating conditions in which innovative companies will be able not only to emerge in the Czech Republic but also to grow and scale.

Human capital and the modernization of education will play a crucial role. Without the ability to attract and retain top digital talent, without adaptation of the education system and without an accelerated migration regime, it will not be possible to achieve ambitions in new technologies or advanced digital services. It is equally important to ensure that the implementation of European digital legislation is carried out with an emphasis on proportionality, legal certainty and the competitiveness of Czech businesses.

The Digital Council believes that the Czech Republic has a real potential to become one of the leaders of digital transformation in Central Europe. However, this process goes beyond a single electoral cycle and requires stability, strategic prioritization, open dialogue with the private sector and transparent measurement of progress. We are ready to be an active partner of the government in fulfilling these ambitions and to contribute to ensuring that the digital agenda is not merely a chapter in the economic strategy, but its true driving force.

