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CZECH REPUBLIC

THE SHAPE WE'RE IN

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NATIONAL SECURITY

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Tomáš Pojar

The Czech Republic is experiencing an unprecedented period of long-term security. We have good relations with our neighbors and we are living on what is still a relatively safe continent. We are among the safest countries in the world when it comes to external threats as well as from the standpoint of inland security. The situation in the world and in the immediate European neighborhood has taken a turn for the worse in recent years, however – Russia has unleashed armed conflict in Ukraine, the Middle East is degenerating into increasing chaos and millions of refugees are on the move.

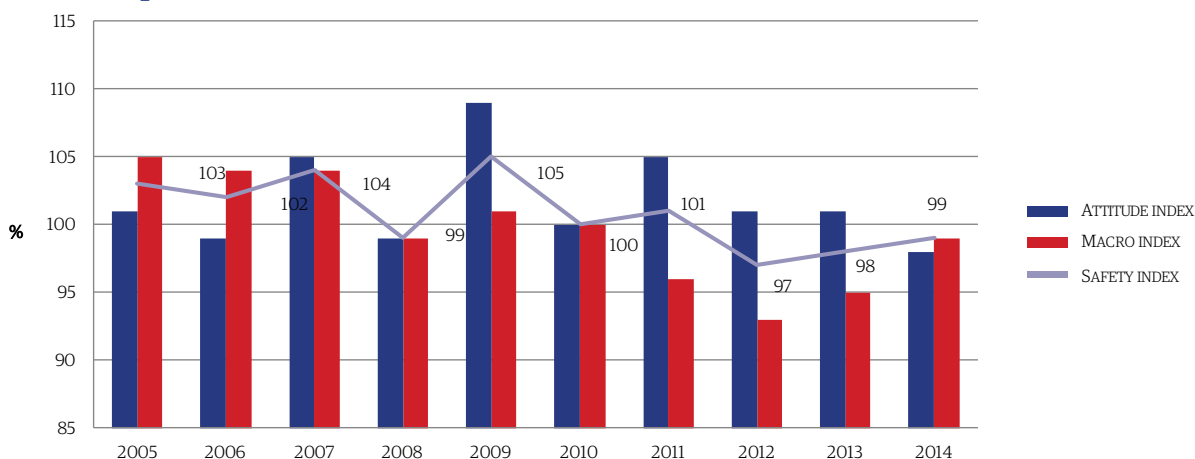
Czech public opinion has a stable and positive long term view of NATO's role as a fundamental pillar of Czech external security. Despite the deteriorating security situation in Europe and its immediate surroundings, the growing sense of threat felt by the Czech public and the strengthening feeling that defense spending is putting an unnecessarily strain on the State budget, even despite the coalition parties proclaiming they will increase defense spending to 1.4% of GDP by 2020, the actual drawdown on the defense budget in the last year fell below one percent of GDP. We are thus failing to meet even 50% of our prevailing undertaking as part of the North Atlantic Treaty Organization.

The slightly deteriorating security situation is reflected in the Aspen Institute Index values. Although in comparing the years 2005 to 2009 with 2010 to 2014 there has not been any dramatic downturn, yet the changed security situation in Europe and its immediate surroundings has shown up clearly in the Index values. The situation is also reflected in public attitude, which has begun to regard all sorts of threats as more pressing in recent years. The worsening international security situation thus far has not however been reflected in the functioning of the Czech State – namely to increase defense and security funding as well as increasing the capabilities and ranks of the armed and security forces.

Index 2014

The Aspen Institute Index, dedicated to the defense and security of the Czech Republic, consists of four macroscopic indicator axes and four attitude dimensions based on public opinion polls. The macro indicators include the Global Peace Index, criminality and imprisonment, staffing of enforcement and security bodies and defense spending. Attitudinal indicators include the feeling of safety and impression of police work, the sense of external threat, and the perception of the country's defenses as well as of NATO.

Index bezpečnosti



The data are pegged to the year 2010, and all indicators for the year 2010 are equal to the index value of 100. A higher index value or score for each dimension means higher security. An increase in the respective indicators is constructed as a percentage change against 2010. Change can be seen at a significance level of five index points, and trends followed. The most dynamic component of the index is, as expected, the perception of external threats. It is precisely this factor that has lowered the index value in recent years¹.

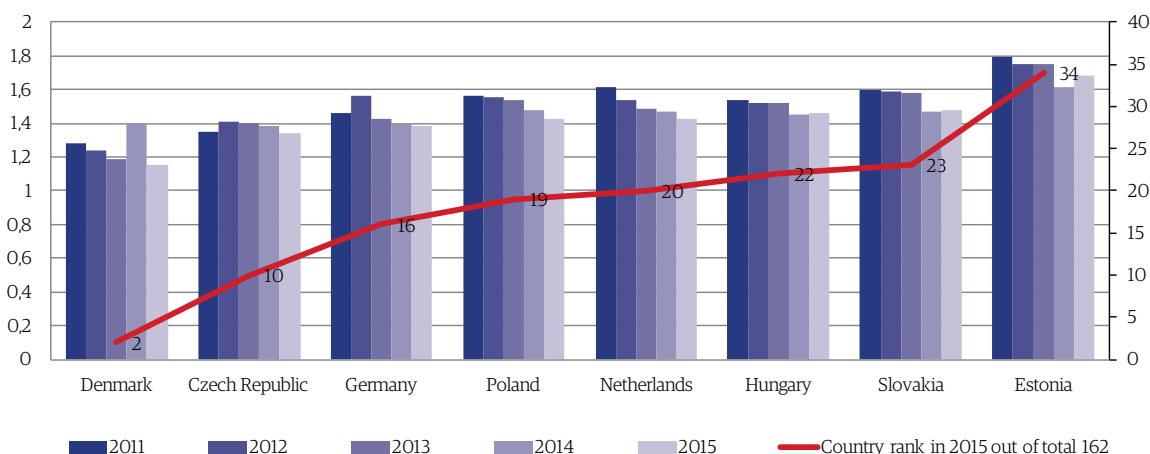
In 2005, at a time of economic growth, six years after entry into NATO and a year after entering the European Union, and at a time of Czech troop deployment in far-flung Afghanistan and Iraq, the Index reached a value of 103. Overall one can say that before the burgeoning of the so-called “Arab Spring” and the subsequent deepening of chaos on the southern and eastern coast of the Mediterranean Sea and until the unleashing of war in Ukraine, the Index value had been above 100 in the long-term (100 – 105). The exception was the year 2008, with the uncertainty ensuing from the onset of the economic crisis. Since 2012 the Index values have been below 100 (97 – 99). Thus, in principle, the index faithfully reflects the security situation in the world and in particular in Europe and its immediate surroundings. **In 2014, the Index reached a value of 99.**

Security threats

When it comes to the Global Peace Index, compiled by the Institute for Economics and Peace /IEP/ based in Sydney, Australia, we are regularly ranked among the safest countries in the world. In 2015 the Czech Republic took 10th place out of the total 162 countries monitored. Although e.g. Denmark was in second place, we had overtaken Germany (16th), Poland (19th), the Netherlands (20th), Hungary (22nd), Slovakia (23rd) and Estonia (34th), albeit from a global perspective the discrepancies are rather minor. The feeling of security is something the Czech public is aware of. There has been a steady rise in the numbers of citizens who feel safe around their home (over 80%) as well as in the Czech Republic, as such (70%).

GPI score - international comparison

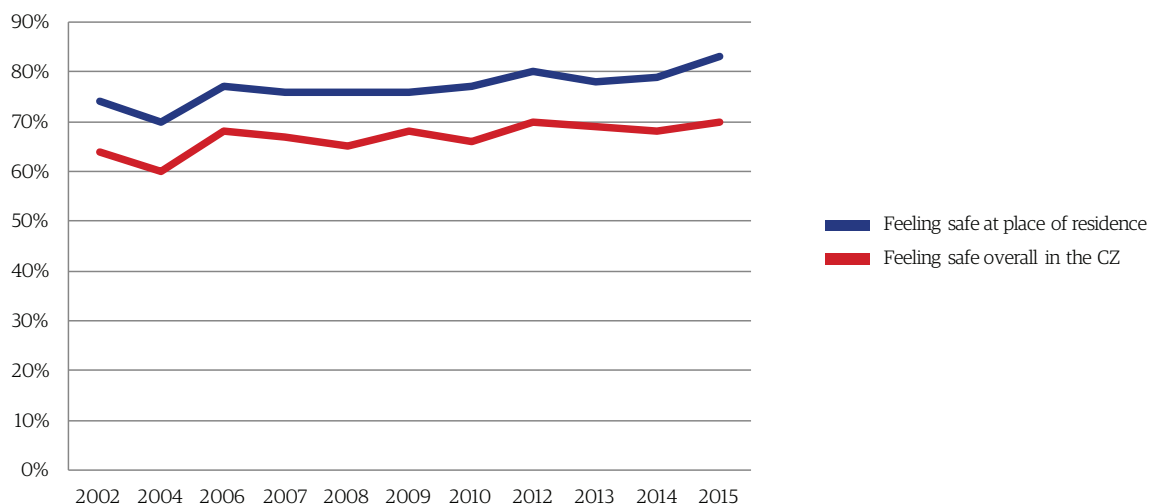
Source: Institute for Economics and Peace, Global Peace Index



¹ Overall it holds true that there is a lack of relevant comparable data in the defense and security field. Where data has been obtainable (Eurostat, SIPRI, Europol, GPI), the Czech situation on the ground is compared with Denmark, Estonia, the Netherlands, Hungary, Germany, Poland and Slovakia. However, due to the absence of a substantial portion of comparative data, we cannot build the same Index for any other countries.

Subjective feeling of safety among CZ inhabitants

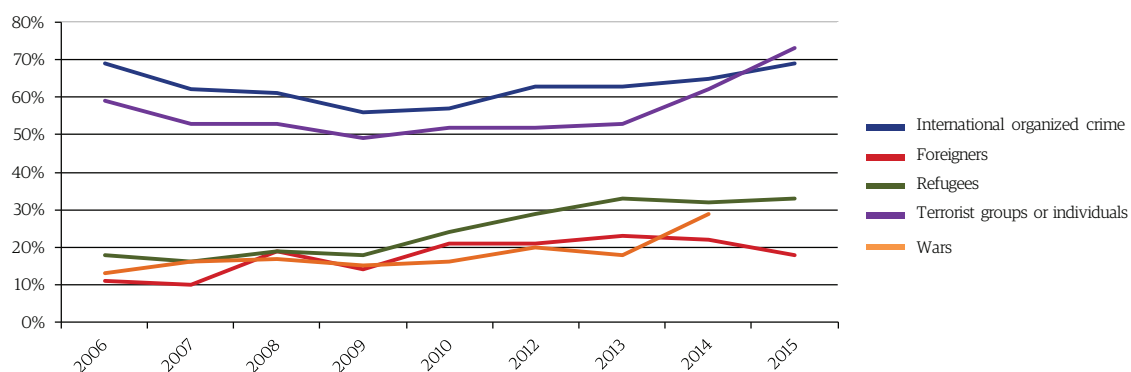
Source: CVVM SOÚ AV ČR v. v. i.; Institute for Economics and Peace, Global Peace Index



Since 2009 the sense of threat has been on the increase. This does not, however, apply to perceived threat from foreigners living on Czech territory, where, on the contrary, there has been a decline. Roughly 70% of Czech citizens consider terrorism a major threat to society (a more pronounced increase over the last two years), together with international organized crime (slight long-term growth). However, an increasing number of people are afraid of major war (a significant increase)² and of refugees (a less dynamic rise)³. Some 30% of the respondents are worried about war and refugees.

What constitutes a great social threat?

Source: CVVM SOÚ AV ČR, v. v. i.



2 In 2015 we shall be posing the question regarding major war no earlier than November.

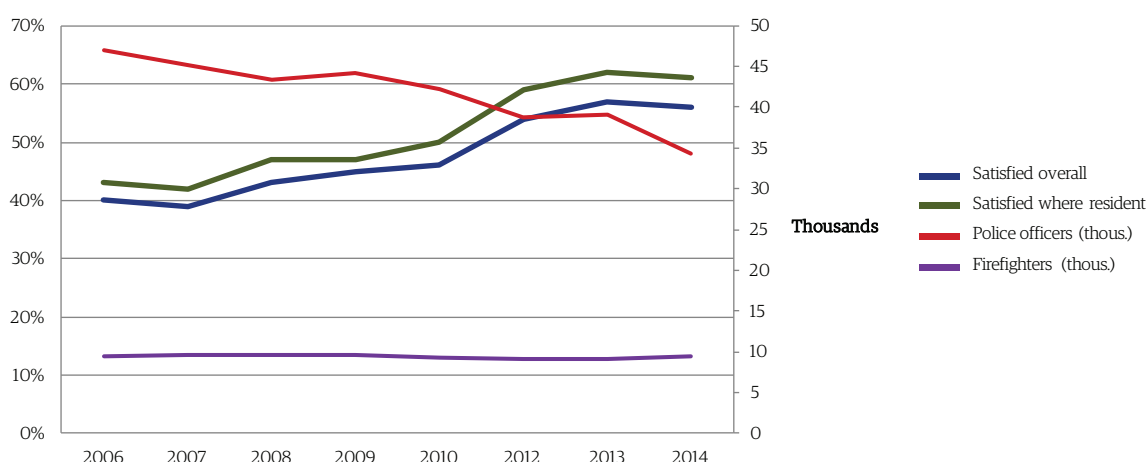
3 The question was last posed in the Spring, i.e. in the earliest days of the current migration crisis in Europe.

Internal Security

Despite the long-term decline in the number of police officers in recent years, people express ever greater satisfaction with the work of the police, albeit from 2013 onward the trend has leveled off. Currently over 60% of the respondents are satisfied with policing at their place of residence, the police thus virtually matching the level of trust enjoyed by the military. In recent years the crime resolution rate is rising slightly (though still less than 50%) and total crime incidence is reducing. Despite the above mentioned decline, the number of police officers per 100,000 citizens is significantly higher in the Czech Republic than in Germany, Poland, Hungary, the Netherlands and Denmark. Denmark has half as many police officers compared to the Czech Republic, the other countries mentioned have two thirds to three quarters as many. Slovakia has more police officers and Estonia only slightly fewer

Satisfaction with the police/ police numbers

Source: CVVM SOÚ AV ČR v. v. i.; Czech Police



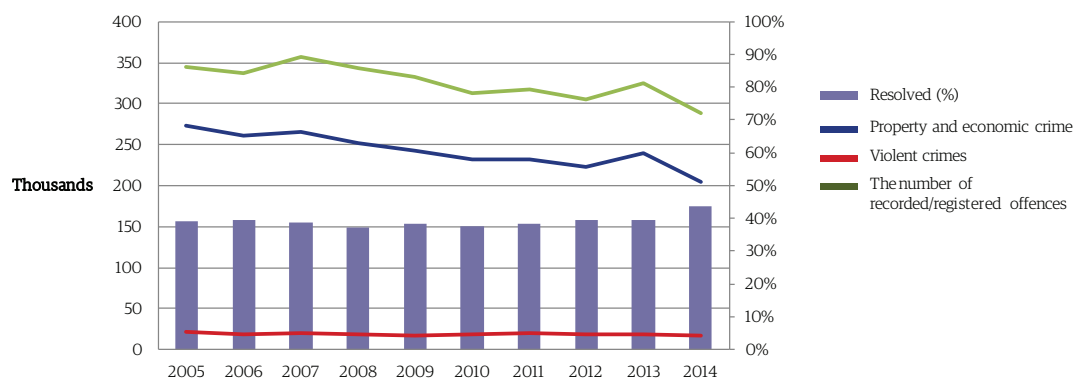
Source: Eurostat

Total # of police officers per 100 000 inhabitants (average for period)		
Country	2007 - 09	2010 - 12
Slovakia	430	444
Czech Republic	418	383
Estonia	240	337
Germany	302	298
Hungary	147	267
Poland	244	256
Netherlands	218	231
Denmark	197	196

The trend in crime levels in the Czech Republic is generally for the better. There is a decrease in the total number of criminal offences, in property and economic crime and in the number of criminal offence victims. The number of violent crimes is stagnant and the number of criminal offences committed by children and adolescents is declining. Adverse trends are apparent on the other hand in terms of rising crime by re-offenders, where we have some of the highest values within the European Union. This might have been partially affected by Václav Klaus' presidential amnesty dated January 1st, 2013.

Crime trends in the Czech Republic

Source: Czech Police

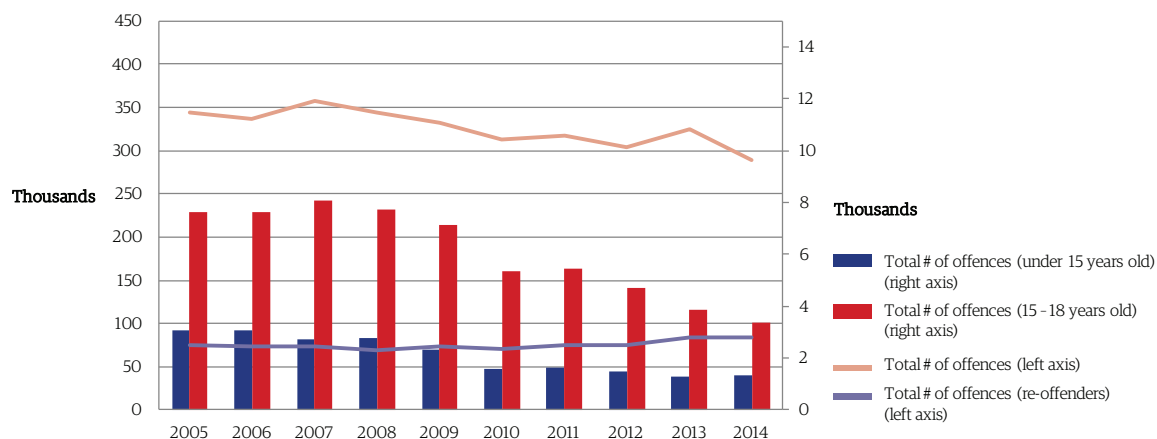


Source: Eurostat

Homicides per 100 000 inhabitants (average for period)		
Country	2007 - 2009	2010 - 2012
Estonia	6,1	5,7
Slovenia	1,7	1,6
Hungary	1,4	1,3
Poland	1,3	1,1
Denmark	1,4	1,1
Czech Republic	1,1	0,9
Netherlands	0,9	0,9
Germany	0,9	0,8

Under-aged, young offender and re-offenders

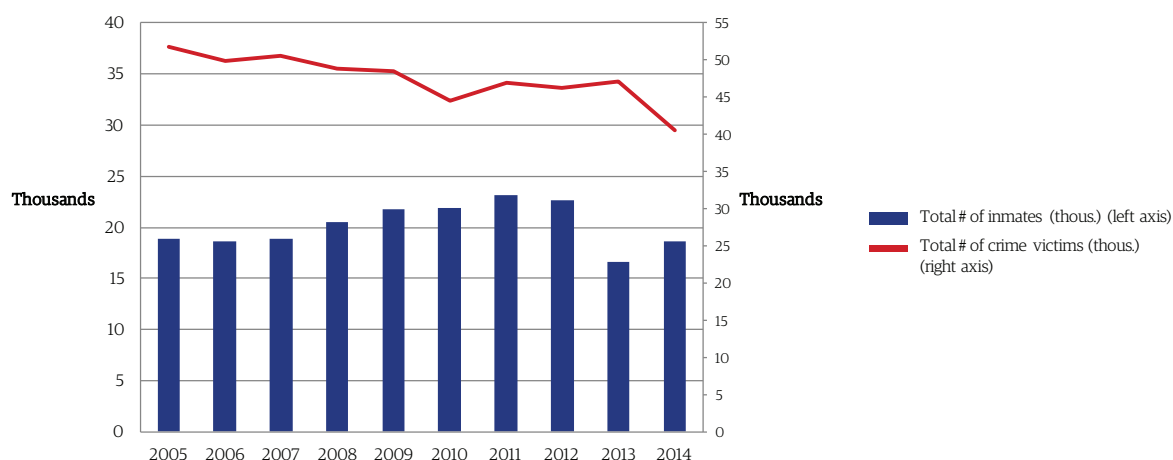
Source: Czech Police, Eurostat



After the initial significant drop in the number of prison inmates as a result of the amnesty, the capacities of Czech prisons are once again steadily filling up and are expected soon to reach pre-amnesty levels. The Czech Republic has fewer long-term prison inmates per 100,000 residents than Estonia, is comparable with Poland and Slovakia, and exceeds Hungary. Germany, the Netherlands and Denmark have about a third as many prison inmates per 100,000 people as compared with the Czech Republic. A change in this trend might be brought about, subject to the successful introduction of electronic bracelets.

Total # of inmates and victims of crime

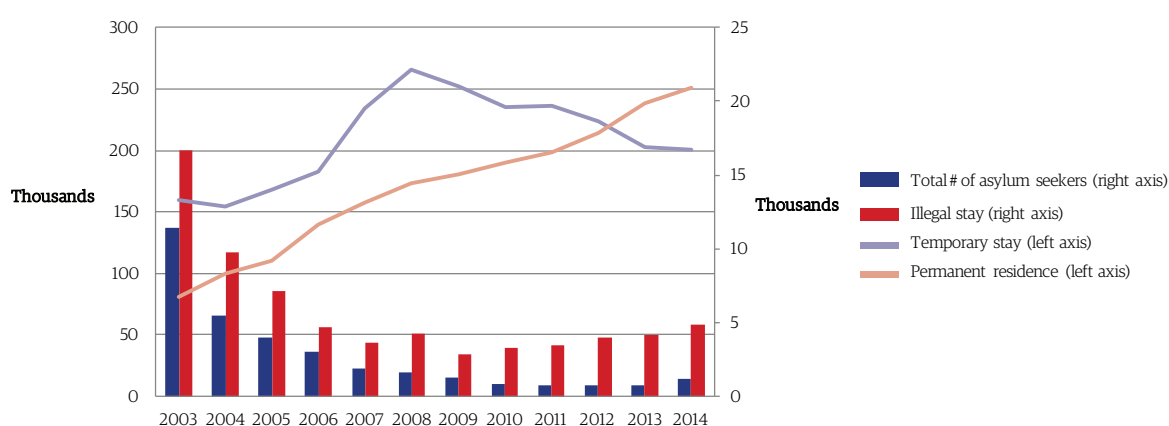
Source: Czech Prison Service, Czech Prison Statistical Service



Some 4% of those living in the Czech Republic are foreigners, which is almost the same as the EU average, namely 4.1%. In comparison with the Czech Republic there are about twice as many foreigners living in Germany; in Denmark it is two thirds more and in the Netherlands the number of foreigners amounts to 4.3%. In Hungary and Slovakia the level is only one fourth that of the Czech Republic⁴ and in Poland, lesser still.

Migration to Czech territory

Source: Czech Police, Czech Ministry of Interior



Source: Eurostat

FOREIGNERS' IN THE POPULATION (2014)	
Country	Foreigners' proportion (%)
Estonia	14,9
Germany	9,6
Denmark	6,7
Netherlands	4,3
EU	4,1
Czech Republic	4
Hungary	1,4
Slovakia	1,3
Poland	0,2

Over the long term we see an increasing number of foreigners with permanent residence in the Czech Republic, while in contrast there has been a decline in recent years in the number of foreigners with temporary residence. Since 2009, the number

4 A large group of the "foreigners" living in the CR are Slovaks. Likewise in other EU member countries the rule is to include in the foreigners count the citizens of other EU countries. In the case of Estonia a high number of foreigners belong to the local Russian minority, who do not have Estonian citizenship

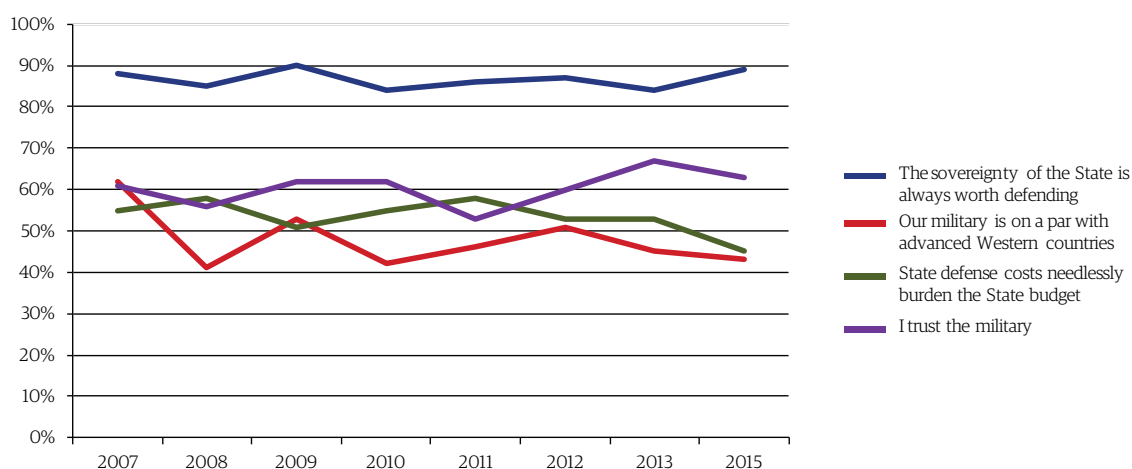
of detected illegal stays has been growing. In 2014 the number of asylum seekers went up for the first time in ten years. With regard to the current increased level of migration into Europe, we can anticipate a significant rise in 2015 and in subsequent years, for both indicators.

Defense

The military is one of the institutions which over the long term has the confidence of a majority of Czech citizens. As a rule, the army is trusted by around 60% of the population. Confidence grew between 2011 and 2013, while over the last two years confidence has decreased slightly. Slightly down to forty percent, from 2012, is the belief that the Czech Army is on a par with the armies of Western countries. On the other hand, under half the people now think that the cost of defending the State is an unnecessary burden on the State budget. Meanwhile the number of people who believe that the sovereignty of the State needs to be defended at any cost has risen to ninety percent. The public is now more aware than ever of the need to strengthen investment in their own defense.

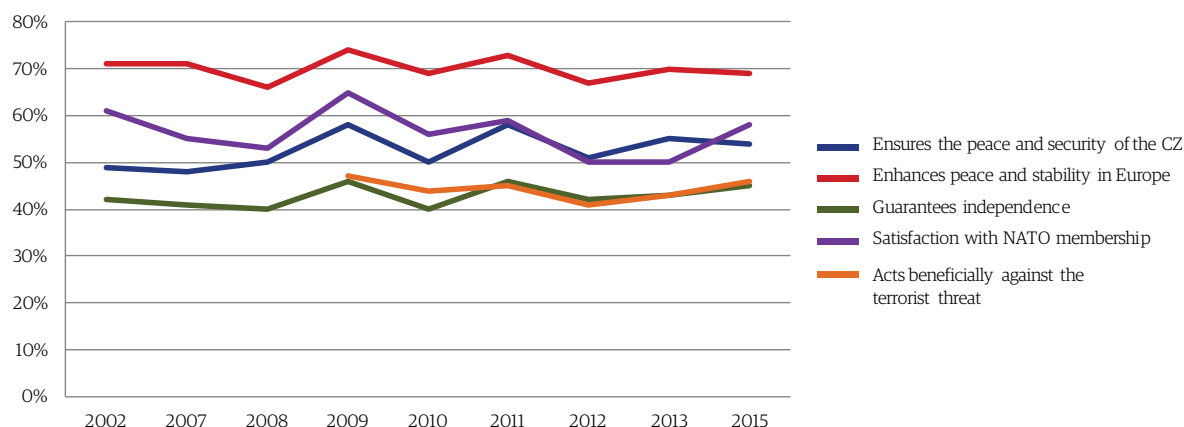
Statements about defense

Source: CVVM SOÚ AV ČR, v. v. i.



Statements about NATO

Source: CVVM SOÚ AV ČR, v. v. i.

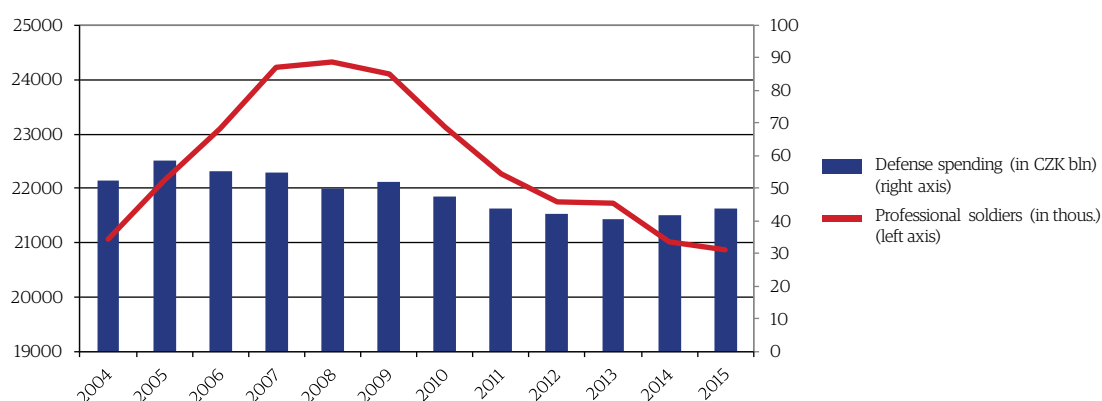


In the long term 70% of the people believe that NATO increases stability and peace in Europe and 60% are satisfied with membership of the alliance. Recently, the positive perception of NATO is going up slightly overall. In principle, the more the Czech public is cognizant of threats, the more positive the attitude to the NATO alliance.

The decline in professional troop numbers continues steadily, albeit 2014 saw a halt in the decline of the Defense Ministry (MoD) nominal budget and in the decline of defense spending, as a proportion of the State budget. This should also have stopped the decline in defense spending, given the level of GDP. Unfortunately, the data shows that due to the continued inability to draw down defense funds and given the growth of GDP in 2014, defense spending in real terms fell historically for the first time below 1% of GDP.

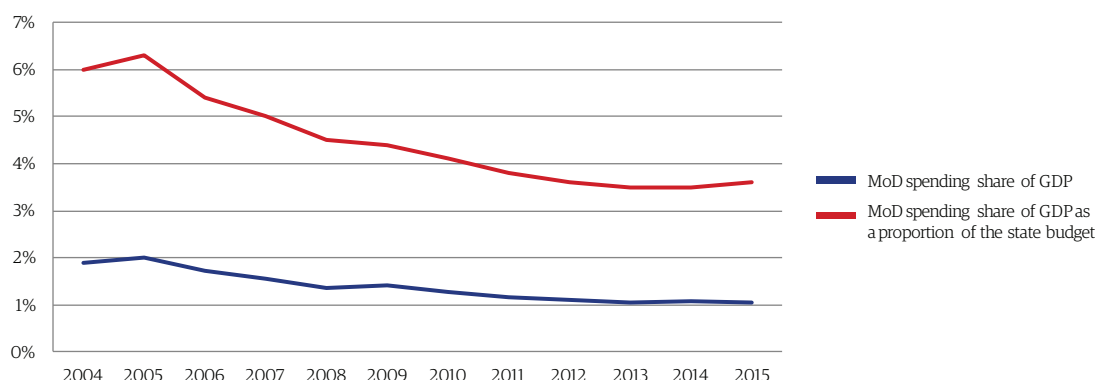
Professional soldiers (in thous.) and defense spending (in CZK bln)

Source: Czech Ministry of Defense



Defense spending in the Czech Republic

Source: Czech Ministry of Defence

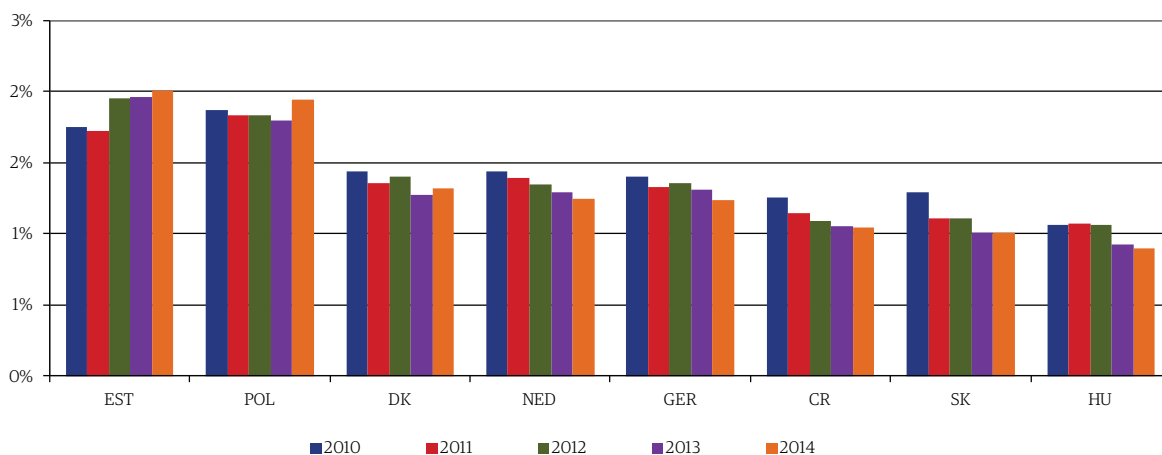


The Czech Republic therefore does not even half meet its commitment of two percent, applicable under the terms of the alliance. This is despite the fact that the coalition parties have, on the eve of the alliance summit in Wales in September 2014, committed to a gradual increase in the budget to a value of 1.4% of GDP⁵. Since 2013 there has once again been an increase in the MoD budget resources that remain unutilized. At present, this amounts to some 4 thousand million crowns, thus virtually eliminating the nominal budget increase. There is a shortage of planning (too much change management), and respective phases of the acquisition process are subject to delays. This results in deficits failing to be met and the modernization of the armed forces failing to happen in line with stated objectives.

In view of the continuing problems of the MoD as regards drawing on their financial resources and, in particular, with regard to the significant growth of GDP in 2015, there can be no expectation of the trend reversing this year either. The draft State budget for 2016 and outlook to 2017 and 2018 do count on a nominal increase in the MoD budget, but no significant increase in proportion to the GDP can be expected. This is in no small part due to the relatively high GDP growth this year. If the Czech economy continues to thrive coupled with the inability to draw on resources, we can expect either continued stagnation, or in the worst case, a further decline in the ratio of actual defense expenditure to the country's GDP.

Defense spending against GDP - International comparison

Source: SIPRI, Military Expenditure Database



The two percent threshold for defense expenditure as a proportion of GDP is met by Estonia and nearly so by Poland. Approximately one and a quarter percent obtains for Denmark, the Netherlands and Germany. Dropping below one percent are Slovakia and Hungary. The Czech Republic has in recent years unfortunately quite clearly fallen in with those alliance countries that expend the least resources in proportion to their GDP on securing their own defense, and so contribute least to collective defense.

⁵ No agreement has been reached with the opposition, which had sought even more ambitious increases, or rather a longer-term commitment aiming toward the two percent.

Index 2015

The Index values for 2014 or indeed the Index compiled for the years 2005 – 2014 is not based on detailed data from the State final account, whereas the Index for the year 2015 should include them. Their use will allow greater Index accuracy, because it will be possible to reflect not only the nominal status of the budgetary chapters based on actual drawdown, as well as their percentage relationship to the GDP, or to the State budget as a whole, but also the ratios of actually issued funds spent on staff, operating expenditure (maintenance) and investments (development). In addition to the MoD and Czech Army comparisons, there should be more detailed comparison of budgetary trends and actual resource drawdown for the Interior Ministry, Police force and the Intelligence services of the Czech Republic.

The Index aspires to serve as the basis for a deeper debate on ensuring the defense and security of the Czech Republic in the long term. This debate is gaining importance in direct proportion to the deteriorating security environment in the world and in Europe and its immediate surroundings. It is also unequivocal that unless our security is ensured, our competitiveness is not guaranteed and a deterioration in our quality of life will follow.

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