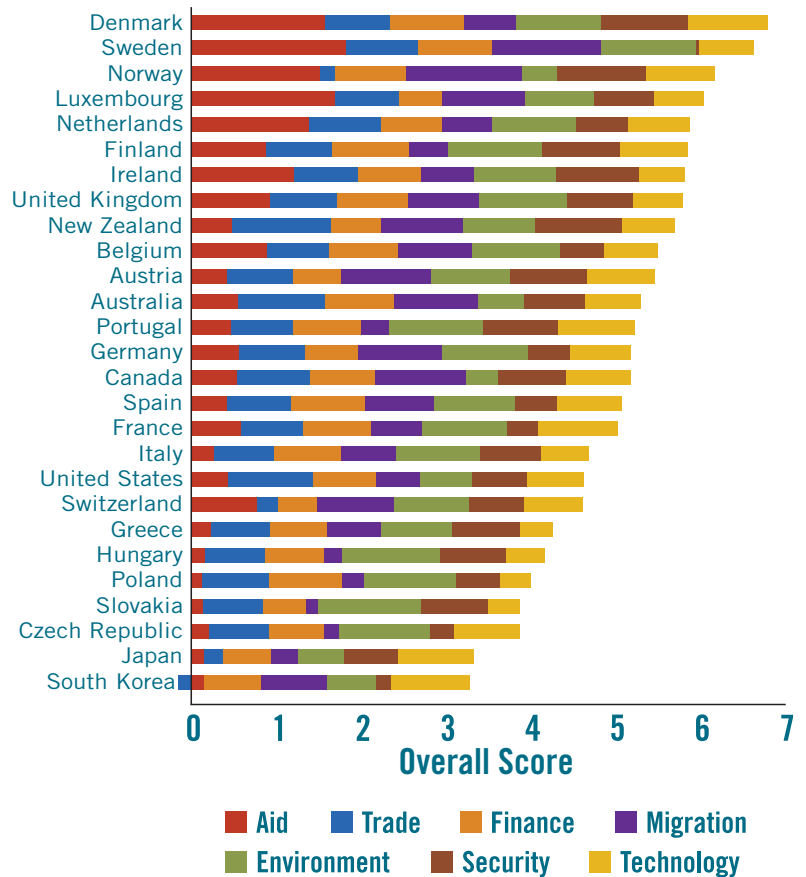




Czech Republic

The Commitment to Development Index (CDI) ranks 27 of the world's richest countries based on their dedication to policies that benefit poor nations. Looking beyond standard comparisons of foreign aid flows, the CDI measures national policies in seven areas that are important to developing countries: aid, trade, finance, migration, environment, security, and technology. This report reviews the Czech Republic's performance on the 2013 CDI. For more details, visit cgdev.org/cdi.

Commitment to Development Index 2013



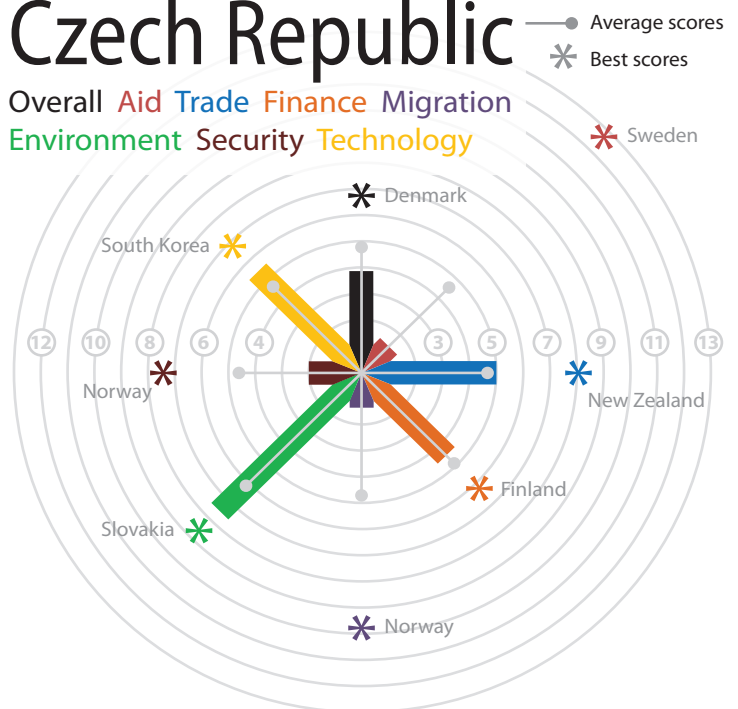
Czech Republic's 2013 CDI Performance

- Overall rank 2013: 24
- Overall score 2013: 3.9
- Change since 2012: -0.4
(using 2013 methodology)

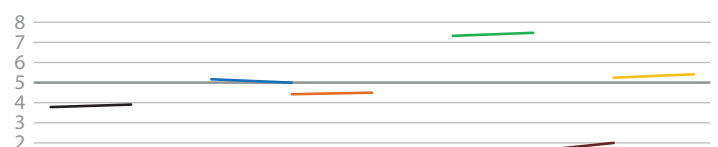
The Czech Republic ranks 24th overall in 2013. The Czech Republic performs best in the environment component, due in part to high gas taxes and waning growth in greenhouse gas emissions compared with GDP. It also scores above average in the technology component, due to substantial subsidies for research and development. However, the Czech government's score is driven down by its small foreign aid program, barriers to migrants and students from developing countries, impediments to trade, limited support of peacekeeping and humanitarian missions, and weak leadership in extractive industry transparency initiatives.

Czech Republic

Overall Aid Trade Finance Migration
Environment Security Technology



Czech Republic's change over time, 2012–2013 (5 = 2012 average)



Aid

Aid quality is just as important as aid quantity, so the CDI measures gross aid as a share of GDP adjusted for various quality factors: it subtracts debt service, penalizes “tied” aid that makes recipients spend aid only on donor goods and services, rewards aid to poor but relatively well-governed recipients, and penalizes overloading poor governments with many small projects.

■ **Score: 1.4**

■ **Rank: 22**

Weaknesses

- Large share of tied or partially tied aid (65.9%; rank: 23)
- Fails to report charitable giving
- Small share of aid to poor and better-governed recipients (selectivity rank: 24)
- Low net aid volume as a share of the economy (0.12%; rank: 23)

Trade

International trade has been a force for economic development for centuries. The CDI measures trade barriers in rich countries against exports from developing countries. It also penalizes costly importation processes and restrictions against purchasing services from foreigners.

■ **Score: 5.0**

■ **Rank: 21**

Strengths

- As a member state of the European Union, the Czech Republic imposes low tariffs on agricultural products including wheat, dairy, some meats, textiles, and apparel

Weaknesses

- As a member state of the European Union, the Czech Republic imposes high tariffs on rice, sugar, and beef
- High agricultural subsidies (equivalent to a tariff worth 16.3% of the value of imports; rank: 22)
- Many documents required for importation (20 documents; rank: 27)
- Many days to import a shipping container (7 days; rank: 24)

Finance

Rich-country investment in poorer countries can transfer technologies, upgrade management, and create jobs. Conversely, policies that permit financial secrecy of companies and banks can facilitate illicit activities and financial flows abroad. The CDI rewards policies that support healthy investment in developing countries and promote transparency in financial transactions at home.

■ **Score: 4.5**

■ **Rank: 20**

Strengths

- Political risk insurance agency provides wide coverage and screens potential projects for violations of human, labor, and environmental rights
- Provides assistance to companies looking for investment opportunities in developing countries

Weaknesses

- Weak leadership in extractive industry transparency initiatives
- Scores above average in the Financial Secrecy Index for regulations in place to promote transparent financial transactions within its jurisdiction (rank: 17)

Migration

The movement of people from poor to rich countries provides unskilled immigrants with jobs, income, and knowledge. This increases the flow of money sent home by migrants abroad and the transfer of skills when the migrants return.

■ **Score: 1.3**

■ **Rank: 26**

Weaknesses

- Bears small share of the burden of refugees during humanitarian crises (rank: 22)
- Small share of foreign students from developing countries (27%; rank: 25)
- Small number of immigrants from developing countries entering the Czech Republic (rank by share of population: 24)

Environment

Rich countries use a disproportionate amount of scarce resources, and poor countries are most vulnerable to global warming and ecological deterioration, so the CDI measures the impact of policies on the global climate, fisheries, and biodiversity.

■ **Score: 7.5**

■ **Rank: 7**

Strengths

- GDP growth exceeded growth in greenhouse gas (GHG) emissions over the past decade (average annual GHG growth rate/GDP, -4.21%; rank: 4)
- High gas taxes (\$1.43 per liter; rank: 6)

Weaknesses

- High greenhouse gas emissions rate per capita (20.6 tons of carbon dioxide equivalent; rank: 22)

Security

Since security is a prerequisite for development, the CDI rewards contributions to internationally sanctioned peacekeeping operations and forcible humanitarian interventions, military protection of global sea lanes, and participation in international security treaties. It also penalizes arms exports to poor and undemocratic governments.

■ **Score: 2.0**

■ **Rank: 25**

Strengths

- Participates in major international security treaties and regimes

Weaknesses

- Low personnel and financial contributions to UN and internationally sanctioned peacekeeping and humanitarian interventions over last decade (rank by share of GDP: 22)
- High level of arms exports to poor and undemocratic governments (rank by share of GDP: 25)
- No protection of global sea lanes

Technology

Rich countries contribute to development through the creation and dissemination of new technologies. The CDI captures this by measuring government support for R&D and penalizing strong intellectual property rights regimes that limit the dissemination of new technologies to poor countries.

■ **Score: 5.4**

■ **Rank: 10**

Strengths

- High tax subsidy rate to businesses for R&D (rank: 4)
- Provides patent exceptions for research purposes
- Will force patent holders to license to meet social needs

Weaknesses

- Allows patents on plant and animal varieties
- Pushes to extend intellectual property rights in bilateral trade treaties ("TRIPS Plus" measures) that restrict the flow of innovations to developing countries
- Imposes strict limitations on anti-circumvention technologies that can defeat encryption of copyrighted digital materials

For More

Visit cgdev.org/cdi for the complete 2013 edition of the Commitment to Development Index. There, you can explore the numbers with our interactive graphing tool, view additional publications and background papers, and dive deeper into the CDI methodology by downloading our data and code.

Commitment to Development Rankings, 2013

| Overall | Country | Aid | Trade | Finance | Migration | Environment | Security | Technology | Change 2012-2013 |
|---------|----------------|-----|-------|---------|-----------|-------------|----------|------------|---------------------|
| 1 | Denmark | 3 | 12 | 2 | 18 | 12 | 2 | 2 | 0 |
| 2 | Sweden | 1 | 6 | 2 | 2 | 3 | 27 | 17 | 0 |
| 3 | Norway | 4 | 26 | 7 | 1 | 26 | 1 | 6 | 0 |
| 4 | Luxembourg | 2 | 15 | 25 | 7 | 21 | 15 | 21 | 0 |
| 5 | Netherlands | 5 | 5 | 16 | 19 | 13 | 19 | 12 | 1 |
| 5 | Finland | 9 | 8 | 1 | 21 | 4 | 5 | 7 | 0 |
| 7 | Ireland | 6 | 14 | 14 | 16 | 15 | 4 | 23 | 2 |
| 7 | United Kingdom | 7 | 7 | 6 | 11 | 8 | 12 | 20 | -1 |
| 9 | New Zealand | 15 | 1 | 22 | 8 | 19 | 3 | 19 | -3 |
| 10 | Belgium | 8 | 18 | 9 | 10 | 9 | 20 | 18 | 0 |
| 10 | Austria | 18 | 10 | 23 | 4 | 17 | 6 | 8 | 4 |
| 12 | Australia | 13 | 2 | 8 | 6 | 24 | 14 | 16 | -2 |
| 13 | Portugal | 16 | 17 | 10 | 22 | 5 | 7 | 4 | 1 |
| 13 | Germany | 12 | 11 | 21 | 5 | 10 | 22 | 13 | 4 |
| 13 | Canada | 14 | 4 | 13 | 3 | 27 | 9 | 11 | -1 |
| 16 | Spain | 19 | 13 | 4 | 12 | 16 | 23 | 9 | -4 |
| 17 | France | 11 | 16 | 10 | 17 | 11 | 24 | 3 | -1 |
| 18 | Italy | 20 | 20 | 12 | 14 | 14 | 13 | 22 | 0 |
| 19 | United States | 17 | 3 | 15 | 20 | 23 | 17 | 15 | 0 |
| 19 | Switzerland | 10 | 24 | 27 | 9 | 18 | 16 | 14 | 1 |
| 21 | Greece | 21 | 23 | 19 | 15 | 20 | 8 | 25 | 0 |
| 22 | Hungary | 24 | 19 | 18 | 25 | 2 | 11 | 24 | 0 |
| 23 | Poland | 27 | 9 | 5 | 24 | 6 | 21 | 27 | 0 |
| 24 | Slovakia | 26 | 22 | 25 | 27 | 1 | 10 | 26 | 0 |
| 24 | Czech Republic | 22 | 21 | 20 | 26 | 7 | 25 | 10 | 1 |
| 26 | Japan | 25 | 25 | 24 | 23 | 25 | 18 | 5 | 0 |
| 26 | South Korea | 23 | 27 | 17 | 13 | 22 | 26 | 1 | 1 |

= top third
 = middle third
 = last third

The above table lists ranks for each of the 27 CDI countries across seven policy areas. The final column shows the change in each country's overall rank since 2012 (using 2013 methodology).

About the CDI

The Commitment to Development Index has been compiled each year since 2003 by the Center for Global Development (CGD), an independent think tank that works to reduce global poverty and inequality through rigorous research and active engagement with the policy community. CGD Europe director and senior fellow Owen Barder directs the Index, building on the previous work of CGD former senior fellow David Roodman. Petra Krylova is the CDI coordinator. Collaborators have included William R. Cline on trade; Theodore H. Moran and Petr Janský on finance; Jeanne Batalova, Kimberly A. Hamilton, and Elizabeth Grieco on migration; Amy Cassara and Daniel Prager on environment; Michael E. O'Hanlon, Adriana Lins de Albuquerque, Mark Stoker, and Jason Alderwick on security; and Keith Maskus and Walter Park on technology. The Index is supported by the CDI Consortium.

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