Chapter E Government and ICT

The Czech Republic has been familiar with eGovernment since the beginning of the 90s of the last millennium, however, only when the internet started to be seen as the technology of the future, after the year 1999, has this technology started to be used with respect to public authorities, and other institutions of public administration. The Ministry of Informatics[1] was founded in 2003, and three years later the National Politics on Information and Communication: e-Česko 2006. In the same year, a network of contact points of public administration, Czech POINT, was established, providing the greatest development of eGovernment in the Czech Republic yet – at least with respect to its citizens.

In 2008, the Act No. 300/2008, on electronic acts and the authorised conversion of documents, was passed. Sometimes also called "the Act on eGovernment", the purpose of which was to create optimal conditions for electronic interaction between public authorities and citizens, as well as between the public authorities themselves. In July 2009, the system of data boxes was launched, facilitating the communication with public administration, as well as the system of basic registers, enabling thus the interconnectivity of basic data on Czech citizens between individual public administration authorities.

As opposed to households, medical facilities or schools, for instance, in 2008, i.e. ten years ago, all organisations of public administration, including individual municipal authorities, had access to the internet, and 90% of them even had their own website. In 2010, there were nearly 100% of them. The websites of these organisations are also frequently visited by citizens. For instance, in 2010, already a fifth of citizens claimed to have sought necessary information on the websites of public authorities. Apart from simple website viewing, there is a possibility to find and download official forms from the websites of many public authorities. In 2017, 15% of individuals stated to have downloaded a form from the public authority website, upon the completion of which they delivered the form to the relevant authority in person, by mail or email. Apart from information and forms to download, only a small part of these organisations – a tenth in 2008 – enabled the complete electronic submission on their websites[2].

Same as in 2008, currently most personal situations, which citizens solve through public authorities, require the personal visit to the given office[3], which originates due to legislative reasons in particular. These are situations, such as the issuance of a passport, a driving licence or a national ID card, reporting a change of address, obtaining a copy of registry documents, and requesting social and other allowances.

Therefore, with respect to providing services of eGovernment, the Czech Republic still has a long way to go. The development of digital services, however, is important with respect to better convenience for the user – citizen, company, civil servant – as well as with respect to the cost effectiveness of public means. The present low development level of electronic services, provided to Czech citizens, is confirmed, not only by European and global surveys, but also by the data of the CZSO. Data surveying the use of online services, provided by public administration, should currently be one of the key pillars of evaluation of Czech eGovernment level, therefore, the computerizing of public administration.

ICTs are already widely used by government bodies, as it happens in enterprises, but eGovernment involves much more than just the tools. It also involves rethinking organisations and processes, and changing behaviour so that public services are delivered more efficiently to people and businesses. Implemented well, eGovernment enables citizens, enterprises and organisations to carry out their business with government easier, quicker and at lower cost.

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[1] In 2007, the ministry was closed.

[2] Electronic submission is parallel to the submission sent by the classic form, but made via the internet. Legal entities or natural persons do not need to go to the offices of the public authorities in person.

[3] Unless a qualified electronic signature or a Data Box is owned.

E.1 Use of Czech POINT for Government Services

Czech POINT[4] is a project whose aim is to reduce excessive bureaucracy with respect to citizens – public administration. The specific task of Czech POINT is to serve as an assisted place for the performance of public administration. By means of this universal place, enabling the interaction of citizens with the state, citizens may obtain all data held in evidence of themselves in public registers, as well as copies of and extracts from such data. It is also a place (municipal authority, post office, etc.), where one may verify his or her documents, signatures or electronic document versions.

- As of the 31st of December 2017, there were 7,536 **contact points** involved in the Czech POINT system in the Czech Republic, out of which 5,937 (79%) were available for citizens at the municipal authorities, and 984 (13%) at post offices.

- By means of **Czech POINT**, at the aforementioned contact points, Czech citizens were provided with over 2 million (2,124 thousand) **outputs** in 2017. This total number of outputs has not changed significantly in the past five years; the number is still around 2.1 million per year.

- These mainly included **copies of an entry**, creating three quarters (1,522 thousand) of all Czech POINT outputs in 2017. In 2017, less than a quarter (473 thousand) of outputs involved **conversion of documents**, particularly from electronic form to paper form. The other outputs mainly involved **requests on the registration of Data Box**, as there were over 43 thousand in 2017.

- With respect to the individual **types of copies of an entry** issued by means of Czech POINT, even in 2017, these were most frequently the copies of an entry in the **Criminal Records** (902 thousand), in the **Land Registry** (282 thousand), and in the **Commercial Register** (180 thousand). With respect to the copies of an entry in the Land Registry, as well as in the Commercial Register, over the recent years, we observe a decrease in the number of their required issuance. For instance, in 2010 there were more than half as many (nearly 450 thousand) copies of an entry in the Land Registry issued, at the contact points of Czech POINT, than in 2017; with respect to the copies of an entry in the Commercial Register, there were even 80% more at the same period of time.

Figure E1 Number of verified copies issued 'at the desk' of the Czech POINT public contact points for selected services (thous.)
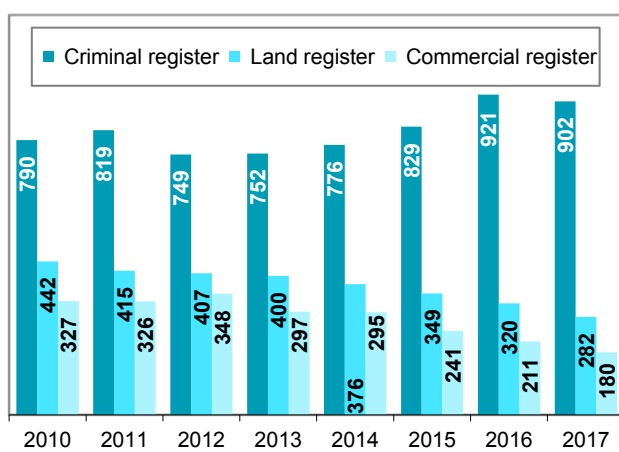
Source: Ministry of the Interior, 2018

Figure E2 Number of authorized conversions of documents issued at Czech POINT public contact points (thous.)
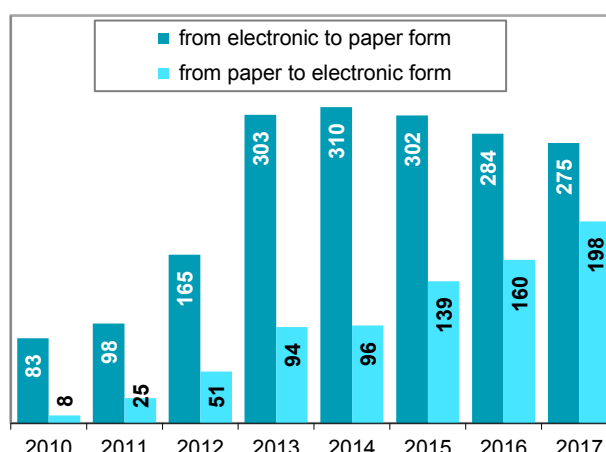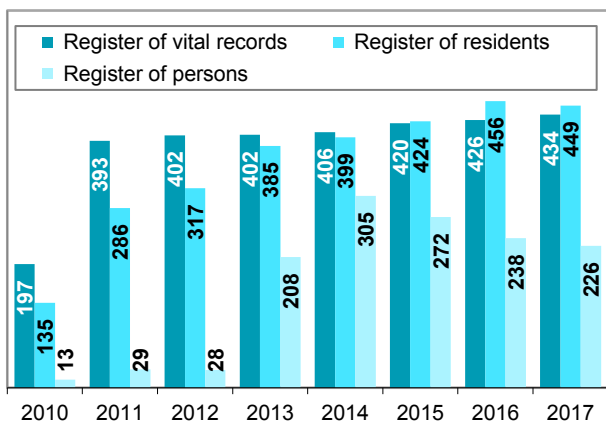

Source: Ministry of the Interior, 2018

- Whereas the total number of issued outputs to the citizens, by means of contact points of the Czech POINT, has not changed over the past years, the number of authorised conversions of documents, in particular **from paper form to the electronic one**, has been increasing year by year. In 2017, nearly 200 thousand paper documents were converted for the citizens, as opposed to 50 thousand in 2012.

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[4] There are currently 3 main interfaces – **Czech POINT** as the **assisted contact point** of public administration designated for citizens, **CzechPOINT@office** – a non-public internet application designated for civil servants of public administration who must access the registers by law or perform the conversion of documents by virtue of office, and the newest interface **CzechPOINT@home** functioning as a contact point with a remote access (not only) from home for the holders of Data Boxes. For more details see: http://www.czechpoint.cz/public

- Since 2009, in order to perform their authorities, the civil servants of public administration may use the non-public interface of the Czech POINT system at their workplaces, the so called **Czech Point@office**, where they may independently find information, verify, and submit claims within the eGovernment. In 2017, civil servants of public administration used this option for the authorised conversion of documents, records of registers, registration offices or courts, or for the copies of an entry in fundamental registers, in total for 6.3 million **outputs**.

- Mainly non-public service was provided by means of the interface (application) CzechPoint@office, used for the conversion of documents from the electronic form to the paper one, and vice versa. In 2017, 5 million such **authorised conversions** were performed.

Figure E3 Verified copies/extracts issued from the CzechPoint@office interface for selected services (thous.)

Source: Ministry of the Interior, 2018

Figure E4 Number of authorized conversions of documents issued from the CzechPoint@office interface (thous.)
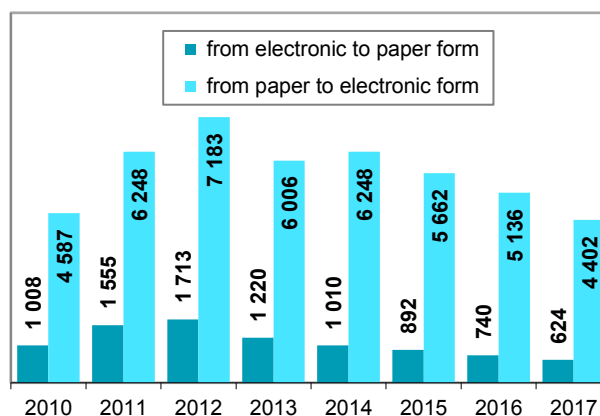
Source: Ministry of the Interior, 2018

- This service is less frequently used for, so called, **official records** of selected administrative tasks. In 2017, civil servants used this option nearly in a million cases, total. These were most frequently the official records within the scope of **administrative duties of registers** (records of data concerning birth, decease, matrimony, and registered partnership), and within the scope of **administrative duties of registration offices** (records of mailing address and addresses of permanent residence). With respect to both these administrative duties, the civil servants used this option, in 2017, in over 400 thousand cases. This option is also less frequently used within the scope of **administrative duties of courts**, for the records of invalidity, divorce, non-existence of matrimony or a registered partnership, and the limitation of legal capacity or incapacitation.

- Since 2012, the newest Czech POINT system interface has been the web application **CzechPOINT@home, an internet contact point** designated for citizens owning a Data Box, who may remotely obtain certain copies of an entry in public, and non-public register, in order to their data box by means of forms located within this interface, without having to go to the "bricks-and-mortar" Czech POINT contact point. In 2017, our citizens requested a total of 14.1 thousand outputs, by means of this interface, their computers or mobile phones. These mainly included the copies of an entry in the Penalty Point System concerning drivers (5.4 thousand copies), and in Criminal Records (4.6 thousand).

E.2 Use of Data Boxes for Communication with Public Authorities

Since the launching of Data Boxes, in the 2nd half of 2009, Data Boxes represent a new standard for the delivery of official documents. Data Boxes are a communication tool guaranteed by the state, replacing the classic registered delivery of letters, and serving mainly as a means of communication with public authorities. Therefore, through Data Boxes you may send documents to public authorities electronically, and also obtain documents from them the same way[5].

- Up to the 31st of December 2017, 861 thousand Data Boxes total were established in the Czech Republic. A large part of them (361 thousand) was established already in 2009, i.e. during the first year of the operation of this service, as it was stipulated by law to all public authorities and legal entities recorded in the Commercial Register. In the following years, the number of voluntary requests for a registration of a Data Box has been on the increase, and since 2013, the number of entities establishing a Data Box voluntarily prevails over the ones who do so by law.

- During the course of 2017, 80 thousand new **Data Boxes** were established in the Czech Republic. A large part of them (56%) was established **upon request**, 44% new data boxes were established **by law**. The majority of **new Data Box** owners are legal entities or self-employed individuals. In 2017, there were nearly 23 thousand Data Boxes established for individuals – non-entrepreneurs (citizens).

Figure E5 Number of newly activated Data Boxes in the Czech Republic (thous.)
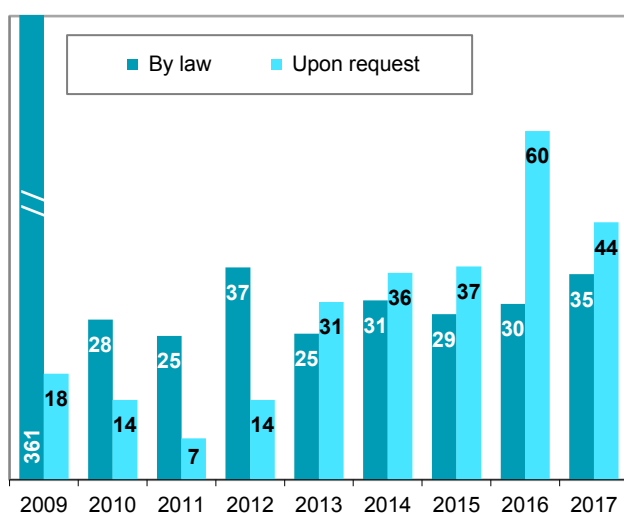
Source: Ministry of the Interior, 2018

Figure E6 Number of new Data Boxes in the Czech Republic by type of entity (thous.)
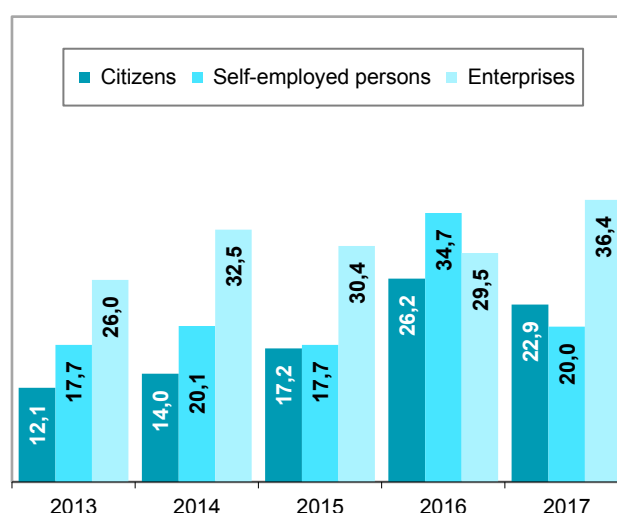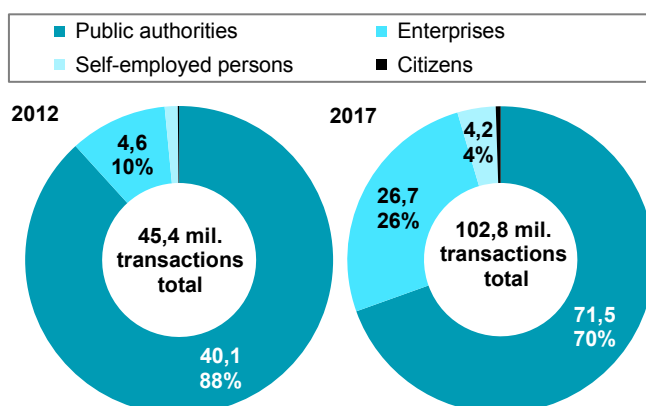

Source: Ministry of the Interior, 2018

- Year by year, the **number of transactions** conducted via Data Boxes is increasing. Overall, between the years 2012 and 2017, the number of transactions conducted via Data Boxes has nearly doubled, i.e. from 45.4 million in 2012 to 102.8 million in 2017.

- As it may have been expected, most data messages (i.e. conducted transactions) have been sent by **public authorities**, which have the obligation to use Data Boxes for mutual interchange of information. In 2017, over 71 million transactions were conducted. In 2017, legal entities, self-employed individuals, and other entities conducted a total of 31 million transactions, which is not even a half with respect to the volume of transactions conducted by public authorities. This means of communication has been gaining

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[5] **Data Box** – electronic identity used as an email box from the user's point of view. Under Czech laws, it is defined as an electronic storage space of a special type serving as a secure and trustworthy delivery method of electronic documents and messages between public authorities on the one side and individuals and legal entities on the other. In the Czech Republic, Data Boxes were implemented by the Act No. 300/2008 Sb., on electronic transactions and authorised conversion of documents, effective as of 1 July 2009. Since 1 January 2010, individuals and legal entities may use Data Boxes between each other as well. Data Boxes are mandatory for public authorities and legal entities recorded in the Commercial Register, they are voluntary for the majority of self-employed individuals and may be established even by individuals – non-entrepreneurs (citizens). For more details see: http://www.mvcr.cz/clanek/datove-schranky-datove-schranky.aspx

popularity, not only with self-employed individuals (in Czech "OSVČ"), but also with individuals – non-entrepreneurs (citizens).

Figure E7 Number of e-transactions made via Data Boxes in the Czech Republic by type of entities that conducted these transactions (mil.; %)

Source: Ministry of the Interior, 2018

Figure E8 Number of e-transactions made via Data Boxes in the Czech Republic by citizens (thous.)
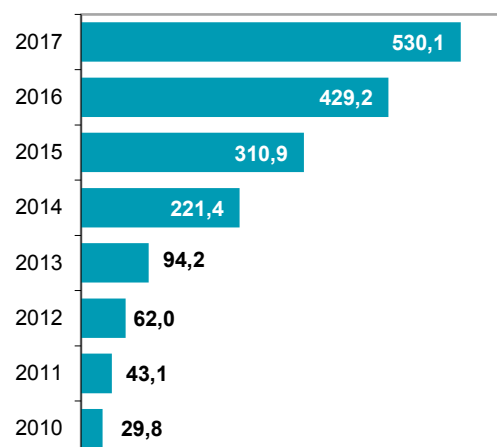
Source: Ministry of the Interior, 2018

# E.3 Electronic Tax Returns[6]

The Czech Financial Administration enables companies, as well as citizens, to submit their tax returns, declarations, reports or other documents electronically. In order to do so, the computer application called EPO (electronic submissions) was established for the Czech Financial Administration. It is a form of an electronic registry office of the authorities of the Czech Financial Administration, which can be used by means of a common internet browser. Electronic submissions conducted via EPO application must be provided with a qualified electronic signature (QES).

- Year by year, the number of electronic submission to the Czech Financial Administration is increasing in the Czech Republic. In 2017, a record number of 8.6 million electronic submissions was submitted via EPO application; out of which a fifth was provided with a qualified electronic signature, and less than a third was provided with a certified identity of the submitting person, by means of his or her Data Box. Two years ago, it was 2.4 times (5 million) less, and five years ago it was even 5.6 times less (1.5 million in 2012).

- With respect to the total number, since 2003, the largest part (47% in 2017) of electronic submissions to the Czech Financial Administration has been formed by **Value Added Tax declaration**. In 2017, 2.2 million Value Added Tax declarations (VAT) were submitted via the EPO application. In the last three years (since 2014), the number of these declarations has risen by 50%, and since 2012 it has risen even fivefold.

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[6] Data concerning the number of **tax returns submitted electronically** to Czech Financial Administration via the **EPO web application** (electronic tax returns) or by means of **Data Boxes** is processed by the CZSO from the data publicly available at the **Financial Administration**. The newest data from these sources relate to the year 2017. In 2015, it was stipulated that for all owners of an active Data Box, the communication with Czech Financial Administration is to be mandatory by means of the Data Box.
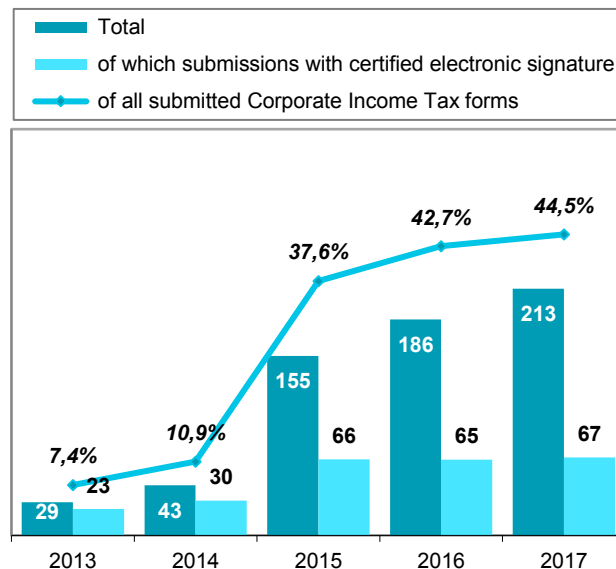
**Figure E9 Personal Income Tax forms
sent electronically to the Czech Financial
Administration via EPO application**
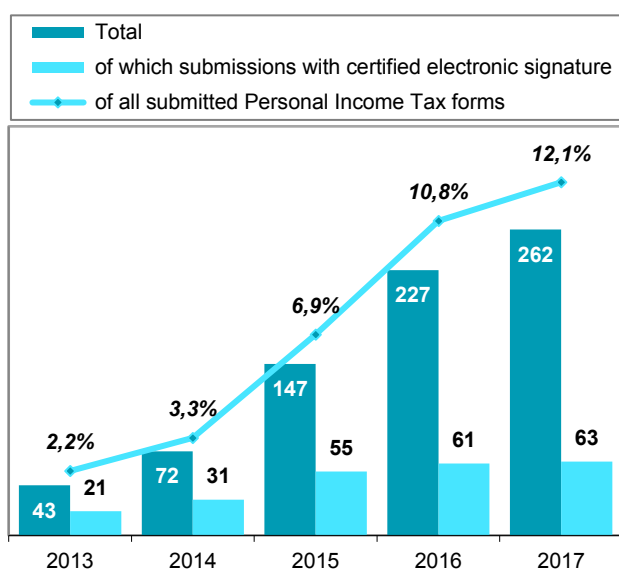
Source: Czech Financial Administration, 2018

**Figure E10 Corporate Income Tax forms
sent electronically to the Czech Financial
Administration via EPO application**


Source: Czech Financial Administration, 2018

- The number of electronic submissions of Personal Income **Tax declaration** and Corporate Income Tax declaration has also been increasing year by year. With respect to **Personal Income** Tax declaration, in 2017, there were 262 thousand submissions in total, conducted via EPO application, compared to less than 150 thousand in 2015, or 32 thousand in 2012. In 2017, the number of such electronic submissions was 12.1% of the total number of "independently submitted" Personal Income Tax declarations (in Czech "DPFO"), compared to 6.9% in 2015.

- With respect to **Corporate Income** Tax declaration, in 2017, there were 213 thousand submissions in total conducted via EPO application, compared to 155 thousand in 2015, or 23 thousand in 2012. In 2017, there were 44.5% electronic submissions, out of the total number of Corporate Income Tax declarations, compared to 37.6% in 2015, or 6.4% in 2012.

- Apart from the aforementioned tax declarations via the EPO application, available at the website of Czech Financial Administration, since 2013, legal entities, as well as individuals, may submit their tax declarations electronically, by means of their **Data Boxes**. In 2015, it was actually stipulated that all owners of an active Data Box must hold the communication with the Czech Financial Administration electronically.

- In 2017, this option of tax declaration submission was used by 146 thousand **individuals**, which is ten times more than three years ago. In 2017, tax declarations were submitted electronically – either via EPO application or by means of Data Boxes – by 408 thousand persons. The total share of Personal Income Tax declarations submitted electronically amounted to 21%.

- With respect to **legal entities**, in 2017, the option to submit tax declarations via Data Boxes was used by 249 thousand entities, which is also ten times more than three years ago. Nearly all companies (legal entities) – as stipulated by law – have been submitting their tax declarations solely electronically in the past two years.

E.4 Use of eGovernment services by individuals

Computerization of public administration forms is the integral part of a well-functioning economy and society. Public administration, which uses new technological options, contributes to a simplified communication between the state and its citizens. The prerequisite of such communication is the interconnectedness of government offices, as well as a sufficient offer of online eGovernment services, for their possible usage by enterprises and individuals.

- Within the scope of the regular survey of the CZSO, concerning the usage of information technologies in households and among individuals[7], the methods of internet usage by individuals are monitored with respect to public administration. In 2017, the internet was used **for interaction with public authorities**[8] by less than a half (47%) of all internet users, which is more than a third (37%) of all inhabitants over the age of 16.

- The survey also implies that the highest percentage of users using the internet, for interaction with public authorities, may be found among university graduates – in 2017, this option was used by nearly two thirds (64%) of them. For interaction with public administration, the internet is frequently used by women on parental leave and persons aged 35–44 – in both of these cases 54% of the persons belonging to this category used this option in 2017. With respect to age, the internet is used the least for the interaction with public administration by users aged 16–24 and, above all, by users over the age of 65.
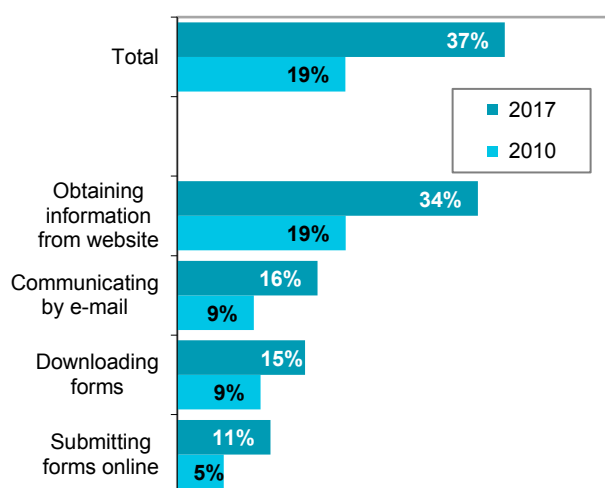

Figure E11 Individuals in the Czech Republic using the internet for interaction with public authorities (%)*
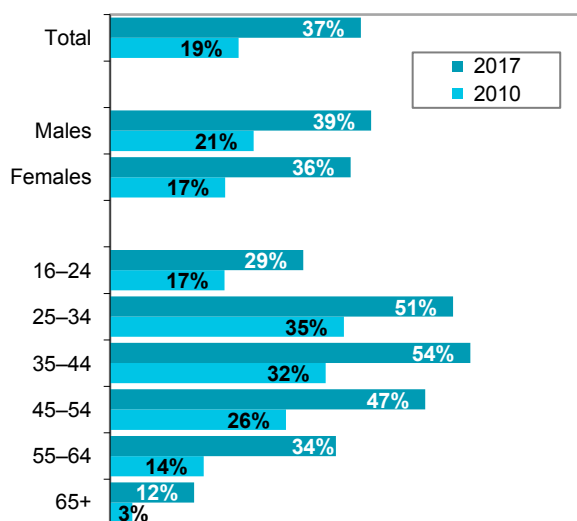
* as a percentage of all individuals aged 16+

Source: Czech Statistical Office, ICT use survey in households, 2018

Figure E12 Individuals in the Czech Republic aged 16+ using the internet for interaction with public authorities for selected activities (%)*

* as a percentage of all individuals aged 16+

*Source: Czech Statistical Office, ICT use survey in households, 2018*

- With respect to internet activities concerning public administration, individuals in the Czech Republic use the internet most frequently to **seek information** on public authorities' websites. In 2017, this activity was performed by approximately a third (34%) of persons over the age of 16, compared to less than a fifth (19%) in 2010.

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[7] Data concerning the internet usage with respect to public administration by individuals is obtained from the Selective Survey on ICT usage in households (VŠIT). The survey is carried out by means of personal interviews with a survey sample of approx. 10 thousand individuals. The ascertained data is available to a wide range of demographic and social characteristics of persons living in the monitored households, such as sex, age, highest attained education, etc. Since 2006, the survey is carried out yearly in the 2nd quarter of the monitored year in all EU countries as a mandatory survey stipulated by the Regulation (EC) No. 808/2004 of the European Parliament and of the Council concerning Community statistics on the information society. For more details see Chapter C.

[8] This includes individuals who have stated to have used the internet for private purposes at least once in the last 12 months for at least one of the following activities concerning the interaction with public authorities: information seeking on the public authority's website; interaction with public authorities via emails; form downloading from the public authority's website, and/or filling-in and sending a form to public authorities electronically.

- Other internet activities, concerning public administration, have not been this popular. In 2017, 16% of individuals **communicated** with public authorities **by email**, and a similar share (15%) **downloaded a form** from the website of the given institution. Even a lower number of persons – approx. a tenth (11%) – **filled-in, and submitted, the form to public authorities via the internet**.

- Precisely the option to fill in and submit a form online, from the person's home or from any other place, forms part of so called eGovernment, which represents another phase of computerization of public administration. The vast majority of the population in the Czech Republic (89% in 2017) has not been using the option to fill in and submit forms electronically, yet. The most common reason, why adult Czech citizens did not complete and submit online forms to authorities in 2017, was that **they had no need to fill in any form**. This was the response of nearly a half of all persons (47%). A quarter of all individuals (24%) stated that they had not used the online forms because they **did not use the internet**, and the other individuals (30%) provided other reasons for not using it, such as insufficient knowledge, skills, concern over personal data protection, or that someone else had submitted the form for them. Some of them also stated that they had wished to fill in the form online, but the required form was not available online at the time.

- With regards to the usage of the internet for interaction with public authorities[9], for selected activities **in EU countries**, the Czech Republic is still below average. In 2017, the internet was used for the interaction with public administration, by an average of 49% of individuals aged 16–74 in the EU, however, only 46% in the Czech Republic. The highest percentage of individuals, using the internet with respect to public administration institutions, can be found in the Nordic states, in the Netherlands, and in Estonia.

Figure E13 Individuals in EU countries aged 16–74 using the internet for interaction with public authorities; 2017*
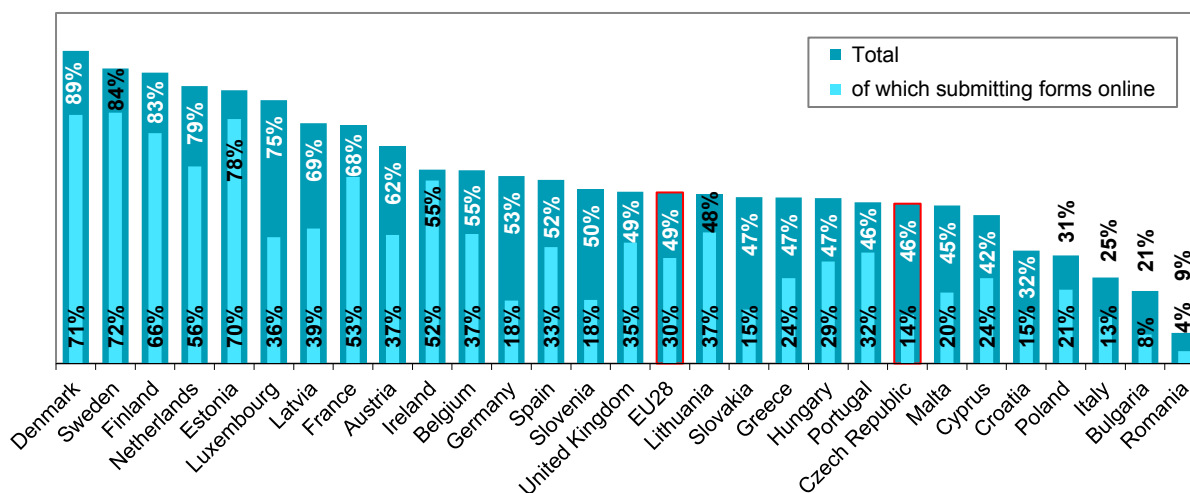
* as a percentage of on individuals aged 16 to 74 in a given country

Source: Eurostat 2018

- Whereas in some EU countries, such as Estonia, Ireland or the Nordic states, the online filling-in and submitting of forms is common for the interaction with public authorities, Czech citizens are more passive in interaction with public authorities, and they use the internet mainly for information seeking on the public authority's website. In aforementioned Estonia, in 2017, a form was filled-in and submitted via the internet by 70% of individuals, whereas in the Czech Republic the total was solely 14%. The EU-average was 30%.

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[9] Eurostat publishes solely the total data concerning public administration – besides public authorities, some other public institutions are included in this indicator. These mainly include public schools, medical facilities, and libraries.