A collective work

CRISES AND OPPORTUNITIES

ECONOMIC AND SOCIAL IMPACT OF THE COVID-19 EPIDEMIC

Rosa Luxemburg Stiftung e. V., zastoupení v České republice
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Crises and opportunities
Economic and social impact of the Covid-19 epidemic

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INTRODUCTION

IN 2020, THE COVID-19 PANDEMIC SPREAD NEARLY EVERYWHERE THROUGHOUT THE WORLD, AND, AT THE TIME OF PUBLICATION OF THIS COMPILATION, IT IS STILL ONGOING.

In many countries, the pandemic has led to a significant limitation of economic activities. It is clear that the groups which have already been suffering from poverty and unavailability of healthcare are most vulnerable to the medical and social ramifications of the pandemic. This pandemic has appeared at a time of growing inequality stemming from a dysfunctional economic system and escalating pace of environmental destruction. at this time, no one can predict the severity of the long-term consequences of such conjunction of crises, or how the governments and societies on national and international level are going to deal with them. Nevertheless, it is necessary to begin mapping the threats and opportunities ahead and provide guidance to a constructive resolution of the current and future challenges. Such discussions are being held at all levels. We at the Rosa Luxemburg Foundation have decided to contribute to the discourse and reached out to several economists and social scientists who work with us.

Economist Jan Bittner prepared a study titled *Economic inequalities and the coronavirus*, in which he examines the theoretical connection between the economic inequalities and the economic cycle in the context of the greatest depressions of the past - the Great Depression and the Great Recession. the second part of the study provides an analysis of the current inequalities in the Czech Republic, how the pandemic influences them, and how they can be expected to develop in the future. the third part proposes possible measures in the area of political economy aimed at mitigating the inequalities.

Attorney at law and union representative Šárka Homfray wrote a study titled "*Paid and unpaid work during pandemic*" the impact of the pandemic and the adopted measure on gender equality. the study examines the impact of the pandemic on heavily feminised labour market sectors, both those affected by constraints and declining incomes and those that have had to respond to and cope with the challenges. In addition to paid work, women in the Czech Republic perform a significantly higher share of unpaid work, including caring for children and other relatives. at the time of the pandemic, other gender-related consequences were associated with this fact, which is also mentioned in the study. This study offers proposals for improving the situation.

Journalist Zbyněk Fiala provides an overview of the early days of the pandemic on the international scale in his study titled, *Try another future to survive. the economic fallout of the pandemic in the Czech Republic and inspiration for overcoming the crisisproviding a diagnosis of the state of the Czech economy, and identifying its vulnerabilities*. He predicts that the crisis will have serious and long-term consequences, and describes various alternative economic models whose introduction could and should be facilitated by the pandemic. Lessons from the crisis formulated in the study cover a wide range of topics from the pharmaceutical industry to agriculture or the energy industry.

Marek Hrubec a **Martin Brabec**, **philosophers and sociologists**, prepared a study titled *Unconditional basic income: To each according to her or his basic needs*. Unconditional basic income is currently being discussed as one of the measures that could address the economic and social ramifications of the Pandemic. A year-long campaign of the European citizens' initiative for establishing basic income will begin in September of 2020. the study provides basic information regarding the concept, and examples of past experiments. the authors, who are have studied the topic for a considerable time, see unconditional basic income as an instrument of fundamental social transformation.

Environmental economist Lucie Sovová, in her study titled *Degrowth: less, differently, better. the way out of the crisis is not "back to normal" but transformation.*, provides a clear overview of this alternative economic model. She posits that the pandemic has exposed the vulnerability and dysfunction of the economic system based on growth and maximising profit. the concept of ungrowth offers a solution. In addition to introducing the basis of ungrowth, the author presents a variety of examples and proposals for a no-growth economy and mentions the state of the discourse in the Czech Republic.

Politologist Tomáš Profant prepared a study titled *Post-development practice*. the text examines the concept of post-development which arose in opposition to the traditional policy of development, broadening our often too Eurocentric view. It uses examples of post-development practice in the countries of the global South (e.g. Latin-American "Good life"—*buen vivir*) or the European concept of ungrowth to illustrate currently applied responses to the challenges of climate change and persistent inequality.

All the presented studies share the same basis, showing in different variations how little is the current neo-liberal economic and political system prepared to address its negative impact, especially the growing inequality and environmental devastation. the Covid-19 pandemic has highlighted this vulnerability. Because the pandemic has not ended yet, and because this is surely not the last crisis humanity will face together, it is encouraging to see how many opportunities for transition to a more sustainable, durable, and social order are offered in these few studies. as is the case with the more or less shared analytical basis, the proposed avenues of development have a great deal in common, mostly varying in how radical the required changes would be. In any case, it is an inspiring read.

Jiří Silný
Rosa Luxemburg Foundation

ECONOMIC INEQUALITIES AND CORONAVIRUS

JAN BITTNER

FOR A LONG TIME, ECONOMISTS FORGOT ABOUT THE SUBJECT OF INEQUALITIES, AND INSTEAD OF LOOKING FOR MECHANISMS THAT DISTRIBUTE WEALTH IN SOCIETY, FOCUSED ONLY ON OVERALL WEALTH. THEY WERE INTERESTED ONLY IN THE SIZE OF THE CAKE, IGNORING THE FACT THAT FEWER AND FEWER PEOPLE WERE BITING OFF BIGGER AND BIGGER PIECES. IN RECENT YEARS, HOWEVER, INEQUALITIES HAVE RETURNED TO ECONOMISTS‘ FIELD OF VISION. PARTLY BECAUSE OF THE MOST RECENT WORLD CRISIS IN 2008-9, ECONOMIC INEQUALITIES ARE AMONG THE MAIN PROBLEM OF TODAY'S MODERN ECONOMIES. IN THE FIELD OF ECONOMIC SCIENCE, INEQUALITIES HAVE BEEN HELPED TO THE FOREFRONT BY LEADING ECONOMISTS SUCH AS STIGLITZ, PIKETTY, ATKINSON AND MILANOVIC. THEY AND OTHERS HAVE STATED THAT, FAR FROM BEING SOME KIND OF NATURAL PART OF CAPITALIST SOCIETY, INEQUALITY IS A RESULT OF SOCIAL PREFERENCES AND POLITICAL MEASURES.

The author of this study considers the current level of economic inequalities in both the world and the Czech Republic to be too high, although they may differ between regions in terms of their specific type. While in the English-speaking countries the very richest have a huge quantity of assets at their disposal, in the Czech environment the basic challenge is the low wage level itself, leading to inequality in the amount of security and justice felt. the Czech economy also struggles with high levels of inequalities in wealth ownership, opportunities and access to education.
The main theme of this article is not the actual level of inequalities, although as contextual information this needs to be described, but its expected development in connection with the economic crisis tied to the Covid-19 pandemic. the potential growth of economic inequalities may be dangerous to the development of society regardless of the current level of those inequalities— dangerous not just in economic, but also social and political terms. Overlooking growing inequalities may negatively influence the life of both individuals and the whole of society.[1]

1 Wilkinson and Pickett, 2010.

This is especially so if most of society sees inequality as a problem that has to be solved. Concretely, 84 % of Europeans think inequalities in Europe are too great, and only three percentage points fewer believe that governments should take action against inequalities.[2] as far as employees are concerned, most Europeans consider their real wage to be unjustly low (57 %), while in the Czech Republic the perception of this injustice is 6 percentage points higher.[3]

The economic crisis is not, of course, the only current catalyst of the growth in inequalities. Social megatrends such as globalization and technological change are often given as the reason why the economic scissors are opening wider, both worldwide and in individual states. A prominent role in the past has also been played by political decisions that during the last crisis were labelled a policy of cuts. An economic crisis is always accompanied by structural changes in the functioning of the economy that bring with them changes in income spread and wealth.

The first chapter will present the theoretical connections between economic inequalities and the economic cycle, and will present them in the context of the greatest world slumps—the Great Depression and the Great Recession. In the second chapter we will use this knowledge to analyze inequalities in the Czech Republic and their outlook for the future. In the third part, appropriate economic and political measures will be suggested.

INEQUALITIES AND THE ECONOMIC CYCLE

In this chapter we will look first at the theoretical connections between economic inequalities and the economic cycle. We will then describe the greatest world crises of the past, and examine their impact on the development of inequalities.

INEQUALITIES DURING A CRISIS

A recession, or its deeper forms, depression and crisis, often hits the economy as a whole, i.e. most of its actors. Nevertheless, the past has repeatedly shown that a greater burden of the economic cycle is borne by the most vulnerable. Ever since the impacts of the Great Depression were researched, economics has known about the influence of **unemployment** on income distribution. as Parker[4] states, summing up this impact, most studies indicate that unemployment has a regressive effect on income distribution, because it increases the share of the highest quantile to the detriment of the lowest.

Although different crises may have a harsher impact on different branches of the economy, it is less-qualified employees who are most likely to be affected by layoffs, and these workers are also lower-paid. There are several reasons—qualified employees tend to be of more value to the company, and more difficult to replace, the company may already have invested in their training, but above all, the costs of laying off less qualified employees and then hiring again are cheaper.

In addition to low-qualified, but "standard" employees, legislation across the world caters for **non-standard working conditions** (contracts for services, agency employment, fixed-term contracts and part-time contracts) which are deliberately more flexible in terms of being able to be ended and created again. They were born of the need for shorter and more flexible employment relations, designed to be by their nature complementary. In many cases, however, that situation is a thing of the past, and many employees are now dependent for their living on precarious employment. Employees who have these types of contract are then among the first to feel the start of the crisis. It is also usual for these jobs to be held by lower-paid people on average. In some cases a supplier contract takes the place of an employee relationship entirely, a state of affairs known in Czech as the "**švarcsystém**". the employee, instead of being protected by labour law and full social security, performs the work as a contractor, with all the consequences that ensue from a purely commercial relationship.

Demand crises, which definitely include the Great Depression and the Great Recession, tend to be connected with a fall in **inflation**, which also has a redistributive effect. A lower-than-expected level of inflation benefits **creditors**, while debtors have to pay more in real terms. Since creditors tend to be better off and debtors (relative to their disposable income) worse off, deflation may further increase inequalities.[5]

In addition, **economic** growth itself, or a fall in it, presumes redistributive effects, because profits (and above all those concerning the upper percent of the income spectrum) tend to be more sensitive to the economic cycle. A fall in the cycle often has a marked effect on a large part of this group's incomes—capital incomes.

Crises are a test of whether individual households, but also companies, are resilient to worsened incomes. Households without sufficient **savings** and smaller companies with no "economies of scale" tend to be the first to be hit by financial complications. A worsened situation can also limit their access to loans to help them bridge a difficult period.

Crises cause **structural changes** that require individuals to be able to adapt to new job demands, geographical mobility and so on. This requires additional funds, at least for a transitional period. Those who lose their job during the crisis lose at the same time their human capital, valued on the labour market—they are thus worse affected than those who are not threatened by loss of work. This effect is more significant in the case of deep international crises that often bring structural changes accompanied by changes in professions, technologies used and so on. This effect may be moderated by a vigorous and active unemployment policy and social benefits.[6]

Last but not least, one of the main roles, at all times and in all places, is played by **economic policy**, in other words the tools and goals that given states have when dealing with the crisis, and the extent to which they are capable of implementing them effectively.

THE GREATEST WORLD CRISES

In this part we shall describe and compare the greatest world crises in the last hundred years, among which we can now with certainty include the current crisis caused by Covid-19. the first global collapse of modern economies across the world was the Great Depression, which started on the American capital market in 1929. Eighty years later, a mortgage crisis had its roots in the same place, giving rise to a financial and banking crisis and subsequently the Great Recession.

THE GREAT DEPRESSION

Characteristics common to the Great Depression and the coming coronavirus crisis can be found in all world crises: a fall in production, growth of unemployment, fall in employment, negative impacts on the business sphere leading to bankruptcies etc. However, there are fundamental differences in the identification of the causes of the crisis. the Great Depression started on the American **capital market**, which on the notorious Black Friday collapsed and thus revealed long-neglected problems, including speculations that had piled up.

According to Marriner S. Eccles,[7] later the head of the American Fed, **income inequalities were even one of the main causes of the crisis**. the speculative bubble on the capital market had been preceded by a growth in income inequalities, caused both by low levels of taxation of high incomes and by high business margins. This unequal distribution of incomes and wealth could be seen in inordinately large savings in the non-finance sector and high-income households to the detriment of workers and the low-paid. the latter would have used the finance in a more productive way, rather than causing an increase in debt and speculative capital. at the very least, they would not have caused such instability in the financial system of the time.

As a result of international economic links, the crisis expanded to Europe, indeed the whole world. Worldwide industrial production fell by a third in the space of three years. the crisis in the United States was able to have such a significant influence on the world economy because of the US' then economic strength—it accounted for around 43 % of world industrial production. as a result, the US' economic problems, accompanied for example by a 90 % fall in investments or the loss of 15 million workers' jobs (by 1933 every fourth economically-active American was jobless[8]) showed up in world statistics extremely noticeably in the space of a mere four years. In Europe the crisis made itself felt in a fall in industrial production to 72 % during three years. the worst-hit country was Germany, which had not yet managed to deal with the costs of the First World War and was unable to cope when the crisis came. Its industrial production fell to a half, and unemployment tripled in a couple of years.[9]

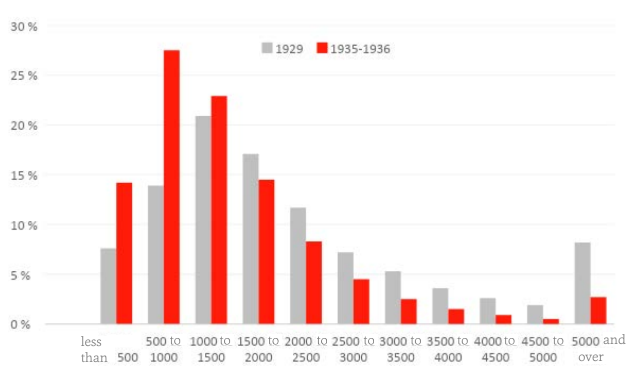
In the former Czechoslovakia the crisis was felt very strongly, above all because of the country's dependency on international trade, which has grown even more since then. A marked fall in industry meant an extremely rapid rise in unemployment, from around 42 thousand to 740 thousand unemployed people. at that time

2 Eurobarometer, 2018.
3 Bašná, 2020
4 Parker, 1998.
5 European Commission, 2019.
6 European Commission, 2019.
7 Eccles, 1952.
8 Smiley, 1983.
9 Žídek, 2009.

the still-underdeveloped welfare state was unable to keep such a large number of people above the poverty line, and it did not know how to get them back to work: even eight years after Black Friday, unemployment in Czechoslovakia was still around half a million. as well as the depth of the crisis it is important to stress its length. In 1937 the economy had still not returned to its pre-crisis level. This is a feature common to the Great Recession, which the Czech Republic in part artificially prolonged as a result of its economic policy.[10]

We do not have many data sources from this period on the development of inequalities. Information on changes in income distribution can be gained only by comparing two data sets (with an awareness of the potential limits of this comparison) from 1929[11] and 1935—1936[12] in the United States. the following graph shows the percentage frequency of households in the individual income categories. the first column, for example, shows that 7.6 % of households had an income of under 500 dollars. as has already been said, the prosperity of the 1920s showed itself above all in the growth of the richest households, something that is clear from the graph. the capital market crash necessarily showed itself in the lowering of capital incomes, which formed above all the incomes of the richest. as a result, there was a very marked **fall in the number of high-income households**. at the bottom end of the income spectrum, however, there was an increase in the number of households with incomes up to 500 and up to 1000 dollars, in which the most visible phenomenon was a **rapid rise of unemployment**.

Graph 1 Income distribution of American households (percentage frequency according to income level in USD)



Source: graph by the author from Leven et al. (1934) and Incomes of Families and Single Persons, 1935—1936: Summary (1938)

10 Žídek, 2009.
11 Leven et al. (1934).
12 Incomes of Families and Single Persons, 1935—1936: Summary (1938).

THE GREAT RECESSION

The world crisis of 2008 and 2009, also called (albeit terminologically incorrectly) the Great Recession, has similar characteristics to the crisis at the end of the 1920s. Again, the crisis originated in the capital market, which with the help of new financial instruments enabled the creation of a fragile system that multiplied the systemic risk, and at the same time had both feet in the **mortgage speculation bubble**. When this burst, the banking sector got into problems, and in the blink of an eye the crisis had overflowed into the whole economy.

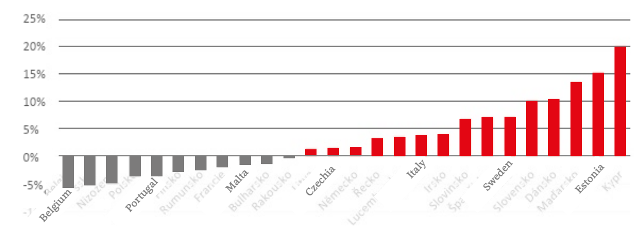
It is hard to compare it in terms of depth to the Great Depression: after a low real-term growth of GDP in 2008, the crisis made itself fully apparent in the next year with a fall in the European economy of 4.3 %, while the impact on the Czech economy, dependent on foreign trade, was another 0.5 percentage points higher. the economic crisis then became a **debt crisis** in several European states, so while some countries were beginning to undergo economic revival, others were still mired in economic problems.

European countries were hit sharply by **unemployment**. Between the height of the boom in May 2008 and the point at which the number of unemployed people reached its height in February 2013, the number of Europeans without work rose by almost 12 million. the brunt of this growth was borne by the worst-hit countries, in which job losses affected the young generation above all. During 2013 youth unemployment in Greece rose to 65 % and in Spain to 58 %. the unemployment level in the Czech Republic has long been lower than in other countries, and this was no different before and during the crisis. Still, unemployment grew from a pre-crisis 4 % of the active population to a climax of 8.4 % in February 2010.

Failing to learn from previous crises, and against the recommendations of leading economists, European states, including the Czech Republic, embarked on a **policy of cuts** instead of countercyclical support for aggregate demand, thus provoking a second wave of the crisis in 2012 and 2013. as well as this, the cuts often affected the lowest-income households, whether by the reduction of social spending, the limiting of unemployment benefit or the growth of indirect taxation.

By way of illustration, the following graph shows the change in one of the basic indicators of income inequalities, the Gini coefficient,[13] over the course of the crisis period of 2008—2014, which includes both the beginning of the crisis and its subsequent second wave. the influences on inequality in the individual countries are considerably different, but **inequality according to the Gini coefficient rose**. as will be further analyzed, inequalities during a crisis have various tendencies, including contradictory ones, and their force may be regionally specific.

Graph 2 Percentage change in the Gini coefficient between 2008 and 2014



Source: Eurostat

COVID-19 IN GENERAL

The current crisis differs in many ways from its predecessors. While the preceding ones started on the capital markets under the influence of the systemic shortcomings of market mechanisms, today's situation was in large part artificially created by national governments. the reason for the prescribed fall in economic activity was an attempt to **protect public health**, which required a minimum of the inter-human contacts that are logically necessary for the functioning of the economy. On the other hand, according to a number of economic studies, economic slumps are also connected with negative effects on health,[14] and the solution to such an equation is to balance both phenomena.

Graph 3 Growth of real GDP in the CR and the EU

Source: Eurostat; European Economic Forecast, Spring 2020

13 How it is calculated and its significance will be described later in the article..
14 Hrehová and Jurajda, 2020.
15 European Commission, 2020.
16 Furceri et al. 2020.
17 IGM, 2020.

The European Commission's outlook[15] expects that this year's **fall in GDP will be more marked than in 2009**. In the case of a "classic" crisis, such a fall would mean a fundamental snag in the economy leading to a reduction of private investments and household consumption that would also go forward into the following years. However, the coronavirus crisis consists in the artificial freezing of the economy, and so its unfreezing does not, if suitable economic measures are taken, have to have such far-reaching effects. Partly for this reason, the growth estimates for the year 2021 are still relatively optimistic.

Nevertheless, a high level of growth in 2021 is of course not guaranteed, because it depends on the economic policy of the given country—whether it makes the same mistakes as in the past and brings on a repeated recession. In the same way, a forecast of high growth does not necessarily mean healthy and sustainable growth. Finally, the virus itself may tear up our plans for a gradual return to economic life by returning in another wave or waves that will show how well the various countries learned lessons and prepared themselves.

In each case, the potential impact on income inequality has to be taken into account. This includes the case of an economic crisis caused by a pandemic, which differs in many ways from ordinary crisis. It is from this perspective that the economists at the International Monetary Fund have focused on the potential impacts on inequality.[16] the authors examined the data on the five greatest epidemics of recent years—SARS (2003), H1N1 (2009), MERS (2012), Ebola (2014) and Zika (2016)—and estimated their impacts on income distribution in the five years that followed each. They found that **in the subsequent period the income scissors opened wider as the result of the pandemic.** the economics tracked the development of inequality in net incomes through the lens of the Gini coefficient, the value of which changes very slowly over the course of time. the study found that in relation to the pandemic the Gini coefficient rose on average almost 1.5 % over five years, and thus income inequality rose with it.

(UN)EQUAL CZECHIA AND COVID-19

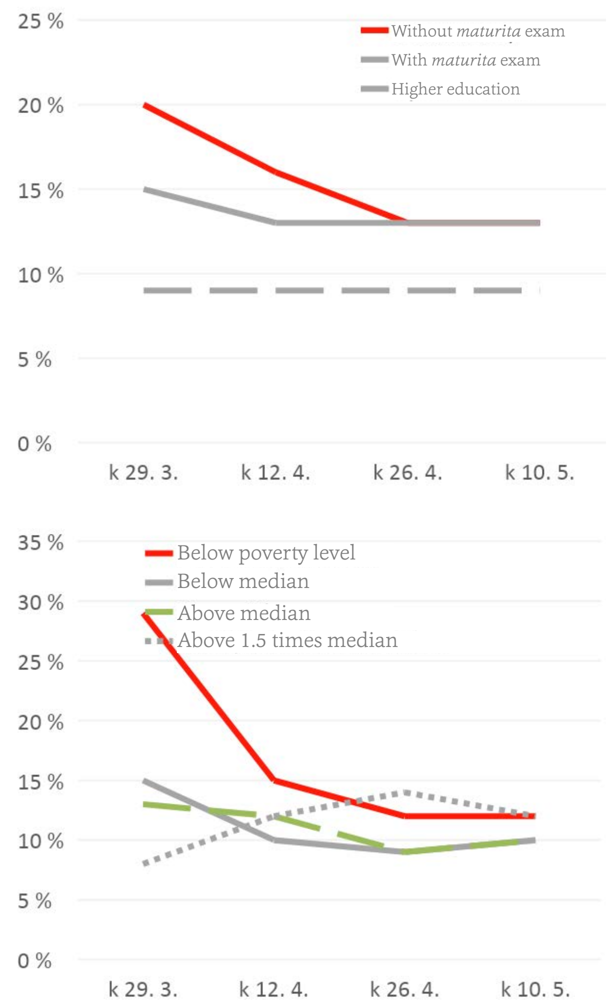
A survey of several dozen leading world economists[17] clearly indicated the direction that economic inequalities might take. the great majority of them said that **the Covid-19 pandemic would deepen inequality**, partly because of its inordinate impact on low-qualified workers. They also expressed clear agreement with the proposition that the crisis would worsen access to good-quality education in the case of low-income households.

Taking these conclusions into the Czech environment, we first have to state the specific context of inequalities in the Czech Republic. the predominant opinion here has long been that the country does not have an inequality problem. Indeed, the Czech Republic is even held up as a model for other EU countries, since the statistics for inequalities and threat of poverty indicate that it holds such a position. Somewhat simplistically, this state of affairs is ascribed to the country's history of central planning, in which incomes were levelled. as we shall show further, however, statistics may be a long way from reality. Otherwise, 82 % of people would not be able to agree (and only 4 % agree) with the statement that pay differences in the Czech Republic are too great, and **70 % of people would not be wanting the government to take measures to reduce income differences.**[18]

Before we analyze in more detail the economic indicators of the various types of inequalities, a preliminary picture of the impacts of the coronavirus crisis so far may be provided by a series of sociological studies carried out from the beginning of the government measures restricting economic life in the Czech Republic. According to data from the Median agency from 9 July 2020, up to that date **for 29 % of people their economic situation had worsened, while for 12 % it had improved.**[19] the following graphs, based on repeated surveys by the agency PAQ Research,[20] clearly show that **the harshest immediate impact concerned households with a lower level of education and lower income level.** the incomes of graduates, on the other hand, were the least affected from the start of the epidemic to mid-May. In terms of income groups, over time the impacts on low-income groups grew closer to those on higher-income households. This phenomenon, clearly connected with the higher share of self-employed people among households with incomes over 1.5 the median than in households threatened by poverty, gradually relativizes the otherwise certain effect in growing income inequality over the course of the epidemic that emerges from this specific survey.

18 European Commission, 2018.
19 Median, 2020.
20 PAQ Research, 2020.

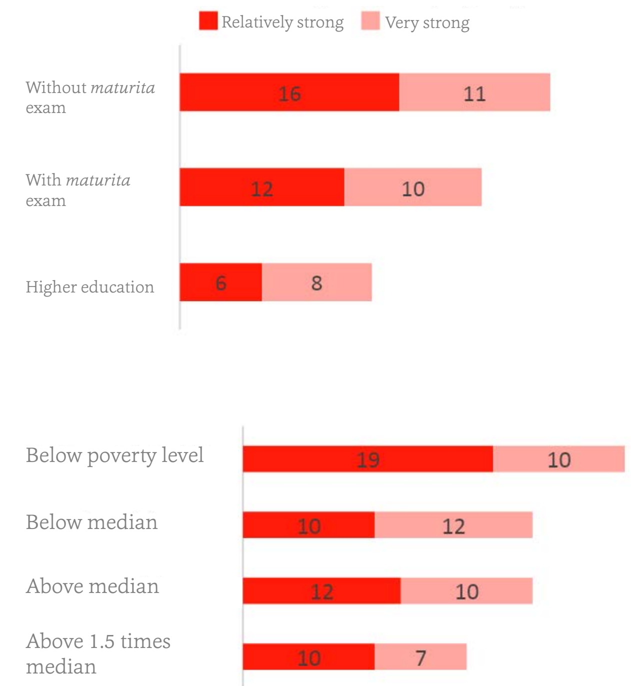
Graph 4 Reduction of household incomes compared to the pre-epidemic period in various groups of respondents—fall of min. 50 % (as of 10. 5. 2020)



Source: PAQ Research

As far as employment is concerned, the study describes first the fears of loss of employment, which follow a pattern similar to that of incomes. **In houses with lower educational levels, there were understandably greater fears of loss of employment**—low-qualified workers tend to be among the first to be laid off, since their work is relatively easy to replace compared to that of people with high qualifications, and it is cheaper to lay them off. the same study showed that 36 % of employees had some sort of change to their working time or remuneration in the period from March, most frequently in the form of shortened working time, a reduction in wages, reduction in benefits or reduction of income by agreement and payment cash in hand.

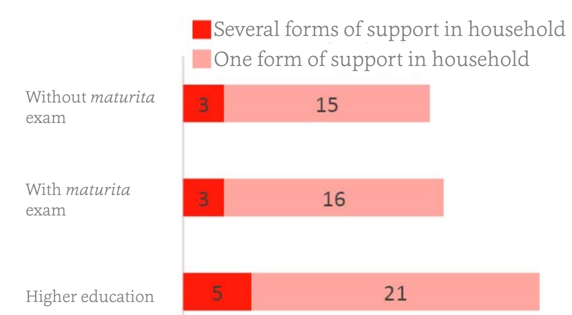
Graph 5 Fear of loss of employment/work (as of 10. 5. 2020)



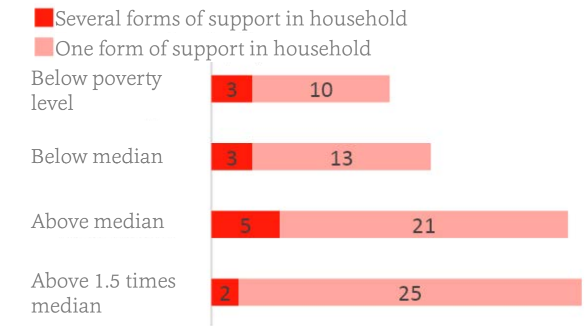
Source: PAQ Research

The third dimension of the immediate changes in income inequalities is the speed, and above all the form of economic policy, with which the government intervened to save companies and employment. According to the survey, **aid went to households with medium and higher incomes**, since companies seem to have used the Antivirus job preservation programme more for their "more valuable" employees with higher pay. Help to self-employed people in the form of the compensation bonus makes itself felt here, having also gone more to households with higher incomes.[21]

Graph 6 Extent of state support (as of 10. 5. 2020)



21 PAQ Research, 2020.



Source: PAQ Research

An important question with regard to the economic and political measures is why aid was not received to a greater extent by low-income households. the answer has been mentioned above—the aim of the measures was to support the economy, and primarily the basic network of economic relationships. as a result, most of the direct aid focused on employees and the self-employed. For people working in non-standard employment relationships—contracts, via agencies, or in some cases on the black market—it is harder to gain support. Support did not go at all to those currently unemployed.

The role of employment, the various forms of employment and the development of unemployment is of utterly key importance in the discussion of income inequalities. as a result, in the following chapter we will first look at the current crisis caused by the Covid-19 epidemic from the perspective of employment, and evaluate the connections between the crisis and inequalities. We shall then use the conclusions as a starting point for a further sub-chapter, in which we will look at concrete types of economic inequalities.

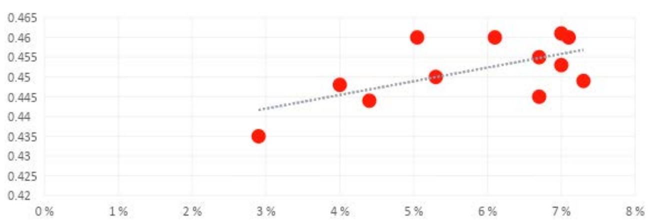
UNEMPLOYMENT AND INEQUALITIES

In the first chapter we stated that a key role in crisis and post-crisis development is played by a change in unemployment, which often more concerns low-income workers. It is with this assumption that leading world economists have also foreseen the growth of inequalities in today's situation. Let us look at unemployment with an emphasis on its connection to income inequalities in the Czech Republic.

Graph 7 indicates the relationship between the annual general level of unemployment (x axis) and the market Gini coefficient (y axis) in the Czech Republic.

the relationship observed is that **periods of higher unemployment are connected in the Czech Republic with higher income inequality.** This is partly why during both waves of the Great Recession we see a gradual increase in the market Gini coefficient, and then with the coming of economic recovery we see its gradual fall. Given the above-mentioned impacts of the coronavirus crisis primarily on lower income groups, which with the growth in unemployment expected towards the end of 2020 will grow stronger still, we can expect that this time, too, there will be a negative effect on pre-tax income, especially in the bottom part of the income spectrum.

Graph 7 Relationship between the general level of unemployment (x axis) and the Gini coefficient before redistribution (y axis)



Source: ČSÚ, IDD OECD, graph by author

What happened in various branches of the economy during the course of the government measures is something we are able to examine in more detail thanks to a study by the Joint Research Centre,[22] in which the authors divided the branches of the economy into five types: (i) essential, in which they included key areas such as food production, but also branches that were not affected by the measures in any way; (ii) teleworkable, in which they included education, finance and administration; (iii) partly active, which included a large part of the processing industry, which continued to work, although with limits, (iv) mostly non-essential, which included a large part of industry, including repairs and construction, and finally (v) closed sectors, which had to stop operations

Box 1 Employees in key sectors

Before we begin to examine the economic impact on various types of employees, we ought to mention the situation of those who did not necessarily lose income, whose sectors were not restricted by government regulation or closure, but continued to work and be remunerated. They include primarily healthcare **workers, workers in social services and workers in critical supply chains (food, pharmaceuticals, logistics, basic industrial sectors and services) and strategic sectors (water, energy)**. These sectors were not concerned by the loss of jobs or wage cuts as a result of restrictions on operation, but on the other hand these people faced a far greater risk of infection and a complicated situation if they had to care for their children or other people close to them.

The following graphs show the percentage of each category of workers (those with a non-standard contract, low qualified, high qualified) or wage decile in the above-defined sector types. With the aid of columns, the difference compared to the average in the whole economy is highlighted. the very first column in the first graph, for example, indicates that in the "essential" sectors there is a lower-than-average share of self-employed people and employees with fixed-term contracts (8.67 % compared to 16.54 %).

As has already been stated several times, the first to be hit in every crisis are workers in precarious employment situations, in other words with **non-standard contracts**. They may have contracts to provide services, part-time jobs or fixed-term contracts, or they may be self-employed people working almost exclusively for one company. They are often in the weakest position in relation to the employer, and their risk of being laid off during a state of emergency is particularly high. the similarly-defined categories shown in the upper left-hand graph form an estimated 16.45 % of workers in the Czech economy. In the case of most European countries this type of non-standard employment and self-employment is found more often in closed sectors, but in the Czech Republic the figure was very markedly higher for closed sectors, with such workers forming 36.92 % of all workers in closed sectors. It can thus be seen that even in this specific crisis, it is these types of more flexible working arrangements that are the first to go. On the contrary, the essential professions are much more frequently connected with normal employment relations, which create the stability that is shown to be of key importance in times of crisis.

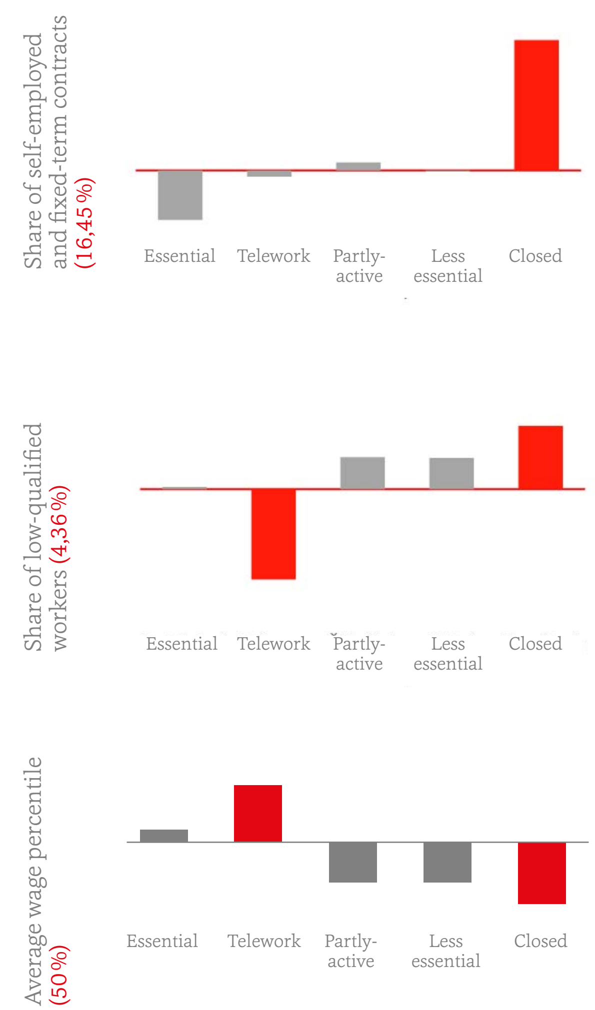
Finally, even some unemployed or officially economically inactive people may be threatened by negative shocks, especially if they are dependent on the **grey or black economy**. Work in the black economy allows indebted

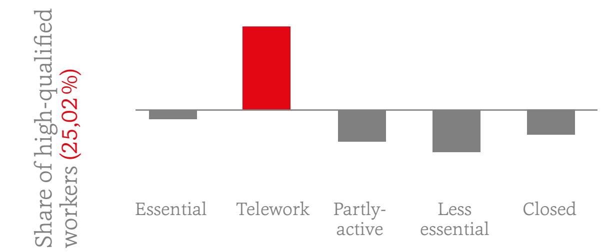
22 Fana et al., 2020.

households with debt enforcement orders against them to gain sufficient finance to pay their households' basic outgoings. However, the fact they have no legal or union protection makes itself felt in times of crisis, when their working relationship can be ended from one day to the next.

One of the important propositions with which we work in this study is that a crisis is risky above all for people on the lower levels of the income divisions, who are sensitive to sudden income shocks. the bottom left-hand graph looks at the wage average in certain sectors and shows that **closed sectors employed workers on much lower wages** than the wage median.

Graph 8 Share of categories of workers in specific sectors in the CR (in %; the columns indicate deviation from the average share in the economy, shown in red)





Source: Fana et al (2020), graph by author

In the graphs on the right-hand side we can also see clear differences in the **qualification of workers**. Closed firms employed more than the average share of low-qualified workers, who thus had to face immediate wage cuts.

A key specific of the current crisis was lockdown, in other words the closing down of economic activity in various economic sectors or their limitation as the result of compulsory **social distancing**. Various professions may, however, be variously affected, since they have various capacity to work during the lockdown period. Employees with lower qualifications may thus in their way be denied the possibility of maintaining enough income by working from home. Statistics from the US Labour Statistics or Dingel and Neiman (2020)[23] show, moreover, that the ability to work from home correlates closely with income level. Low-paid workers already have a less certain position on the labour market. Moreover, the form of their work or its "cheapness", which is not a motivation for innovations, does not allow them to maintain their income by working from home. According to Palomina et al.[24] this capacity varies most according to education, but also according to type of contract or gender. as a result, income inequalities and poverty may increase, in the case of the Gini coefficient by an average of 2.2 % in Europe. According to modelling, the Czech Republic could be affected more (the less-educated have significantly fewer opportunities here to work from home during lockdown) and the Gini coefficient could grow by anything from 0.6 % to 8.8 % depending on the form and length of the restrictions, something that is very relevant for any further waves of the pandemic. Long-term structural changes in the greater use of digital technologies in the workplace etc. may cause inequalities to show up in the labour market for a longer period.

According to JRC, it was not only workers with lower pay, worse labour conditions and lower qualifications

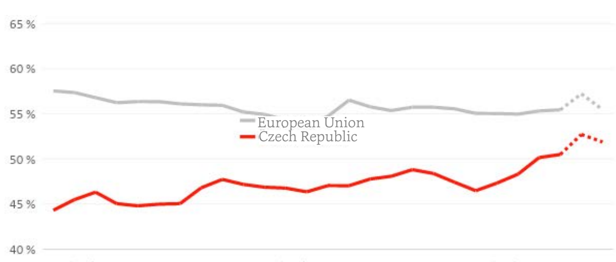
23 Dingel and Neimann, 2020.
24 Palomino et al., 2020.

who were more negatively affected by the restrictions on economic activity. the authors concluded that there was also a significant effect on women and young workers. Questions of **gender, intergenerational** and **geographical inequalities** are not at the forefront of this study because of its limited scope, but this does not mean they are less important or less deserving of a reaction. In the rest of the article we will look directly at economic indicators of various types of inequalities. These are most often divided into inequalities in incomes, wealth and opportunities

INCOME INEQUALITIES

The most common approach to economic inequalities in incomes is to divide them into incomes form capital and from labour. This is the approach taken in the concept of the **share of labour income**, which (here in a corrected form) corresponds to the total volume of remuneration to employees expressed as a percentage of gross domestic product (GDP) in ordinary prices, per employee. Simply put, annual GDP corresponds to the sum of remunerations for labour or for capital. Their share in the product is indicated by the share of labour or capital income. If the value of the share of labour income in 2019 was 50.5 % in the case of the Czech Republic, it means that the remaining 49.5 % consisted of remuneration for capital ownership, which among other things includes rents. To compare, on average in the 27 EU member states the share of labour income is just under 5 percentage points of GDP higher.

Graph 9 Corrected labour share (wage share; % GDP)



Source: AMECO database

The labour share was for a long time thought of as something unchangeable. However, with the revelation that, at least in the developed world, it has been gradually falling for four decades, economics have started to relativize their original conviction. Research has pointed to several main trend determinants behind the fall in labour remuneration and the growth of capital remuneration: **globalization, capital-intensive technological progress and a fall in employee bargaining power as a result of the weakening of union organization, together with a growth in capital mobility.**

A possible hypothesis concerning the influence of the crisis on the share of labour income would no doubt be based on the fact that it is usual in a crisis for there to be a **fall in capital incomes**, which may, because of their greater sensitivity, initially exceed the wage losses. It is only after a few years that otherwise inflexible wages may "catch up" the original fall in capital incomes, which, moreover, are able to recover faster. However, there are no empirical data to confirm either this or any other hypothesis. Stockhammer,[25] for example, in his extensive study did not find any influence of crisis on wage division.

The time line of the European Union in Graph 9 may seem to be in keeping with this hypothesis, just as the European Commission's estimated development in 2020 and 2021 may correspond to a marked fall in capital incomes, which in the following year will be compensated for by a wage fall. the Czech Republic's curve does not show such a clear connection, but on the contrary corresponds **more to a long-term rather than precipitous development of labour income**, in which it very gradually converges with the European average. An acceleration of this convergence can be seen after 2014, when the Czech government moved to increase remuneration in the public sector, the minimum wage increased and the overall wage dynamism repeatedly exceeded the development of labour productivity. All this was accompanied by a successful union campaign for the end of cheap labour.

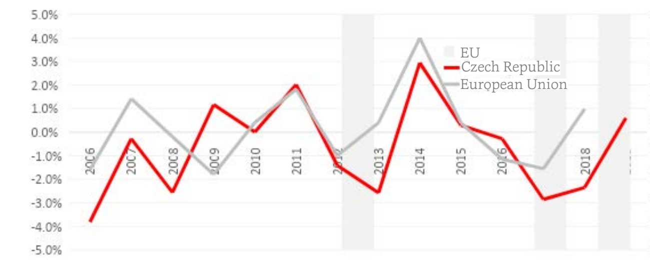
Box 2 Household income survey (SILC)

We shall now look at indicators of income inequalities based on Eurostat data, concretely the household income survey (SILC). Whether this concerns the further analysed Gini coefficient or the S80/S20 indicator, the Czech Republic really is always one of the "most egalitarian" countries. To a certain extent this is given by a number of limitations on the data used, which come from a survey of households. as Atkinson[26] says, the statistics tend to leave out people with very low incomes, who do not live in ordinary households (in other words, they live in institutions such as boarding-houses, hostels, night shelters, military bases, hospitals, care homes, in institutional care or are homeless). Answering the survey is not compulsory, and so people from both ends of the income spectrum, especially the rich, refuse to answer questions on their income. at the same time it is almost impossible to capture in a survey the richest few percent, who are ever more responsible for income inequality in the population. All this causes true inequalities to be underestimated. the trustworthiness of the survey is also highly dependent on the degree to which survey answers are returned. A specific feature of the Czech Republic are debt enforcement orders, which affect up to a tenth of the population, but the survey ignores them. Last but not least, the pension system in the Czech Republic has a strong element of solidarity, which also optically lowers inequalities (after redistribution), although the purely market differences in incomes may be high.

The European Commission uses a ratio of income quintiles **S80/S20** to compare income equalities—one of the elements of the European Pillar of Social Rights. the indicator shows how much higher the incomes of the 20 richest percent of the population are than those of the 20 poorest percent, on the basis of the SILC household incomes survey. as far as the height of the indicator is concerned, in the case of the Czech Republic (with all the limitations stated above) the richest fifth have an average of 3.34 times higher incomes than the poorest fifth. In this respect the Czech Republic fits Plato's famous opinion[27] that no one should be more than four times as wealthy as the poorest member of society. This is not so in the European Union, where (if instead of the members of society we compare quintiles, and instead of wealth, income) the richest earn five times more.

The following graph shows the year-on-year change in this indicator, revealing its dynamism regardless of the initial size. the periods shaded grey are those in which the economy fell in both the Czech Republic and the EU. the initial shock was meant to have had more of an impact on the incomes of people with higher incomes, but the data does not say anything definite about such an effect. the second wave then brought a marked growth in inequality. In all probability the second **wave was now displaying the results** of the wave of austerity measures that had reduced the disposable incomes of those on low incomes (whether by reducing welfare benefits or increasing the regressive value-added tax).

Graph 10 Year-on-year change in indicator S80/S20 (in %)



Source: Eurostat, graph by author; N.B..: data for EU include UK but do not include Croatia

Most of the capital income is concentrated in the upper income percent, so this indicator should, at its upper end, be sensitive to return on capital. the direct connection with a low share of labour income is distorted in the Czech case, however. the large share of capital income could indicate that a change in it had a great influence on inequality, but nevertheless a **major share of capital income goes abroad in the form of dividends and through transfer pricing**, which lowers actual inequality in the Czech Republic and on the other hand contributes to the growth of inequalities abroad. It is thus possible to infer that it is economic policy that will pay a fundamental role in the ratio of income quantiles.

Among the commonly-used indicates is the **Gini coefficient**, already mentioned several times. It is a non-unit index ranging from to 0 to 1, where 0 corresponds to a hypothetically absolutely egalitarian society and 1 would mean that all the income went to one person. A simplified interpretation of the indicator's otherwise complicated construction is that the lower the Gini coefficient, the more likely it is that the incomes of two randomly-selected households will be similar to each other. as far as a change in the coefficient is concerned, a percentage point of increase can be described as a transfer corresponding to two percent of the average income going from every household under the median to every household above the median.

In Graph 2 we saw that during the Great Recession the Gini coefficient rose in most European countries, including the Czech Republic, and thus income inequality rose. the second thing that might indicate how the coefficient might change in reaction

25 Stockhammer, 2017.
26 Atkinson, 2015.

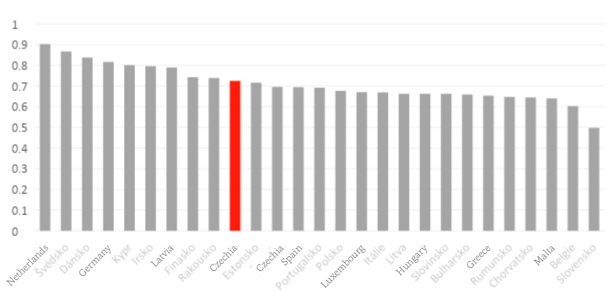
27 Plato in Aktinson, 2015.

to the current crisis is the above-mentioned IMF study.[28] Its estimate of the growth in the Gini coefficient in reaction to the pandemic was 1.5 % over five years. the third indication is the above-mentioned estimate of the growth of the coefficient by anything between 0.6 and 8.8 % because of the unequal impact of social distancing on various groups of people.[29] Unfortunately, with these estimates we come up against the greatest disadvantage of the Gini coefficient, and that is that it reduces complex income distribution to a single abstract number. Relatively large changes in distribution can lead to only slight changes in the value of the coefficient.

WEALTH INEQUALITIES

Answering questions related to wealth inequalities is (not only in the Czech Republic) hindered by the almost total lack of data on its distribution. the distribution of wealth in society can be only guessed at on the basis of fragmentary data from various databases. These estimates are carried out every year by Credit Suisse Research in its Global Wealth Reports. If we first look at actual comparisons of wealth inequalities between countries, the Global Wealth Report 2019 offers a Gini coefficient for the distribution of wealth. From the ensuing comparison, two things can be concluded. the first is that **inequalities of wealth are several times more marked than inequalities of income**. This is true of all European Union countries, and the different is truly significant. the second thing is that **the Czech Republic is one of the countries with higher inequality**, which is at odds with the widespread impression of an egalitarian country.

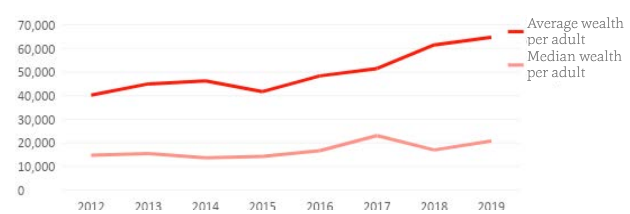
Graph 11 the Gini coefficient for wealth in EU countries in 2019



Source: Credit Suisse Research Institute (2019), graph by author

The history of the reports only allows us to follow development since 2012,[30] and the important years of 2008 and 2009 are not available. However, we can at least follow development during the second wave of the Great Recession in 2012 and 2013. as the first insight into development we can follow the **development of average and median wealth**. It is clear at first sight that during the period in question the average grew further away from the median. While the average showed nominal growth of 61 %, the median grew by only 41 %. This alone indicates a tendency for wealth to grow primarily in the upper strata of society. From 2012 to 2016 development of the average compared to the median was more positive, since the median fell as a result of the second wave of the crisis, while the average remained permanently above its 2012 value.

Graph 12 Development of average and median wealth per adult in the population of the CR (USD ordinary prices)



Source: Credit Suisse Research Institute (2012 to 2019)

The development of distribution can be seen in more detail in the following table, which shows the share of the adult population with wealth in specific brackets. Positive development in the form of a gradual **fall in the population in the bottom bracket**, although partly concerned by the growth in the price level, is accompanied by a growth of the population in the other categories, with the **greatest growth being in the number of "dollar millionaires"**. If we return to the crisis period, however, then we can see only slight movements between categories, and in 2015 there were more people in the bottom bracket than in 2012, even. Here it is important to remember that the category of adults with wealth under 10 thousand USD includes those who have negative wealth levels.

Table 1 Development of the share of the adult population according to wealth category in the CR (in %)

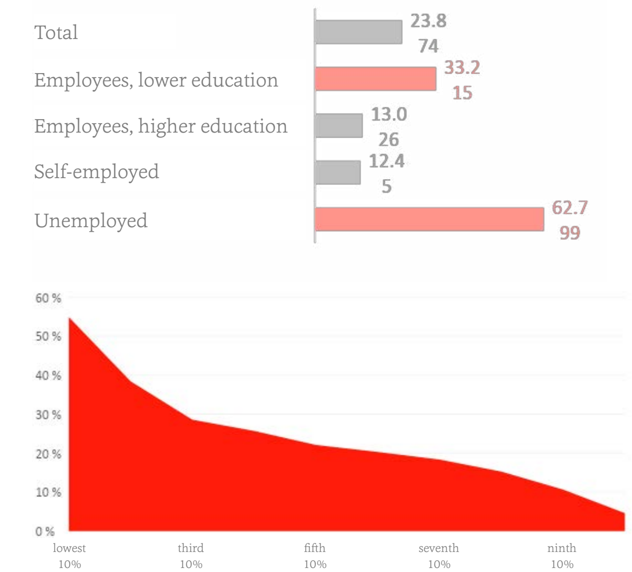
Year	2012	2013	2014	2015	2016	2017	2018	2019
under 10 th.	42,5	40	40,2	48,2	36,9	17	30,7	23,3
10—100 th.	51,4	53,2	53,2	46	56,4	75,7	60,6	66,9
100 th. — 1 mil.	5,8	6,4	6,2	5,4	6,3	6,9	8,2	9,3
More than 1 mil.	0,3	0,3	0,4	0,3	0,4	0,4	0,5	0,5

Source: Credit Suisse Research Institute (2012 to 2019)

As noted by, for example, Sunega and Lux,[31] in the Czech Republic **wealth inequality is closely connected to property ownership**. It is true that one's own property represents the major part of the wealth of households in all developed countries (Piketty 2014),[32] but Czechs are among the greatest "owners" in the European Union in terms of owner-occupied compared to rented housing, with 68 % of households owning their housing. In the future this state of affairs may reproduce itself to a dangerous extent, since the offspring of the "owners" will find themselves at a considerable advantage on the housing market compared to others, for whom housing will become ever less affordable. as the authors state, wealth inequality in the Czech Republic is not only higher than income inequality, but at the same time strongly correlates with incomes and education, and thus clearly also with a more general division of society. In the end the authors point to the growing inequality even within the actual group of owners themselves.[33]

While comprehensive wealth inequality will probably not change precipitously, wealth as such during a crisis does play a key role, above all in the form of **savings**, in other words possessing a certain "cushion" with which to overcome the crisis period. According to the Czech Statistical Office's Household Incomes and Living Standards 2019, a total of 23.9 % Czech householders were unable in 2019 to afford to pay an unexpected outgoing of 11 2000 CZK. the absence of this reserve, which is of vital importance in a time of economic recessions and crises, concerns low-income households to a far greater extent. There is even a direct correlation with the size of net income.

Graph 13 Percentage of households who could not afford an unexpected outgoing of 11 200 CZK in 2019 according to decile of net monetary income per person and according to status of head of household (%)



Source: ČSÚ, Household Income and Living Conditions—2019

During the period of government restrictions during the spring wave of the coronavirus epidemic, nearly everybody limited their consumption. However, for a large part of the population their incomes also fell, and so they had to reach into savings. as can further be seen in Graph 13, **those who lack reserves are above all low-income households**. There is also a significant share of employees with lower levels of education and also almost two thirds of unemployed people. Inequality is thus more likely to grow in combination with the economic crisis which, as we have already shown, is more likely to affect the low-income and low-qualified, who are threatened by unemployment and thus more likely to face an income shortfall.

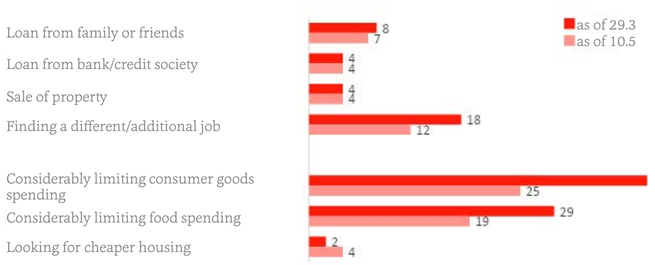
The measures that are considered by households in order to deal with a fall in their incomes is something that has

28 Furceri et al., 2020.
29 Palomino et al., 2020.
30 the first Global Wealth Outlook was published in 2010, but the first two years contain different categories of wealth distribution, which cannot then become part of a longer time line.

31 Sunega and Lux, 2018.
32 Piketty, T. 2014. Capital in the twenty-first century. Cambridge: Belknap Press of Harvard University Press, https://doi.org/10.4159/9780674369542.
33 Sunega and Lux, 2018.

repeatedly been the subject of a PAQ Research survey.[34] They can be divided into the measures they are thinking of taking on the spending side and on the income side. While the spending side is largely foreseeable—consumer spending, including food spending, is more sensitive to changes in income—the income side provides a picture of the way in which households are dealing with more complicated situations, when cutting consumption is simply not enough. as far as loans from financial institutions are concerned, it is important to realize that "fast" loans, especially for people with limited financial resources, may be very expensive. This is also one of the mechanisms of the permanent growth of inequality in society, when **the indebtedness of poorer households during the crisis led to their having worse conditions in the subsequent economic boom**. the accumulation of debts and debt enforcement orders (in the Czech Republic 8.7 % of people have a debt enforcement order against them, of which over a half have three or more such orders[35]) lowers individuals' chance of climbing up the income ladder again, and often leads to work in the grey or black economy, a rational decision from the financial point of view.

Graph 14 Measures considered by households in order to solve their economic situation at the beginning and during the course of the crisis (in %)



Source: PAQ Research (2020)

INEQUALITIES OF OPPORTUNITY

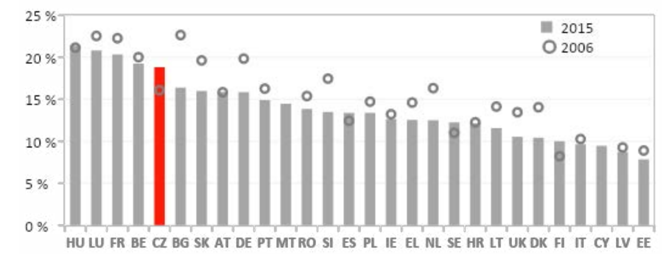
Inequalities in general are based on the combination of (i) the opportunities that are available to individuals at birth, (ii) the decisions they make during the course of their life, and (iii) luck. This subchapter will focus purely on the first part and on the category of inequalities of opportunity, very important in the Czech Republic. While there is as yet no broad social agreement that inequalities of outcome should be low, despite the many positives that that would bring, there is a certain amount of consensus on the need to eliminate inequalities of opportunity.

An "equal" starting line is something that notably concerns children, who have not yet been through the competitive environment of the market and who have not yet been able to prove the correctness of their decisions or to try their economic luck. Children are not market actors, and so indicators of inequalities and poverty for children should be lower than for adults as a matter of principle. A major difference in the degree to which children are threatened by poverty can be considered proof of a high level of inequality of opportunity. Something that can be considered a basic indicator of inequality of opportunity is the difference in the degree to which the children of low-qualified parents are threatened by poverty compared to the children of highly-qualified parents. In 2015 the Czech Republic was sixth in the EU for this indicator, with a difference of 56 %. This picture again demolishes the idea of an "egalitarian" Czech Republic, and serves as a warning for the future concerning what might happen when the **unequal conditions of the children of the "winners and losers of the transformation"** of the Czech economy in the 1990s make themselves felt on the labour market.

The Czech Republic is also unfortunately one of the countries in which the educational level achieved is excessively reflected in income, while at the same time the socioeconomic background of the parents has a great influence on their children's educational chances. It is this that makes equality of access to education such an important category and one to which attention needs to be paid. In the Czech Republic we can also see major local disparities between regions, for example.[36] the country is one of the ones in which the **study results of fifteen-year-old children can be significantly (19 %) explained purely on the basis of their parents' education**. the "legacy" this creates of education being handed down from generation to generation reduces educational mobility, and as a result social and economic mobility. This is a simplified view of an otherwise complicated problem that can be examined in more detail on the basis of concrete educational paths, not merely the highest educational level reached. However, even in that case we reach the conclusion that the stratification of Czech society is heavily determined by education. [37]

34 PAQ Research, 2020.
35 Mapa exekucí (Map of debt enforcement orders), 2019.
36 PAQ Research, 2019.
37 Smith, 2019.

Graph 15 Variability of PISA Science Results in fifteen-year-old pupils explainable by parents' educational level (in %)



Source: OECD

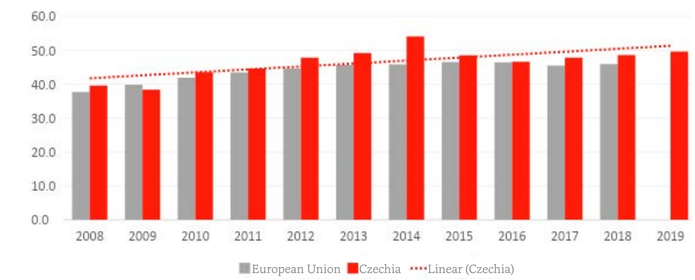
The coronavirus crisis further highlighted **the influence of family environment on study results as a result of school closure** and distance learning. This is especially true if the home environment of poorer students does not provide them with the necessary conditions for concentration and online learning. A total of 8 % of children did not have access to a computer for distance learning.[38] According to the Czech School Inspectorate "only 11 % of pupils from five-year elementary schools and 16 % of pupils from nine-year elementary schools had no online communication with the school. In the case of secondary schools, greater problems were encountered in vocational fields of study, in which over a fifth of pupils did not engage in online communication." Despite the possibility of (less serviceable) telephone communication, 9.5 thousand children did not engage in education at all.[39]

If these differences increase, or merely remain stable, it will bring the Czech Republic a long-term, mainly structurally-rooted problem of permanently-growing inequalities and social divisions. **the lack of equal opportunities leads to greater income inequality, because the next generation is having skills and earning potential taken away from them because of their different starting positions.**

This taking away can be observed in income mobility, in other words the movement of households between income brackets. the following graph shows the share of people who did not change their income decile year-on-year. Two dangerous trends can be observed from it. In general we can see that **income distribution in the Czech Republic is to a growing degree becoming "set in stone,"** although it has long been higher than the EU. the second thing is that **the greatest growth in this immobility can be seen in the crisis period.**

38 Lidovky.cz, 2020.
39 Česká školní inspekce (Czech School Inspectorate), 2020.

Graph 16 Share of people with no year-on-year change in income decile (%)



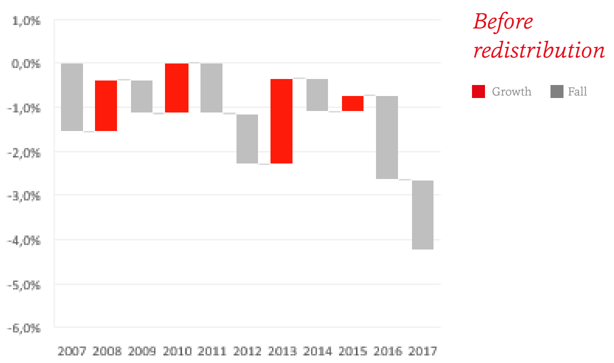
Source: Eurostat, graph by author

ECONOMIC AND POLITICAL MEASURES

Economic and political measures in the interest of public health gave rise to the current economic crisis, the welfare state systematically lowers market inequalities, and further measures will be of key importance to the shape of the economy after the crisis. the role of the state is thus intertwined with the economy and helps to create it, and thus it will also have most to say in the development of economic inequalities in the future.

To reveal the **role of the welfare state in the question of reducing inequalities** we have to return one more time to the Gini coefficient, the year-on-year development of which in the Czech Republic is shown by the following two "waterfall graphs." On the left we see the Gini coefficient in its purely market form (i.e. before taxation and social transfers) and on the right according to take-home pay, in other words after taxation and social transfers. the development of market inequality seems to be heavily countercyclical—during a boom, inequality falls, and during a recession it rises. This would suggest a genuinely greater role for unemployment as opposed to capital incomes.

Graph 17 Development of the Gini coefficient in the CR before and after redistribution (year-on-year % change)



Source: IDD OECD, graph by author

A possible explanation lies in the specifics of the Czech economy, in which instead of highly sensitive and concentrated capital incomes a primary role is played by the distribution of wage incomes. We do not have a breakdown of the Gini coefficient into a wage and capital part, but from Graph 7 it is clear that there is a connection between higher unemployment and higher income inequality.

It is thus possible to "fight" inequalities at their beginning on the market. Unemployment, as a key determinant during the crisis, may be limited using the tools of **active employment policy**, effective activity by the employment offices, as well as policies that are apparently unconnected, such as support for rented housing and public transport with the aim of increasing mobility. During the current crisis, many European countries have found that **kurzarbeit** is a useful tool for maintaining employment during economic difficulties. Employees reduce the number of hours they work and the state pays the employer the additional wage costs. This mechanism also proved itself very functional in past crises and recessions in a number of countries. the Czech Republic should follow them as an example, not just in potential future waves of coronavirus, but because of unavoidable future economic slumps.

If we return to the right-hand side of Graph 17, this shows the Gini coefficient of disposable incomes, in other words after taxation and social deductions. the amplitude of its changes is notably smaller than in the case of market inequalities. For one thing, a large part of the transfers consists of old age pensions, which are less sensitive to the cycle, and show up later. the pension system in the Czech Republic has a notable degree of solidarity as the result of the strong state pillar, which plays a fundamental role in the relatively high Reynolds-Smolensky index (the difference between the Gini coefficient before and after redistribution), while the actual inequality of disposable incomes is influenced by this.

The second reason is the existence of automatic stabilisers, in the form of fiscal policy, which are countercyclical and do not require an active role from the public sector. the most common example of such a stabiliser is **unemployment benefit**. If the economy gets into recession, people lose their incomes to a greater extent. Their incomes do not fall to nothing, however, because the existence of the welfare state moderates their fall with welfare benefits. This helps not only the economy as a whole by moderating the fall of aggregate demand, but it also moderates the rise of income inequality. During a boom, the unemployment rate falls and the state's automatic outgoings fall correspondingly. In this way a smaller fluctuation of income inequalities is assured, which can be seen by comparing the two parts of Graph 17. Since we know the importance of the influence of unequally-distributed losses of income in various income brackets, the amount of unemployment benefit and other welfare benefits sensitive to the economy is vital. And yet they are relatively low in the Czech Republic, and above all they fall rapidly and significantly over the course of unemployment. the appearance of unemployment in the crisis together with a slow economic recovery time will have a very negative influence on the incomes of low-income households, and inequalities will continue to increase in the post-crisis period. Amending social welfare may modify such development.

The second example of a built-in stabiliser is the **progressive taxation of the income of individuals**. Its introduction ought to be part of a reform of the tax system in the Czech Republic, the development of which came to a halt in the 1900s without regard for the deep structural changes that had taken place in the economy. Budget revenue should put more and more emphasis on taxing capital incomes and wealth, since it is their concentration that causes unequal opportunities and at the same time increases the potential for further growth in inequalities in the future. the Great Recession brought a wave of sectoral taxes, above all in finance, where they were meant to help prevent future problems. the coronavirus crisis may not have originates on the financial markets, but it once again showed the need for strong and stable resources in order to ensure public services (primarily healthcare, education and social care). the worldwide preference for giving particular help to small and medium-sized businesses, which objectively have a harder time in periods of crisis than large corporations, indicates that there is space to introduce this preference as a systemic element, for example through **progressive taxation of company incomes**, with restrictions on international profit-shifting. Progression as a key principle of taxation can also be used in the battle against wealth inequalities to **tax multiple properties** in such a way that the inequality in their ownership does not increase so much, and provides space for the development of rental accommodation or forms of collective ownership.

The second possibility for fiscal policy is **discretionary measures**, whereby aggregate demand can also be influenced, whether by changes in tax or government spending. Nevertheless, some forms of this support may also change existing inequalities. An example of this kind of insensitive discretion is the series of increases in the rate of value-added tax, which is regressive by nature (poorer households effectively pay a higher rate in terms of their income than do richer[40]). the gradual growth in this tax during the Great Recession in the Czech Republic from the pre-crises rates of 19 and 9 % to 21 and 15 % from 2013 had a strongly redistributive effect, since poor households pay a greater share of their income in this tax than richer ones.

In the case of the coronavirus crisis the measures taken to moderate the economic impact of the government measures to protect publish health seem to be currently important. as we have already stated on the basis of a survey, this aid did not reach the households with the lowest incomes, and people with non-standard work were also more threatened. In connection with the crisis the state ought to introduce tax and labour law changes to prevent employees (and employers) from being motivated to use subcontractor relationships rather than classic contracts. the **welfare system** should be developed so that its form corresponds to various career paths in the 21st century. These no longer consist only of one full-time job from school to retirement, but are more varied. It should also be more integrated with the **educational system**, since a look into the near future indicates that over the course of their lives, people will have to change job several times, and over time will have to top up their education. Barriers to education and education's role in increasing economic inequalities may then become a problem that requires action to be taken in advance, whether by non-segregation of the educational system, growth in the quality and remuneration of teachers, or the creation of "education accounts" that would allow individuals to periodically increase their qualifications without having to reach into their own financial savings. It would thus break down the barriers to accessing good-quality education.

Something else that acts against growth in inequalities is sufficient (preventative) **capacity of public institutions**— the inability to administer the COVID grant and credit programmes rapidly and fairly shows that the capacity for the administration of such programmes may be of key importance in the future. Like the Great Depression, the crisis caused by the Covid-19 pandemic will certainly change the way in which we think about its role. as Samuel Bowles and Wendy Carlin note,[41] the pandemic shattered the idea that it is sufficient to follow one's own interest, and highlighted the importance of the "common" as a value orientation, and laissez-faire as a political paradigm. From the first of these it follows that society has to realise that during a crisis it is not the banking sector or the automotive industry that holds society together, and nor is economic growth a guarantee of good living conditions. It was **public services** that ensured that citizens stayed healthy, the needy were looked after and children educated. These are areas that will have to become the centre of interest during economic recovery, because their stabilization, the dignified remuneration of employees and the financial backing of innovation development will determine the course not only of potential further waves of coronavirus, but also of future economic crises.

Income inequalities, but also wealth inequalities and inequalities of opportunity in the Czech Republic will in future depend above all on economic and political decisions. the above-mentioned measures should thus be implemented in the context of an intensive attempt to ensure **intergenerational equality**, in other words ensuring that future generations have accessible and good-quality public services, equality of opportunity and space to take their own decisions on the way society should head. This presupposes that attempts will be made to bolster **growth in wage levels** in the Czech Republic, including **growth in the minimum wage** so that working poverty is not created, and to launch structural changes to the currently unsustainable low-cost economy to transform it into a **socially and environmentally sustainable economy**.

40 CPB Netherlands Bureau for Economic Policy Analysis, 2013.
41 Bowles and Carlin, 2020.

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LIST OF GRAPHS

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PAID AND UNPAID WORK DURING PANDEMIC

THE IMPACT OF THE PANDEMIC AND THE ADOPTED MEASURES ON GENDER EQUALITY

ŠÁRKA HOMFRAY

THE COVID-19 PANDEMIC HAS HIGHLIGHTED, NOT ONLY IN THE CZECH REPUBLIC, A NUMBER OF GENDER DIFFERENCES IN THE LABOUR MARKET. THE STUDY EXAMINES THE IMPACT OF THE PANDEMIC ON HEAVILY FEMINISED LABOUR MARKET SECTORS, BOTH THOSE AFFECTED BY CONSTRAINTS AND DECLINING INCOMES AND THOSE THAT HAVE HAD TO RESPOND TO AND COPE WITH THE CHALLENGES. IN ADDITION TO PAID WORK, WOMEN IN THE CZECH REPUBLIC PERFORM A SIGNIFICANTLY HIGHER SHARE OF UNPAID WORK, INCLUDING CARING FOR CHILDREN AND OTHER RELATIVES. AT THE TIME OF THE PANDEMIC, OTHER GENDER-RELATED CONSEQUENCES WERE ASSOCIATED WITH THIS FACT, WHICH ARE ALSO MENTIONED IN THE STUDY.

INTRODUCTION

This study was conducted at the time when it was already possible not only to predict but also evaluate a large portion of the immediate impact of the Covid-19 pandemic and the associated measures adopted and implemented especially in the second quarter of 2020. However, it is also a time when, after a decrease in the number of newly infected individuals and the overall presence of the infection in society, the numbers are increasing again. Almost all measures have already been lifted and their re-introduction is being debated, albeit on a local basis or in a modified form. in a situation where the "second wave" is expected to arrive it is highly appropriate to take account of the already known impact of the first wave and its short-term and long-term effects on the issue of gender equality.

In this study, I focus on comparing the initial state with the current one through relevant indicators, on an overview of the anticipated and actual effects of the measures at the time they were implemented, as well as an assessment of the results and the current situation along with possible future consequences. Though the study is primarily concerned with the situation in the Czech Republic, the issue of gender equality, and the factors affecting it, have a wide range of similarities across countries, which is why the European perspective is also included across the individual sections of the study.

It is, of course, impossible to reduce the issue of gender equality to merely an issue of labour, employment, and the related economic topics. However, with respect to the nature of the pandemic and the adopted measures, these are a fundamental component of the impact of the current situation on gender equality. That being said, a greater focus on the home and the domestic sphere is connected with a wide range of other consequences, particularly in relation to the issue of domestic violence. Even though it is impossible to deal with all the gender-related consequences with the same level of detail within the scope of this study, this significant phenomenon cannot be entirely disregarded.

GENDER-SPECIFIC EFFECTS AS A BASIS

One of the basic considerations for the assessment of the effects of the Covid-19 pandemic itself, the measures adopted to mitigate it, as well as possible economic and other stimuli, etc., is the fact that these are not gender-neutral. This is based on several factors, of which the high degree of gender segregation of the labour market and the uneven distribution of informal child care, care for other family members, and unpaid work (especially household care) between men and women can be considered fundamental in this context. These issues (and other related factors) then form the basis for the gender-specific effects of the situation as a whole, which in this and other respects significantly differs from previous economic crises.

The Institute of Sociology of the Czech Academy of Sciences has pointed out these issues as early as at the beginning of March in a series of press releases intended, in particular, to draw attention to the possible risks brought on by the measures implemented in relation to the pandemic. Since the Czech Republic doesn't rank very well in the global gender equality indicators (see Global Gender Report 2020 issued by the World Economic Forum, where the Czech Republic placed 78th of 153 evaluated countries[1]), adopting any measures with the potential to further lower the level of gender equality should be avoided.

Of course, a gender-specific impact of the Covid-19 pandemic isn't unique to the Czech Republic. as indicated by, e.g., the findings of the European Institute for Gender Equality (EIGE),[2] the gender distribution of paid and unpaid work has similar characteristics across Europe, which means the impact is also very similar. Feminised professions, such as healthcare, are impacted; the increase in domestic duties has a stronger effect on women who are disproportionately responsible for their performance; feminised industries are threatened by loss of employment and many women are already in a precarious employment situation. in addition to these more apparent factors, virtually all public policy measures will impact men and women differently (e.g. with regard to different levels of utilisation of public transportation, etc.).

Gender Distribution of Czech Labour Market

There is a relatively constant division between "male" and "female" professions on the Czech labour market, which changes only slowly with time.[3] Similarly, positions most often occupied by women basically do not change. According to Czech Statistical Office's data from 2018, the industries with the highest portion of female labour were manufacturing, wholesale and retail, healthcare and social services, education, and public administration.[4] However, gender segregation does not manifest itself solely in the context of employment. Heavily feminised and masculinised fields can also be found among the self-employed. Even though most self-employed persons are men, there is a predominance of women in the industries most impacted by restrictive measures (personal services related to travel, operation of catering and accommodation businesses, hospitality, hairdresser services, and make-up).

Such segregation is not unique to the Czech Republic; we find a similar distribution of men and women in the affected professions all across the European Union. According to EIGE data[5], women represent 76 % of the workforce in the healthcare industry; likewise, 82 % of retail and sales workers in the EU are women. Industries negatively impacted by the pandemic, such as tourism, are also feminised in the EU. Likewise, women in the EU are overrepresented in precarious and lower-paid positions, they represent 85 % of single parents

1 World Economic Forum. Global Gender Gap Report 2020(on-line). ref. 23/07/2020. Available at: http://www3.weforum.org/docs/WEF_GGGR_2020.pdf

2 European Institute for Gender Equality. Coronavirus puts women in the frontline. (on-line). ref. 24. 7. 2020. Available at: https://eige.europa.eu/news/coronavirus-puts-women-frontline

3 Cf. e.g. KŘÍŽKOVÁ, Alena a SLOBODA, Zdeněk. Gender segregation of the Czech labour market. Quantitative and qualitative view. Prague: Institute of Sociology of the Czech Academy of Sciences, 2009. (on-line). ref. 24. 7. 2020. Available at: https://www.soc.cas.cz/sites/default/files/publikace/ss_09-4_krizkova_sloboda_-_genderova_segregace_ceskeho_trhu_prace.pdf

4 Czech Statistical Office. Women and men in focus—2019 (on-line). ref. 1. 8. 2020. Available at: https://www.czso.cz/csu/czso/zaostreno-na-zeny-a-muze-ffhk87f13g

5 ZALAN, Eszter. Women hit hardest by the Corona economic crisis. EU Observer (on-line). ref. 1. 8. 2020. Available at: https://euobserver.com/coronavirus/148155

and perform, on average, 13 hours weekly of unpaid work more than men. Due to all these factors, women as a group are more susceptible to any negative effects of the pandemic and the adopted measures. This carries a risk of widening the gender inequality, which could possibly continue after the pandemic; all the adopted measures, both restrictive and corrective, should therefore be subjected to gender analysis.

Unpaid work

In the public discourse (both here and abroad), the pandemic is associated with the economy slowing down or even coming to a halt. in many cases (especially at the outset of the restrictions on movement in public spaces) this slowdown has been welcomed as a sort of a vacation or an opportunity to step out of the everyday routine and the pursuit of profit. However, it must be borne in mind that, aside from the "visible" economy measured e.g. by the GDP, there is a number of other activities that do not pass through the market or are considered low value. During the pandemic, many of these activities, mostly associated with the family, household, and care for relatives, shifted into a higher gear.

According to data provided by the Czech Academy of Sciences, in the Czech Republic, care for the household and relatives is relatively strongly differentiated by gender. "Based on available data, in 68 % of families, it is the women who help children prepare for school, in 92 % of cases women do the laundry, in 76 % they do the cleaning and in 79 % they do the cooking. 80 % of care for seniors is performed by women and, if continuous care is necessary, the person with the lower income leaves employment to stay at home, which means that, in most cases, it is again a woman who gives up her income.[6]

These indicators imply that an increase in stress and workload in the domestic environment increases the already relatively high burden on women.

Other Factors

Gender Pay Gap
The Czech Republic still ranks among EU countries with the highest overall gender pay gap (hereinafter referred to as the "GPG"), specifically in the 3rd place with a difference of 20.1 %.[7] Although the GPG ratio itself does not represent the specific income situation of individuals or individual families, upon closer examination of the issue, we can ascertain the specific effects of the GPG relevant to the pandemic period. One of these is the issue of remuneration in heavily feminised professions, especially in those impacted by the pandemic.

Another significant factor is the fact that of all the Czech households with two adults engaged in gainful activities, only in a minuscule portion does the woman have a higher income than a man. Public opinion research conducted by the Ministry of Labour and Social Affairs implies that, in two thirds (63 %) of partner pairs composed of a male and a female, the man has a higher income, in 16 % both have an equivalent income and in 10 % the woman's income is higher. in 26 % of the cases examined, the man's income was higher than the woman's by a half or more (i.e. the ratio of their incomes was at least 60:40).[8]

The fact that women perform the higher portion of unpaid work and that their income is generally the lower one in the family, often even significantly lower, has a wide range of consequences. One such consequence is the fact that it is more often the woman who cares for a sick child or have other reasons to claim impediment to work on the part of the employee.

Single Mothers as a Vulnerable Demographic
The Institute of Sociology of the Czech Academy of Sciences has also drawn attention to the significantly more difficult situation in which single-parent households find themselves even outside the state of emergency. 90% of single parents are women. the financial situation of single parents is often unstable; the gross monthly income from the main employment of a half of all single mothers is below CZK 21.580 and due to lower income, single-mother households have lower financial reserves. According to EU-SILC data from 2018, half of all single-mother households with dependent children cannot afford an unplanned expense of CZK 10.700. They are also statistically less likely to have someone to turn to for material help (12.8 % compared to 5.6 % of two-parent households). They are also less likely to be homeowners and their rent expenses often represent

6 Institute of Sociology of the Czech Academy of Sciences. Who cares for the family during a pandemic? Impact of measures against epidemic on Czech households. (on-line) ref. 7. 8. 2020. Available at: https://www.soc.cas.cz/aktualita/kdo-pecuje-o-rodinu-v-dobach-pandemie-dopady-protipandemickych-opatreni-na-ceske

7 Eurostat. Gender pay gap statistics (on-line) ref. 4. 8. 2020. Available at: https://ec.europa.eu/eurostat/statistics-explained/index.php/Gender_pay_gap_statistics

8 Ministry of Labour and Social Affairs. Equal remuneration of women and men in Czech public experience and opinion. Public opinion poll (on-line). ref. 26. 7. 2020. Available at: https://www.rovnaodmena.cz/www/img/uploads/8053ad73.pdf

a significant burden, which means that measures aimed at helping individuals pay their mortgages will not benefit them.

The current situation and the implemented measures could therefore have a drastic impact on them, including plunging the households into poverty. "According to available data, single mothers are statistically significantly more likely to be employed in a "precarious manner" (a fixed-term contract, agreement to perform a job, agreement to perform work); 16.1 % of them, compared to 11.5 % of two-parent households. Compared to mothers from two-parent households, single mothers are more often employed as assistant workers (12.6 %), retail and service workers (9.2 %) and social workers (6.5 %, EU-SILC 2018). the situation is also difficult for single mothers working in healthcare (7.2 % of them).[9]

Migrant Women on Czech Labour Market

One of the harshly felt measures was the de facto ban on international travel, later modified and loosened in various ways. This measure deeply impacted all those who frequently, sometimes even on daily basis, cross the borders for work ("pendlers"), as well as the foreigners residing here. Nevertheless, as the Institute of Sociology of the Czech Academy of Sciences pointed out, differences in the impact on men and women could again be expected. the cross-border interconnectedness of the Czech labour market in the nursing industry has become apparent; while Czech and Polish women travel to provide care in Germany or Austria, care in the Czech Republic is often provided by migrant women from Ukraine or Eastern European countries. Closed borders therefore cause trouble for both the migrant women themselves, and the nursing facilities where they work, or for seniors and their families."[10]

AFFECTED INDUSTRIES; THE ISSUE OF (UN)EMPLOYMENT

The first economic impact was brought on by measures aimed at lowering the number of people in public spaces. This included cancelling cultural and sporting events, then closing a large portion of retail shops and markets, restaurants and other establishments, etc.

The current situation is specific in that, at least at its onset, it impacted different industries than the previous crises and recessions. in the previous crises, loss of work affected mostly men, since the crises mostly impacted industries such as production, construction etc. in contrast, the Covid-19 pandemic has mostly affected the service industry due to a significant limitation of access to public spaces. Therefore, industries connected with client services that cannot be fully converted into digital form, such as tourism, gastronomic industry, live culture, sports, cosmetics, etc., were among the most affected. People's shopping patterns were also transformed, even in areas where digitalisation was seemingly simple or even already established, such as the book[11] and media markets.[12]

A number of these industries is highly feminised and involves a certain level of precarious employment. 80 % of tourist guides are women, 83 % of receptionists in hotels, and other recreational facilities are women and their average wages equal only 81 % of the average wage of men in the same professions. the absolute majority of workers in the hairdressing and cosmetics industries are women and women also represent 89 % of rehabilitation workers.[13]

According to the Institute for Democracy and Economic Analysis (IDEA), the impact of the Covid-19 pandemic on the unemployment rate among women in the Czech Republic is already apparent in the statistics of the Labour Office. the unemployment rate rose sharply in April and May of 2020 compared to March 2020, and these are not seasonal fluctuations. the increase in the unemployment rate is sharper for women, and the progression of the unemployment rate for women and men is somewhat different from the last recession during the global financial crisis of 2008—2009 (represented on the graph as a dashed line).

9 Institute of Sociology of the Czech Academy of Sciences. Who cares for the family during a pandemic? Impact of measures against epidemic on Czech households. (on-line) ref. 7. 8. 2020. Available at: https://www.soc.cas.cz/aktualita/kdo-pecuje-o-rodinu-v-dobach-pandemie-dopady-protipandemickych-opatreni-na-ceske

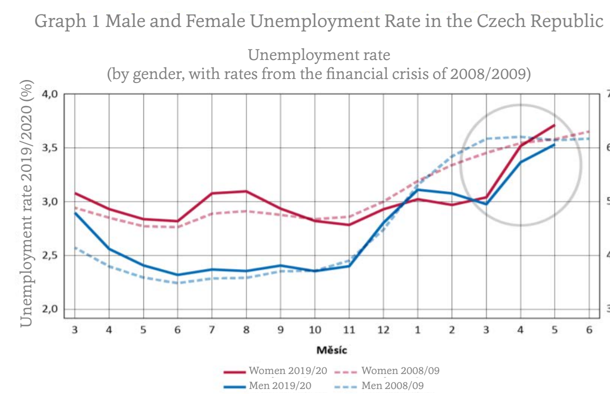
10 Institute of Sociology of the Czech Academy of Sciences. Who will take care of us? Migrant women on Czech labour market (on-line). ref. 30. 7. 2020. Available at: https://www.soc.cas.cz/aktualita/kdo-se-o-nas-postara-migrantky-na-ceskem-trhu-prace

11 KALINA, Michal. the Book market is in crisis. the Internet will not save small companies, they want to trade without intermediaries. E15.cz (on-line). ref. 6. 8. 2020. Available at: https://www.e15.cz/byznys/knizni-trh-je-v-krizi-internet-male-firmy-nespasi-chteji-obchodovat-bez-prostredniku-1368297

12 JESCHKEOVÁ, Sára. Media are trying to survive the crisis. Their main concern is the lack of advertising. On-line Stisk (on-line). Munimedia.cz. Ref. 6 8. 2020. Available at: http://www.munimedia.cz/prispevek/media-se-snazi-ustat-krizi-bojuji-hlavne-s-poklesem-inzerce-16842/

13 Institute of Sociology of the Czech Academy of Sciences. Impact of ani-pandemic measures on women and men on labour market. (on-line). ref. 26. 7. 2020. Available at: https://www.soc.cas.cz/aktualita/dopady-opatreni-proti-pandemii-na-zeny-muze-na-trhu-prace

Graph 1 Male and Female Unemployment Rate in the Czech Republic.



Source: Andreas Menzel, Martina Miotto[14]

So far this development corresponds to other countries as well. With time, the difference between men and women is decreasing, this development is corroborated by data from the Czech Statistical Office for June 2020. "While the number of hours worked has returned almost to regular levels, the impact of the coronavirus crisis manifests itself more strongly in the unemployment rate. the last time the unemployment rate in the Czech Republic reached similar levels was in September of 2017. We are monitoring especially the increase in the number of job-seeking men," pointed out the director of the department of labour market statistics and equal opportunities of the Czech Statistical Office, Dalibor Holý.[15]

It can therefore be concluded that the Covid-19 pandemic and the measures implemented to prevent the spread of the infection have had a direct effect on the female unemployment rate, however mitigated by the general measures aimed at maintaining employment and the institution of Carer's Allowance. the slowdown of the economy and the possible (and expected) onset of a recession are then most likely to have the "usual" repercussions and to also affect the industries which remained unaffected at the time of the pandemic.

"FRONTLINE INDUSTRIES"— UNCOVERING DEFICIENCIES

The pandemic and the effort to slow down the spread of the contagion highlighted the importance and necessity of certain industries, particularly in the public sector. Among the industries which find themselves on the "front line" are healthcare, retail (especially groceries), social services, public transportation, the police, fire-fighters, the army, and, last but not least, local and government authorities

Similarly to the industries impacted by the first wave of restrictions, these industries are also characterised by a high degree of feminisation. in this specific context, it is also necessary to consider the persistent GPG. as reported by the Institute of Sociology of the Czech Academy of Sciences on the basis of data from the Czech Statistical Office:

- 51% of specialist physicians are women, however, their average salary is only 78 % of the average salary of men.
- 69% of general practitioners are women, however, their average salary is only 75 % of the average salary of male general practitioners.
- 98% of nurses are women and their salaries are only 85 % of the salaries of men who represent only 2 % of this field (the average wage is CZK 31.711).
- Furthermore, 98 % of workers in the nursing industry, as well as social workers providing care in nursing facilities and in-home services, are women (the average wage is CZK 27.107).
- Women represent 63 % of all sales workers and their average salaries are 88% of that of men.
- 78 % of retail workers are women (average wage of 22.188), whose average salaries equal 81 % of the average salaries of men.

Women also represent 14 % of police workers (average wage of CZK 38.216) where they earn only 88% of the average salary of men, only 5 % of fire-fighters (average wage of CZK 42.669), and 6 % of bus, trolleybus, and tram drivers (average wage of CZK 32.982) where the average salaries of men and women are equal (Czech Statistical Office, 2019).

The high level of feminisation of healthcare was one of the first indicators that the impact of the current crisis will both be gender-specific and (not just in this respect) different from the majority of past events with repercussions for the economy. Closing schools carried

14 MENZEL, Andreas, MIOTTO, Martina. Differing financial impact of the Covid-19 crisis on men and women in the Czech Republic. IDEA anti COVID-19 (on-line). ref. 29. 7. 2020. Available at: https://idea.cerge-ei.cz/images/COVID/IDEA_Gender_dopady_covid-19_cerven_21.pdf

15 Czech Statistical Office. Rate of employment, unemployment and economic activity - June 2020. (on-line). ref. 1. 8. 2020. Available at: https://www.czso.cz/csu/czso/cri/miry-zamestnanosti-nezamestnanosti-a-ekonomicke-aktivity-cerven-2020

a significant risk of a shortage of healthcare workers, typically nurses.[16]

In some of these industries, particularly in the case of healthcare and social services, it has already been emphasised (and it is no secret) that these are demanding occupations whose difficulty is further increased by, among other things, insufficient staffing and low or otherwise problematic remuneration.

With regard to the legal regulation of the operation of hospitals in the Czech Republic, we struggle especially with the dual system of remuneration in hospitals which, in the case of some (typically regional) hospitals, lowers their competitiveness as an employer and simultaneously basically prevents any governmental or other centralised influence on the remuneration of a part of the hospital staff.

In the area of social services, one of the characteristics which became apparent is the considerable variability and fragmentation of the services themselves, as well as their providers and financing. Especially the (logical) restriction of field services and other non-residential services has caused, at least during a certain phase, uncertainty following from the possibility of replacing the in-person social services with some other form of service, including on-line or telephone consultation. the situation in residential facilities was problematic especially with regard to the insufficient supply of protective equipment; there was also a staff shortage. the Ministry of Labour and Social Affairs has tried to react to the situation with as much flexibility as possible,[17] however, uncertainty, chaos, and delays were still present.

Another factor featuring prominently in relation to the circumstances of migrant women was also emphasised by the Institute of Sociology of the Czech Academy of Sciences: “In the Czech Republic, care for seniors (and not only them - author’s note) is chronically underfinanced and the care workers’ wages are below the average wage; in 2018 the average gross wage of a care worker was CZK 27 107 (compared to the average gross wage for the whole Czech Republic which equalled CZK 33 840). Underfinancing affects the healthcare industry as well as nursing facilities and rental in-house care.

This work is also performed by migrant women. Here, the low consideration is joined by the precarious nature of employment, and unclear and poorly monitored working conditions; many countries exempt the in-house care from the labour-law protection of employees, or it exists in a grey area.”[18]

The pandemic and the deployment of the aforesaid industries on the “front line” have drawn the attention of politicians, the media, and the public to these industries. Although, thanks to the relatively mild (e.g. compared to the “Italian scenario”) progression of the pandemic until now, no outright collapse has occurred, it was impossible not to see the deficiencies, and it would be appropriate not to overlook them in the future.

In this context, a reference must be made to another significant takeaway from the time of the pandemic: According to the data of the Czech Social Security Administration, the number of individuals receiving Carer's Allowance has risen markedly during March, by as much as 333.5 thousand. the number of claims for the benefit kept rising throughout the subsequent months, as well as other kinds of claims (e.g. for the immediate help benefit at the Labour Office) in high proportion to the usual rate. the administrative authorities were obliged to resolve all claims as quickly as possible, while also battling their own staff shortages. the structure of staffing of civil service implies that the field is highly feminised, with a strong group of older government workers. It was therefore highly probable that a part of the staff of the Czech Social Security Administration and other administrative bodies would claim carer’s leave or be a member of a vulnerable demographic. in addition to that, the government has decided that all the government bodies are to minimise time spent in the workplace, and limit client and counter services. Even under these conditions, urgent claims were resolved relatively fast, with a relatively low rate of error.

HOUSEHOLD AND PERSONAL SPHERE

Very early, as early as the middle of March 2020, binding measures and recommendations were adopted to significantly limit the free movement of persons in the public space, in workplaces, and in public

16 HOMFRAY, Šárka. Who will care for the sick if nurses stay home with children? the Referendum Journal (on-line) ref. 2. 8. 2020. Available at: https://denikreferendum.cz/clanek/30869-kdo-bude-pecovat-o-nemocne-zustanouli-sestry-s-detmi-doma--?fbclid=IwAR2lcZxy1dmxUUP-bpp1Tw7stZ0BMrGWxSlnxOpx5CU_f9GvS5xjvGF4CiE

17 See Timeline of measures in social services at: Ministry of Labour and Social Affairs. Social Services (on-line). ref. 2. 8. 2020. Available at: https://www.mpsv.cz/web/cz/socialni-sluzby-info

18 Institute of Sociology of the Czech Academy of Sciences. Who will take care of us? Migrant women in Czech labour market (on-line). ref. 30. 7. 2020. Available at: https://www.soc.cas.cz/aktualita/kdo-se-o-nas-postara-migrantky-na-ceskem-trhu-prace

transport. People were spending much more time in their homes, which led to a wide range of consequences. Given the (aforementioned) uneven distribution of unpaid work and other responsibilities related to the household, these consequences are often different for women and men.

Aside from the phenomena described above, there is a number of other consequences, no less significant, which shouldn’t be disregarded. One of them is the lower availability of healthcare services, including mental health care, which comes at a time of heightened psychological stress. in this context, the question of restrictions on visits to healthcare facilities and nursing homes should be mentioned, as well as the temporary restrictions on the presence of fathers during childbirth. A more detailed analysis of these consequences is beyond the scope of this study, however, it is important to keep them in mind to illustrate the fact that the pandemic and the adopted measures interfered with the personal sphere of individuals and families in ways that could not always have been predicted.

Caring for a Family Member

One of the country-wide measures implemented by the government was closing schools. Majority of preschool institutions were also closed by the decision of their administrators. Considering that the option of having grandparents care for younger children was limited since the grandparents were often in a high-risk group more vulnerable to Covid-19, the parents were often left with no other choice but to have at least one of them stay at home on a “carer’s leave”, i.e. claim impediment to work on the part of the employee on the grounds of caring for a family member. as shown by the statistics of the Ministry of Labour and Social Affairs,[19] the number of filed and granted claims for carer's allowance rose sharply in comparison to the previous period; hundreds of thousands of these claims were specifically claiming carer's allowance on the basis of the closing of schools.

According to the Institute of Sociology of the Czech Academy of Sciences,[20] women were more likely to stay at home with children, losing a significant portion of their income. Even if they received a carer's allowance, even if they were entitled to it, initially it meant a loss of 40 % of their income. as for self-employed individuals or individuals working on the basis of an agreement to perform a job or an agreement to perform work, these people have lost their income entirely, at least until the implementation of further measures.
The government reacted to this situation with several legislative measures, in particular by increasing the rate of carer's allowance to 80 %, raising the age of the child, extending the maximum duration of the benefit, changing the form of the claim and processing, and including certain “agreement workers” as eligible for receiving a carer's allowance.[21] All these measures were effective until 30th June 2020. Data from the Ministry of Labour and Social Affairs on the number of carer's allowance claims show a second sharp increase in the number of carer's allowance claims, which represents a reaction to exactly this new legislation.

Later measure introduced the “carer's allowance for the self-employed”, which is a specific form of benefit provided by the Ministry of Industry and Trade (MIT) for the self-employed with regard to their principal gainful activity that they could not conduct as a result of A school or another facility being closed, and on the grounds of caring for a child younger than 13, or for similar reasons related to caring for a dependent.

Distance Learning and Homeschooling

The closing of schools put pressure on families with children for one more reason, which was the obligation to ensure their education under unusual conditions. This measure was implemented very quickly, without preparation or methodical support from the Ministry of Education, Youth and Sports, and for an unknown duration. Individual schools were not equally prepared for the situation, both in terms of equipment and readiness of the teachers to provide distance learning. Similarly, individual families did not have the same options, especially as regards the necessary equipment or the ability of the parents to oversee the learning and preparation.

The inconsistent procedure put high demands on many parents’ time, a burden which was most likely born predominantly by the mothers, and could significantly limit the ability of some children to attend a relevant part of learning and preparation. This could have serious consequences for certain children and their families in the future, particularly if the closing of schools

19 Ministry of Labour and Social Affairs. Quarantine benefits statistics as of 5th August 2020. (on-line) ref. 6. 8. 2020. Available at: https://www.mpsv.cz/documents/20142/1580387/Statistika_eN_karanteny_davky_5_8_2020.pdf

20 Institute of Sociology of the Czech Academy of Sciences. Impact of ani-pandemic measures on women and men on labour market. (on-line). ref. 26. 7. 2020. Available at: https://www.soc.cas.cz/aktualita/dopady-opatreni-proti-pandemii-na-zeny-muze-na-trhu-prace

21 Ministry of Labour and Social Affairs. Carer's Allowance (on-line) ref. 6. 8. 2020. Available at: https://www.mpsv.cz/web/cz/osetrovne

for epidemiological reasons were not limited to this past school year. as pointed out by IDEA in a study on the topic: "A relatively short school closure would have the most significant impact on the students that do not participate in the distance learning, be it due to a lack of equipment, lack of support from the family or their own lack of interest. It is essential not only to make learning available to students lacking the necessary equipment, but also to try to include students that do not communicate, either through intensive communication with the parents or, after the restrictions are loosened, with the help of field workers. A longer lasting school closure would exacerbate differences between schools. It is therefore necessary to develop innovative measures to help any schools that experience trouble with distance learning."[22]

Work from Home

A relatively large portion of employees has begun to work from home. the available data indicate that men did so more often than women. This fact can be expected to have differing short-term and long-term consequences. in the short term, this could mean a higher level of stress in relation to distractions that complicate working from home. This will concern families with young children after the schools and pre-schools are closed. On the other hand, other stress factors related to the Covid-19 pandemic could be alleviated, especially the drop in the household income and the necessity of exposure to the risk of infection on the way to work or in the workplace.

Domestic violence

From the onset of the implementation of measures, based in part on international experience, the professional public has been drawing attention to the fact that there may be an increased occurrence of domestic violence incidents or an increase in their severity.
One of the institutions conducting an evaluation of the available findings is the Committee for Prevention of Violence Against Women and Domestic Violence of the Government Council for Equal Opportunities for Women and Men. the Committee focuses on refining any incomplete and methodologically inconsistent statistics. Even without the "final" numbers which, with regard to the high latency of this phenomenon, will never be entirely available, a clear trend has become apparent during the past months, as well as the specific impact of the measures implemented during the Covid-19 pandemic on this issue.

Stress and frustration connected with a forced stay at home, health concerns, and a possible decrease in the household income are generally known risk factors that can act as triggers or lead to an exacerbation of violent behaviour. in addition, the restrictions on social contact make this issue harder to detect and address.

As pointed out by organisations such as ProFem or ROSA,[23] enough attention has not been paid to the impact of the reduced operation of public institutions and social services. For example, the police were reportedly resorting to eviction only in cases where there was an "immediate threat to health or life of a person" and, according to a ProFem attorney, witness interrogation was also limited, as well as some other procedures. A delay of ruling in divorce and child custody proceedings also could have caused problems. Considering the increased burden on the entire healthcare system, care for victims of sexual assault could have also been jeopardized. Last but not least, the adopted measures could have made finding help more difficult.

IMPACT OF PANDEMIC AND RELEVANT MEASURES

At the time of the completion of this study, it was already possible to evaluate to what degree the anticipated gender differences in the impact of the pandemic and the implemented measures truly materialised, and to assess what could prove problematic or, conversely, beneficial in preparation for the "second wave" or the "new normal", which is the phrase often used to describe the future, in which the new coronavirus does not pose such an immediate risk as it did in the first half of 2020 but never goes away entirely.

Alena Křížová of the Institute of Sociology of the Czech Academy of Sciences pointed out, as early as April, that the adopted measures could impact women more substantially: "However, if we are to learn anything from the previous economic crisis, it is that the reaction of the government to these losses is crucial; in the end, it is what determines which demographic groups will bear the brunt of the crisis. Typically, the automotive industry is being saved. On the other hand, austerity measures impact for example wages in the government administration where the majority of workers are women, women are also more impacted by cutbacks or freezes in social benefits, because women are more likely to be home on parental leave. as a result, the crisis affects women more severely."[24]

Employment and Precarious Work

In the initial phase of the quarantine, the government focused on maintaining employment, with the first measures primarily targeting employees in an employment relationship, while the protection of self-employed persons and persons in some form of precarious work relationship was significantly lower or non-existent, whether it concerns workers under agreements on work outside of the employment relationship (agreement to perform a job or agreement to perform work) or agency workers, etc.[25]

The earliest forms of support followed the relevant legislation, especially in the area of social security. This situation laid bare certain phenomena, in particular the changes to health insurance, which have been pointed out before; e.g. the almost non-existent protection of the self-employed, even if they opt into paying health insurance, or the precarious situation of the persons working under an agreement to perform a job or an agreement to perform work, if this form of a work relationship, intended primarily for extra income and secondary gainful activities, serves as de facto the only income, e.g. in addition to parental allowance.

As emphasised by the Institute of Sociology of the Czech Academy of Sciences, it is often the younger people (women under 39 and men under 30) working in these "non-standard" relationships. Among women, it is related to the age of the child (20 % of working mothers of children under 9 are employed in a "non-standard" relationship). These women have now most likely stayed home to care for the children, which will make it that much more difficult for them to return to work during an economic recession.[26]

The Institute of Sociology of the Czech Academy of Sciences has made several predictions at the beginning of April regarding unemployment and, among other things, noted that the current form of unemployment support may be insufficiency: "So far there were no adjustments to the parameters of unemployment benefits which can now be received for only five months and in the amount equal to no more than half of the wage; however, individuals who run out of the benefit now have essentially no chance to find work. It would be appropriate for the system of unemployment benefits reacted flexibly to the current crisis, otherwise we have to expect a detrimental effect on the demographics most endangered by poverty and loss of employment, i.e. single mothers and individuals nearing retirement age or finishing schools, who are most at risk of being let go."[27]

According to the aforementioned IDEA study and the available data, unequal consequences for each gender are in fact starting to emerge in the unemployment indicators.

- Data on unemployment in the Czech Republic for March and April 2020 show a greater rise in the unemployment rate of women compared to men, where in previous recessions it was usually the other way around.
- The greater increase is caused by unemployment of women over 44 years of age. This significant increase in the unemployment rate of older women exacerbates the already increased risk of retirement age women falling into poverty.[28]

IDEA also notes that the data on unemployment are far from final. "We can expect a second wave of unemployment claims from women after the schools and childcare facilities are fully open again because mothers will then no longer be entitled to the short-term income subsidisation from the Carer's Allowance program. Given the usual progression of the school year, the greatest surge can be expected in September."[29]

22 FEDERIČOVÁ, Miroslava, KORBEL, Václav. Covid-19 pandemic and socio-economic inequality in education. IDEA anti COVID-19 (on-line). ref. 25. 7. 2020. Available at: https://idea.cerge-ei.cz/images/COVID/IDEA_Nerovnosti_ve_vzdelavani_COVID-19_kveten2020_18.pdf

23 MICHÁLKOVÁ, Eva. Domestic and sexual violence during a state of emergency. ProFem (on-line) . ref. 3. 8. 2020. Available at: https://www.profem.cz/cs/o-nas/novinky/a/domaci-a-sexualni-nasili-v-dobe-nouzoveho-stavu

24 Institute of Sociology of the Czech Academy of Sciences. Impact of ani-pandemic measures on women and men on labour market. (on-line). ref. 26. 7. 2020. Available at: https://www.soc.cas.cz/aktualita/dopady-opatreni-proti-pandemii-na-zeny-muze-na-trhu-prace

25 A non-exhaustive overview of the adopted measures e.g. ŠTEG, Jiří. Czech economy in the coronavirus crisis. Rosa Luxemburg Foundation (on-line). ref. 30. 7. 2020. Available at: https://rosalux.cz/ceska-ekonomika-v-koronavirove-krizi/

26 Institute of Sociology of the Czech Academy of Sciences. Impact of ani-pandemic measures on women and men on labour market. (on-line). ref. 26. 7. 2020. Available at: https://www.soc.cas.cz/aktualita/dopady-opatreni-proti-pandemii-na-zeny-muze-na-trhu-prace

27 Institute of Sociology of the Czech Academy of Sciences. Impact of ani-pandemic measures on women and men on labour market. (on-line). ref. 26. 7. 2020. Available at: https://www.soc.cas.cz/aktualita/dopady-opatreni-proti-pandemii-na-zeny-muze-na-trhu-prace

28 https://idea.cerge-ei.cz/images/COVID/IDEA_Gender_dopady_covid-19_cerven_21.pdf

29 MENZEL, Andreas, MIOTTO, Martina. the differing financial impact of the Covid-19 crisis on men and women in the Czech Republic. IDEA anti COVID-19 (on-line). ref. 29. 7. 2020. Available at: https://idea.cerge-ei.cz/images/COVID/IDEA_Gender_dopady_covid-19_cerven_21.pdf

Healthcare and Social Services

Some of the most feminised professions in the Czech Republic were on the front pages of newspapers during the state of emergency, which made it impossible to ignore at least the discussion on the financing and staffing of these fields.

Along with the increased effort to ensure personal protective equipment at a time when global distribution channels were failing, the question of public or private salaries in healthcare facilities found itself in the centre of attention.

In practice, the issue of special compensation for deployment during a state of emergency has uncovered the dual nature of remuneration of the "frontline" professions. Where the employees' salary is determined by the private sector and not by a public service salary grade, the government has no ability to influence the amount of their remuneration. at the end of June, it still seemed that in the private remuneration system (which concerns the majority of hospitals) there will be no room for any bonuses for the healthcare workers.[30] the government and the legislature have since then decided to address this situation through special subsidy calls.[31] However, it still remains uncertain whether the healthcare workers will receive the promised bonuses and in what amount.

Equal Representation of Women in Executive and Decision-making Positions

The fact that the representation of women and men in executive and decision-making positions is markedly asymmetrical has manifested itself during the Covid-19 pandemic as well. the Committee for Equal Representation of Men and Women in Politics and Decision-making of the Government Council for Equal Opportunities for Women and Men joined the plea of the Czech Women's Lobby and submitted a motion to the Government Council to call on the Czech Government to ensure equal representation of women and men in the National Economic Council (NERV) and other advisory bodies involved in addressing the economic crisis; the Government Council has accepted the motion.[32]

The NERV can serve as an illustrative symptomatic example, given the fact that, even after all the previous motions, only 2 of the 17 members of the council are women.[33] the issue of representation is not just symbolic. With the under-representation of women comes the lack of representation of significantly feminised sectors which, as mentioned above, will bear the brunt of the crisis. It would seem logical to invite those most influenced by the slow-down or freezing of the economy to participate in formulating the measures for its revitalisation, however, at least in the aforementioned body, it does not seem to be the case.

The economic advisory team, which is a part of the Central Crisis Management Staff, has also not had an equal representation of women and men at the time of its founding, with only 2 of its 12 members being female.[34]

Regardless of the significantly gender-specific impact of the Covid-19 pandemic (regrettably seemingly in tune with the opinion of a part of the Czech public) women participate in finding solutions and further measures notably less than would be proportionate to not only their representation in the society but especially the impact this situation has on them.

OUTLOOKS AND RECOMMENDATIONS

There is no doubt that the Covid-19 pandemic has impacted women and men differently, women being hit harder in many respects. Women were and are more in danger of loss of employment or of their employment becoming precarious. Domestic duties, particularly taking care of children, elderly relatives and other close persons at the time of a pandemic have increased their already considerable burden. Studies (e.g. IDEA[35]) cite a relatively predictable stronger impact on women's mental health.

The "first wave" of the pandemic and the associated measures have passed; currently, the attention is on further steps towards revitalisation of the economy. However, we must not forget about other topics not immediately affecting the economy, which were nevertheless brought to light by the pandemic (e.g. domestic violence), or from which the pandemic has diverted attention. We must also bear in mind that the "first wave" need not by far be the last and that certain restrictions and the associated consequences may return in more or less regular cycles. in all these respects it is necessary to prevent aggravating the level of gender inequality in the Czech Republic as much as possible.

Any economic stimuli and other national and international supportive instruments aimed at revitalising the economy in the "post-Covid time" must be targeted with attention to gender issues. Since the formula of the crisis is different from any previous economic crises, it is not possible to simply rely on previous procedures. the situation should be seen as a challenge to reconsider economic priorities, particularly in the healthcare industry and social services, as well as the social and labour protection of precarious occupations and working positions.

On 24th July 2020, based on the available findings, and current discussions, the Government Council for Equal Opportunities for Women and Men approved a series of recommendations for addressing the impact of the pandemic. the more specific recommendations are aimed at several areas, e.g. ensuring adequate care for children and other dependants, the issue of domestic violence, and adequate remuneration and financial compensation of social workers, healthcare workers, and other civil servants. in addition, the Council makes the following, more general recommendations:

- Gender-specific impact of the situation as a whole and all the individual measures on human rights should be diligently evaluated;
- Expert studies into the social and economic impact in relation to the equality of women and men should be utilised;
- Financial resources should be distributed also with regard to the equality of women and men in the labour market, as well as in other areas.

On the EU level, there are recommendations in relation e.g. to the EU plan "Recovery and Resilience Facility" which is about to be implemented and which represents a large financial package available to the Member States with a view to alleviating the economic and societal impact of the Covid-19 pandemic. It's objective is to transform EU economies towards greater sustainability and readiness for challenges connected with the transition to a green and digital economy.[36]

In addition to the high level of feminisation, the industries which proved key in this situation have other similarities as well. These are lower wages, social prestige disproportionate to their difficulty, and a relatively large portion of public employees. the importance of these industries exceeds the value placed on them by the market, which should be seen, especially on the backdrop of the Covid-19 pandemic, as an impulse to accentuate other measures of value and aspects of human labour, not just the market value. Here, a reference may be made in particular to the appeal of three thousand scientists from six hundred universities worldwide, issued on 16th May 2020.[37] It is a call to democratise the workplace, decommodify labour, and for environmental remediation of governance.

Noteworthy Areas

From my point of view, the danger of increasing and solidifying current inequalities is especially noteworthy in the following areas:

- Considering the growing fear of the "second wave" and further measures, including a possible second closing of schools and pre-schools, it is uncertain what the unemployment indicators will look like in autumn. If one parent in a family with small children already lost their job, it can be expected that it will be this parent who will care for the children if it becomes necessary, which will further worsen his or her prospects on the labour market. the underlying assumptions and available data indicate that this will concern women more often than men. Repeated

30 GARKISCH, David. Healthcare workers did not get bonuses for Covid. the arrogance is insulting, they say. Our healthcare (on-line). ref. 7. 8. 2020. Available at: https://www.nasezdravotnictvi.cz/aktualita/zdravotnici-nedostali-odmeny-za-covid-urazi-nas-ta-arogance-rikaji

31 Czech News Agency. the government has approved extraordinary bonuses for healthcare workers. the Czech Newspaper (on-line). ref. 7. 8. 2020. Available at: https://www.ceskenoviny.cz/zpravy/mimoradne-odmeny-pro-zdravotniky-vlada-schvalila/1916040

32 Office of the Government of the Czech Republic. Government Council for Equal Opportunities for Women and Men adopted a series of recommendations for addressing the negative impact of the pandemic (on-line). ref. 31. 7. 2020. Available at: https://www.vlada.cz/cz/ppov/rovne-prilezitosti-zen-a-muzu/aktuality/rada-vlady-pro-rovnost-zen-a-muzu-schvalila-serii-doporuceni-k-reseni-negativnich-dopadu-pandemie-182801/

33 Office of the Government of the Czech Republic. National Economic Council (on-line). ref. 1. 8. 2020. Available at: https://www.vlada.cz/cz/ppov/nerv_2020/narodni-ekonomicka-rada-vlady-182438/

34 Ministry of the Interior. CCMS and economic advisory team meeting: Czech personal protective equipment manufacturers should prioritise supplying the state (on-line). ref. 2. 8. 2020. Available at: https://www.mvcr.cz/clanek/jednani-uks-a-ekonomickeho-poradniho-tymu-cesti-vyrobci-ochrannych-pomucek-by-meli-prednostne-zasobovat-stat.aspx

35 BARTOŠ, Vojtěch, CAHLÍKOVÁ, Jana, BAUER, Michal, CHYTILOVÁ, Julie. Impact of coronavirus pandemic on mental health IDEA anti COVID-19 (on-line). ref. 29. 7. 2020. Available at: https://idea.cerge-ei.cz/images/COVID/IDEA_Dusevni_zdravi_covid-19_cervenec2020_22.pdf

36 European Commission. Questions and Answers on the EU budget for recovery: Recovery and Resilience Facility (on-line). ref. 25. 7. 2020. Available at: https://ec.europa.eu/commission/presscorner/detail/en/QANDA_20_949

37 A2larm. How to transform the world of work? We must democratise it. Workers are not just human resources (on-line). ref. 3. 8. 2020. Available at: https://a2larm.cz/2020/05/jak-promenit-svet-prace-musime-ho-demokratizovat-zamestnanci-nejsou-lidske-zdroje/

closing of schools and pre-schools can therefore have serious long-term consequences for the employment perspectives and financial situation of many mothers.

— In education, new solutions must be developed to make long-distance learning equally available to all the students, if at all possible. It should not be the case that the parents (more often the mothers, who will be made even less attractive for potential employers as a result) are subjected to absolutely unequal requirements based on completely random criteria related to the state of school equipment and the level of preparedness of the teachers and that the child's access to education is entirely dependent on the financial situation of the parents.
— The effort to lower the GPG must be elevated to a higher priority, taking into account one of its main causes behind its continued existence in the Czech Republic: gender segregation of the labour market, including the preceding education, and the related low prestige and valuation of feminised occupations, which have proven to be indispensable.
— Like after the previous crisis, an increase in precarious employment can be expected, as well as an increase in the grey economy or even illegal work. If women are more disadvantaged by the impact seen so far, these disadvantaged employment positions will concern them as well. This must be taken into consideration when discussing any legal regulation of such a form of employment.
— During the pandemic, the issue of cheap labour became linked with the issue of sufficient social and related security. It is not new information that many individuals and families have little to no financial reserves, some of them (especially the single parent families) are in danger of falling into poverty even under ordinary circumstances. Such households depend on the social security system. It is necessary to evaluate the social "Covid legislation" to determine what part of it can be carried over into the future, especially in the area of health insurance.
— The deeply underfinanced nursing system in many countries stands on the cheap labour of migrant women. For the EU this should serve as another impulse to reform the nursing system, especially with regard to care for seniors.
— Properly functioning public institutions are the cornerstone in the time of crisis; not only the social security administrations and labour offices but also a long list of other public and governmental authorities played a pivotal role during the crisis. On the other hand, for some of them, the implemented restrictions could have had a negative impact on their public relations. Processes leading to the broadest and fastest digitalisation of public and government administration must be accelerated; reduction in the number of service personnel paid from public finances in relation to budget cuts without a thorough analysis of their expandability must be avoided.
— In relation to any restriction of public transportation, data on its usage must be available, especially with respect to the necessary travel to work, school, etc. If the hypothesis that women are more dependent on this form of travel and lack the means of individual transportation proves correct, it must be taken into consideration when any related measures are being formed.
— In relation to the breakneck speed of development of digital technologies, it is necessary to bear in mind that while digital technologies themselves are neutral, their utilisation and the access to them is not uniform. the labour market predictions cannot unequivocally predict which occupations will be impacted more or less and in what way, however, with regard to gender segregation of the market, it is clear that women and men will be impacted differently in different periods. Therefore, if women are over-represented in the industries which cannot be quickly or entirely digitalised, it follows that circumstances like the Covid-19 pandemic will impact them immediately and, with the gradual digitalisation of the world, prospectively as well.
— On 6th April 2020, the Government Council's Committee for Prevention of Domestic Violence and Violence against Women has received an initiative to protect the victim of domestic and sexual violence with regard to the Covid-19 pandemic[38] containing a range of specific recommendations for the Ministry of the Interior, the Prosecutor General's Office, the Ministry of Health, the Ministry of Labour and Social Affairs and the Office of the Government. It is highly appropriate to apply these recommendations as thoroughly as possible, especially when discussing and forming measures in preparation for the "second wave" of the epidemic, to prevent the issue of domestic violence from being magnified in the following months.

38 Office of the Government of the Czech Republic. Committee for Prevention of Domestic Violence and Violence against Women has adopted an initiative to protect victims of domestic and sexual violence in relation to Covid-19 pandemic (on-line). ref. 3. 8. 2020. Available at: https://www.vlada.cz/cz/ppov/rovne-prilezitosti-zen-a-muzu/aktuality/vybor-pro-prevenci-domaciho-a-nasili-a-nasili-na-zenach-schvalil-podnet-k-ochrane-obeti-domaciho-a-sexualniho-nasili-s-ohledem-na-pandemii-covid-19-180928/

Positive Expectations

There are several positive influences on the issue of gender equality expected in relation to the Covid-19 pandemic as well. A reference may be made in particular to the following examples:

— The proliferation of home office work and other tools for harmonising private and professional life, which may facilitate return to the labour market.
— Greater involvement of men in unpaid work and informal care could continue after the return to the normal state.
— The situation will be seen as an impulse to re-evaluate the importance of occupations "on the front line", especially with regard to remuneration.

Although such consequences would undoubtedly be desirable, they should be seen as opportunities rather than guaranteed results.

The available data indicate that the occupations which can be practised from home or which can in their present form be moved into the on-line space are not the professions with the highest female representation. at the current level of segregation of the labour market, only a relatively small number of women would benefit from such a development and, at present, there is no reason to believe that better harmonising options will influence the segregation in the given professions to any notable degree.

Care must be taken to ensure that work from home does not become just another tool to facilitate a "second shift", i.e. the disproportionately high degree to which women participate in unpaid work in the household, and that, together with other instruments (such as using agreements on work outside the employment relationship in place of part-time employment) it does not bring more working women into a precarious situation.

Similarly, there is no reason to believe that the current experience will lead to a fairer distribution of unpaid work between men and women. On the contrary, if one of the parents becomes unemployed (which so far disproportionately affects women), the imbalance in the distribution of this type of work may be exacerbated.

Even the case of the "suddenly emerging" importance of certain professions must be taken with a certain level of scepticism towards future prospects. Despite the EU-wide initiative to re-evaluate the financing, management, and societal status of healthcare, social work, and other "frontline" industries, it is not an easy goal and it is unclear whether it will be reached. in the Czech Republic, aside from a careful salary increase, nothing indicates that this will be the case; in certain other countries, the support of the "front line" has so far been limited to symbolic gestures.

CONCLUSION

The situation related to the Covid-19 pandemic, the adopted measures, and the looming economic crisis has proven to be unique in the form of the gender-specific consequences it brought. in contrast to any previous unusual circumstances the first impact was not on masculinised professions; the emphasis put on the domestic sphere is also unique.

The situation itself highlighted a wide range of gendered phenomena and facts which were previously overlooked in the broader course of the public discourse, with the exception of the professional public. Some of the risks had been formulated as early as April and subsequently were either proven true or mitigated by implemented measures, not disproved as unfounded.

In the future, this could be an opportunity to remove some lingering inequalities and disadvantages, but the situation has to be viewed as such. Some countries (typically those ranking above the Czech Republic in gender equality) and its leading representatives see the situation as such and acknowledge the risk of exacerbating gender inequality. in the Czech Republic, we should view this opportunity with reservations; the near future will once again prove what priority do political representatives assign to the issue of equality of men and women.

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WE NEED ANOTHER FUTURE IF WE WANT TO SURVIVE

THE ECONOMIC FALLOUT OF THE PANDEMIC IN THE CZECH REPUBLIC AND INSPIRATION FOR OVERCOMING THE CRISIS

ZBYNĚK FIALA

THE CORONAVIRUS CRISIS CAUGHT THE CZECH REPUBLIC UNPREPARED, BECAUSE IT STRUCK WHERE WE ARE MOST VULNERABLE. THE COUNTRY HAS GONE TOO FAR DOWN THE ROAD OF THE INDUSTRIAL MONOCULTURE THAT IS THE AUTOMOTIVE INDUSTRY, AND IS INORDINATELY DEPENDENT ON FOREIGN EXCHANGE, IN WHICH IT PLAYS THE ROLE OF A MERE SUBCONTRACTOR THAT SANDS THINGS DOWN AND SCREWS THEM TOGETHER. THE BREAKDOWN OF GLOBALIZATION, SHUT UP INTO QUARANTINE, WILL THUS HAVE HARSH AND LONG-TERM CONSEQUENCES FOR US. ADD TO THAT AN AGRICULTURAL SUBSIDY PROGRAMME THAT SUPPORTS THE PLUNDERING OF THE SOIL THROUGH OVER-PRODUCTION OF RAPESEED FOR BIODIESEL AND MAIZE FOR BIOGAS STATIONS, AND THE ARROGANT PERFORMANCES PUT ON BY CZECH LEADERS WHO MAKE A POINT OF IGNORING CLIMATE CHANGE.

We would not, therefore, have avoided a crisis even if the virus had not come. But it had to come, given that we asked for it with overly-dense cities and our abuse of poverty on the other side of the world. the blows from above may destroy us, but they do not have to. They may cause us to wake up and perceive reality in a more responsible way. It will be better if we let them have this transformative effect and allow ourselves to be pushed towards greater sustainability and resilience, as well as greater justice and solidarity.

The most accessible change is the renewal of food self-sufficiency and of small and medium-sized businesses based on the needs of the regions. This is not a return to parochial backwardness. It is quite possible to build an economy of short distances on the principles of Industry 4.0, whose strong suit is decentralization and the creation of small, universal production centres that can bring into being things created on computers connected by the internet.

Let us also make use of this opportunity to renew economic democracy, which should not be too hard given the tradition of the Czech cooperative movement, dating from the Gründerzeit era. Let us begin to build an ecosystem in which there will be a human counterweight to ruthless international finance.

Has a tiny virus reminded us that another future is possible? No, in reality it has told us starkly that another future is necessary if we want to survive.

The coronavirus crisis has highlighted the weaknesses of the Czech economic model, which is too dependent upon globalization and the monoculture of the car industry. As a result, the OECD's June economic outlook warns that the Czech recession in 2020 may exceed 13 percent, and will continue. This external shock may be helpful in that it will create space for change. Let us start by removing the obstacles to resilience and self-reliance. Let us aim for more economic democracy, and broaden the range of monetary tools. Let us grasp this opportunity to decentralise the power supply and production. the closest aid lie all around us, in in sharing and cooperation.

THE VIRUS HAD TO COME

The coronavirus crisis caught the Czech Republic unprepared, because it struck where we are most vulnerable. the country has gone too far down the road of the industrial monoculture that is the automotive industry, and is inordinately dependent on foreign exchange, in which it plays the role of a mere subcontractor that sands things down and screws them together. the breakdown of globalization, shut up in quarantine, will thus have harsh and long-term consequences for us. Add to that an agricultural subsidy programme that supports the plundering of the soil through over-production of rapeseed for biodiesel and maize for biogas stations, and the arrogant performances put on by Czech leaders who make a point of ignoring climate change.

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A WEAK EPIDEMIC WITH STRONG REPERCUSSIONS

Coronavirus is not ordinary flu, as was claimed in the Czech Republic for a short while in February, when recreational skiers brought it back from the Italian Alps. It only took a few days for the epidemic to take off fully and to show that this mysterious virus can be extremely malevolent and in addition extremely contagious. the Italian epidemic resembled an explosion, with cases doubling every three days. After two weeks of government hesitation it stopped being manageable. By 21 March, the first day of spring, Italy already had seven thousand cases, of which a fifth were severe, and there was nowhere to treat them.

Terrifying television shots showed people lying in hospital corridors with no help available. the numbers of victims were reminiscent of a war. By the time the Covid-19 infection had almost retreated, the total score was around a quarter of a million confirmed cases, of which 33 thousand had died. This was definitely not flu. To compare, flu is responsible for around 1.500 deaths a year in the Czech Republic, but with a much wider spread. in the 2018—2019 season some 996 thousand people in the Czech Republic sought medical help for acute respiratory infections and flu.

http://www.szu.cz/tema/prevence/je-koronavirus-jako-chripka

The growing Covid-19 pandemic caused by the as-yet unknown coronavirus Cov-SARS-2 made it clear that the moment of truth was coming. A time when cluelessness and incompetence kill, when when the cost of sugar-coating reality is read in the statistics of deaths.

Luckily, the Czech government allowed epidemiologists to swiftly explain to it that it must not allow the number of serious cases to exceed the capacity of the specialist wards of large hospitals. Taking advantage of the fact that in the Czech Republic the epidemic was about two weeks behind, the government managed to introduce lockdown and other measures in the early phase of the spread, when tests were showing only around fifty new infections a day.

If the chief measure of success was the lowest possible number of deaths, then the clear winner was Vietnam, which did not have a single victim, at least according to official statistics. Experts say that China's southern neighbour learned the lessons from its earlier battle with the SARS 2003 coronavirus. China managed to contain most of the epidemic in the province around Wuhan, and was also successful in rapidly restarting the economy after two months of hibernation in lockdown.

In Germany there was a low ratio of deaths to the overall number of infections. the Czech Republic followed close behind the best. Although it does not have as strong a central government as China, or the budget resources of rich Germany, the government nevertheless managed to convince the nation that the protective measures were useful, and the nation complemented them with solidarity and creative cooperation.

A remarkable event occurred when the nation forced aid to be sent to China. It was at a time when there was a critical lack of medical equipment and the Czech government was loth to reach into its own supplies. Aid thus started to be coordinated by the small Moravian town of Třebíč. When the crisis then reached the Czech Republic and planes with aid started to fly in the opposite direction, suddenly we discovered the joy of self-sufficiency.

Countless Czech households started to sew masks, for themselves and for others. All sorts of universities and research organizations came forward with offers to improvise the manufacture of sophisticated medical equipment like respirators and ventilators. Scientists developed and manufactured them using tools that they had prepared long ago for the hesitant Industry 4.0.

The Czech Republic thus experienced a weak epidemic with strong epidemiological repercussions. the culmination was on 4 April with 381 new cases, a number that in Italy would have meant the end of the alert. Even the total number of deaths in the Czech Republic did not indicate the exceptional seriousness of the situation, reaching only just above three hundred.

The opposition used this as an opportunity for criticism, saying that the measures had been exaggerated. if we compare the situation with what might have happened but did not, however, we have to agree with the government's decisive reaction to Covid-19.

LIFE PAYS OFF

The fact that the extensive restrictions on everyday life also have major economic impacts is another matter. According to the OECD's regular six-month economic outlook (OECD Economic Outlook, June 2020) the Czech Republic is one of the five most economically-afflicted countries, right behind countries with high numbers of deaths such as Spain, France, Italy and Britain. if a second wave comes in the autumn, the Czech Republic could lose over 13 of GDP, with investments falling by almost 30 percent.

When the statistics first showed what coronavirus could do, April industrial production in the Czech Republic fell year-on-year by 33.7 percent in real terms, and the value of new orders by as much as 42 percent. the greatest influence on this came from the slump in automobile production to a mere fifth of last year's level. the value of new orders in the sector fell by approximately the same amount (77 percent). To this should be added the fall in foreign trade resulting in a deficit of 27 billion crowns, making the trade balance 43 billion worse than last April.

https://www.czso.cz/csu/czso/cri/prumysl-duben-2020

Germany fared a little better, with industrial production falling by only 18 percent (although that itself was a historical record). It was also better off in terms of new industrial orders, with a value "only" 25.8 percent lower than a year before. the cumulative fall in German industrial production from the start of the year until April was 25 percent, which is more than during the financial crisis of 2008.

The Germans are putting huge amounts of money into saving the economy, and moreover in a way that prioritizes cutting costs, so that it does not have to be sent to accounts and addresses. From July until the end of the year the VAT rate has been cut from 19 to 16 percent, with the lower rate falling from 7 to 5 percent. Even more important, the Germans have accepted the crisis as transformational, and so the response to it has been green-orientated, with an accent on electromobility. One element is a doubling of the subsidy for electric cars, with a price ceiling that leaves no room for Tesla.

It is thus support for German production. in addition, large amounts of money are being spent on building a car charging network and other electromobility infrastructure. the Czech Republic, by comparison, is the third worst in this respect in Europe.

the numbers regarding the April fall in Czech industry are drastic, but they have to be perceived in the context of a clear choice in which priority was given to the lives and health of citizens. the Czech government played this role in the pandemic with aplomb—if only it were always so successful. But where is the guide on how to manage the dose more precisely? What value should we ascribe to life? And is there any point?

It is not only insurers with whom we have to haggle in terms of how much our wretched life is worth—that is, in the event that we were to lose it and our relatives would not only have a break from us but a decent amount of money. There are also various macroeconomic computations that calculate the value of life, for example so that they can defend the switching off of the economy because of coronavirus. Surprisingly enough, the price of life isn't that low. in the OECD the statistical value of life was calculated in 2012 at between 1.5 and 4.5 million dollars, with 3 million dollars being considered the base. the EU has the base a little higher, at 3.6 million dollars.

A group of British political economists from King's College, London, led by Professor Shaun Hargreaves Heap, took those numbers and tried to express the converted costs of social distancing (restricting the economy) and on the other hand of loosening the epidemiological regime. They based their study on a forecast using a model developed by Imperial College, London, that an across-the-board shutdown would result in economic losses equivalent to 10% of GDP.

A tenth of Britain's GDP is 221 billion crowns, the economists state, and to this they then apply the statistical price of life at 3 million pounds, within the OECD's range. Thus even if only a hundred thousand lives were to be saved, not even several hundred thousand, we would reach a value of 300 billion pounds. That is almost 100 billion pounds more than the estimated drop in the country's annual economic output. To save a life worth three million only costs two million.

While we are engaged in these morbid reflections, it is worth considering (the above-mentioned economists continue) that the average or statistical value is considerably misleading, given that there is a substantially higher death rate among old people and those with further health conditions. They thus suggest a unit that is qualitatively adapted to a year of life (QALY). This is based on the assumption that a fifth of those aged over 70 would die within a year even without Covid-19. After making adjustments using similar parameters, one QALY works out at 20 to 30 thousand pounds. This indicates the value of a year of life, which is indeed threatened by coronavirus and may be saved by lockdown.

This value, according to the economists, also has a highly practical significance. People generally respect restrictions if they are convinced they make sense. It is thus important that the value of life, since this is about life, should roughly correspond to their ideas. Because the OECD numbers are already a little old and Covid-19 has shaken our lives too strongly, the data needed to be confirmed using sociological research. the survey used the concepts "lives saved" and "average household income," and alternately offered a choice of a ratio of both magnitudes, where one side came out sometimes better and sometimes worse.

The tactical manoeuvre consisted of getting the person surveyed to the boundary at which they changed their preference, thus indicating the lower boundary of the value of life. the research also took place in two rounds. One group opined on the estimated GDP losses in August, the second one on the number of victims per million people in the same period, and then they switched. the research showed that during the time when the pandemic in Britain and the US was at its peak, the value of life was perceived as very high compared to the OECD standards. This meant lockdown was preferred by the public over considerations of the economic fallout.

British public opinion also reacted positively when the government changed position and announced epidemiological restrictions. From this it is possible to forecast, the London economists believe, that any sort of premature loosening that causes an increase in deaths will be assessed badly and will not be respected.

https://voxeu.org/article/health-vs-wealth-trade-and-covid-19-policymaking

In Germany they were having trouble working out why the eastern part of the country had fewer Covid-19 cases per inhabitant than the western part. It was enough to cross the border of the former GDR and case numbers fell by half. One of the theories was that it was the influence of the traditional vaccination against tuberculosis with the BCG vaccine, used in the former eastern bloc.

Virologists would solve the problem differently, but an interesting attempt to cast light on the matter was made by German economist Richard Blum of Leibnitz University in Hannover and Maxim Pinkovskiy of the Federal Reserve Bank of New York. They started from the fact that in the GDR there had been compulsory vaccination against TB from 1953 to 1990, while in the Federal Republic the vaccination had been recommended only briefly, from 1961 to 1975. Did resistance to coronavirus correlate with when someone was born?

It turned out it did not. More detailed examination of the age spread of coronavirus infection in Germany found differences in the number of cases in the east and west not only among older people, where the BCG vaccine might have had an influence, but also among younger people who had been born too late to have the vaccine. the economists suggest that a clearer cause of the differences in the intensity of the Covid-19 pandemic in the east and west of the country was the difference in daily work commutes. Surprisingly, little has changed in this regard since the time of German unification. Most of the inhabitants of the old federal lands work in the west, from where the infection spread. Most inhabitants of the eastern federal lands continue to be employed in the east, and according to the economists it simply took some time for coronavirus to reach them.

By the time the pandemic reached the new federal lands, social distancing and other measures had been introduced. It thus dealt less of a blow, as the number of cases per million inhabitants show. This also explains why the differences were apparent as soon as one crossed the former border. the infection thus pointed not so much to how Germans used to live as to how they live now.

MONEY GOES UP

We should get ready to get poorer. But not all of us. Anyone with billions will only get richer. the main function of the current financial system is to move property from the bottom to the top. It works like this permanently, not just now. At the root of this is the massive gulf between the return on labour and on capital, as French economist Thomas Piketty writes in Capital in the 21st Century. Through relatively laborious study of archives and databases he first ascertained the share of capital in the national product and then its overall return.

In advanced capitalist countries the aggregate of various forms of capital is approximately six times the annual total incomes in the country. in an ordinary year the return on capital is about 5 percent (of which inflation will eat up 2—3 percent). As we have shown, however, the supply of capital is six times the amount of overall incomes, so we will reap that 5 percent six times. That means we have 30 percent of all national income right off, which is, in a word, mad.

An ordinary year is an ordinary year, an average only an average. in reality you can earn much more. This is because capital has two important characteristics. the first is that only a handful of people have a significant amount of capital. the second is that only significant capital always makes gains. This gives us the permanent ability of capital to increase social differences.

After the financial crisis of 2008, for example, only the 10 percent of the biggest asset-holders made money on the recovery, while pension funds, where ordinary people have their assets, went bankrupt and lost money. in a television debate before the primaries in Phoenix, Arizona, Bernie Sanders had a question prepared for Joe Biden: what did he say to the fact that the three richest American families owned more than the bottom 50% of the US population?

The coronavirus pandemic has brought another element into this—fear. Fear gives rise to panic, and during panic the markets tumble like a lift that has broken loose. if you're afraid, you sell. if you can afford to wait until the fear passes, you buy low and sell high. For this group of people the pandemic has become a downright gold mine.

This has been pointed out by Chuck Collins, Director of the Program on Inequality and the Common Good at the independent Institute for Policy Studies in Washington, DC. According to the most recent findings, which he also published on the web Inequality.org, in the 11 weeks from 18th March, when restrictions on movement began to be introduced in the US and 46.2 million Americans applied for unemployment support, the property of the American billionaires went up by 19.5 percent. in absolute terms this represents an increase of 565 billion dollars. "These statistics remind us that we are more economically and racially divided than at any time in decades," Collins said.

It is undoubtedly the result of the ability to make use of the shock on the American stock markets, which before the pandemic rose to their historically highest levels, only to fall again at a tempo like that of the Great Depression in the 1930s, and then again, once more at a record tempo, so that they approached their starting level. On 19 February, for example, the S&P 500 index, which follows the shares of the five hundred most significant companies, stood at 3.386 points, which was the historical record. On 23 March it tumbled, bottoming out at 2.237 points. Then the mood reversed, and by the beginning of June it had risen again by 1.000 points.

The stock market thus fell by a third in a month, but in the next two months regained 30 percent, and was once again close to record high levels. Anyone with money who could afford to buy at the height of the panic could quite easily make 20 percent.

It is worth adding that the richest people have armies of analysts who are able to rise above the moods of a terrified market. They can also make calls to places where other people would not be able to get through. Most trading, meanwhile, takes place on the basis of quantum mechanics, in automated trading systems that reap slight price fluctuations a thousand times or more a second. Small investors have no chance in this kind of environment, and it is not surprising that during a fall they try to sell as soon as possible just to limit their losses. the big vultures circling over them thus continuously have something to get fat on.

In essence it is thus possible to say that the main function of the current financial system is to shift property from the bottom to the top. During crises this also happens by means of government aid, or helicopter money, as central banks' support programmes are sometimes nicknamed. the main source of this government money is state bonds, which once again can only be bought by some people, while all taxpayers foot the bill for the cost of servicing these bonds. if the state bonds are then functioning in an environment of tax inequality, when those with the highest incomes have a disproportionately low effective tax rate (and with the money saved can buy as many bonds as they want), then returns from interest on debt also go up.

Effective taxation is the true ratio of overall income and overall amounts paid into the budget. the richest also have people to ensure it is kept as low as possible—an army of lawyers and tax consultants, who are able to slip money between the cracks in the law and move it about the world so that almost nothing needs to be paid. They do not even have to break the law much, because the richest also have people to take care of that. the laws are made to order by politicians, whom the richest have on their payroll, in the form of financing election campaigns, for example.

The way out of this vicious circle is clear in theory, but almost impossible in practice. Theoretically it is clear that if we were to finance crisis aid programmes not from bonds, but from higher taxes on those who can bear it, we could put an end to the situation where aid ends up making things even more difficult for the poor. the money would change direction and the aid would for the most part truly help.

CHOKED BY A WEAK CROWN

It is to be expected that much of globalization will remain in ruins even after the epidemic fades. There will be a need to look for new domains, new outlets, and in an atmosphere of harshly intensified competition. the lines running down the playing field are trends such as decarbonization and electromobility, together with decentralization, robotics and artificial intelligence. As far as robotics and artificial intelligence are concerned, the Czech Republic is not badly off, indeed you might even say it is doing very well. We have fantastic academic centres, but the factories belong to foreign owners. We can supply ideas, but the results do not belong to us. With regard to the other trends which might be thought important to us, the situation is not good, but bad to terrible.

The Czech government's approach to the basic trend in the world economy, which consists of the rise of decentralization and the linking of producers and consumers, is reminiscent of the determination of the defenders of Madrid during the Spanish civil war in July 1936, well-known in its original form from Dolores Ibárruri: No pasarán! They shall not pass! Compared to the world trends for promoting the above-mentioned civilizational models, which are also suited to the fight against climate change, the Czech viewpoint seems to be "they shall pass us by."

Let us try and look into the future, to a time when we will have got over coronavirus. Let us leave aside the fact that industry does not belong to us, the banks are foreign and the domestic market is firmly controlled by foreign institutions. Even if someone were to try and accumulate capital via the internet, for example, there are so many barriers to innovation here that a new Křižík, Škoda or Kolben is easily put off.

The cheap crown alone is fatal, as it makes technology imports more expensive. the "exchange rate commitment" to keep the crown at a rate of 27 crowns to the euro may have been abandoned three years ago, but the bar it set still holds. This is hardly surprising—it was the rate with which foreign investors worked when the Czech National Bank sold them two billion crowns for euros and dollars, so that supply-side pressure could force the Czech exchange rate down. the idea that after the "exchange rate commitment" ended this money would somehow melt into the market did not come to pass. the currency reserves became a boulder that cannot be shifted.

We should remember that until 2008 the trend was for the crown to strengthen. Then came first the financial crisis, the "exchange rate commitment" followed, and now we have a rate of around 26.50 CZK/EUR, which we had in 2007. We have lost twelve years and will lose further ones, because by selling the crown into the badly-set and unnecessary large currency reserves of the ČNB we have also sold the right to control our own future.

The cost of investing in new technologies has thus gone up, but anyone who has no need of innovation finds the cheap crown advantageous. It is advantageous for exporters of sub-deliveries with medium or lower added value, because even if they do not get many euros for them, they can exchange them for a lot of crowns. This means they have no impulse to change things much. the cheap Czech currency thus represents the first brake on innovation.

Czech exporters, meanwhile, have low costs compared with foreign ones, since Czech wages alone are a third of Germany's. As a result, these manufacturers put significant pressure on the government to maintain the conditions for cheap labour, and also to facilitate the import of workers from even poorer countries. the only innovations are in the ever-evolving arguments of the Economic Chamber and similar institutions that without these things the Czech economy will collapse. A further blow to Czech competitiveness is now planned in the form of expensive electricity, so that the construction and operation of new nuclear blocks pays off.

Wholesale power prices are falling on the market, or are at best stagnant. in February, electricity was a fifth cheaper than in November. Attempts to put up the price of electricity thus run contrary to the market. Power company ČEZ considers it a success that it has managed to sign contracts for the next two years for a large part of the wholesale production for a price approaching 50 euro per megawatt hour, because on the energy market it is being offered for up to a third less. the claims that we come across every year, that next time prices will rise and consumption also, fail just as regularly to come true. At this price, however, nuclear will not pay off. At current prices the construction of new nuclear blocks makes no sense, CEŽ CEO Daniel Beneš has repeatedly stated.

As a result, we will be raising the price artificially. Some of this will be paid for by consumers, and some by taxpayers. the artificially-increased power price is to take the form of a state guarantee that the nuclear power plant will get as much as it needs for what it produces. the state will make up the difference that appears between the market price and what it agrees with the—by then most likely already state—nuclear power plant. in order to cause less upset, the state will also transfer another part of the increased costs on to consumers, who will pay through increased charges for circuit breakers.

When we combine all this, the costs of a nuclear power station will burden us both financially, making itself felt in taxes and consumer accounts, and morally. Neither paying tax nor paying for a circuit breaker depends on electricity consumption. You can save electricity if you want, but you'll pay the same amount. in the case of the circuit breaker, you are paying for reserved consumption, not for actual consumption. It is a clear impulse to maintain the high energy demand of the Czech economy, while innovations go in the other way, towards cost reduction and the increasing of added value, which thus shows up in the final price of the product.

The care devoted to maintaining high-energy industries also manifests itself in other ways. the Environment Ministry is planning legislation that would allow companies to compensate for the higher price of a carbon permit, which are one of the main climate protection tools. At least they ought to be, but they are already running into difficulties. A company stinks more, it ought to pay more, but the state compensates it. the law on carbon permit trading allows this to happen in a wide range of cases, and thus a system arises in which such payouts are planned every year.

The arguments are amusing: "With these companies there is a risk that the higher costs of environmental regulation will get them into difficulties, and production could then move to countries outside the EU, where it would be much less environmental. the state thus has an interest in keeping these sectors in the country." It's better if it's we who stink, because we can stink more sensitively. We'll pay for it out of taxation, how else.

https://oenergetice.cz/energeticka-legislativa-cr/mzp-navrhuje-kompenzovat-energeticky-narocne-podniky-castkou-24-miliardy

If innovations pass us by, we are doomed to stay under the curse of the more simple production and low added value that does not earn much. It is obvious to anyone that higher electricity costs, borne by employers, are in this sort of situation wage competition. It is thus remarkable that the unions support the construction of nuclear blocks, but at the same time want an end to cheap labour. the two things do not go together very well.

If both costs and wages grow, then at some time a valve has to open and let off steam. the crown may be even cheaper. Foreign workers may be even more indispensable and will begin to come from even poorer countries. if this shows up in inflation, interest rates rise, but then the state debt gets more expensive too. Once again, the ordinary citizen can be squeezed.

Even worse, the Czech Republic deserves the reputation of an environmental menace with this policy, although we try to present nuclear as a "carbon-free source". What about the nuclear waste that not only our grandchildren and great-grandchildren will be looking after, but thousands of generations after them? Fanciful ideas of a country on the way towards being one of the ten most advanced countries of the world are now only suitable for children ever younger, where Silly Jack can also be included in the story. He always outwits the others in the end, anyhow.

CHEAP HAS NO CHANCE

The pandemic has shown that the most important resilience is in supplies of healthcare equipment. in a situation where everyone wants the same thing at the same time, it cannot be bought on the world market. At the moment in question this was masks, respirators and ventilators. Masks were sewn by people themselves, without waiting for supplies from China. Respirators started to be printed on 3D printers from technical university laboratories, while other laboratories supplied filters with nanofibres. Once it was fine-tuned, they could move to industrial production. Ventilators, too, were rapidly put together from available spare parts. Next time it will be a breeze.

But what about medicines and vaccines? Do we have a chance? the answer is: in scientific terms, yes. But Czech science cannot get behind the doors of the laboratories. That is a further strategic problem.

We do not have to look hard for examples. in June the Czech health ministry temporarily permitted the use of one of the first several foreign drugs to show effectiveness in tests on macaque primates. the American drug Remdesivir, produced by Gilead Sciences, started to be supplied to two teaching hospitals. the company's name is not unknown in the Czech Republic—it was the workplace of Professor Antonín Holý, helping him to get to market his antiretroviral drugs used to treat HIV and a number of other viruses. Professor Holý found his formerly unknown American partner when companies better-known in the then Czechoslovakia and elsewhere in the world refused to help him with expensive drug research.

In terms of a vaccine, the situation is slightly different—the government has now decided to support domestic research using the traditional technology of inactivated virus. A dispute flared up among scientists as to whether this made sense, since the body might not react to dead coronavirus at all, and vaccination would then be of no help. if it did help, however, it would be fast, fairly cheap and would not involve waiting in a queue with lots of other countries in need.

Cheap, did we hear? That may be one of the most serious barriers…

I had the opportunity to discuss a similar issue with another distinguished Czech scientist, who works in the field of anti-cancer drugs, also hardly a fringe matter. When I looked into it, it seemed to be pharmaceutical research into what is attacked by "the cancer of money."

What took me to the scientist were astounding reports of Czech research into a cheap and revolutionary cancer drug derived from vitamin E, which attacks the tumour via the mitochondria. This means the cancerous tissue is effectively choked, and is unable to breathe, as it were. At the time I was writing science columns for Literární noviny, and so I set out to interview Professor Jiří Neužil, the discoverer of these possibilities for molecular treatment.

In the summer he can be found in the entirely new scientific infrastructure of the BIOCEV programme of the Biotechnology Institute of the Czech Academy of Sciences in Vestec on the outskirts of Prague, where some of the building took place with the income from Professor Holý's patents. As soon as the academic year starts in Australia, however, Professor Neužil leaves to teach at the Faculty of Medical Sciences at Griffith University in Southport, Queensland. This is the way his life turned out, and so he regularly commutes here and then down under again. This is what he told me:

Our work has resulted in the finding that modified vitamin E (vitamin E succinate) kills cancer cells. This brought us a number of interesting scientific articles and got us into a better group of scientific researchers. Awareness of our work in wider academic circles started to grow. However, we came up against a problem that exceeds our laboratory's capabilities. the problem lies in the fact that the substance is known and described. Its anti-tumour effect was not known, but that can't be patented. And above all, the substance is cheap. in a situation like that it's hard to find an investor willing to put money into it and get it to the drug phase.

On the other hand, your scientist's heart must be leaping with joy that the knowledge is available and can serve the whole of humanity.
Yes, but someone with money has to take it on, so that it can go through all the necessary steps on the path to becoming a drug. And it's a long path—pre-clinical trials, then clinical phase one, two, three, four. Then registration. It takes five or ten years of effort, and you need billions of crowns.

The state budget might be able to cope with that.
Billions are a lot. But when I read how much a kilometre of motorway costs, and then they often say that it's inflated, I say to myself—if it wasn't inflated and the money saved was given to research… I'm not saying that we'll solve all tumour problems, but we'll get somewhere

Now you're describing a situation where the market is failing. But there'll be the huge utility value of a widely-available drug. Things like that should be paid for our of the budget and grants.
There's no patent, no one wants it, that's how it works everywhere. the Czech Republic is no exception. Maybe it's an exception in terms of motorway costs, but it's not an exception from the point of view of drug testing and the way it's financed. I know it from Australia and the US—it always has to be taken on by a private investor. I don't know why it's like that. But that's the way it is, and there's nothing we can do about it.

And that is the experience of Professor Jiří Neužil, head of the Molecular Therapy Laboratory at the Biotechnological Institute of the Czech Academy of Sciences in the BIOCEV centre for biological research at Vestec u Prahy.

For those who don't spend as much time at the electron microscope, it may be worth adding an explanation—mitochondria are small organelles that can be found in every cell, and their job is to transfer energy. Without them, the cell dies. How this mechanism evolved is a matter of dispute—it may be from the symbiotic connection of two organisms that stood at the beginning of more complex forms of life with a cell structure.

The important thing is that even a mitochondrion has a fairly complex structure, including an outer membrane with which it shuts itself off from its environment, and an inner membrane around the core. the substances discovered by Professor Neužil's team will pass through the outer membrane, but then come to rest on the inner membrane, held there by opposing electric charge. the substance thus guides itself to where it is supposed to be, while avoiding healthy cells, unlike ordinary chemotherapy. It can also be concentrated in the target mitochondrion, which would increase the healing effect.

I would give Professor Neužil the Nobel Prize for this, but my influence does not reach that far. Still, I can at least report on what is taking place in the Czech laboratories focused on fighting one of mankind's most pernicious diseases. And how powerless they are against the cancer of money that is eating away at science and healthcare. More precisely, those who suffer from cancer are those who have it, and those who suffer from money in healthcare and science are those who do not have it.

LESSONS FROM THE CRISIS

For those who were not on the frontline, the state of emergency meant above all restrictions, but also being wrested out of their routine, a break from their usual worries. This could be used for thought—about all the places where we have essentially asked for this troublesome pandemic, and what lessons to draw from it. the pandemic did not fall from heaven. It is the result of our whole world being weakened.

It is weakened in many ways. There are changes in climate, which have also brought fever to the landscape and cities. This year's record spring temperatures were overshadowed by the pandemic, and may have curtailed its spread, but once lockdown ends, our worries concerning heatwaves, storms, floods and drought will all return.

Our energy production is also sick, and not just in the Czech Republic. Over-centralized systems have a huge amount of internal consumption, partly just because so much electricity changes into heat in the long wires and is lost to the air. Further development of the transmission network will merely deepen these weaknesses, because it will adapt itself to the construction of further nuclear blocks in Dukovany and Temelín.

The government may have approved a blueprint for building "smart networks" for the needs of the coming decentralization of energy, but it pushes the centralized model far harder. the Czech Republic's national climate and energy plan only allows for a three percent increase in the share of green energy by 2030, to 16.9 percent. Everything else is to be managed by nuclear. This means the country will acquire a huge permanent source that for the next sixty years will make it impossible to reduce energy consumption, unless we decide to get rid of the excessively expensive electricity via electrodes into a pond somewhere.

We shall see if the virus cools our enthusiasm somewhat, now that we find that even during the harshest epidemics these power stations need to have the necessary number of healthy specialists, even if they have to be locked up there for a year. This is a further limitation of which we are not yet too aware. Let us not forget, either, the risk of insufficient cooling water, once our rivers—as the Labe has done, repeatedly—start to dry up in the summer heatwaves. Power stations in the Czech Republic use approximately as much water as all the households put together.

Recently I made a television documentary about the way in which new technology can help us protect the climate (including flexible manufacturing systems with artificial intelligence). I thus gained a large amount of information on the potential for renewables in the Czech Republic—for example that in geographical and cultural terms, the Czech Republic is like southern Germany. Why, then, could wind energy not be used in the Czech Republic in the same way as there? Even if we include the limitations that the Germans also honour—that, for example, windmills cannot be installed everywhere because of the character of the landscape—we still have the potential to produce 10 to 20 percent of our electricity from wind. There are enough windy place where electric current can be gained for 1.50—2.00 Kč/kWh, says David Hanslian of the Institute for Atmospheric Research of the Czech Academy of Sciences.

https://www.hnutiduha.cz/aktualne/vetrne-elektrarny-loni-pokryly-15-spotreby-elektriny-v-eu-ceska-republika-nadale-zaostava

It is the same with solar energy, the use of which is starting to focus not only on roofs, but also on agrivoltaics, in other words coexistence with agricultural production. This may take the form of vertical semi-transparent panels at distances sufficient to allow a tractor with agricultural machinery to drive between them. They even have a positive agricultural function—in some places they help to provide shade for more sensitive crops, while elsewhere they function as windbreaks and reduce evaporation from the soil.

https://oze.tzb-info.cz/fotovoltaika/19000-agrivoltaika-reseni-pro-nova-solarni-pole

The world finance system, too, is riddled with a disease that has increased its proportions to monstrous size and is swallowing an ever-greater share of total product. During the pandemic it found itself on the edge of collapse, with a one-day fall in the American stock market index S&P500 of almost ten percent reminiscent of the Great Depression of 1929.

One of the cruel weaknesses of the Czech Republic is its excessive dependency on foreign cooperation in areas where it is unnecessary. At the same time the conditions are set so that this mistake pays off—although only to some people, while the others divide the disadvantages between them. the most flagrant example of this is agriculture, which in 2019 made record profits despite the drought, the continuing devastation of the soil and the predominant production of basic foodstuffs that are then processed abroad.

Agriculture Minister Miroslav Toman is aware of this, but it is questionable how much he can achieve in an environment of powerful interest groups that are used to this state of affairs and benefit from it. This is what he said during the coronavirus crisis: "Hopefully people are aware now how important this country's agriculture and food production is. They are strategic sectors, to which we need to give sufficient support."

I would support it, but with an important addition. Right now, we should do everything to keep it going. But in the future there are a lot of things that need fundamental change. the first is the system whereby subsidies are tied to the area of land. This is an absurdity that blindly finances the murder of the soil, with chemicals squeezing out all the organisms and the soil becoming nothing more than substrate for mineral fertlilizer and pesticides. the second is the support of the biggest agricultural producers, who are oriented towards the export of basic foodstuffs and deprive us of the potential of added value and local food self-sufficiency. the third is the nonexistence of systematic support for the local economic cycle. Above all there is a lack of financial resources, a consulting network, links with research, and support for pilot programmes during which everyone can learn what to do. Not to mention the lack of land for community needs.

We thus need not only a vaccine and drug for Covid-19, but a number of vigorous economic changes, the need for which the pandemic highlights in a particularly contrastful way—like a warning on the motorway that you are heading into the wrong direction.

VISEGRÁD AND THE GREEN TRANSFORMATION

The economy might suffer a far greater blow than we expected. the EU is planning renewal on the basis of solidarity and green transformation. the prime ministers of the Visegrád countries thus held a coordinating meeting in Lednice in Moravia before talks on the European budget and the Renewal Fund, since things were not developing as they would have liked. of course, we are right, but no one else wants to learn from us. And to add to that, we learn that according to the OECD the Czech Republic will be one of the greatest economic casualties of coronavirus. This may shake the foundations of Prague's previous economic strategies.

If the worst were to happen and a second wave of the pandemic were to come, the Czech Republic would lose 13.2 percent of its economic output. But even without a second wave it would be almost ten percent, according to the OECD. This harsh forecast comes at a time when in most of Europe the pandemic is over and life is returning to normal. Joy at the fact that the pubs were reopening and that we would be able to go to the football and theatre again was short-lived. According to the OECD the second quarter was to be even worse than the first one. All forecasts contain not only sophisticated statistical models but also a degree of crystal-ball reading. Should we take it seriously, or did the OECD just happen to read a figure in the ball that was twice as high than that which was read by the World Bank, for example?

Don't take it seriously, advises the winner of the Nobel Prize for economics Robert Shiller. Don't believe statistical analyses in such an exceptional situation. Let us look to history for lessons, such as the period of the Spanish flu a hundred years ago or the Great Depression 90 years ago. It is not only about the economy, but also about politics and the risk of great polarization. Fear enters the game and forces households to be careful in their spending, leads governments to protect wages and attracts society towards radical social solutions.

Attention is beginning to be drawn to the fact that lockdown has allowed us to concentrate attention on something that might otherwise escape the media buzz. Suddenly we are more deeply aware that there are several crises—globalization out of whack, the climate, social inequalities, revolutionary technologies, indebtedness. the course may be even harsher, as shown in the United States, in which a storm of protests against racism and police brutality has arisen. It is shocking to find that people all over the US have to take to the streets and be beaten by the forces of law and order for it to be clear that "black lives matter".

Europe, too, faces difficult times. Work is being finished on the European Union budget, which this time will be based not only on the usual seven-year medium-term financial framework, but also on a four-year plan of renewal after the coronavirus crisis. in the coming years it will thus be practically twice as large. However, the idea that we will receive twice as much is an illusion. the final budgeting will take place during the German EU presidency, in the second half of 2020. This was preceded by a French-German agreement that the renewal should reduce inequality between the north and south. the European motor also agreed that the budget should support climate and environmental goals, which once again may cause arguments between east and west.

The Czech Republic placed itself between two fires in wanting to be against both solidarity and renewable energy sources.

The east wants new nuclear power stations to be considered a reliable emission-free source, while Germany wants to be completely nuclear-free at home in two years' time. It will not thus come as a surprise if green subsidies completely pass nuclear by.

Levelling the differences, meanwhile, is aimed at the high level of unemployment in the Mediterranean countries, and that would mean giving priority to the south. Two thirds of the 750 billion euro Renewal Fund that has been created for this purpose is to consist of grants, in other words non-returnable subsidies. the programme is backed by the governments of the whole EU. Future developments will show how much we will pay for it.

Seen through the eyes of Czech prime minister Andrej Babiš, the Czech Republic is in a tight spot, because costs for European financing are growing, while the outlook for European support for nuclear is diminishing. Other European sources are also to be less available to new member countries. Babiš believes the Czech Republic will thus be "punished" for managing to ensure full employment, and even suffering from a lack of labour...

If the horrors forecast by the OECD are confirmed, however, looking back at past years will not help the Czech Republic much. It might end up regretting its attempt to undermine the solidarity tools. It would also be a mistake to avoid the climate programmes, for which there are large amounts of money on offer, and to whinge that we did not get anything for nuclear, which is rejected by most.

By contrast, at another virtual meeting of the V4 and Austria the attitude of the central European countries towards energy policy was criticized. A webinar organized by the joint platform V+RE brought together four Visegrád associations for renewable energy with their Austrian colleagues. We learned that the united front of the Visegrád countries as a break on the development of renewable energy sources was coming unstuck, because a number of individual policies, such as the Czech Republic's New Green Light for Saving and Poland's regulations, and above all the price development of investments in solar and wind energy, were attracting private and industrial investments. the international webinar was organized from Prague and around a hundred people took part, according to Jan Doležal from the Czech Chamber for Renewable Energy Sources (KOZE).

The main goal of the debate was to present an analysis made by the joint platform comparing the low levels of ambition shown by governments with the actual potential of the Visegrád Four plus Austria (V4+). in Austria's case, however, this is because the National Action Plan for Climate and Energy was drawn up by the interim government, which did not want to enter into major commitments. the programme of the new governing coalition of conservatives and Greens is much more ambitious, and so the national plan will be revised.

Austria, which has long rejected nuclear, may realistically manage to make all its electricity from renewable sources by 2030. And yet only 15—20 years ago Austrians used to hear from their leaders that the wind didn't blow there and the sun didn't shine enough, as Ada Ámon, leading expert at E3G (a think-tank for "third-generation electricity") says.

In the Czech Republic they are still saying this about the sun and the wind. According to Martin Mikeska from the Chamber of Renewable Energy Sources, the Czech national plan massively underestimates solar sources, the share of which could in reality double by 2030 to reach 28.2 percent. Wind energy could go up by three times, even though that is still very little. Support for investments into new renewable energy sources can be covered by the revenue from emissions permit trading. Meanwhile, the government's ideas about the share of burning wood chips in large power stations will come up against the boundaries of sustainability when the wood runs out after the bark beetle calamity.

In Poland the regulatory conditions have improved a little, and so an initiative has grown up independently of the government out of cooperation between the private and public sector. It should result in the building of solar and wind capacity by 2030 with a peak output of 3.2 gigawatts. Monika Morawiecka, director of strategy at Poland's largest energy company, PGE group, says: "For many years we told ourselves and the surrounding world that we couldn't afford renewable energy. Now we can't afford not to invest in renewables."

In the Slovak national plan, however, the numbers are somewhat out. Future energy consumption there is exaggerated, in contrast with all the trends in the surrounding world, and the potential of renewables is underestimated. if a more realistic denominator is used and we examine the wider possibilities of solar and wind energy, batteries and hydrogen-powered electromobility, the country is able to achieve a share of 25.6 renewables. This would be two percentage points more than the Czech Republic offers. Ján Karaba, director of the renewables association SAPI, says: "The technology of renewables, above all wind and photovoltaics, is beginning to compete in price with conventional energy sources. Instead of relying on expensive nuclear energy, Slovakia could make use of a unique opportunity and draw up realistic plans for the development of energy sources favourable to the climate in combination with electromobility."

WIND IN YOUR POCKET

It's not windy enough in the Czech Republic? the country could cover 10 to 25 of its energy consumption with windmills, according to a specialist from the Institute of Atmospheric Physics of the Czech Academy of Sciences. if we were to go by Czech political announcements, however, there is zero room for the development of wind energy here, although elsewhere in the world it is the fastest-growing source, now beginning to successfully compete with thermal power stations.

The agency Bloomberg NEF, which covers new technologies and renewable energy sources, reports that the key world indicator of complete energy costs, the LCOE (Levelized Cost of Electricity) for mainland wind and photovoltaics has reached values of 47 and 51 dollars per megawatt hour. From the point of view of wholesale prices, in 2019 these sources thus became competitive in California, China and parts of Europe.

https://www.renewableenergymagazine.com/panorama/bnef-solar-and-wind-reach-parity-with-20191029

This was helped by a further fall in the price of wind turbines by 7 percent in a single year. in the case of solar power stations in China investment costs fell by as much as 11 percent in six months, going up to 57 American cents per watt of installed output. There it was the result of a fall in demand, but elsewhere it was an exceptional opportunity. According to BNEF estimates, the cheapest photovoltaic projects in India, Chile and Australia could reach an LCOE between 27 and 36 dollars per megawatt hour. the best mainland wind power stations in Brazil, India, Mexico and Texas could even bring down the price of electricity to 26—31 dollars per megawatt hour.

I tried to compare this with prices on the PXE energy market in Prague. the July price there is 33 euro per MWH, but in the fourth quarter the price is to return to 40, and contracts for the year 2020 were slightly above 45 euro. in a certain sense it is a signal of the expected end of the coronavirus crisis. in dollars it would be 13 percent more, which means in July over 37 dollars and in two years' time over 50 dollars. We should thus take seriously the outlook for parity for the most significant sources of renewable energy.

But it's not windy enough here, is the required answer to any sort of tiresome activist agitation. That, however, is not true. "*We have very similar conditions for wind power stations to those in the southern half of Germany, if we compare wind levels and the character of the landscape. Despite this, we do not make use of even a tenth of the wind power that they do there*," according to Dr. David Hanslian of the Institute of Atmospheric Physics of the Czech Academy of Sciences, presenting the study Update on the Potential of Wind Energy in the Czech Republic in 2020

David Hanslian joined the Institute of Atmospheric Physics in 2002, and since then has focused on estimating the realistic potential of wind energy. First he produced a wind map of the country in 2007, which he then used to make his first estimate of potential in 2008. Since then he has produced regular updates. From these can be gauged both the theoretical potential and the realistic scenarios, this year put forward in two variants—conservative and optimistic. the conservative scenario assumes that it is possible, but that not much help will be forthcoming. the optimistic scenario is based on an active interest in overcoming possible hindrances, as is usual in Austria, for example. Even if only the conservative scenario is implemented, by 2040 it would be possible to cover approximately a tenth of current electricity consumption (in other words around 10 percent of 70 TWh). Under the optimistic scenario it could be just under 30 percent of consumption, even. Hanslian is not overflowing with optimism, and so he personally reckons with a share of between 10 and 25 percent of consumption. That would get us in twenty years to where Germany (26%) and Austria (13%) are today.

The natural conditions in Austria and southern Germany are the closest to what we have here. That is not insignificant, not only from the point of view of potential but also context. Energy in the EU will become more and more integrated, and will flow through our territory, as it does today. if we add to this our smaller, conservative-scenario contribution, it ought not to be a problem. the author puts it in slightly more expert terms:

"*The integration of wind energy produced here, if the electricity system is functioning efficiently, will not represent any sort of significant burden, and the international context will be entirely decisive. the Czech Republic's role will consist above all in (and already does consist in) the degree to which it will contribute to the integration of wind energy on a (Central) European scale, partly through providing flexibility and partly through providing capacity for the long-distance transmission of electricity over our territory.*"

One of the specific characteristics of wind energy is that when it is very windy, there is a lot of it and the price goes down. At the same time it depends quite a lot on how windy it is in northern Germany:

"*With the integration of energy markets, it is not and will not be of decisive importance for the integration of electricity from Czech windmills the amount produced by other windmills on our territory, but their correlation with the amount produced by windmills in northern Germany (or in general to the north and north west of the territory of the Czech Republic). At a period of high production from windmills in this region, production from Czech windmills is also higher on average, and vice versa, which (slightly) reduces the market value, or makes the integration of wind electricity made in the Czech Republic (slightly) more difficult, regardless of the share of domestic windmills.*"

So even if we end up with the conservative scenario and our share is small, the task of integrating wind electricity into the system will be great, because it is about integration of production from the whole region. the optimistic scenario for the development of Czech wind power is understandably more demanding:

"*Realizing the optimistic scenario (approximately 30% of current electricity consumption in the Czech Republic) depends quite a lot on future development in the field of technological development, the structure of the Czech and foreign energy system and the degree of interconnectedness with other countries—physical, trading and political. Not even in this scenario will the integration of wind power produced in the Czech Republic probably be a limiting factor, but issues connected with it will play a substantial role (...) the Central European (or European-wide) context will probably in this case too be a more significant factor than the actual realization of wind power on Czech territory.*"

We will thus have to adapt ourselves to wind even if we try to avoid it. But we probably won't do that, on account of the price development about which we talked in the introduction.

The study by the Institute of Atmospheric Physics was prepared for the Czech Society for Wind Energy (ČSVE) and the Chamber for Renewable Energy Sources (KOZE), and was presented to journalists at a press conference with their representatives. the press release included the following two quotations:

"The greatest barrier to the development of wind energy in the Czech Republic is the lack of support for it from the state. Renewables are still considered a sort of addition, a hobby, which Brussels wants us to develop. That is a basic misunderstanding—the wind and sun today produce the cheapest electricity of all newly-built sources," ČSVCE chairman Michal Janeček said.

"*Wind power stations are a kind of symbol of modern renewables—they are the most visible, and together with photovoltaics they have huge potential almost everywhere in the world. Here, however, we still underestimate them. the state should view domestic renewables as its main priority, and should devote most of its effort to their future development. I currently have the feeling that because of all sorts of support for nuclear, it does not have the energy to do so,*" Štěpán Chalupa, chairman of the Chamber for Renewable Energy Sources, said.

He added something else important: "*The state can pay the costs of the construction of wind power stations from the sale of emissions permits, and from the billion crowns that is now available to us in European money under the Green Deal.*" Moreover, this may be money for people: "In Belgium, Germany, Britain and elsewhere there are thousands, maybe tens of thousands of renewable sources jointly owned by communities, entrepreneurs and citizens."

A POOR CURRENCY DIET

We need more types of money. What we have now is an unhealthy monopoly of a certain type of money, created by the commercial banks exclusively out of debt, and that is an awfully poor currency diet. A varied and diversified currency ecosystem is the lifelong interest of currency innovator Bernard Lietaer. He has written about it in a book he co-authored with Stephen Belgin, *New Money for a New World*. the second edition, published in 2011, includes experience gained from the financial crisis of 2008. But the fundamental lesson is historical—the economy and society have done best at times when, in addition to money for long-distance trade, backed by gold or silver, there were also complementary currencies issued by local princes and governments of a lower level, which were usually backed by real production. Their task was to connect an unused resource with an unfulfilled demand.

Egypt, for example, the longest continuously-functioning civilization in the world, left a trace of this practice in the form of millions of potsherds with records of accounts. They mostly contain data concerning corn given over to the temples, which served as public storehouses for the needs of the state reserves. Records of the stored corn then functioned as a means of payment, bills of exchange, as it were. What was important, however, was not just the information concerning the quantity, but also the date of storage, because covering the cost of storage was taken into account. the value of the bill of exchange thus fell over time. the later the corn was picked up, the less of it there was. the sooner the proof of storage was used as a means of payment, for example to someone who could prove to them that he had fulfilled his duty of handing over reserves, the greater value it had.

Time-based deductions are today called *demurrage*—it is in fact negative interest. Negative interest again became a common phenomenon after the financial crisis of 2008—9, from which interest rates have practically never recovered. Lots of people get angry at the fact that they deposited money and had to pay for it to boot... Negative interest may not suit the need to store wealth, but it is an excellent tool for speeding up money circulation. When that circulation can be kept in a place where local needs are satisfied from local sources, there is a multiplicatory effect from such fast-footed currency. the effect is the same as if there were much more money there.

In mediaeval Europe time limits were sometimes put on means of payment by a ruler having new coins struck from time to time. During the Great Depression in the 1930s, complementary local currencies grew up, the value of which had to be added to after a month by adding a stamp to them. Once again, the point was clear—they served to speed up circulation, not to amass wealth.

Today we have money that serves only to amass wealth, as we can from time to time see in the statistics put forward by Chuck Collins from *Inequality.org* or Thomas Piketty, Gabriel Zucman, Joe Stiglitz and other heterodox economists. Debt money does not come out of anything, but with a mere record of credit in a bank it forces interest to be paid. It thus leads to overly short-termist economic thought, and stimulates illusions that endless growth is possible.

We lack other types of currency, a complement to the system that increases the availability of work by making money circulate faster and mediate contracts more often. if this complementary currency does not require a commercial interest rate, it will fundamentally change people's behaviour. They will not feel the weight of a growing commitment and will have space for longer-term thought and visions that do not lose value from the point of view of the future.

This loss of value from the point of view of the future can be easily seen in a simple example. Let's say we live somewhere with a ten-percent interest rate (to make it easier to calculate—we don't want to have to bother with decimal points). This means that a hundred in the bank today will by next year be ten crowns greater. This mechanism also works in the opposite direction—a promised hundred in a year's time is only 91% of a hundred in the hand today (this is called a discount). in this situation it is tempting to think that if there is something expensive that I ought to do today, for the climate for example, then I might be better off leaving the task to my children or grandchildren, since by that time it will cost hardly anything.

That, however, is stupid—our children and grandchildren will not be interested in our current price level. They will have their own, much more expensive one. They will be more interested in our irresponsibility or short-sighted reliance on a bad currency system. But what has brought us to that stupidity is the charging of interest on the present and the discounting of the future. Charging interest on money is thus misguided from the point of view of long-term plans.

The possibility of using complementary currencies that do not serve to store wealth, but thanks to negative interest serve mostly to speed up circulation and create new job opportunities, is something that we should bear in mind when considering what to do with our current debt. When the lower house of the Czech parliament was debating the course of the coronavirus crisis at an exceptional sitting, deputy prime minister Karel Havlíček said the cost of support programmes would exceed a billion crowns. Something will come from the government, and something from the banks, but it will have to be paid. What from? And when?

Some scenarios exist, but the idea that the economy will rapidly return to its former performance and everyone will find jobs again is one that may not come to pass. the weakening economy may provoke a shortage, which has in history always been dealt with by increasing prices and interest rates. It may thus be all the more valuable to stimulate at least part of the economy by the use of complementary currencies, which at the same time will get us into shelter and out of the reach of debt.

A complementary currency facilitates an economy that works on principles of mutuality, because it presupposes a deliberate attempt to boost circulation in the place. if I buy local, and also pay in a local currency, the seller has to continue the effort as well. Food, energy, accommodation, and many services, such as transport, all form part of a consumer basket that can be filled locally. This is not something that can be dictated—people have to want it, because it offers more possibilities of survival than if they waited for social security and benefits.

Lietaer says that in our current economic thinking we show a lack of need to balance some opposing characteristics, as expressed in Asian cultures by the mutually complementary forces of yin and yang. It is this "mutually complementary" that is important. We have a tendency to judge things in the tradition of Aristotelian logic with its linear dependencies (if I do A, B will happen). in reality, however, the world is different, being full of cycles and feedback loops. the real state is thus better perceived in holistic terms, which in the Asian tradition is "tao".

Lietaer sees the greatest mistake as lying in the lack of balance in the economic system from the point of view of efficiency and resilience, the ability to earn and the ability to withstand shocks. With the switching off of the world economy just now, we ourselves have seen how output has suffered and how the underestimation of self-sufficiency weighed on us, together with dependency on others. Complementary currencies that aid self-sufficiency thus also help to solve a strategic problem.

WHAT HAPPENS NEXT

Even during the worst phase of the coronavirus pandemic, when in addition to deaths, economic statistics close to a state of war began to mount, the public debate started to look further. After initially being deafened by panic and fear of the unknown, we are beginning to think about what will happen next.

In additional to the official economic teams for rapid recovery, in which, I was pleased to note, the left is well represented, the subject of the post-pandemic future is also being discussed in non-government circles. the idea is gaining ground that coronavirus has revealed the weaknesses of hyperglobalization and a blind orientation towards profit and endless growth. Are we being given an opportunity to get out of this?

This is the question asked by Naďa Johanisová of Mendel University, although only in the last few lines of a more extensive article in Deník Referendum:

"Can coronavirus save the world? in a certain sense, yes. if we take this crisis as a lesson about what doesn't work, and a chance to change direction. in addition to attempts to limit economic expansion based on fossil energy, this also concerns support for economic localization, which I hope will grow significantly in this country, too. Shortening production and trading chains, taxing aviation fuel, supporting local production for local consumption—these are just some of the strategies available.

On the micro-level, initiatives such as community-supported agriculture, gardening and farmers' shops as well as community currencies will then be appreciated even more for their numerous benefits, which include greater local resilience and the chance of more dignified survival in the event of further destabilization of the fragile global system.

Local councils, for example, will be able to get involved substantially in initiatives supporting a local economy. of key importance are mutual contacts and international exchange of experience. in the Czech Republic something like this has been started by the National Network of Local Action Groups. Let us thus look into the future with hope, and try to see the crisis as an opportunity. On the personal, local, work and nationwide level. It depends on us, too."

https://denikreferendum.cz/clanek/31007-muze-koronavirus-zachranit-svet

Anyone interested in a more detailed examination of this can find a number of works by Johanisová on social enterprise, local currencies and similar subjects. Together with Lucie Sovová and Eva Fraňková she contributed a superb chapter to the weighty Handbook of Diverse Economies, published by significant international academic publishers Edward Elgar Publishing. They score highly in this contest of major economic figures who are attempting to break through the barrier to the mainstream with a more diverse view of the relationship between work, society and the environment.

https://www.e-elgar.com/shop/gbp/the-handbook-of-diverse-economies-9781788119955.html

The three Czech authors take issue with the narrow definition of social enterprise put forward by the European Commission (after pressure from below). All the definition does, in practical terms, is to paper over the social holes that are overlooked by the maximizing of profit at all costs. A typical social enterprise as seen by the EU either employs the unemployable, and then sells something to people who want to support it, or it is a cooperative for providing social services. However, ethical goals and the prioritizing of social capital ahead of financial capital is not something that needs to be limited to people on the fringes, handicapped people, people with few chances.

The Czech authors look for what constitutes an "ecosocial enterprise", and judge it according to five criteria, on a scale. in addition to the usual ones, such as having goals other than profit, using profit to renew nature and the community, and being democratically owned and administered by local people, they add "rootedness" in place and time (responsibility towards heritage and future generations) and the possibility of non-market production, exchange or supply.

This last criterion is particularly important. the local production of food cannot be measured against the global competition. the logic of nature has to enter the game, and that demands that cows live on a local farm and that their manure return life to the soil. the community has to be able to agree on the rules that allow local farming as a functional system, not just as a smattering of elements that destroy each other in a pointless zero-sum game. Because then they will all end up destroying each other and we will be left with foreign hypermarkets and imported junk.

Part of the ecosocial enterprise mentioned above is space for the introduction of complementary local currencies. One such project is currently being studied in the Opava region. We also have the example of the functioning Swiss complementary regional currency WIR, which has operated since 1936 and supports cooperation between local small and medium-sized enterprises. Central banks tend to have a hostile view of complementary currencies, but in practical terms they can only touch money of the "fiat money" type, put into circulation through creating credit. Money derived from barter (LETS) or work ("hours") is tenable.

Money of the "hours" type was common in self-help building cooperatives, where each member was required to work a certain number of hours a month—let's say a hundred, but it also depended on how specialist the work was, reflected in a coefficient. an electrician or plumber could have a coefficient of 3, and so they would only have to work 33 actual hours. Not being able to offer anything very specialist back then, I had a coefficient of 1.2 or a little more. Sometimes I didn't have time to do the work. I thus hired an unskilled labourer to do the work instead of me, and I paid him 25 crowns an hour, which I earned as a television presenter. As can be seen, our cooperative currency fulfilled all the currency functions—a measure of value (differently valued work), a store of wealth (a cooperative flat was built) and a tool of exchange (I exchanged my time in the television studio for time on the building site).

The greatest authority on complementary currencies, Bernard Lietaer, who unfortunately recently died, draws attention to further fundamental characteristics of currencies that are not created from interest on debt in the bank. Money of the LETS type is created when demand meets supply. if I am successful in offering something into this system of direct exchange (barter) and it is rewarded with a number of LETS, a claim in LETS arises. As soon as I find some sort of countervalue in the system, in other words I spend my LETS, the claim is extinguished along with the relevant amount of LETS. Currencies of the "hours" type work in a similar way—I offer something in the form of work for a certain number of hours, and against that I now have a claim for work for me. When the system generates something that I need, my claim is extinguished. It is of course essential that the values or activities supplied and demanded should complement each other. This means there needs to be a coordinator, or even better, the systematic organization of a community or cooperative business.

http://www.lietaer.com/

Lietaer gives priority to stimulating the speed of circulation, and suppresses the function of wealth storage. This can be achieved through negative interest, which means people prefer to speed up an exchange before the interest takes away part of the value. the money then circulates faster, and each time it turns the wheel of local business. the author points out that a complementary currency also creates more balance in the system. Currency on which interest is charged in the standard way pushes us towards short-term profit and diverts attention from the context, which does not then make itself felt until there is a catastrophe, whether economic or natural.

If we perceive a well-ordered world as a harmony of opposites, then we have to balance money on which short-term interest is charged with long-term money on which no interest is charged. Money arising from a competitive struggle has to be set against money that comes from mutuality and cooperation, and concentration of wealth has to be set against solidarity and the needs of the community.

Lietaer says that currency systems should be diversified, otherwise we will end up with a fragile and vulnerable monoculture. As an example he gives a monocultural forest that was sown instead of a chopped-down natural forest. the monocultural plantation then becomes a paradise for pests to multiply in and the forest dies, dries up and burns. As well as the need for diversification, Lietaer also reminds us of the need for balance. the national currency is usually based on the male principles of battle and dominance, while the complementary currency is based on the female principles of care and renewal.

In September the international conference Partnership for Social Enterprise took place in Prague. It confirmed that knowledge and keenness are in plentiful supply, but that there is still something holding things back. There was an interesting new recommendation from the European Economic and Social Committee that steps should be taken to enable enterprises with goals other than return on capital to have a meaningful existence. Instead of that they prioritize the interest of their employees, suppliers or the community (stakeholders) and set themselves social goals. At the same time, they are organized like cooperatives with voluntary and open membership, and are governed by principles of economic democracy.

https://dmsearch.eesc.europa.eu/search/opinion -> European legal framework/social economy enterprises

Such enterprises do not attempt to maximize short-term profits, but to ensure long-term sustainability. the surplus is then invested in the creation or preservation of jobs, into a selected social goal and to a lesser extent divided among the members.

That, however, is the problem. in European law social enterprises hang in a vacuum, being considered neither profit-making nor non-profit-making. This ties their hands—either they are not allowed to want anything, in which case they will receive support, or if they do want something, they have to eke out an existence at their own cost. the EHSC's recommendation is that a further concept be added, that of "limited profit" for enterprises whose goal is solidarity and the public interest. in addition, European support for cooperatives and social enterprises should be coordinated, and the relevant European support tools should be created for them.

We already have one such tool, although it is considerably more widely oriented—the European social fund. Last year the fund provided support for, among other things, the project the Suburb Startup Guide, a handbook for the revival of economically-depressed city areas by reviving abandoned small shops and other premises.

https://ec.europa.eu/esf/transnationality/TCA-506

There does not usually tend to be much money available for things like this—they require technical support and a large amount of consultancy, and thus money from the European Social Fund has been used to create a handbook showing how to find one's way around this new environment.

The project's partners include a Spanish coworking network, a concrete attempt to revive small enterprise in Antwerp, and a Bulgarian association of cultural centres with a cooperating network of "investment angels" (small-scale individualized risk capital). From this it is clear that a partial answer can be found in an orientation towards traditional crafts and tourists, but the direction can also be more contemporary, characterized by local capital, decentralization and sharing.

In the autumn we thus experienced a phase of ferment, we could feel things bubbling, but the hopes are still awaiting materialization. if a change is to happen, however, a lot of people are prepared to ensure it is not for the worse.

A CHALLENGE CALLED ESOP

The European Federation of Employee Share Ownership is calling on governments to support a model aiming at a more democratic solution to the economic crisis. This model is not new, but the opportunity for implementing it is.

As we mentioned above, the OECD's regular economic outlook contains a devastating report on the impact of the coronavirus crisis in the Czech Republic—the country is set to be the fifth most threatened of the developed economies. It is not surprising that if we were to be hit by a second wave of the pandemic in the autumn, Czech GDP could fall by more than 13 percent. No one is of course claiming that the OECD can read the future like a book, but it is a strong warning and should not be taken lightly.

An economic slump can be translated into ordinary language as people losing their jobs and getting into debt. Executors will begin to hover over the house. the children will leave all their after-school activities. They may still get lunch in the school canteen, but there won't be much at home any more. Scouts will use their skills when moving into the countryside. What is left of the economy will be bought up cheaply by strong foreign groups, and we will have a repeat of the wild 1990s, squeezing out the property that still remains, so that of the great plans and markets only decaying buildings are left, offered at fire sale prices.

That is a little on the scary side—it doesn't have to end like that. We have hundreds of billions in aid from the state. the way in which it is used is important, however. Some of it will be spent, because we have to live, a lot will go towards public investments, but even these may not balance out the great fall in demand. Domestic companies may fall like ripe pears if no one gives them effective help. How? the European Federation of Employee Share Ownership is reckoning seriously on employee participation.

The federation has appealed to governments to support employee ownership participation in the form of ESOP employee share funds. This is an old American idea from the days when a social state was still being built there, but real life has confirmed its strength, since 14 million employees are currently involved in such programmes in the US, in other words every tenth employee. Indeed, there are more employee shareholders than there are union members.

The EFES has now created an ESOP model adapted for Europe. It contains a number of variants, so that it can be used on the basis of existing laws, if need be. the relevant study is available at www.efesonline.org/corona, where there is also a discussion of experiences and the appeal to governments.

The most recent appeal dates from June, but it was first heard in April: Increasing attempts are being made by governments to save companies that have found themselves in difficulties during the pandemic with insolvency or excessive debt. They are receiving grants, subsidies, loans, capital investments, and even nationalization is being considered. However, all this aid is focused on existing shareholders. A significant proportion of these costs could be used in a more effective way, if it focused on the employees and allowed them to become shareholders in their companies. the company could use the aid being made available to it and put it into an employee share fund set up for the purpose. This would buy the shares of the threatened company, maybe even 100 %.

What would the point of this be? Companies have serious liquidity problems, and so they try to lower their wage costs. This can be solved by offering employees shares in the company instead of part of their wages. Taxation should not prevent this, but should support it. This is the goal of an initiative for employee participation in Germany (www.mitarbeiterbeteiligung.de).

In many cases, however, out-and-out bankruptcy threatens. It is then time to introduce another element of economic democracy, the complete takeover of companies by their employees. There are many tested paths for this—employee cooperatives, sociedades laborales, employee ownership funds and ESOP plans, which are undoubtedly the most effective.

Many companies remain healthy, but have to deal with a temporary fall in share price. A harsh period awaits them, when hostile takeovers threaten. Offering shares to employees may be an important element of success, because it provides motivation for overcoming the crisis together. in all these situations taxes and regulations should not hinder the process but support and facilitate it, the EFES says, and calls on all European governments and institutions to take action to this end.

It is not about people putting their last money into their company's shares. in the case of ESOP they gain shares that are paid for by employer contributions to employee pension savings. This basic difference between ESOP and merely holding your own company's shares is explained with patience by the author of the EFES study David Ellerman, the former advisor to Joseph Stieglitz when he was working at the World Bank.

What is ESOP, then?

- it is long-term ownership of shares by employees, not shares for speculation
- essentially it is a form of employer contribution to employees' pension savings, paid into the special employees' fund of the given company
- the said fund then buys the shares (on staggered payments) and manages them in employees' individual accounts

- the employees have the rights that come with the shares: they vote at general meetings, are represented in the supervisory board, sometimes also in the management board, and receive dividends
- it is thus both property and a form of employee participation, including the timely informing of employees about the company's plans and economic outlook
- employees' savings are not used, but everything is covered by contributions from the employer, and so all employees (after a certain time limit) are able to be co-owners of the company
- employee co-ownership of this type qualifies for tax advantages and other advantages applied to pension saving
- when an employee retires or leaves the company, the fund buys the shares back, gives the money to the employee who is leaving (in staggered payments) and the outgoing employee transfers them to another form of pension saving; the shares are then gained by another employee
- the shares thus always stay in the employees' fund, no one from outside can gain them and use them to take over the company or suck funds out of it

Ellerman also suggests an alternative whereby both ownership and a regular payout of part of the property can be combined. After several years, shares from the oldest year would be bought from the employer, so the employee would in time see further money as well as a dividend. It is an example of the possibility of working with the structure of the fund, although in the Czech Republic we would have to be particularly cautious about such operations.

From the economic point of view, employee co-ownership makes sense even when there is not a crisis. Ellerman lists seven problems that it helps to solve.

1. **the problem of succession**. Dad starts a company, gets older and retires or dies, but his children are not very interested in taking over the business. They sell it to someone, that person plunders it and the business folds—and with it jobs and tax revenue. Even without such a terrible ending, the interests of a distant owner are different from those of the local community. Moving to an ESOP may prevent this, and the problem of succession can be dealt with over a longer period of time.

2. **Local rootedness**. an investor from outside may be a nice person, but he has to decide according to what is economically advantageous, whereas locally-rooted business is more gentle on the environment and can also take into account the further needs of the community.
3. Capital outflow. It is not a problem to find a place at the other end of the world where something can be made more cheaply and with less regard for social and environmental demands. Governments and regions use incentives to attract investors, but they will happily disappear if they find something more advantageous. It is considerably cheaper to create jobs by means of employee participation. if the employee share reaches at least 20 or 30 percent, they can ask to be represented in the management. Then they may be warned of capital outflow in time, and mount a defence.

4. **Young people leaving**. Students get their diplomas and vanish into the distance, and the region becomes less competitive. Maybe young people would not leave if they had not only a job but also a share in the business.

5. **People are disappointed** by politics, which has alienated them. This is particularly true of older people in the post-socialist countries who have lost their social certainties. if they have an ownership share in their workplace, they will get least part of the feeling that they have social weight and can influence things. the effect of participation and greater activity may then spread further.

6. **Greater resilience**. This is important in a crisis. Research has confirmed that companies owned by employees are 20 to 50 percent more likely to survive than others. They also have 50% fewer voluntary departures in search of something better. During the last crisis, these businesses were 20 to 50% less likely to lay off employees.

7. **A change in wealth distribution**. This is an answer to possibly the greatest crisis ticking under the surface—unsustainable social inequalities. the democratization of wealth creation lowers the need for its redistribution. Research has shown that the average savings of employees with medium and lower incomes were 17 thousand dollars in ordinary companies and 165 thousand dollars in employee-owned companies.

CAN THE BANKS BE REPLACED?

Our experience of older crises will come in use now. Let us cast our minds back to the banking crisis in Cyprus during the world financial crisis in 2008. the banks suddenly closed their doors, and the island became one big laboratory of alternative solutions for the payments and credit system.

Many fundamental changes were expected. the introduction of capital controls meant in practical terms a switch to a non-convertible currency, commentator Wolfgan Munchau wrote on Eurointelligence.com. Chief economist of Deutsche Bank Thomas Mayer was thinking in similar terms when a year earlier he suggested that Greece introduced a parallel currency, the geuro, for ordinary domestic cash operations.

Nobel prize-winner Paul Krugman, who devoted his recent book, the Return of Depression Economics, to an anatomy of the crisis, wrote in the New York Times that dramatic forms of capital controls in Cyprus would be in place not for a couple of weeks, but for years. He does not doubt that the International Monetary Fund will approve these limits to capital movement, just as it previously did in the case of Iceland. the author sees it as signalling the end of an era when untrammelled movement of capital was considered something desirable.

After the war it was normal to have limits on cross-border transfers, Krugman points out. in Britain there were restrictions on foreign investments by residents until 1979. They fell partly because it was an expensive measure, requiring a lot of paper, and according to ordinary economic ideas it is also a barrier to growth. Controls were fundamentally rejected by the free-market ideology that was coming to power—the market always knows best, and bureaucrats have no business hindering it.

After 1980, however, another new phenomenon appeared: the financial crisis. in 1982 there was one in Mexico, Brazil, Argentina and Chile, in 1991 in Sweden and Finland, then in Mexico again, in 1998 in Thailand, Malaysia, Indonesia and South Korea (Krugman does not list the Czech Republic in 1997), in 2002 in Argentina and then in more recent years Iceland, Ireland, Greece, Portugal, Spain, Italy and Cyprus. They have always been accompanied by sharp outflows of investments as bankers take flight. On the other hand, these crises were easy to forecast on the basis of a sharp inflow of money from abroad, setting in motion the swing between "I love you" and "I don't want you." Europe has now disproved the thesis that such crises happen mostly in poor countries.

In any case, the real estate bubble that occurred at the start of the financial crisis in the US was of a similar nature, only veiled by the fact that the United States was borrowing in its own currency. No doubt that not even after this experience will the idea of the free movement of capital be entirely rejected, it will only start to be eroded. According to Krugman, global capitalism is moving on to a trajectory whereby it will be considerably less global.

The Czech debate on Cyprus is characterized by the opinion of an analyst whom I heard on the radio saying that it has a choice between an Argentinian solution (devaluation by 50%, in other words also leaving the euro) or a Latvian one (a 50% reduction in wages). However, there are others as well. Bernard Lietaer and Jacqui Dunn write about them in the book Rethinking Money—How New Currencies Turn Scarcity into Prosperity (Berrett-Koehler Publishers, San Francisco 2013).

The beer way

First, something about banks being paralyzed and not functioning for a long time, for whatever reason. in Ireland they dealt with it the beer way.

From 1966 to 1976 Ireland experienced three major bank strikes, adding up to a total of 12 months during which people had no access to bank accounts. Despite that, the economy did not collapse, it just found another path to means of payment and trading credit. the role of currency was taken on by cheques. the forms could be bought at the stationer's. People started to issue them in small denominational values and to use them in the circle of their closest partners. Payments were thus being made between people who knew and trusted each other. This private currency gradually found its way into the local general store, which had a good idea of who was to be trusted, and so functioned in the circle of neighbours as a ratings agency.

The further spread was aided by the Guinness brewery, which accepted bills of exchange from pub landlords and paid employees using its own bills of exchange, once again divided up for the purpose of small purchase. There thus grew up a totally anarchist community currency, not regulated by anyone but based on the Irish pound.

The simple principle on the basis of which it all worked consisted of people accepting cheques from those whom they trusted, and refusing those whom they did not trust, as Professor Antoin E. Murphy from Trinity College Dublin comments.

Credito

Lietaer also describes the experience of Argentina, where a debt crisis reigned between 1991 and 2001. Sometime during 1995 barter groups of neighbours and friends appeared, which then began to issue their own money, credito. At the start of 2001 there were dozens of such local currencies. A national barter network (Argentinians generously called it "global") grew up, allowing the various areas to interconnect.

When the national economy crashed in 2001 and the peso underwent the drastic devaluation mentioned by the Czech analyst above, people spontaneously joined the barter clubs, and thus it happened that by July 2002 the currency was used by 7 million people. However, the banks sensed competition, and thus they ended the experiment by issuing high-quality forged creditos. the police investigation soon ended, however, because the law only bans the forging of legal currency.

Credits

The C3 system, which grew up not long ago in Uruguay—this time using modern technology, so it cannot be forged—aims to deal with the lack of commercial credit. A United Nations programme for the support of small businesses was involved in its preparation. A cash grant ensured liquidity during any transfer to the national currency, but they do not have much need of the national currency.

C3 is short for Commercial Credit Circle, formed by groups of companies working together by giving each other credits with bills of exchange. the bills are insured, which is a condition of being able to be sent to the C3 clearing centre.

The producer receives a supply of material, issues a bill of exchange for it and sends this electronically to the C3. All this takes place over the internet and mobile phones, so a deposit cannot be forged without the other side being involved in the forgery too.

The supplier is a member of the network, and so his invoice is immediately paid from C3 funds, so with internal (complementary) currency. if the supplier wants national currency, he can get it, but with a discount.

Until the bill of exchange becomes due, which is usually in 90 days' time, it can be used for payment like an alternative currency, and enters circulation. At the moment it becomes due, it belongs to whoever is holding it. They can cash it in either at full value for C3 currency, or, at a discount rate, for the national currency.

From the discount, the costs of the currency and the cash used are paid. the actual currency in C3 is interest-free. the costs of insurance are small. And it works without banks.

THE LOCAL ECONOMY ACCORDING TO JOHN BOIK

Several elements are common to much thinking about the alternative economy—sustainability, equality, open cooperation and giving people as much opportunity as possible to make decisions about their lives. American author John C. Boik approaches this in an exceptionally systematic way, as he learned to do in his original field of biology, specifically cancer research (Boik, John (2012-06-24). Creating Sustainable Societies: the Rebirth of Democracy and Local Economies or http://www.CreatingSustainableSocieties.com).

His project for an alternative local economy is based on his own experience as a cancer researcher who spent so long looking in vain for funding that it got him thinking more deeply about the nature and purpose of money.

He reached the conclusion that we can print our own money, if it serves a collective interest and we are capable of ensuring a non-inflationary environment. Since existing, legal currencies have over the years become a tool for controlling people, one that has suppressed the democratic principles of society, these principles must also be renewed.

The task sounds utopian, but according to Boik it is not that difficult. the author is convinced that it can be managed without legislative change. It is enough for people on a local level to agree to create their own association, where they will use these principles of their own free will.

Membership of the association is open. It might include individuals, business people, cooperative members or unemployed people. As far as its economic functioning is concerned, the association is connected by the use of direct democracy for the purpose of resource allocation. This takes place on the principles of *crowd funding*, internet requests for money for projects and services. Broad participation is guaranteed here, because members of the association pool common finances (compulsory contributions), whose use they then decide on in this form.

At the heart of Boik's project is the Principled Business. This is an entity organized on a cooperative basis using highly sophisticated methods of participation and social focus. an important feature is the use of a complementary electronic currency, the "token". This, however, requires an interconnected economy, so that there is something to buy with the local currency. the cooperative has to have enough interconnected value flows mediated by the currency, without the currency building up in a backwater.

Boik suggests starting with a Request for Proposals. the founding group addresses business people and companies that might complement each other, and offers them participation. It might, for example, address farmers and offer the possibility of investing in the production of biofuel that could then be used in their tractors. the participating farmers would then gain cheap fuel together with the opportunity to pay for something with the tokens that they would gain on the local market for their products.

The following account is based on the American environment—in the Czech Republic it might look a little different. I suggest we overlook this difference, however, in order to get to know the essence of the project better.

Three key sectors

Three sectors are key to the functioning of a local currency system—housing, transport and food and drink, which represent 74 percent of typical consumer spending. if it is to work, a local currency must circulate above all in these sectors.

Food. the advantage of this sector lies in the fact that much of it can be provided by small, locally-owned firms. Around 15 percent of consumer spending is in this sector. A Principled Business will try to gain as many local farmers, shopkeepers, food distributors and food processors as members, as well as pubs, restaurants and other refreshment providers.

It can, for example, offer to farmers that it will:

- Promote and develop local farmers' markets and thus attract more customers.
- Persuade local shopkeepers and restaurants to give priority to local production.
- Promote the creation of community-sponsored agriculture (CSA) schemes, whereby participants pay in advance for a year's supply of produce.
- Ensure specialists for the farmers that will certify them and offer consultancy
- Offer interest-free loans in dollars and tokens.

Housing. This accounts for 42 percent of consumer spending, making it the biggest sector. if it were possible for members to pay part of their rents and mortgages in tokens, it would considerably deepen the amount of local currency in circulation. However, this is only possible where the payments are to local owners, who are also involved in further value flows of the member circle. Here it is more a question of the members realizing the potential of this sector and looking for every opportunity that arises.

Such an opportunity may be the renovation and modernization of housing, retrofitting it with insulation, or connecting it to local power supplies (a biomass or biogas boiler) which raises the standard and moves part of the original cost of energy and other services into rents.

The owners of rental accommodation may be persuaded to take part payment of rent in tokens, if they receive public recognition, discounts on some of the services of the Principled Business and other advantages.

Transport. This accounts on average for 17 percent of household expenditure, and in this respect is comparable to the food sector. We have already mentioned the production of biofuels for local needs. the Principled Business may operate a couple of its own vans, as needed by local demand, car repair workshops, car hire and taxis, and it can organise car sharing. It can get involved in the sale, repair and lending of bicycles as an alternative to cars. It can also support the building of bike lanes, mass transport and other steps that will improve transport accessibility and make it cheaper.

Smaller sectors. There is a growing number of seniors who need care (although also of those luckier ones who are able to help). Training courses, music clubs, supervising children's playgrounds and many other necessary services can be paid for out of local currency where municipal budgets do not have the funds to pay for them or the banks are not interested in lending.

How to pay for it. the transition between a local currency and legal tender is facilitated by member contributions in legal tender. Boik suggests ten dollars a month, or 120 dollars per member per year. in return for that each member receives to begin with 100 tokens for free, to start the currency going. in addition a payment of 2%, paid in dollars, is levied for transactions with tokens,. This covers administrative costs, wages and taxes. in time the share of wages in tokens may grow. It is also likely that there will be an inflow of gifts and grants in legal tender. if a reasonably large number of Principled Businesses start to work with each other, it may be possible to save on administrative costs. As soon as things get going, members themselves will have ideas as to how to increase incomes.

LOCAL IS POSSIBLE

When in 2012 Boik wrote his first book, Creating Sustainable Societies: the Rebirth of Democracy and Local Economies, the first examples of Fab Labs were beginning to appear in the world. These were small, often amateur roboticized workshops, dominated by a 3D printer. Although these were more playthings, they showed the possibilities of distributed industrial production. It showed it was possible to produce things in small quantities that had previously only been made in large-scale production, and that they could be tailor-made.

Local is, quite simply, possible. Local energy, local food, local industrial products, all this represents new opportunities. Cooperatives for a diversified local economy are not a nostalgic attempt at a return, but represent the most dynamic form of the future.

Meanwhile, in 2014, Boik's next work came out, Economic Direct Democracy: A Framework to End Poverty and Maximize Well-being, where he further develops his ideas on how to banish poverty and maximize comfort. His work continues on the website http://www.principledsocietiesproject.org/ including the first model simulation of such an association.

To sum up, Boik is convinced that the best way of making use of future possibilities is through a varied community of small firms associated in accordance with special principles that combine the commitments of a social enterprise and the property limitations of a non-profit organization. Their principles unshackle them from the race to the bottom and dependency on globalization. They have tools for this, such as direct democracy and an electronic market system, that makes the life of such a cooperative much easier. More precisely, one day it will make it easier, once the idea is worked out in detail and implemented.

Cooperatives, complementary currency, all online, interest-free loans

- Boik's project offers **local development** on the principles of participation, transparency, maximum equality and sustainability. the measure of success is people, not growth indicators.
- Its basis is the **Local Economic Direct Democracy Association** (LEDDA).
- Participation is present almost everywhere, and the direct democracy takes place **online**, but it is not just about voting.
- The association has its own **complementary currency**, the **token**. **the form is electronic, it is created debt-free and is lent interest-free**.
- Anyone can join, but the movers are **businesses according to LEDDA special principles** (Principled Businesses), which are **cooperatives** (one member, one vote) that are a combination of non-profit and social enterprise. the Principled Business may thus be profit-making, but it **handles its property like a non-profit** (because of the tax regime).

The LEDDA Association consist of

- **A monetary system**, based on the token (Token Monetary System—TMS)
- **A financial system** (Crowd Based Financial System—CFBS), which allows members to decide on the use of their common resources from their compulsory contributions in dollars and tokens. These contributions can be used for loans, grants, gifts, or systematic care. Loans can also be provided to non-member organizations.
- **A market system** for ordinary businesses or Principled Businesses (on LEDDA principles) which are a combination of non-profit and social enterprise.
- **An ownership rights system** for common intellectual property, for example. Restrictions on the sale of property are the same as for non-profits. A major role is played by exceptional transparency—everything is visible.
- **An incentive system**, in which reputation is very important (everything is the subject of public decision-making). the social norms are that the association is to be cooperative, fair, efficient, transparent, effective and directed by science and reason. Its business is not orientated towards growth, but development, and the aim is to improve living conditions, social equality and care of the environment. Success is measured by one of the indexes of this type (well-being, happiness).
- **System of governance**—everything is governed online in a special system of joint governance (Collaborative Governance System—CGS). This allows cooperation on proposals, their evaluation and approval. Participation can be delegated to a proxy, and advisors can be involved.
- **Modelling**—to support projects and decision-making. There is an attempt to include artificial intelligence.
- **Purpose**—the purpose of an LEDDA is to maximize the well-being of its members and provide benefit to the wider surroundings including the environment ("global public").
- **Voting with money** is frequent, by choosing from a range of projects and activities the ones which the member wants to finance.
- This is usually about the use of money (dollars and tokens) from individual compulsory **contributions**, which amount to around half of a member's income.
- The **token** is an electronic local currency that is created **debt-free**, is lent **interest-free** and is designed for circulation, not for wealth storage.
- The circulation of the token is supported by a limit on the time for which it may be held, after which a percentage is deducted (***demurrage***).
- **Electronic currency** circulates in a special system that allows the public offers and behaviour of others to be followed.

Participative decision-making

Boik explains that the decision-making through which direct democracy is implemented has three processes available: formal evaluation and voting, purchase decisions and allocation of resources (financing).

For governance purposes, in other words the creation, evaluation and approval of proposals, there is a **collaborative governance system**, which may provide many more services than a Facebook page. if the language and structure of the proposals are adapted, it is able to automatically search for connections or conflicts between various passages or with other norms. It is thus cooperation with the support of artificial intelligence.

Decision-making by purchase—the ethos of the participative enterprise may be spread by the purchasing decisions of the members, who are used to coordinated activity.

Decision-making by financing—a member makes compulsory contributions, but then takes part in deciding where the money will go and how it will be earmarked. These earmarks cover the ordinary budget needs of the association, as well as loans, grants, gifts and care (long-term support of seniors or unemployed people). Projects in need of finance are published in the system, and members can choose. Boik assumes the interactive exchange of opinions between members and those in search of finance, which may then push the project in the desired direction.

The size of the contribution is at the same time one of the tools for controlling the volume of tokens in circulation.

Principled Business (Cooperative)

Its activities fulfil a social mission—it is concerned with financial and economic sustainability. Investors in the enterprise do not receive profit, just the bare recovery of their investment. the economic product is used in keeping with the business plan, which is created participatively. the business is environmentally-friendly (guaranteed by independent certification). the business is transparent, everything is public, even the incomes of members and the financing of others.

The business cannot invest in a business of another type, but it can buy it, if it will then be part of the Principled Business. It cannot spend money on elections and legislation, only if expressly stated and justified in the business plan. There is a fixed range between the lowest and highest wage.

If the business is wound up, the remaining resources are offered to other social businesses and to non-profits or to another Principled Business.

Currency system with tokens

The token electronic currency is not created as interest-bearing debt. the basic method by which tokens are created is a simple increase in their volume, which is then divided between members in exchange for something real. the tokens form part of wages and performance incentives in the cooperative. the rest of the wage (to begin with, the larger part) is in dollars.

Part of the value of bought goods and services can be paid for in tokens. To begin with, a small share (5%) is paid with tokens, and the share then gradually increases. It is desirable that various local payments for services financed by the community be payable in tokens.

Boik expects it to take 15 years for the system to get up and running and a further 13 years to achieve maturity, at which point the share of tokens will be 70 percent. During the same period the share of local people involved will rise from 10 to 90 percent.

The logic of the assumption of 90 percent involvement of local residents comes from the idea that the average wage in dollars and tokens will increase after the first phase to the level of the 9th decile (in the US), in other words it will reach a level just under the upper ten percent of average incomes.

It is this idea that helps to explain the purpose behind maintaining a high degree of income equality in the cooperative—they are to be equal, but on a high level compared to the unequal surroundings.

Boik and Čuba

Boik's "local" is an American local, when the basic size of the area which could function in such a system is approximately 100 thousand inhabitants. in the Czech Republic it would be a region of the Local Action Group type. in this, Boik's idea approaches our experience of the Slušovice cooperative which also had a local currency, although it was hidden in the in-house management of its own bank, Agrokombinát. However, Slušovice was built on fierce competition, while Boik believes more in sharing and cooperation.

Still, Slušovice chairman František Čuba also bet on sharing when he got his information group to keep looking for new patent applications all over the world and try to find ideas in them that could be used. These were then made available at management meetings, and people could seek to implement them and be given a budget with which to do so.

Interest-free, profit-free

The electronic token requires the creation of a flexible electronic system for transactions. Its use, however, is much wider, since it is also used for participative decision-making on the budget and the financing of further business activities.

Loans in tokens are interest-free. They are, however, the only way in which to preserve the value of the token, because otherwise a time limit is used, and after it runs out the value of the tokens in the account is reduced by a fixed percentage (***demurrage***). This is in order to speed up circulation.

In practical terms it is a simulation of deflation in a growth economy, with the value of money falling and the value of goods rising. This reflects the basic goal of the cooperative, which is to improve quality of life, not to store wealth. Life, rather than just making a living.

The environment of the cooperative with tokens is inflation-free, which is facilitated by tools for increasing and decreasing the volume of tokens in circulation. the size of the incentives and the extent of the compulsory contributions can be changed. the contributions are in effect financing local indirect consumption, so it is not as if the money disappears into some sort of humanitarian bombing.

However, even **dollar investments in the Principled Business are profit-free**, with only the principal being returned. Here, therefore, the real economy is given priority over the financial, because it is a question of ensuring the necessary goods or services for the community (region). At the same time there is an assumption that investments will expand the circle of customers to include cooperative members, will strengthen relations and thus will be secondarily beneficial.

Six basic principles

In conclusion, let us summarize and list the six principles of a "principled" society and businesses.

The Principled Business aims to increase the wealth of its members and the shared wealth of the wider community.

Increasing the living standards of the members is connected with increments in the common material and non-material assets that are handed on to future generations. the system also encompasses regular gifts to the best non-profit organizations that help to ensure services for the business and the surrounding community, such as education, children's facilities, health care, recreational and cultural activity, social aid and other things. the community lives, people stick together and feel solidarity with the community, which they help to blossom. if someone were to want to measure it, there are more suitable indicators than the tempo of economic growth, such as the Genuine Progress Indicator (GPI), an alternative to GDP that includes social and environmental aspects (what is reported as GDP growth is reported as a fall in GPI, if poverty and inequality have grown). Various indicators of quality of life may also be used.

The Principled Business is radically transparent in terms of finances and administration. Each token has a series number, which allows its movement to be tracked. This enables circulation problems to be rapidly picked up and put right (so that currency does not pile up or get stuck somewhere) and at the same time to gather a large amount of data for the needs of research into transactional models and simulations. It is one of many elements of radical transparency that we also find in the methods used for creating the rules that govern the business or which are used to deal with administrative and creative problems.

The Principled Business effectively distributes political power among all its members. We see the result of direct democracy to the full and in everything. It is the exact opposite of the usual approach, in which citizens vote for their representatives and are not then expected to have a further say. in a "Principled Business" direct democracy is implemented in investments and gifts to non-profits, because in all cases the allocations are given as a "present" to someone specific, decided on by members in internet voting. the internet is used as a tool that gives direct democracy a "collaborative" character. It is not just about voting, but about using collective reason and open cooperation in management and the administering of a society.

The Principled Business does not create its complementary currency by means of debt. the tokens are emitted directly, without being mediated by a bank emitting them as debt with interest. the fact that the money is not issued as debt and can manage without interest (let us leave aside administrative fees for now) means that society can function effectively in a non-growth, steady-state economy. (Indeed, when we look at the development of "growth" economies, the real incomes of the central and lower strata have not grown for many decades, so interest and debt only help move the fruits of labour from the bottom to the top.

The Principled Business does not burden loans in its complementary currency with interest, and its investments do not seek to make a profit. New business opportunities are created using an investment mechanism of non-interest-bearing loans, in other words without reliance on profit (profit-neutral). This does not mean that no one thinks about how effective the plan is likely to be—on the contrary, the business plan has to do well in a competition judged by all the members with their allotments of tokens. However, it is enough for an investment to show a return—it does not need to make a profit. More room is thus given to social utility and other aspects that in a normal economy are rejected, because they threaten the maximizing of profit.

The Principled Business manages its complementary currency system in such a way that the democratically-established goal of wealth distribution is not contravened. Democracy is not possible in a society that grovels before those who think they rule the place. the maximum wage gap between the lowest and highest wages is something that can be set right at the start. in addition to this there is a system of investments about which all the members decide by direct vote, and with a knowledge of the whole debt portfolio of the business. the goals can be approached in various ways—brakes can be put on from above, incentives can be given from below, or they can be purposefully built up in an appropriate structure. It is easier to write about it than do it, but if you want freedom you need to work for it.

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UNCONDITIONAL BASIC INCOME
TO EACH ACCORDING TO HER OR HIS BASIC NEEDS

MAREK HRUBEC, MARTIN BRABEC

THE STUDY FOCUSES ON ONE OF THE KEY TOOLS THAT COULD POTENTIALLY CONTRIBUTE TO ADDRESSING NEGATIVE ECONOMIC AND SOCIAL REPERCUSSIONS OF THE CURRENT CORONAVIRUS PANDEMIC IN THE CZECH REPUBLIC BY INTERNATIONAL COMPARISON. THE STUDY SPECIFICALLY FOCUSES ON UNCONDITIONAL BASIC INCOME (THE UBI) FOR THE PURPOSE OF FUNDAMENTAL RESTRUCTURALISATION OF THE CURRENT ECONOMIC AND POLITICAL ORDER AS A CIVILISATIONAL CHANGE. THE FIRST PART OF THE ARTICLE EXPLAINS THE BASIC CHARACTERISTICS OF THE UNCONDITIONAL BASIC INCOME AND ITS POTENTIAL TO BRING ABOUT A FUNDAMENTAL SOCIETAL TRANSFORMATION. THE SECOND PART FOCUSES ON RECENT EXPERIMENTS WITH THE UNCONDITIONAL BASIC INCOME IN VARIOUS COUNTRIES THAT EITHER HAVE EXPERIMENTED WITH IT RECENTLY OR ARE PLANNING TO DO SO, SUCH AS FINLAND, THE NETHERLANDS, SCOTLAND, IRELAND OR SPAIN. IT ALSO MAPS THE SITUATION IN BRAZIL, THE FIRST COUNTRY IN THE WORLD TO HAVE IMPLEMENTED BASIC INCOME AS LAW THROUGHOUT ITS ENTIRE TERRITORY, NOT JUST IT'S PART, LIKE IN THE CASE OF THE USA WHERE THE BASIC INCOME HAS BEEN SUCCESSFULLY IMPLEMENTED IN ALASKA SINCE THE 80S.

INTRODUCTION

Basic income is not just one of many financial measures but a social, economic, and civic financial amount that has a far-reaching multiplier effect in many areas of life. Basic income is a profound change of civilization, comparable to the introduction of universal suffrage or universal health care.

Unconditional basic income, officially the “unconditional basic income” or “universal basic income”, is a financial benefit received by every citizen from the state at regular intervals. it applies to everyone, meaning every citizen of the given country, without any conditions. at the same time, the citizen can also receive income from employment and social benefits. Basic income is an elementary form of recognition of the citizen and serves as a material foundation which provides everyone with a solid basis for life and fulfils their basic needs. Its introduction can increase equality and freedom of the citizens. Indeed, freedom does not consist merely of rights and opportunities but also of the means to exercise it. Individuals receiving a basic income would be able to take advantage of opportunities that would otherwise lie outside their reach. This would increase both the equality and freedom of citizens. if a sufficient basic income were to be introduced, one of the fundamental constitutional rights, the right to life, would indeed be guaranteed for all citizens, as well as the right to a dignified existence, which, unfortunately, is not yet achievable for everyone as, for example, the homeless die from exposure in winter and many people live in very undignified conditions of poverty.

This is not a novel idea. the idea of basic income was described in broad strokes 500 years ago by Thomas More (1478—1535) in his famous book, Utopia[1]; before him, similar ideas were mentioned by other authors as well. it was one of the ideas waiting to be lifted out of the depths of the history of philosophy; similar to the idea of democracy, which has been waiting to be at least partially implemented, millennia after the first attempts in the classical antiquity. Basic income has been promoted throughout history by prominent individuals such as Thomas Paine (1737—1809) or Bertrand Russell (1872—1970).[2]

The idea of basic income has been highlighted in the last decade by an increasing number of academic, civic and political initiatives, both in Europe and other parts of the world. Basic income has even become so popular in the media that some politicians hijack the term, even though in practice they introduce ordinary conditional social benefits inconsistent with the unconditional nature that defines basic income. This is good news in terms of popularity of the idea, however, bad news with regard to its manipulation, as it creates a perception that it is just another social benefit rather than a profound civilizational transformation. it is, therefore, necessary to ensure that the meaning of the term is well understood. These considerations are now being implemented in practice; in the Czech Republic, it is mainly as part of a year-round citizens' initiative for unconditional basic income taking place in all countries of the European Union, including the Czech Republic, from September 2020 to September 2021. it is the second campaign of its kind. the first initiative in 2013 was one of the largest pan-European grassroots movements in history. This European Citizens' Initiative for Unconditional Basic Income sought to educate citizens and start a discussion about basic income on the European level in the European Parliament and the European Commission.[3] the idea of introducing basic income caused a wave of differing reactions among citizens and politicians. That being said, it must be emphasised that citizens, social scientists and politicians know that, ultimately, be it in the individual countries of the European Union as a whole, the people themselves should democratically decide to adopt a particular form of basic income, its amount and the sources from which it should be financed. the need for an informed decision is precisely why basic income needs to be explained in detail and illustrated by examples of previously conducted experiments. Our paper may be viewed in that regard.[4]

In the first part, we elucidate the elementary characteristics of the unconditional basic income and its potential to introduce fundamental societal transformation, in the second part, we focus on recent experiments with the concept in various countries. Some experiments have already been conducted in the past, however, with respect to the timeliness and relevance of the circumstances of the current efforts, we focus on the most recent experiments. Should the reader be interested in more extensive and complex theoretical argumentation, we recommend reading our book "Universal Basic Income. the Right to Laziness or to Survival?"[5]

BASIC INCOME: POTENTIAL OF FUNDAMENTAL SOCIETAL TRANSFORMATION

Unemployment as Liberation

Unemployment is no longer an accidental occurrence; it is a permanent systemic problem that affects a large number of people, including citizens of the Czech Republic. in recent years, it has become a hot-button issue for example in Spain or in Greece. is it even still possible for all citizens to have full-time employment, given that since the onset of the industrial era, people have been striving to replace human labour with mechanisation and automation? Should we not rather consider how to better redistribute the fruits of the mechanised and automated labour among people? This could be achieved, for example, through the introduction of an unconditional basic income, which would allow people to pursue activities for which they now receive little or no pay.

Today, sociologists increasingly emphasise that we should admit the fact that modern society will never achieve full employment. They see the effort to create enough jobs in modern, developed society as unrealistic and we should not cling to it. They add:

- There is no economic solution for the growing unemployment rate within reach; And yet, people without (full-time) employment have a much lower income than those who are fully employed.
- Nevertheless, it is now a cultural norm to blame the victims. Even though it is generally known that it is impossible for everyone to be employed at the same time, the majority of people still believes that everyone has the opportunity to find work. As a result, those who cannot find employment see it as their own failure.
- But if it is not necessary for people to perform unpleasant work, they should not be forced to do so. the fact that someone is not working should not be viewed as individually or socially undesirable, but that would require certain institutional and cultural changes. Today's cultural repertoire and institutional infrastructure for the utilisation of leisure time are severely inadequate. Above all, our consumer-oriented culture makes enjoyment of leisure time heavily dependent on income. the society offers very few options for low-income individuals to spend their free time.

Most politicians try to address the issue of unemployment by creating new jobs or by reducing the number of working hours in a week and thus distributing the work among a greater number of people. However, such measures can address unemployment only partially because they are not based on an understanding of its root causes. This is due to the fact that, at present, unemployment cannot be considered merely an economic issue but also a cultural and social issue. at the start of the industrial age, people wanted machines to work instead of them. They introduced mechanisation and automation with that in mind. the desired result was achieved, and technology largely replaced human labour. That is exactly why we grapple with a high unemployment rate today. People could be happy if the fruits of the machines' labour were distributed evenly. This is, however, not the case, as the profits accumulate in the hands of a small economic elite. Since the diminishing need for work has not yet been processed from the cultural or social point of view, most people do not recognise the growing opportunity for freedom and perceive the current situation as negative.

Appreciation of Care

Introduction of an unconditional basic income would allow humanity to appreciate the fact that machines do our work for us and our mechanical work is no longer needed to the same degree. More precisely, basic income would allow us to pursue other activities which we would prefer and in which we would find self-fulfilment. We would be able to focus, for example, on valuable work in the civil society, on creativity in culture and spirituality, on spending time with our children, seniors, loved ones, and those in need.

The introduction of unconditional basic income would shift focus towards quality, away from the consumer approach to life, towards a sustainable society, with a better relationship not only among people but also between humanity and the environment. the cold alienation separating individuals from other human beings and the environment could thus be overcome.

Moreover, basic income does not favour the lazy at all, since working people will still have a significantly higher income, gaining income from employment in addition to the basic one. For this reason, it is imperative that the basic income is not awarded only to the involuntarily unemployed, this would disadvantage everyone else. it would only favour the view of life held by those who focus and rely on scarce assets (in this case an employment position). Those who, for whatever reason, do not share in this asset (i.e. the unemployed) and thus yield a part of it to others, should not be deprived of their fair share in it. Both groups—those who have a greater than their fair share in this asset and those who have less than their fair share in it—should be able to share in this scarce asset and to actualise their idea of their own life.

One of the main outstanding questions in the area of social economics is how to ensure a basic standard

1 More, T., Utopia. Prague: Mladá fronta, 1978. Thomas More was a British social philosopher and politician who published the book in Latin in 1516.

2 Further information on the history of unconditional basic income can be found, for example, in the first chapter of: Standing, G., Basic Income: And How We Can Make it Happen. London: Pelican 2017.

3 the European Citizens' Initiative for Unconditional Basic Income has been conducting seminars and lectures for both the general and professional public, providing information in the media, and collecting signatures for the period of one year, from January 2013 to January 2014.

4 in the first part of the paper, we utilise and expand upon our interpretation provided in: Brabec, M., Hrubec, M., Nepodmíněný základní příjem a práce. Fórum sociální práce. No. 1, 2014, s. 49—53.

5 Van Parijs, P., Hrubec, M., Brabec, M., et al. Universal Basic Income. the Right to Laziness or to Survival? Prague: Filosofia 2007. Further reading in the Czech language e.g.: Lowrey, A., Dejte lidem peníze. Prague: Argo 2020; Raventos, D., Materiální podmínky svobody. Prague: Rubato 2015.

of living for those who provide services in this economy. Basic income can then be viewed as a valuation of labour performed by those who care for children, the sick, and the elderly. Many individuals providing care, who, due to the continuing gender inequality of today's society, are predominantly women, do not receive payment for their work, and their work often is not even recognised by the market as labour. Since the majority of this care is provided by women, basic income would mainly help them.

By introducing basic income, their work, which often involves valuable emotional bonds with loved ones, would be appreciated and would not even have to enter the alienated labour market to any significant degree. Such appreciation of care stems from a recognition of the bonds of solidarity between people, i.e. from the acknowledgement of the fact that every one of us, at certain periods in our lives depend on the care of others (in infancy, old age, and sickness; some individuals depend on it for the entirety of their lives). This is also a part of a broader argument that the provision of unconditional basic income is based on mutual recognition of citizen as human beings endowed with basic rights.

In summary, basic income is an instrument for the society to appreciate the care provided both in the family and in broader communities, which is decommodified and often not provided sufficiently by the market. Basic income can thus be considered an indirect mechanism for achieving the "wage for work in the household", which is a common proposition of some feminists. it is the society's way of recognising that nursing care is socially valuable and productive, and as such deserves financial remuneration.

Shift of Power in Employment Relationships

It must also be borne in mind that, at present, some sections of the populations view the idea of introducing basic income with trepidation. Some employers worry that it will become more difficult to find workers for less desirable or less paid work. This is because if basic income were introduced, workers would enjoy greater liberty to refuse such work or leave employment they find unsatisfactory. On the other hand, some employees worry that guaranteed income could cause employers to reduce wages or politicians to increase taxes. Nevertheless, many employees already understand the essential benefits of basic income; its introduction would positively influence the balance of power in the current capitalist society. the introduction of basic income into the present economic framework would allow a greater shifting of power in the direction of employees. it would incentivise employers to increase wages and improve working conditions, particularly in the case of unqualified labour where wages are the lowest and working conditions are the worst. it would lead to the required humanisation of labour. Some trade unions understand this as well.

6 Wright, E., Envisioning Real Utopias. London: Verso 2010.

Basic income would have profound implications for the transformation of society towards egalitarian democracy.[6] Employment contract could almost become voluntary, as everyone would have a real opportunity to withdraw from it; power relations between employees and employers could become more equal because it would be easier for workers to create a fund for the potential period of conflict; there would be a greater chance of cooperatives emerging among people, providing an environment in which—and this should be emphasised—people could create goods and services outside the market since their basic needs would already be covered by basic income.

Basic income can be considered a subsidy for social and cooperative economy. Companies owned by their members are often faced with the problem of ensuring a basic standard of living for their members, particularly early after their incorporation when the members are still learning how to create a plan of operation and develop production capacity. Basic income would allow the members to survive this phase much more easily. We can, therefore, view basic income as a mechanism which transfers a part of the society's surplus from the capital market to social economy or, in other words, from the accumulation of capital to what could be called a social and cooperative accumulation—accumulation of society's capacity to promote self-organisation of its economic activities, focused on satisfying the needs of its members and supporting activities build on cooperation.

Basic income weakens one of the central coercive mechanisms of capitalism. When Marx analysed the "proletarianization of labour", he emphasised the "double separation" of hired labour: the employees are separated from the means of production and from the means of subsistence. These two forms of separation together force employees to sell their labour to earn their livelihood. in this respect, hired labour is fundamentally coercive. Basic income would break this double separation; employees would still be separated from the means of production but they would no longer be separated from the means of subsistence (which would be provided through basic income). the decision to work for a wage would become more voluntary. By increasing the ability of the workers to refuse employment, basic income allows a much more equitable distribution of real freedom.

Introduction of a basic income will improve equality in the labour market. if the employees have a greater opportunity to refuse employment, remuneration for unpleasant (dirty) work will increase in comparison to more pleasant labour. the wage structure of the labour market will start to reflect more systematically the unpleasantness of various kind of labour, not just mechanically react to the scarcity of a certain type of workforce. This would then create further incentives for employers to find technological and organisational innovations capable of replacing (eliminating) unpleasant labour. Introduction of new technologies would not only be labour-saving but also promote the humanisation of labour. This also transforms the significance of ownership of means of production.

In addition to individual bargaining power (i.e. the freedom of individual workers to leave work), basic income would also improve collective power of organised work and thus contribute to the broader social agenda—to the strengthening of the people's power in society. the empowerment of the employee class by introducing basic income would manifest itself in a positive shift towards class equality.

Elimination of Poverty, and the Welfare State

The concept of unconditional basic income should not replace the provision of specific services and goods by the welfare state. the systems should complement each other. Basic income would benefit different people differently, as people are able to apply this income in various ways in exercising their freedoms. For example, individuals with disabilities need more resources to exercise the same freedoms as others. if the people who today care for people with disabilities for free entered the labour market, they would need someone to replace them and the resources to pay for it. the introduction of basic income should therefore be accompanied by a guarantee important freedoms (including free healthcare and free public education from pre-school to higher education), and by access to other social programmes providing social security for people with disabilities. Various elements of the welfare state should also fulfil their function not only on the national level but also internationally. International institutions should, therefore, be redefined to promote the European social model.

Basic income eliminates poverty to a significant degree without the negative implications connected with conditional social benefits aimed at reducing poverty. This concerns, in particular, the "poverty trap", where a poor individual receiving social benefits is disincentivised from finding work because the salary for such work would be only slightly higher than the amount of the social benefit while the individual's costs would increase e.g. due to having to pay for meals at work or to travel to the place of work. Basic income also does not cause stigmatisation of its recipients (as opposed to conditional benefits), because everyone would receive it. There also is no clear separation between those who receive and those who contribute, since many people would fluctuate over time from one side of the divide to the other. As a result, it is less likely (after basic income will have been implemented for some time) that a stable majority coalition will resist redistribution.

Transnational Dimension: Environment and Migration

Green initiatives have long been warning that pollution of the environment is largely caused by the obsession of the industrial society with production and its need for continuous growth of production and consumption. the society focuses on the number of goods. the introduction of unconditional basic income would shift people's focus towards quality, away from the consumer approach to life, towards a sustainable society, with better relationship not only among people but also between humanity and the environment. the cold alienation separating individuals from other human beings and the environment could thus be overcome. Basic income would also allow more people to participate in green initiatives of the civic society and focus on the environment. Polluting the environment would also have to be more heavily taxed. Similar to the case in Alaska, these financial resources could be used to finance basic income. That being said, Alaska has a rather low basic income and an atypical environment. it would be important to introduce basic income in several EU Member States which would cooperate instead of functioning as isolated islands.

Another transnational aspect of the issue of basic income that needs to be elucidated is migration. Introducing basic income in just one country, as allowed by one of the proposed implementation plans, could cause migration pressure since people from other countries would most likely want to receive basic income as well, even though it would most likely not be granted to foreign citizens. it is, therefore, more practical to consider introducing basic income in larger macro-regions, such as the EU. However, at the same time, it is important to start locally as well and analyse specific conditions in specific localities and countries on the national level.

Financing Basic Income

Of course, introducing sweeping changes to the national budget or the budget of the European Union in order to properly finance basic income[7] requires thorough preparation. Progressive tax, for example, allows high-income groups to be taxed at a higher rate than groups with lower income. However, neoliberal governments in various countries have abolished this type of tax and introduced a flat tax, which benefits the wealthy by widening the income gap between the haves and the have-nots. A progressive tax is an instrument of solidarity and social justice in a civilised society. the introduction of a progressive tax in countries where it has not been introduced yet or its re-introduction in countries where it has been destroyed would generate some or even all of the financial resources needed to sustainably finance unconditional basic income.

Another important source of financing for basic income should be the elimination of tax havens or additional taxation of the companies based in tax havens that want to supply goods to our market.

Another fundamental change which could be the introduced by a single minor measure is the material liability of politicians. Today, it is common for a government minister to make a decision that costs the taxpayers hundreds of millions or even billions, and when it is later "found" to have been legally erroneous, the politician is not held liable. Meanwhile, the common worker, such as a supermarket clerk, must pay for any error—e.g. mistake at the check-out—from his or her own resources.

It is also necessary to diligently prosecute corruption, including "political transactions" or "sponsorship" of political parties and politicians. This "legal corruption" is currently tolerated in the Czech Republic and many other countries, and many politicians consider this pathological phenomenon to be a common part of everyday business.

There are many possible sources of funding of basic income, such as an environmental tax, Tobin's Tax on financial transactions (taxation of financial speculation), or the proceeds from enterprises (co-)owned by the state.

Another significant measure would be a change in the priority afforded to certain expenditures in the national budget. Even if the current revenues of the national budget remained unchanged, rational changes could be made in order to limit unnecessary expenditures while raising funds for an unconditional basic income.

Providing all citizens with a basic income would also help reduce financial cost of operating the bureaucratic apparatus needed to properly distribute addressed social benefits to select individuals, and eliminate the unpleasant and humiliating procedures inextricably linked with the bureaucratic procedure of "finding whether the needy have needs".

It has been proposed that basic income should be introduced gradually. the citizens could become accustomed to it, learn about its benefits and gradually accept it as a matter of course. One way of introducing it is to expand the list of persons currently eligible for a "participative income", which is not unconditional because it is connected with the performance of certain activities exempt from the rules of the market (presently, this includes groups such as students with scholarships, etc.). This would form what is called a "third sector" including e.g. cooperatives of mutual support, civic non-profit organisations, etc. Alternately, current conditional benefits that are linked to a relatively strict procedure of assessing the recipient's means could be granted with less scrutiny. Another option is that, for the initial period after its introduction, basic income could be granted to individuals only for a limited time (e.g. for a total of ten years throughout the individual's life). Each citizen would be eligible to receive it upon coming of age and would collect it, for example, for a six-month period, if he or she could not find employment, or wanted to spend time with children or parents, to take a break from a demanding schedule at work, or to pursue activities in the community or culture.

7 You can learn more about the financing of basic income in the book: Raventos, D., Materiální podmínky svobody. Prague: Rubato 2015.

The critics, as well as certain proponents of basic income, often do not realize what would be the actual cost of introducing it. the calculate the cost mechanically by multiplying the amount of the monthly basic income by the number of its recipients (i.e. all citizens). However, the calculation must include actual costs, which are usually more complex, and should reflect the factors of the above-mentioned funding proposals.

RECENT EXPERIMENTS WITH BASIC INCOME

Let us now focus on the situation regarding the implementation of basic income in various European countries that either has experimented with it recently or are currently planning to do so, such as Finland, the Netherlands, Scotland, Ireland or Spain. it is also important to map the situation in Brazil, the first country in the world to have implemented basic income as law throughout its entire territory, not just it's part, like in the case of the USA where the basic income has been successfully implemented in Alaska since the 80s.

Finland

On 1st January 2017, Finland initiated an elaborate experiment concerning implementation of basic income.[8] Two thousand of chronically unemployed individuals aged 25 to 58 were selected at random to receive the evaluated funds. For a period of two years, they were receiving EUR 560 per month, regardless with whom they lived, how much income they had and whether they were actively looking for employment. A new administration wanted to cancel the experiment and interrupted its course but, in the end, the experiment continued in a deformed environment until the original end date of 31st December 2018. One of the key questions the experiment sought to answer was whether the unconditional nature of the provided amount increased or decreased the participation of its recipients in the labour market. the question was: Will the recipients participate in the labour market more because it will not cause them to lose the granted amount, or will they participate less because they are no longer coerced to find employment?

In the first year of the experiment, the difference between the number of days worked (i.e. days when the recipient earned at least EUR 23 per day, either through hired labour or self-employment) was slightly higher in the test group than in the control group. However, the experiment was then interrupted by a significant reform of social policy which came into force at the start of the second year of the experiment. On 1st January 2018, the Finnish government introduced the "Activation Model", a general reform of the system of testing conditional benefits, which brought stricter criteria of eligibility: if the recipients of a conditional benefit did not work for a given number of hours quarterly or attend a retraining course, the benefit they received was decreased by 5%.

This reform, which has now been rescinded, has been in force for the entire second year of the experiment and affected about two-thirds of the control group. This also affected almost a half of the members of the experimental group who could also have been eligible for allowances for children in the range of EUR 150 to 300 per month, based on the number of dependent children, as well as housing allowance of about EUR 600 per month or more, based on their place of residence, in addition to the basic income.

In this second year of the experiment, the unemployment rate of both groups fell. it is impossible to say whether this was caused by the "Activation Model" because no experiment was conducted to prove it. However, the reform would have had a stronger effect on the control group than the recipients of basic income because the increase in severity of the conditions affected a greater portion of the control group. the stronger effect of the "Activation Model" on the control group should have eliminated the slight advantage in participating in the labour market which the basic income recipients had during the first year. This, however, had not occurred; on the contrary, the difference widened and became statistically significant; in the second year of the experiment, the recipients of basic income worked, on average, for 6 days more than the members of the control group. Therefore, it can be deduced that if the reform had not been introduced, the difference would have been even greater.

The experiment did not prove any significant positive effect on the employment rate. the experiment was also limited by the fact that it did not include those who were working at the time and who would have been able to shorten their working time or take time off from work thanks to basic income. the experiment also has not examined the potential effect of basic income on tax collection. in addition to the effect of introducing

8 Van Parijs, P., Basic income: Finland Final Verdict. Social Europe, 7th May 2020. https://www.socialeurope.eu/basic-income-positive-results-from-finland

basic income on the supply of labour, we should be interested in its effect on the health, skills and motivation of individuals resulting from a smoother transition between different occupations, study and volunteer work.

The effect on recent immigrants was noteworthy; immigrants in the basic income group worked, on average, 13 days more than those in the control group, while the difference in the rest of the group was only 3.6 days. Another interesting fact is that the beneficial effect of basic income on employment rate was lower in Helsinki (by 1.8 workdays) compared to the countryside (by 7.8 days), where the housing allowance is lower and people are therefore less often in a situation where working would be unprofitable. On the other hand, basic income has had a greater beneficial effect on the employment rate of families with children (13.7 extra days) and single parents (9.5 extra days) in comparison to households without children (1.6 extra days), despite the availability of child allowance.

The survey of subjective perception conducted with the members of the experimental group and the control group after the conclusion of the experiment through in-depth interviews is also immensely interesting. There was a statistically significant difference in favour of the basic income group in the subjective perception of well-being and stress, as well as trust towards other people and institutions.

The Netherlands

In the Netherlands[9], pilot projects with partial basic income are underway in the following cities: Tilburg, Groningen, Deventer, Nijmegen, Wageningen, Apeldoorn, Oss, and Epe. the experiments are based on 2015 legislation which allowed local authorities to experiment with social policies. However, the experiments are limited to those who apply for social security benefits and provided randomly to select individuals, not to a community.

The basic idea was to loosen the conditions for providing social benefits. These conditions reflected distrust towards the clients whereas the pilot experiments are based on the assumption that building trust between the state and its citizens will be more effective with regard to integration and participation of the citizens in society. the experiments are also designed to improve the citizens' motivation and their ability to take responsibility for themselves (self-governance).

The pilot projects are based on recent findings of a rather novel branch of science; behavioural economics. it describes what effect poverty has on people: (financial) deprivation and poverty decrease an individual's cognitive abilities. if financial deprivation of activities connected with adhering to regulation consumes a large portion of the claimant's cognitive capacity, there is little left for important and cognitively demanding tasks such as finding employment.

New research in the field of behavioural economics shows that implicit values like mutuality and trust play a very important role in intersubjective relations. These are also the foundation of a functioning social state. Reciprocity means that individuals reward hospitality (positive reciprocity) and retaliate against injury (negative reciprocity). Negative incentives, such as sanctions, are thus not necessarily the best way to induce cooperative behaviour. Experimental economics also show that individuals who have been shown trust are more motivated and invest more effort into their tasks in order to reward whoever has shown trust to them. Trust evokes a feeling of positive reciprocity and mutual respect between individuals, permanently increasing effort and productivity. it also induces a feeling of "self-reliance" with strong implications for finding employment and its long-term retention.

Behavioural economics also shows us that, in the theory of psychological motivation, external motivation may eliminate internal motivation. Internally motivated individuals participate in activities because the activities are pleasant and interesting for them, their effort is more effective, persistent and satisfying. Research also shows that internal motivation promotes choice and decision-making much more than control.

These pilot experiments show progress in the social state policy towards greater personal autonomy, creating an environment of mutual trust, and, through providing opportunities, granting individuals free choice to participate in society. in this context, we use terms such as "social investment" or "inclusive social state" for a proactive social state focused on "enabling".

9 McFarland, K., the Netherlands: Social Assistance Experiments Under Review. Basic Income Earth Network , May 9, 2017. https://basicincome.org/news/2017/05/netherlands-social-assistance-experiments-review/
Groot, L.; Muffels, R.; Verlaat, T., Welfare States' Social Investment Strategies and the Emergence of Dutch Experiments on a Minimum Income Guarantee. Social Policy and Society, Volume 18, Issue 2, 2019, s. 277—287.

the goal of this social policy is to build trust and give individuals the freedom of choice rather than start from the standpoint of mistrust and keep individuals under strict scrutiny and sanctions. From the findings of behavioural economics—the theory of psychological motivation and the role of social values in creating an environment of trust in society—it can be deduced that investing in personal autonomy, trust and internal motivation could pay off with regard to the productivity of individuals, their health, and their subjective well-being.

The organisers of the social experiments in the Netherlands have not used the term "basic income" (in Dutch: "baseinkomen"); the experiment is called "Weten Wat Werkt" (Finding What Works). it was appropriate to refrain from using the term "basic income" for these experiments because all the fundamental characteristics of basic income were not present. Firstly, the experiments are not universal because, similarly to the Finnish experiment, the participants were selected from the current recipients of social benefits, and sought to test the effect of loosening the criteria of eligibility for social benefits on the participation of the unemployed in the labour market. A certain level of conditionality was also maintained. Financial resources of the participants' households were examined. Also, the provided amount has been decreased for participants who found paid work during the experiment, even though the decrease was less significant than in the current social system.

Despite these differences, the Dutch experiments can be considered an incremental step towards a full-fledged basic income.

Scotland

Scotland is another country where there is hope for the introduction of basic income. in comparison to the rest of Great Britain, Scotland is a well-developed social state which, for example, finances higher education, while elsewhere the students have to pay for it. the chaos, the health toll and the loss of human life caused by the British conservative government caused a backlash in Scotland and a greater interest in strengthening the social state in the complicated economic and social situation. it was against this backdrop that a new wave of support for the unconditional basic income rose in Scotland. the Scottish First Minister, Nicola Sturgeon, introduced her positive approach in June of 2020. "My position on that has gone from having a keen interest in exploring it to what I now describe as active support for it."[10]

The committee for exploring the feasibility of unconditional basic income produced an analysis aimed at better understanding basic income and its potential effect on poverty, unemployment, health, and the financial situation of its recipients. the study suggests that poverty and bureaucracy would be reduced the most. Municipal councils in Edinburgh, Glasgow, Fife, and North Ayrshire are currently working with the study and presenting it to the Scottish government. the pilot study should be implemented over a period of three years. the amount of the income has not yet been determined, however, it should at least be able to cover basic necessities of life. the feasibility study will include two variants. the first one would cover the currently available social benefits, the second, higher one would allow eliminating or at least reduce poverty.

Aileen Campbell, Scottish Cabinet Secretary for Communities and Local Government had written to UK minister, urging them to engage with her on this matter and discuss next steps towards introducing universal basic income. She added: "The coronavirus pandemic has exposed the shortcomings of the UK social security system and strengthened calls to further explore how a universal basic income could provide support to people and reduce poverty."[11] First Minister Sturgeon stressed that legal barriers prevent the Scottish government from implementing basic income, even though it would like to do so. Scottish advocates of basic income and the Scottish government will probably have to negotiate with the conservative central government which is not exactly supportive of social experiments. the disagreement between the British and Scottish governments on the issue of basic income gives another incentive to those who seek independence of Scotland from Great Britain which faces a legitimacy crisis after Brexit. it may be noted that a majority of Scottish citizens voted against Brexit in the referendum. Irresponsible power struggles within the conservative party which led to the Brexit vote now resulted in Scotland being torn away from the European Union against its will.

The Scottish people have also symbolically proven their interest in unconditional basic income by hosting

10 Citizen's basic income: Pilot scheme 'challenging but desirable'. BBC News 11 June 2020. https://www.bbc.com/news/uk-scotland52997031. See also the webpage „Basic Income in Scotland": https://basicincome.scot/
11 Citizen's basic income: Pilot scheme 'challenging but desirable'. BBC News 11 June 2020. https://www.bbc.com/news/uk-scotland-52997031

the 2021 annual BIEN conference on basic income. This year's conference, which should have taken place in September 2020 in Brisbane, Australia, was cancelled; Australia will instead host the congress in 2022.[12]

Ireland

The new Irish administration, which is currently starting its five-year term (until 2025), has committed to implement a pilot experiment "universal basic income" this year. the political coalition of Fine Gael, Fianna Fáil and the Green Party have introduced a programme they want to promote. On page 75, there is a section titled "Anti-poverty and Social Inclusion Measures" which states that (the coalition will) request the Low Pay Commission to examine Universal Basic Income, informed by a review of previous international pilots, and resulting in a universal basic income pilot in the lifetime of the Government."[13]

This project was initiated by the Green Party which had it on its election agenda. it promised voters that it will introduce the pilot project similarly to how it has been implemented in other countries. it promotes a "gradual reform of taxation and the social system" and considers the UBC to be "a significant realignment of our current economic commitments."[14] in its manifesto, the political party Fianna Fáil said that it will explore the project; the idea wasn't mentioned in the Fine Gael manifesto, but the party agrees with its implementation. the deterioration of the social circumstances of many individuals in the current (post)pandemic time leads to greater support for introducing alternative economic and social methods. in some cases, this is the result of the politicians' efforts to fulfil the needs and promote the interests of the citizens, in other cases it is a purely pragmatic concession made by politicians worried about losing voters. in any case, this situation created favourable conditions for the promotion of more equitable alternatives and attempts to introduce basic income at least through pilot projects.

Spain

Even though Spain is introducing a so-called "basic income", it is not an actual basic income. However admirable it may be that the Spanish government is bolstering its social system after this difficult post-pandemic situation has left many people unemployed and in a difficult social situation, the initiative is merely an enhancement of conditional social benefits. the use of the term "basic income" is intended to evoke the introduction of an unconditional basic income which has been increasing in popularity in Southern European countries since the pan-European campaign advocating its introduction in 2013. in particular, the governments of Italy and Spain have been trying to introduce new social benefits for some time, misusing a popular term. However, the result more conditional benefits, not basic income which is defined as unconditional.

The government of Spain is considering a monthly conditional benefit of EUR 440, which is less than half of the minimum wage, which is determined by law to be EUR 950.[15] Airef, the Independent Authority for Fiscal Responsibility, has introduced a proposal for a social benefit that would help 1.8 million households.[16] the poverty rate in Spain would decrease from 6.9 % to 2.7 % of the population. Severe poverty would decrease by 60%. the finances needed for implementing this benefit were calculated at 5.5 billion Euro, after eliminating duplications it would be 3.5 billion Euro. Earlier proposal of the unions would include 1.1 million households and cost 7.2 billion Euro. Both options would help remove poverty and improve the standard of living of the lowest income groups. However, they would still be instruments of conditional social welfare which cannot dispense with the humiliating process of determining whether the poor are in fact poor and which cannot unblock people's creative potential.

Brazil

When examining the efforts to introduce unconditional basic income throughout the world, the case of Brazil is definitely worth mentioning. the case of Brazil can serve as an illustration of the fact that there are, in fact, not just two, but three basic types of social incomes. the first is the unconditional basic income itself, which meets all the defining criteria. the second is conditional social benefits, fraudulently presented by politicians as unconditional basic income, universal basic income, or just basic income, to lead the voters to believe that basic income is being introduced; while, in fact, these are merely conditional social benefits. the third is a kind of a middle ground which is, however, more ambitious than the conditional social benefits. Such middle ground option endeavours to introduce fundamental structural changes gradually. it is a conditional social benefit which is, however, seen as a step towards the introduction of this benefit unconditionally, and which gradually becomes available to more recipients until all the citizens or residents become eligible. This gradual implementation of basic income (renda basica) has been mentioned at the outset to clarify that the concept is more ambitious.

Eduardo Suplicy, economist and one of the most popular politicians in Brazil, played a fundamental role in the implementation of the third system. He started his career on various political positions in Sao Paolo, after which he became a senator (1991 to 2015); currently, he is once again involved in the Sao Paolo political scene as a city councillor (vereador) while also teaching economy at a local university. Suplicy has been involved with the idea of basic income for a long time,[17] proposing its enactment as early as the beginning of the 90s. in 2001, he introduced it as a member of a social democratic party, Partido dos Trabalhadores (PT), of which he was a co-founder. Bill on basic income has been adopted by the Senate in 2002 and by the House in 2003. President Lula (Luiz Inácio Lula da Silva) has signed the bill into law in 2004, making Brazil the first country in the world to have implemented basic income throughout its entire territory. However, as mentioned above, it is merely a programme of gradual implementation of the law. the Bolsa Familia (Family pocket) law, adopted at the same time, specifies who is eligible to receive this kind of income. Bolsa Familia became the cornerstone of social programmes of Lula's government and its efforts to help poor and low-income groups.

Bolsa Familia is among the largest social programmes in the world. at the peak of its implementation, it involved 55 million recipients out of the 200 million Brazilian citizens.[18] it is a social benefit aimed at improving the living conditions of poor and low-income recipients. it is provided to individuals as well as whole families with income below BRL 70 per month per person, which equalled USD 35 in 2001 or USD 21 in 2017. Even though the amount is not exactly high, for Brazil's poor it is significant. in comparison, the average wage in Brazil equalled BRL 783 (USD 390) in 2011 and BRL 937 (USD 282) in 2017. in 2017, individuals with an income of no more than BRL 85 (USD 25.6) per month were eligible for Bolsa Familia.

In 2017, the basic amount of Bolsa Familia equalled BRL 85 (USD 25.6). Recipients caring for children up to 17 years of age are eligible for an amount between BRL 85 and BRL 170 (USD 51.2). the amounts are further specified based on the age and number of children; another special provision has been introduced for pregnant women and children under 6 months. Each family can receive a maximum of five Bolsa Familia benefits.

However, in 2016, after years of being governed by president Lula and his successor, President Dilma Rousseff, Brazil suffered a constitutional coup and the new neo-liberal president, Michel Temer, began to cut back on expenses in social security. Even though Temer would not risk immediately curtailing the very popular Bolsa Familia programme, it was nevertheless partially reduced. According to the Brazilian Ministry of Development, in 2017, less than 14 million families received Bolsa Familia, which is approximately 44 million people. Therefore, 11 million people lost this form of income under the anti-socialist government of president Temer and the following neo-liberal government of president Bolsonaro. in addition, dozens of other social programmes were cancelled, which led to an exacerbation of poverty in Brazil, in some cases to hunger and even thirst in places where drinking water has not been provided.

According to data from 2018, 25.3 % of the population lived below the poverty line, and the pandemic was bound to make the situation even worse. at the end of June 2020, Brazil records 55 thousand new coronavirus infection daily, over 1 million infected and more than 50 thousand deceased. This is the second-worst result worldwide, surpassed only by the USA. Bolsonaro's anti-socialist policy has fatal consequences for the Brazilian people.

Bolsonaro's government gradually escalated the situation to a point where a large number of poverty-stricken populace suffered such dire conditions during the pandemic that the government was forced by mass protests to introduce a special social benefit to protect the very existence of the government. in April, a new law introduced an extraordinary measure of social protection (medidas excepcionais de proteção social), a social

12 BIEN: Basic Income Earth Network https://basicincome.org/
13 Universal basic income: Next government commits to a pilot programme to trial it. thejournal.ie 16 June 2020 https://www.thejournal.ie/universal-basic-income-5123985-Jun2020/
14 Ibid.
15 La renta básica deja de ser una utopía. El País 6 Abr 2020. https://elpais.com/economia/2020-04-06/la-renta-basica-deja-de-ser-una-utopia.html
16 Gómez, M., La Autoridad Fiscal propone una renta mínima estatal contra la pobreza que beneficiaría a 1,8 millones de hogares. El País 26 June 2020. https://elpais.com/economia/2019/06/26/actualidad/1561545616_052271.html
17 Suplicy, E., Renda Básica de Cidadania: a resposta dada pelo vento. L&PM: Porto Alegre, 2002.
18 Alessandro, P., Rego, L., Money, Autonomy and Citizenship: the Experience of the Brazilian Bolsa Família. Cham: Springer 2020.

benefit of continuous provision of services (benefício de prestação continuada = BPC) for the duration of the state of emergency in the coronavirus pandemic.[19] This benefit has also been called an "emergency basic income" (renda básica emergencial). the benefit is provided in the amount of BRL 600 (USD 115 in 2020) per month for citizens over 18 who do not receive any other benefits except Bolsa Familia. the provision of the benefit is also contingent on the individual having a "monthly family income below one half of the minimum wage, BRL 522.5 (USD 100), per person, or a total family income equal to three times the minimum wage, BLR 3 135 (USD 608), and have not earned an income exceeding the limit of tax exemption in the financial year of 2018."[20] Initially, the government expected that approximately 54 million individuals would be eligible for the benefit, however, 107 million people have applied. the benefit has been awarded to 59 million people, the rest were rejected.

President Bolsonaro, who criticises the benefit, is attempting to reduce it by a half and end the programme in August. Meanwhile, people's initiative strives to keep it in force until December 2020. Under the present circumstances of escalated social and political conflict between the people and the government, the latter considers once again expanding the Bolsa Familia programme to more or even all of the citizens, i.e. to introduce an unconditional basic income. it is clear that the social and political polarisation is a motivational factor in the government's contemplation of introducing basic income. This could serve as a lesson for the overly cautious efforts to implement basic income in Brazil and elsewhere. Regrettably, where rational arguments fail, conflict seems to be the only recourse.

CONCLUSION: FUNDAMENTAL SOCIAL CHANGE

Implementation of unconditional basic income is becoming an essential social innovation comparable to the abolition of slavery, the introduction of universal suffrage or universal healthcare. A notion has formed over the two hundred years since the inception of industrial capitalism that labour is essential and that independence can only be achieved on the basis of an employment contract and wages for work. This historical, conservative notion partially persists through the current transformation of the economy in the age of mechanisation and automation, despite it becoming increasingly apparent that the economy is not and will not be able to provide fully-fledged paid employment to everyone. at this time, basic income exists only in Alaska and in a series of separate experiments in many regions of the world, including Europe, Africa, the Americas, and Asia. the introduction of unconditional basic income on a larger scale would be only a minor legal adjustment but it has the potential to fundamentally transform civilisation, and be a step towards a more equitable and creative society than the one in which we now live.

19 Lei Nş 13.982, de 2 de Abril de 2020 http://www.planalto.gov.br/ccivil_03/_ato2019-2022/2020/lei/l13982.htm

20 Santos Rocha, T., Brazilian Emergency Workers Aid: the short-term response that exposes a structural problém. BIEN Jun 18, 2020. https://basicincome.org/news/2020/06/brazilian-emergency-workers-aid-the-short-term-response-that-exposes-a-structural-problem/

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DEGROWTH: LESS, DIFFERENTLY, BETTER.

THE WAY OUT OF THE CRISIS IS NOT "BACK TO NORMAL" BUT TRANSFORMATION.

LUCIE SOVOVÁ

SINCE THE 1970S, ENVIRONMENTAL GROUPS HAVE VOICED SOCIAL CRITIQUES FOCUSING ON ECONOMIC GROWTH AND SUGGESTIONS FOR CONTROLLED AND JUSTLY REDUCED MATERIAL AND ENERGY RESOURCE CONSUMPTION. THE TERM "DEGROWTH" ONLY ENTERED THESE DEBATES AFTER THE FIRST DEGROWTH CONFERENCE HELD IN 2008 IN PARIS. ACCORDING TO ACTIVISTS AND DEGROWTH THEORISTS, THE GLOBAL PANDEMIC ONLY REVEALS THE NEOLIBERAL, GROWTH-ORIENTED SOCIO-ECONOMICAL MODEL'S WEAKNESSES. THIS CRISIS ALSO PRESENTS AN OPPORTUNITY TO REEVALUATE SOCIAL PRIORITIES AND TRANSFORM THE ECONOMY TO A MORE SOCIALLY JUST AND ENVIRONMENTALLY FRIENDLY FORM.

This study describes problems the global pandemic highlighted, but which stem current social orders' nature. it addresses environmental ethics, the relationship between humans and nature, global inequalities, neocolonial dependencies, and social injustice.
It emphasizes that a profit-oriented economy is long-term unsustainable, not just environmentally but also socially. This fragile system does not support the functioning of society enough. On the contrary, it is liable to crisis and crashes—as demonstrated by our current situation and inability to adapt to climate change.

The second part of this text summarizes degrowth solutions suggested by theorists and activists, based on the ethos of a just transformation to an environmentally friendly and socially solidary economy. the degrowth movement suggests replacing economic growth with preservation and support for life at the center of all human activity: attributing much greater importance to non-monetary values: "services" or "resources" offered by nature or interpersonal care. This principle leads to reevaluating work and securing adequate living conditions, including ideas for universal basic income or work-time reduction. Degrowth society has to move away from sectors destroying nature and human communities, such as fossil fuel extraction, financial speculations, or advertising creating artificial needs. it has to strengthen sectors increasing welfare and resilience; care, healthcare, nurture and education, sustainable grocery systems, accessible housing, and ecological energy sources.

This transition must be democratic and solidary, not to harm global and local disadvantaged groups, which bear the harshest impacts of crises. the emphasis on equality and public participation counters the growing threats of authoritarian regimes, disinformation, and the centralization of power.

This overview study is based on current statements and articles from the degrowth movement and friendly groups both at home and abroad, and the long-term work of degrowth theoreticians and activists.

INTRODUCTION

The global pandemic shook the world as we know it. In the past months, governments worldwide had to contend with infection risks onsets to healthcare systems, strategic supplying, border controls, and protecting the most vulnerable. Quarantine measures impacted the lives of billions of people in various ways. This crisis demonstrated the globalized world's vulnerability and interconnectivity and significantly altered how we consider its "normal" functioning. Critical voices point out that many of the things we consider normal caused the current situation. Suppose the pandemic caused the world's cogwheels to stop. In that case, it is appropriate to ask which way they should start moving again. "We will not get back to normal because normal was the problem" is a slogan that, in various variations[1], sets the tone of current debates[2] about our shared future. The economy is one of the hottest topics of these debates. We face a bleak outlook of an economic depression almost immediately following the pandemic. Restrictions to international trade, the closing of businesses, and labor restrictions meant an unexpected economic system's slowdown. Loss of purchasing power, the bankruptcy of manufactures, and the self-employed, an increase of debt and unemployment all represent the second crisis wave, which can be as devastating as the virus. Fears of economic impacts accompany decisions on quarantine measures worldwide, and various governments choose different strategies to balance health and economic risks. Planned recovery packages and economic tools for the way out of crisis all provoke the question: in what kind of economic system do we want to live?

Critics also point to many problematic aspects of the previous "normal" and understand the involuntary slowdown of the world's economy as an opportunity for transformation. the degrowth movement (sometimes referred to as the movement for economic degrowth or sustainable degrowth) is one of the most radical voices in this debate. Its proponents criticize society's focus on economic growth, which leads to environmental degradation and social inequalities. the 2008 first degrowth conference held in Paris is considered to be the movement's official emergence. Critiques of economic growth appeared back in the 1970s. According to degrowth theoreticians and activists, the global pandemic only reveals the neoliberal economic model's weaknesses. Therefore degrowth advocates for a controlled and socially just reduction of the global economy volume and a reevaluation of social priorities. the following section summarizes several problems of the existing economic system revealed by the pandemic. Afterward, I will introduce the philosophical roots of degrowth that has persistently been pointing out these problems. the second part of the study sheds light on possible solutions suggested by the degrowth movement and mentions best practice examples from the Czech Republic.

WHAT THE PANDEMIC REVEALED ABOUT THE STATE OF THE GLOBAL ECONOMY

Authors critical to the neoliberal economic model point out that the current economic system strengthens the problems caused by the pandemic. Their arguments in many points copy those that the degrowth movement has been stating for years. the first general criticism is that the economy follows the profit imperative rather than fulfilling human needs. This value basis creates the global economic structure, which in some cases enabled the spread of the virus while lowering our ability to react to the pandemic. International trade and travel networks undoubtedly helped the spread of coronavirus across the continents. as I will go into more detail later, this global hypermobility is primarily of benefit for big multinational corporations. it is the outcome of their drive to minimalize costs while maximizing profits.

It is the very same economic logic that complicated tackling the pandemic. the efforts to maximize financial effectivity led, in most countries of the global North, to a systematic decrease in public expenditure and privatizing sectors like healthcare and others. as the pandemic's fast spread demonstrated, the "effectivity" of budget cuts and functioning with minimal staff and material supply is absolutely unsuitable for healthcare. the current crisis shows us what real societal needs are: healthcare, social care, education, grocery supply, and adequate housing. From an economic side, these sectors are not profitable, as they carry more costs than income. Nevertheless, they are integral to society's safe function, exactly why they cannot succumb to commodification and market logic.

Secondly, we can understand the pandemic as a warning sign, demonstrating unsustainable exploitation of nature. Coronavirus is a zoonotic illness, which transfers from animals to humans. Their spread directly results[3] from how humans interact with animals and how our activity influences their natural biotopes. Along with wild animal hunting, industrial animal farms are critical factors in spreading new zoonotic illnesses. it is indirectly, yet no less significantly, aided by the devastation of natural habitats through direct human intervention—drying of wetlands, deforestation, and others—and their collapse due to climate change. These processes result from an anthropocentric concept of nature as a "resource," production input, free supplier of ecosystem services, or the recipient of externalities in the form of waste and pollution. These processes are closely connected to an economic focus on the maximization of financial profit. the current crisis reminds us that we are not masters of the natural world, but its components. the environment is not "external" to the economy—a healthy and functioning ecosystem is a condition for any socio-economic system's function. Therefore we have to change our exploitative attitude to nature into a relationship of respect and mutual support.

The ongoing crisis reveals and strengthens deep economic and social inequalities, in their most extreme forms manifested as homelessness or refugees. Socially and economically disadvantaged groups are the most vulnerable in the current situation: lacking sufficient conditions to keep quarantine and hygienic measures, lacking means for sustenance and dealing with the sickness. the situation's nature makes it evident that it is not "someone else's" problem but concerns us all. A resilient and cohesive society does not turn from those on its margins but instead offers them a helping hand. Pandemic measures also demonstrate that a social solution to the problems is viable. Some countries[4] decided to regard all people within their territory as residents, regardless of their legal status. Many cities quickly offered accommodation to the homeless[5]. These measures helped the individuals and the whole society—and this is precisely how we must approach social solidarity.

The current situation most severely impacted the socially disadvantaged. it demonstrates the vulnerability of those working on short-term contracts, be they seasonal agricultural workers or cultural workers[6]. Those living “from paycheck to paycheck” were forced to choose between economic or health risks. the precarization of work and work-contracts without long-term guarantees, or social security, is a direct result of profiteering and minimizing costs at any price.

The socially disadvantaged will also be those most harshly impacted by the economic recession caused by the quarantines. the current economic order is based on the idea that one's social and economic standing derives from their talent and hard work. This individualist perspective ignores structural inequalities caused by the place of birth, social class, and others. Nevertheless, through this basis, we perceive social problems such as poverty or unemployment as individual failures. This perspective is the source of suspicion against welfare recipients, contempt of the unemployed, a feeling of superiority over foreigners, and the like.

The crisis highlighted the global links upon which the economy is dependent. In a world interconnected by flights and global transport of people and goods, risks cannot be isolated. Closing borders in order to control the spread of the virus leads to other unintended outcomes: worker shortages[7], inflation, export-oriented business collapse. This global network is not an equal playing field—some actors have more influence than others, and, again, the crisis most severely impacts the powerless. Development organizations warn[8] that efforts to secure food supplies and increased food prices will cause famine in food-insecure states of the global South. In most vulnerable regions, profit-oriented production (cocoa, coffee, soybean meal plantations) drove out traditional autarky, rendered it impossible due to climate change, or was forgotten in a rush for

1 https://www.buildbackbetteruk.org/
2 https://www.opendemocracy.net/en/oureconomy/case-degrowth-time-pandemic/
3 https://wedocs.unep.org/bitstream/handle/20.500.11822/32316/ZP.pdf?sequence=1&isAllowed=y
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6 https://a2larm.cz/2020/04/z-opery-na-kasu-denik-hudebnice-kterou-koronavirus-pripravil-o-praci/
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8 https://reliefweb.int/report/world/new-irc-data-shows-covid-19-brings-increased-food-prices-hunger-and-economic-distress

industrialization, urbanization, or economic growth. These problems, harshly manifested on the local level, are often intertwined into a complex web of global influences.

The pandemic also demonstrates how global interconnectivity can be useful: in sharing information, coordinating measures, cross-border social care cooperation, solving the situation of people residing in other countries. it also shows the calamitous impacts of dependency on international trade: loss of self-sufficiency, non-transparency, and the risk stemming from it. Instead of defensive border closings, we should build local resilience in fields essential for society—be it food sovereignty[9] or independent media.

TO THE ROOTS OF (DE)GROWTH

In the previous section, I mentioned some inadequacies of the current socio-economic system, highlighted by the pandemic. However, are these problems indeed a structural result of the growth economy? Moreover, what does then degrowth mean? This section should answer those questions.

The idea of degrowth inspires a wide range of ideas and scientific branches. One of the cornerstones of degrowth is the biophysical limit of the Earth's ecosystem. the authors of the 1972 Club of Rome the Limit to Growth report first warned on the limited supply of resources and the disproportionately growing consumption rate. Nicholas Georgescu-Roegen is considered to be a forefather of degrowth. In his 1971 book, the Entropy Law and the Economic Process described the limits of economic growth through the lens of thermodynamics laws[10]: non-renewable material resources are through the production gradually and permanently degraded, and the human economy is therefore limited to their exhaustion.

The consumption of non-renewable resources and the plant's load capacity has since the 1970's been the topic of a stream of environmental studies. the observed variables differ. One approach to defining planetary limits is the Safe Operating Space for Humanity as proposed in 2009 by Johan Rockström and colleagues[11], which observes nine dimensions: climate change, loss of biodiversity, nitrogen and phosphorus cycles, ozone layer degradation, freshwater consumption, Ocean deoxygenation, land use, chemical pollution, and atmospheric aerosol levels. Other authors (for example Christian Kerscher[12]) follow the availability of resources through peaks or breaches in the extraction—we often hear of peak oil and a similar mechanism, that is, reaching the maximum extraction and gradual depletion of reserves applies to other resources. Regardless of specific methodologies and indicators, we can simply summarize the principle of biophysical limits through a quote attributed to Kenneth Boulding: "Anyone who believes in indefinite growth in anything physical, on a physically finite planet, is either mad or an economist."

Ecological arguments offer a wide range of solutions. the so-called "green growth" proponents (which is implicitly expected in the sustainable development discourse) believe that new technologies will increase production effectiveness, allowing growth without resource depletion. However, so-called Jevons disrupts these hopes, as it shows that an efficiency increase stemming from technology leads to increased demand and hence larger, not smaller consumption. LED lights are a typical example, being more effective than lightbulbs, but these savings lead to increased lighting and paradoxically increased energy consumption. In their study, Timothee Parrique and his colleagues focused on this and similar green growth problems. Their research shows that absolute decoupling—a situation where the economy grows without growth in energy and resource consumption—is not realistic. According to the authors, degrowth—a decrease in material and energy flows accompanied by a decrease in production and consumption, is the only way to secure sustainable life on Earth.

We require a radical change as the growth imperative is embedded in the current economic system's base. This imperative stems from the process of creating and multiplying money and the follow-up accumulation of capital. as Naďa Johanisová describes[13], the current system creates money as a form of debt. Banks use their owners' position for new loans without subtracting them from their account (Multiple expansion of deposits). Interest rate[14] mechanism help to artificially reproduce money: debtors always have to repay a bit more than they borrowed. the money creation mechanism hence participates in the systematic pressure for economic growth. Increased financial reserves pressure production expansion, as otherwise, the money would lose its value—furthermore, the need to repay loans pressures debtors to expand production. Legislation establishing economic entities further drives growth furthers —for example, joint-stock companies are legally obliged to maximize their shareholders' profit, and stock is enumerated with its growth.

Economic growth resembles a train, which is hard to exit, heading for disaster. it is not in vain that the abovementioned mechanism is referred to as a race to the bottom, as businesses try to reduce production costs to a bare minimum. In practice, this often leads to moving productions into countries with a cheaper labor force, more favorable tax conditions, or more lax environmental-protection and labor codes. A seemingly innocent attempt to increase effectivity leads to the exploiting nature and people and deepening local and global inequalities. This fight for survival results in an unstable crisis-prone economy. as was recently pointed[15] out by Dennis Meadows, one of the authors of the aforementioned Limits to Growth study, an emphasis on efficiency lowers the economic system's resiliency. Nevertheless, the existing economic system rewards effectivity measured in financial resources saved, but never the system's long terms sustainability or its resilience to a sudden crisis. Profit rush and the resulting instability is not the action of "evil corporations," but is the result of the current systems structural design.

The fact that economic growth is often used interchangeably for progress or development does not help the situation. We understand economic growth, measured through indicators such as Gross Domestic Product, as a prosperity index. Nevertheless, we do not consider enough what is growing and to what extent it helps society prosper. GDP is often helped by armament, gambling, or reconstruction after natural disasters. On the other hand, values as time spent with loved ones or a walk through pristine nature are invisible to economic indicators. the house gold saying that one cannot buy happiness with money has a scientific foundation. the Easterlin paradox proves[16] that from a certain level of economic prosperity, GDP growth does not bring about higher life satisfaction. In other words, a small increase in wealth can help the less wealthy attain higher satisfaction (even if this might be disputable[17]) but not the relatively rich. the drive for economic growth is not socially justified, especially if we consider the negative impacts. the idea that every generation will be better off than the previous one, in reality, endangers the possible existence of future generations.

In this regard, it is essential to explain that the degrowth movement does not a priori focus on GDP decrease. A decrease in energy and material consumption is necessary for an environmentally sustainable economy. Degrowth primarily focuses on evaluating what we need for life satisfaction and securing these needs for all societies' members. When degrowth proponents speak of "shrinking" the economy, they also stress that this process needs to happen by democratic and socially just means. Ecological ideas aside, the degrowth idea is firmly embedded in the ideas of social justice, post-development, and feminism. These approaches are linked by sensitivity to existing inequalities and an understanding that economic, environmental, and other crises do not impact all in the same way.

Degrowth post-development perspectives emphasize solidarity between the global North and South. the economic boom of the so-called developed nations often happened at the expense of former colonies. the exploitation mechanisms persisted to this day, manifesting themselves as a unilaterally beneficial export of essential resources, land enclosures, or the elimination of indigenous biotopes and peoples in the name of the global economy. the ecologically and socially problematic extraction of resources such as gold, diamonds, or coltan, rainforest destruction for export goods production, outsourcing production to sweatshops, or massive environmental destruction are just several manifestations of these inequalities. Weak governments striving to attain the favor of multinational corporations further maintain these inequalities. the climate crisis and environmental degradation disproportionately impact countries of the global South. it is the economic development of the global North, which mainly caused these inequalities. While degrowth in the global North requires consumption decrease, it is mostly concerned with settling current unjust relationships and replacing western views on development and progress with more significant autonomy and equality in the context of the global South.

9 https://potravinovasuverenita.cz/deklarace/
10 https://is.muni.cz/th/sebz4/Eva_Frankova_DP.pdf
11 https://www.stockholmresilience.org/research/planetary-boundaries.html
12 https://nerust.wordpress.com/tag/ropny-zlom/
13 http://sedmagenerace.cz/o-bankach-penezich-a-zaludnostech-exponencialniho-rustu/
14 http://novyprostor.cz/clanky/443/nekdo-musi-zbankrotovat
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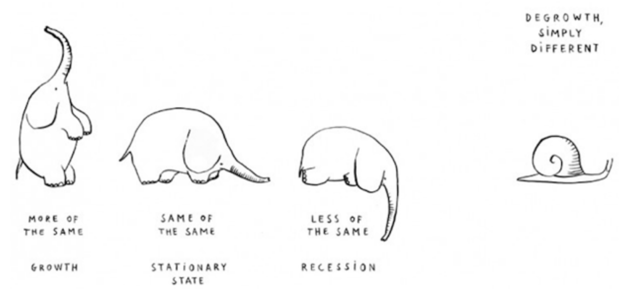
16 http://glopolis.org/wp-content/uploads/soubory/udrzitelny-nerust.pdf
17 https://www.degrowth.info/en/catalogue-entry/money-and-subjective-well-being/

The emphasis on social justice on a local level means that environmental sustainability attempts cannot come at the expense of social sustainability. In other words, it is necessary to ensure that the decrease of economic energy and material demands does not endanger vulnerable members of society. Degrowth advocates redistribution and solidarity, instead of broad measures, to ensure adequate living conditions for all. Degrowth proponents reflect existing inequalities with environmental problems having a more significant impact on disadvantaged groups. Environmental pollution caused by mining or dirty energetics impacts the impoverished spheres of society more significantly, even in the Czech context. A degrowth society should address these inequalities. On a political level, degrowth demonstrates an inclusive and socially focused ethos: degrowth policies can be revolutionary but must be implemented democratically and not by a dictatorial decree from above.

Finally, degrowths' inspiration in feminism manifests in its particular attention to the reproductive sphere. In the economic context, reproduction is a form of base allowing for (market) production. Simply put, it includes care for physical and material wellbeing, which we often connect to housework. it consists of cooking, hygiene, caring for children, the elderly or sick, maintaining good relationships and mental comfort, care for the home, and its surroundings. Feminism addresses these topics because they are often disproportionately dependent on unpaid female labor. Generally, these are values essential for a fulfilling life but invisible to profit-oriented, economic indicators. On the other hand, degrowth strives to highlight and value (not necessarily financially) these activities better and, at the same time, ensure a just sharing of labor required for reproduction. Degrowth is also inspired by the feminist principle of universal equality regardless of gender or sexual preferences and the rejection of ethnic and other forms of discrimination.

In summary, degrowth means a democratic and steady production and consumption decrease and achieve social justice and ecological sustainability. to explicitly reject the modern obsession with growth, the movement intentionally chose the, at first glance, provocative and maybe even negative term degrowth (in French décroissance). as was stated, degrowths main objective is not just a decrease in quantity but also a focus on life quality, wherein GDP decrease is only a side effect. Despite its categorical slogan, degrowth, degrowth policies expect an increase in many fields: education, culture, care for nature and humans, more free time, togetherness, and life satisfaction. Degrowths definition differentiates[18] it from an economic recession: despite a similarity when viewed through economic indicators. it is a voluntary and democratically guided process, while a recession goes in freefall and has drastic impacts on human wellbeing. the picture of the elephant and snail below well demonstrates the difference between degrowth and negative growth in a growth-based economy. We should keep this in mind when thinking of economic crisis and transformation.



Source: degrowth.info

DEGROWTH SOLUTIONS AND CURRENT TRENDS

The global pandemic highlighted the problematic aspects of the current economic system and changed the global economy's functioning. This somewhat unprecedented situation seems like a suitable opportunity for socio-economic transformation. as should be evident from the two previous sections, a wide range of economic shortcomings highlighted by the current crisis stem from the character of a system-oriented on growth and profit maximization. the very same mechanisms are the subjects of long-term degrowth critique. Although degrowth is not a package of universal measures in itself, in the previous decades, its proponents came up with a range of suggestions for an alternative economic structure. it is these solutions that they are currently trying to introduce to governments looking for appropriate measures.

The first reaction from the degrowth movement in spring 2020 was to reject[19] the current restriction of economic life clearly: this is not the degrowth we desire! Quarantine measures around the world slowed down economic production and decreased consumption, which led to a decrease in emissions and pollution. However, it came about chaotically and drastically, causing the suffering of many. Degrowth authors from the degrowth.info

18 https://ourworld.unu.edu/en/their-recession-is-not-our-degrowth
19 https://www.degrowth.info/en/2020/04/this-isnt-the-type-of-downscaling-that-degrowth-thinkers-have-in-mind/

portal and other media distanced themselves from an optimistic understanding of the pandemic as a relief for the planet. the editorial staff of degrowth.info described[20] the situation as “it's an example of why degrowth is needed; it shows the unsustainability and fragility of our current way of life.

Additionally, the response to Covid-19 has shown that degrowth is possible because society (and the state) has demonstrated an ability to dramatically change the modus operandi in response to a major crisis." the following section will introduce several analogies between reactions to the pandemic and degrowth solutions and other potential inspiration. it is based on several statements[21] and recommendations[22] issued in recent months by the international degrowth community.

Solidarity, cooperation, mutual aid

Despite quarantine measures, the pandemic mobilized society worldwide. Spontaneous mutual-aid and neighborhood help groups emerged and engaged in various activities from purchasing food and medicine, through face mask distribution to distance tutoring, childcare, or loneliness prevention. A flash poll[23] conducted in March by the Behavio agency showed that almost half of Czechs took part in some form of aid, with similar results described in foreign media. Self-employed and businesses engaged in selfless help. the efforts of engineers and designers allowed quick production of safety and health tools, technological and scientific capacities pushed to test the public and study the virus's spread. Social services and NGOs, together with local authorities, discovered quick ways to support vulnerable groups, while closed restaurants donated an unprecedented amount of food to food banks; empty hotels were available to the homeless.

These measures demonstrate that people are not primarily cold-blooded individualists competing to maximize their gain, as is expected by the mainstream economy, but demonstrate that they can unite selflessly to achieve a common goal. Self-help and community initiatives show surprising self-organization capacities and the ability to decide independently without government involvement (and in some cases despite government activities). This spirit of solidarity, cooperation, and active participation to achieve the common good is crucial for a society focused on the quality of life instead of growth. Therefore, it is vital to translate this social mobilization ability from a situation of an immediate threat to our everyday functioning. In public policies, this can mean support for informal neighborhood initiatives and the civil sector and creating suitable conditions for (eco-) social enterprises, (social) cooperatives, B-corporations, and other types of companies than just the not just profit-oriented ones.

A life-supporting economy

The main principle appearing in degrowth recommendations in several ways is to place the needs of and nature at the center of the economic system. Instead of economic growth and purposeless production, the goal of our efforts must be to flourish human and non-human life. the coronavirus crisis reminded us which economic sectors are critical. We need to keep this in mind when planning economic policies. Sectors securing access to basic human needs—adequate housing, health care, education, food, and basic human material needs—need to be strengthened, along with activities to ensure the long-term sustainability of life on Earth. On the other hand, destructive economic activities, such as fossil fuel extraction, armament expenditures, or advertising, should be reduced.

One degrowth solution to refocus the economy is ecologic tax reform. it is based on taxing fossil fuel consumption, polluting activities, or entire industries. it also assumes a decrease in human labor—work, research, and similar (in line with the degrowth approach to work, introduced below). Ecologic taxation does not mean a general tax burden increases but changes according to social priorities and environmental sustainability. This principle should also guide the redistribution of public finances. Finances from ecologic taxes (and from other measures, see below) should offer funding to public benefit sectors like healthcare, social services, or education. These sectors, shown to be essential by the pandemic, suffer from budget cuts and loss of social prestige. Applause for healthcare workers may be a nice gesture, but we cannot stop just there. On the other hand, government subsidies for projects leading to the devastation of our shared environment and which benefit only the rich few

20 https://nerust.wordpress.com/2020/04/05/pohled-nerustu-na-koronovirovou-krizi-redakce-degrowth-info/
21 https://www.degrowth.info/en/2020/04/feminist-degrowth-collaborative-fada-reflections-on-the-covid-19-pandemic-and-the-politics-of-social-reproduction/
22 https://nerust.wordpress.com/2020/05/14/otevreny-dopis-nerust-nove-koreny-pro-ekonomiku/#more-316
23 https://www.irozhlas.cz/zpravy-domov/behavio-pruzkum-krize-covid-koronavirus-nouzovy-stav-karantena-rousky-babis_2003210722_jab

are unacceptable, and so is support for business with headquarters in tax havens[24].

Comprehensive advertising reduction shares the same principles as ecologic taxation. These measures have both an environmental and a social function. the goal of advertising is to artificially create "needs," which lead to feelings of inadequacy, motivating higher consumption and hence environmental degradation. Advertising reduction would mean significant savings in energy, material, human labor, and creativity, which could put to better use. Furthermore, it could help rid the public space of visual smog. Some cities[25], like Grenoble or São Paulo, have already introduced an advertising ban. An increased advertising tax could also serve as a source of public finances.

Another step to secure real human needs is an effective use of buildings and increased access to housing. New housing construction is often motivated by investment interests and does not provide affordable housing, while numbers of buildings deteriorate due to financial speculations or unclear ownership. the quarantine reminded us that we need to understand housing as a human right, not a market luxury. Therefore this sector requires public intervention to support social, and more broadly adequate, housing. In this regard[26], several authors point out the need to regulate mass tourism, which threatens local housing and contributes to unsustainable consumption, traffic pollution gentrification, and local culture devaluation.

Valuation of social care, reproduction; reevaluating work and value

As profit-oriented production slowed down or even shut down, this crisis revealed how much our society relies on the often hidden and, almost always, unappreciated social reproduction. Transferring a significant part of economic activity into households highlighted and increased[27] unpaid household work: from raising and educating children through housework to psychological support. This work falls disproportionately on the shoulders of women[28], and its value is invisible to economic indicators. Practical degrowth measures to balance productive and reproductive economic roles include universal basic income or a working time reduction[29].

The idea of universal basic income comes from understanding that individuals' social contribution cannot be derived purely from their paid employment. Therefore the livelihood of individuals cannot be solely based on paid labor. Instead, we must calibrate the economy and the social system to understand that even people without paid work are crucial for society's function if they, for example, spend their time taking care of the family, the wider community, or the environment. A carefully implemented universal basic income policy could replace the heavy-handed social benefit apparatus, which puts the recipients in the role of beggars or parasites.

The exact functioning of universal basic income is the target of many debates and experiments[30]—for example, there are suggestions for its introduction for selected groups only to condition it on the involvement in public benefit activities. One recent suggestion[31] is "care income," meaning income for people caring for other society members or the environment. it would help societies appreciate these activities while decreasing economic inequalities, like lower wages or pensions of non-payed workers.

Existing universal basic income experiments have shown that it does not lead to a decrease in people's desire to work—which is also proved by voluntary activities during the pandemic. Instead, elementary financial stability can decrease negative features that accompany economic inequality, like addiction or mental health problems. In terms of financing, a combination of ecologic and progressive taxation is being considered, as are taxing international capital transactions[32], stricter tax haven control, or a maximum income limit, which would also help lower inequalities. An important principle is that universal basic income considers the needs of those for whom this will be the sole income, such as pensioners or persons with disabilities.

24 https://www.businessinsider.nl/coronavirus-companies-tax-havens-banned-denmark-poland-bailout-2020-4?international=true&r=US
25 https://www.theguardian.com/cities/2015/aug/11/can-cities-kick-ads-ban-urban-billboards
26 https://centreforspaceplacesociety.com/2020/03/27/degrowth/
27 https://www.theatlantic.com/international/archive/2020/03/feminism-womens-rights-coronavirus-covid19/608302/
28 https://globalwomenstrike.net/open-letter-to-governments-a-care-income-now/
29 https://www.bbc.com/worklife/article/20190802-how-shorter-workweeks-could-save-earth
30 https://basicincome.org/news/2017/10/overview-of-current-basic-income-related-experiments-october-2017/
31 https://report.gndforeurope.com/
32 https://sedmagenerace.cz/co-je-za-ni-tobinovou-dani/

Working time reduction and legislative and fiscal simplification of job sharing would allow for a better work-life balance while creating enough socially advantageous positions for people forced by financial reasons to carry out meaningless jobs[33], often in precarious conditions. Reevaluation of work's social value means securing decent conditions, stable labor relations, and a befitting valuation of workers in critical sectors, including equal pay for men and women. A reduced working time and a guaranteed basic income are an answer to the risk of unemployment, which is often an argument for maintaining ecologically harmful operations. Degrowth transformation also considers requalifying workers in the economy's destructive sectors and increased employment in other socially and ecologically beneficial sectors—be they new industries as renewable energetics or building insulations, or in existing ones like social care, healthcare, and education which face worker shortages.

Nature as the basis of society and economy

One of the principles that run through many degrowth measures is the understanding of nature not as an external source of resources but as a basis for all life on the planet. the ongoing crisis cannot overshadow existing environmental problems and move ecological measures aside. the encroaching climate crisis threatens to disrupt our future lives in a similar, if not more brutal fashion. Mitigating climate change requires an economic transformation. We should therefore consider integrating environmental aspects into the pandemic measures. In practice, this means to condition government support for businesses with environmental obligations, such as decreasing pollution or adopting cleaner technology.

In addition to the abovementioned ecologic tax would make environmental damages, CO2 emissions, or nuclear energy more "expensive," degrowth proponents propose setting absolute environmental limits, which would take into account domestic production and import. the commitments could cover greenhouse gases, mineral extraction, but also water use or land use. In particularly devastating mining, they propose complete moratoria and a halt to new infrastructure construction. Production should foremost use renewable sources, avoid creating waste, and close energy and material cycles.

Agriculture poses a key question for degrowth. We need to abandon industrial food production as it is dependent on fossil fuels, produces greenhouse emissions, and leads to the destruction of biodiversity, soil degradation, and water and air contamination. This form of agriculture must be replaced[34] by agro-ecologies, which integrate land and biodiversity protection and allow for sustainable and locally-based food production. If the pandemic has led to an increase of interest in bio-foods and direct sales from farmers, the long-term support of similar grocery systems requires a change in agricultural policies and funding programs.

Economic localization both relates to and extends beyond the environmental sphere. the idea is that production should use local resources (be they material, human or financial) as much as possible and aim to satisfy local needs primarily. (Re)localization, supported by one of the foremost degrowth thinkers Serge Latouche, does not mean complete isolation, but self-sufficiency where it is required and possible. Supporting local economies[35] also means less traffic, higher transparency, independence from global capital flows, and higher security. A side effect of locally-based economies is the support of employment solidarity and decision-making involvement.

Convivial technology

Not every technological advance contributes to public welfare. During the pandemic, digital communication technologies have made life much easier for the more affluent parts of the world. A remote work boom and a general increase in virtual platform usage also opened the yet unsolved privacy and data protection questions. Technologization of society most disadvantages those who lack access to its newest conquests, and in turn, gives unprecedented power to those who own or control these technologies. Technological advance has to be accompanied by social reflection, public control, and technological literacy education.

While the aforementioned green growth visions see technological advances as positive, degrowth has a more scrutinizing view. the concept of convivial technology can help degrowth theory asses the social benefit of technology. Ivan Illich, one of degrowths grandfathers, defines conviviality as personal freedom carried out realized in personal interdependence. Convivial technologies are, therefore, those which support such a community. Andrey Vetter defines its basic principles as functioning while respecting people's and

33 https://a2larm.cz/2013/09/prace-na-hovno/
34 https://dialnet.unirioja.es/descarga/articulo/6809463.pdf
35 https://www.youtube.com/watch?v=tlSqAOlPy1s

nature's interdependence, widely accessible and adaptable to various scales and uses. A wind turbine, easily produced from locally available or recycled materials and supplies a household with electricity, is convivial technology. Less so is a massive wind park built on an artificial island.

Democracy and political participation.

In the past months, even otherwise, primarily right-wing governments carried out significant economic and social interventions. A feeling of an acute threat led to emergency government interventions. This situation allows us to reflect on the meaning of democracy and the national government and supranational organizations' role. Governments need to return to their role of representing and providing welfare to citizens. First, we need to reevaluate the role of government interactions. Public expenditure cuts justified by the 2008 financial crisis severely impacted the marginalized. Society can feel the impacts on public sectors, such as healthcare and care services, to this day. We need to learn from these experiences and provide any future financial help and debt cancelation primarily to the citizens and the public sector rather than individual players striving to maximize their profits. Many degrowth measures advocate for debt amnesty and a pause on the mortgage installments or rent payments, which would especially unburden the workers and self-employed.

Meaningful decision-making can be supported by abolishing GDP as the primary indicator of economic development and the withdrawal from financially expressed efficiency as a measure of value. it appears more suitable to view economic activities through social and economic contributions (for example, using indicators like Happy Planet Index, Human Development Index, Gross Domestic Happiness, and others). We can approach it from the other side by measuring ecologic and social "costs" of these activities—such as material and energy consumption, impact on employment, etc.

If governments are to abide by their citizens' interests truly, we must limit the political power of corporations and the financial sector. the so-far unchallenged principle of the free movement of capital gives corporations enormous power when setting environmental standards, working conditions, and other legislative measures. as with many degrowth measures (ecologic tax, work time reduction, and others), states risk not being able to compete globally, as significant companies would move elsewhere and domestic production would be overrun by (seemingly) cheaper imports. In this regard, it is necessary to strive for unity within supranational bodies and supplement national measures with international trade regulation.

These global degrowth reflections are complemented by an emphasis on local decision-making based on the principle of subsidiarity, self-organization, and democratic participation. Cities or municipalities[36] can themselves implement a wide range of practical degrowth measures. Degrowth authors warn against the current threat of the misuse of central power by authoritarian tendencies. Measures like surveillance, closing borders, or restricting the right to assembly cannot become the new norm in a democratic society. A just socio-ecological transformation means that everyone should be able to participate in decisions that influence their lives. We should undertake special efforts need to ensure the genuine participation of minorities and disadvantaged groups. Social rules cannot be defined just by the majority's voice but must respect the equal rights of all. Political decisions need to be guided by the principles of justice and solidarity for all nationalities, ethnicities, genders, and generations.

THE SEARCH FOR CZECH DEGROWTH

At first glance, the Czech degrowth movement might seem modest but look more in-depth, and one can find many initiatives that directly support degrowth, or those, more plentiful, that implicitly agree with its ideas. the seeds of the Czech degrowth movement can be traced back to 2010, when the Department of Environmental Studies, specifically the works of resident ecological economists Naďa Joihanisová and Eva Fraňková, at the Masaryk University in Brno became its local hotbed. This Czech cell quickly joined in international debates, and degrowth discourse appeared both in scientific[37] and popular (A2[38], Sedmá generace[39], Britské listy[40]) media.

36 https://manifiesto.perspectivasanomalas.org/en/manifiesto-2/
37 https://www.researchgate.net/publication/304570443_Udrzitelny_nerust_Novy_zastresujici_koncept_v_environmentalni_argumentaci_1_Sustainable_Degrowth_An_Emerging_Key_Concept_in_Environmental_Argumentation
38 https://www.advojka.cz/archiv/2010/8/nerust-odrust-ubytek
39 https://sedmagenerace.cz/rust-ci-nerust/
40 https://blisty.cz/art/63742-nerust-jako-prilezitost-klast-si-podstatne-otazky.html

The Economy and Social Trust[41] played an essential role in bringing degrowth to the public. the trust organizes an annual seminar Open Space[42] (Otevřený proctor), dedicated to critical economic and social perspectives. In 2013 it held the name Growth or degrowth[43] (Růst, či nerůst) and was dedicated to degrowth. the trust also became a member of an international consortium in the European project GROWL[44]. Nine international trainings focusing on degrowth and specific topics took place between 2013 and 2015. the Czech course focused on local alternatives, and Czech participants also attended courses abroad.

Implementing degrowth into Czech discourse was preceded by a long-term intellectual groundwork, where a critique of purposeless growth was not a new topic. the 1993 book to the Bottom of Affluence by Jan Keller critiques consumerism and neoliberalism. One of the first Czech books on ecological ethics, the Green Halo: Chapters from Environmental Ethics, by Erazim Kohák and published in 1998, also touches upon human expansion's unsustainability. it critiques extensive consumption from the perspective of planetary limits and social ethics. the topic of voluntary moderation, which can be, lightly exaggerated, interpreted as degrowth on a personal level, is the long-term subject of Hana Librovás work. Her first 1994 book, the Colourful and the Greens, is the study of people who gave up material comforts to search for a more meaningful life.

The expert on international development Tomáš Tožička, economist Ilona Švihlíko or philosopher Václav Bělohradský all critique the negative impacts of economic growth and globalization on a structural level. All of them “met” in the 2011 Vít Janečka documentary A Race to the bottom, which clearly describes the growth-oriented economy's structural problems. In the same period, an editorial[45] from Tomáš Sedláček, then a member of the governmental National Economic Council, stressing the impossibility of constant economic growth caused a local uproar among economists. His 2009 book Economics of Good and Evil also critically examines the growth and other economic dogmas.

In their works and reflections, the mentioned authors are more or less close to degrowth, to various degrees and in various aspects, without clearly subscribing to it. This is also true in praxis, where the degrowth movement often finds common ground with initiatives working on similar topics but do not describe themselves as degrowth. Glopolis, NaZemi, or Ecumenical Academy (Ekumenická Akadémie) are such organizations with a critical approach to development. Ecumenical Academy covers social, solidarity, and local economy together with Alternative from below (Alternatíva Zdola), or by practical organizations supporting social enterprises such as TESSEA or the Slušná Firma movement. Alternative from Below and the Reconstruction of the State (Rekonstrukce Státu) project share the emphasis on democracy and political participation. the environmental dimensions of degrowth, stressing the importance of economic transformation regarding the encroaching climate change and environmental degradation, resonates among the climate justice movement led by We are the Limits! (Limity jsme my!), the initiative Universities for Climate (Univerzity za klima), the Czech Fridays for Future and Extinction rebellion. In agriculture, degrowth ideas overlap with the Food Independence Forum (Forum potravinové suverenity). In providing basic needs, they fall into the debates on working conditions, minimum wage, or adequate housing[46]. Like in other countries, Czech degrowth is not a strictly defined movement, but rather a collection of ideas that can speak to many different actors.

When we broaden our understanding of degrowth a bit more, we will notice that we already have quite a few established and well-functioning elements of a (potential) degrowth economy, despite the dominant economic discourse. In terms of social infrastructure, we can look at available, accessible, and (relatively) quality healthcare and education, as well as an extensive and (generally) functioning public transport system. These achievements need to be cultivated and developed and not strangled by budget cuts. We can find similar seeds of good practice in the existing system of social care.

We also need to acknowledge low-cost or cost-free time activities offered by the Children and Youth Center and community centers. Despite the antiquated sounding names of these institutions, they represent a cultural wealth not prevalent in other parts of the world. Unlike in countries consisting primarily of urban centers and suburbs, cultural life options are available in rural areas,

41 https://www.thinktank.cz/about-economy-and-society-trust/
42 https://www.thinktank.cz/dok/sborniky-ze-seminare-otevreny-prostor/
43 https://drive.google.com/file/d/1qZxsnYFenPdaXqBEcwc9-07yrrQ01rIq/view?usp=sharing
44 https://co-munity.net/growl
45 https://nazory.ihned.cz/komentare/c1-52608930-o-rustovem-kaputalismu
46 https://www.soc.cas.cz/sites/default/files/publikace/samec_ed._-_jak_zajistit_dostupne_bydleni.pdf

regardless of whether it is a village pub, church, football club, or a volunteer fire department. These venues help create social unity centers and improve life quality in fundamentally different ways than shopping centers targeting individualized consumption. Therefore, it is worthwhile to maintain and support them, even when they are not financially profitable.

We should also appreciate the accessibility of nature abundant in marked tourist trails. Thanks to a deeply rooted culture of tramping and scouting, we are not as alienated from nature as one might assume. Furthermore, all sorts of gardening, handicraft, or artisan skills, which are in this region considered a part of common sense but can be a new trend elsewhere. as was demonstrated by homemade face masks during the pandemic, the ability to get by with little fits in very well with the degrowth ethos.

Current initiatives, heading in the correct direction, include community-supported agriculture[47], a form of a locally-based food chain[48] that supports environmentally conscious farming[49]. the Land Foundation[50] (Nadace pro půdu) stands out in landscaping, as it is a counterbalance to market mechanisms and creates space for ecological agriculture. Established land funds[51] function on similar principles and usually serve to protect critical natural areas. Other puzzle pieces include initiatives against food waste[52], zero waste shops, composting[53] and urban gardening[54] endorsements, care for nature[55] or public fruit trees[56].

The energy industry is a crucial sector, as it requires fossil fuel phase-out[57] and, therefore, alternatives[58]. Car-sharing[59] and support for public and bike transport[60] are worthwhile initiatives in sustainable transport. Production or service initiatives seeking closed-loop energy and material cycles[61] are also worthy of support. Initiatives focusing on re- and upcycling, just like repair services of all sorts, contribute to a waste-free economy. the address book of Czech social enterprises[62] or the research on community economic initiatives[63] in various fields can be a source of inspiration. A specific chapter in the Czech degrowth movement is alternatives to the market, based on the principles of barter[64] or alternative currency. Equally important are exchange networks functioning informally between friends and relatives.

The degrowth movement is at its core political. Individual activities, such as responsible consumerism or voluntary moderation, must be complemented by system change. Public participation and support of democratic mechanisms—such as participatory budgeting or existing instruments such as public comments, objections petitions, and support for civil society—are integral to degrowth transformation. Degrowth leans more towards decentralized or locally based forms of governance. Czech examples included the rather extensive powers of municipalities and local action groups[65]. Horizontal decision making and nonviolent communication can aid the spirit of participation. Elementary preconditions are equal rights of women, national or ethnic minorities, non-heterosexual people, and persons with disabilities.

CONCLUSION

More philosophical degrowth authors point out that the economic growth paradigm and the accompanying values like individualism, effectivity, competitiveness, and utilitarianism have sprouted such deep roots in Western society that it is difficult to imagine a different society. They believe a change in our collective imagination

47 https://kpzinfo.cz/
48 https://www.asociaceampi.cz/
49 https://www.adresarfarmaru.cz/
50 https://nadacepropudu.cz/
51 http://www.csop.cz/index.php?cis_menu=1&m1_id=1003&m2_id=1071&m_id_old=1360
52 https://zachranjidlo.cz/
53 http://www.kompostuj.cz/
54 https://kokoza.cz/mapa/
55 http://www.cooland.cz/
56 https://na-ovoce.cz/
57 http://glopolis.org/wp-content/uploads/Czech-Grid-Without-Coal-By-2030_fin.pdf
58 https://elektrinanazeleno.cz/
59 https://www.autonapul.cz/
60 https://auto-mat.cz/
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62 https://ceske-socialni-podnikani.cz/adresar-socialnich-podniku
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64 https://www.rozletse.cz/index.php/lets-v-cr
65 http://nsmascr.cz/o-nas/mistni-akcni-skupiny/

to be the first step to transformation. Therefore, we must keep in mind that, despite mainstream economic discourse, the economy is not the result of some natural evolutionary process but a social construct. Economic cycles or the "invisible hand of the market" are not innately existing natural laws but just descriptions of existing structures brought about by a social contract, and the social contract can change them.

The global pandemic during which "slowing down" and "staying at home" became the socially most practical steps that individuals can take has undoubtedly opened up our collective imagination to new ideas. If this crisis managed to mobilize the creativity of individuals, communities, businesses, and governments around the world, let us use the very same creativity to create an economy that can serve this purpose on our planet in the long term.

As previously stated, degrowth is not a complete guide but a living, evolving movement. Discussions focus on the way degrowth transformation can take place. This transformation is so vital that it is principally challenging to organize it gradually. the radical rejection of growth as a guiding principle makes degrowth hard to digest politically. it is hard to imagine a political party, which would decide for such a radical paradigm shift. Degrowth will therefore require not only brave decisions from "above," but powerful support from "below," and perhaps a political reform including decentralization and higher public participation. Some steps will need to occur on the local level due to the global economy's current integration, which requires us to think both locally and within much bigger units. Herein lays the issue of financing the new economy. Degrowth has a range of practical suggestions, which again is not a definite recipe, but a process that will require further deliberation and new economic tools.

The discussion also focuses on whether or not degrowth is suitable for the global South. Degrowth is itself in harmony with many local approaches to securing a good life in line with nature, such as the south American Buen Vivir or the Indian idea of radical ecological democracy[66]. Due to the complexity of international ties, it is not possible to offer universal solutions. Tackling global injustices requires sensitivity to local histories and contexts.

Even though the degrowth movement does not have all the answers, it opens up space to pose essential and often radical questions. Meanwhile, it serves as a strong moral compass demonstrating that it is possible to avoid the bleak perspectives of the climate crisis, growing inequalities, the downfall of democracy, and social unrest. Many initiatives at home and abroad agree that the pandemic offers us a significant possibility to change lanes. it is noteworthy that despite many initiatives that do not use the "degrowth" label, their basic principles and proposed measures are often very similar to those of degrowth. the degrowth community also warns that a decrease in production and consumption will be necessary sooner or later due to planetary limits. the only question is if it will occur through a voluntary and controlled process or a "free fall" caused by an external crisis. the current situation perhaps constitutes a crossroad between these two scenarios. as Naďa Johanisová slightly exaggerated put[67], we just might manage to save the world if we do not miss the opportunity.

ACKNOWLEDGMENT

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POST-DEVELOPMENT PRACTICE

TOMÁŠ PROFANT

THE POST-DEVELOPMENT DEBATE TOOK OFF IN THE 1990S. RADICAL CRITICS DECONSTRUCTED DEVELOPMENT DISCOURSE AND SHARPLY CRITICIZED DEVELOPMENT AID. THE MAINSTREAM RESPONDED WITH A CRITICISM OF THE MISSING POST-DEVELOPMENT POLICY, WHICH AT MOST ROMANTICIZED SOCIAL MOVEMENT IN THE GLOBAL SOUTH. MORE THAN FOUR DECADES SINCE THE FIRST VITAL PUBLICATIONS, IT IS CLEAR THAT THE POST-DEVELOPMENT APPROACHIN ACADEMIA KNOWS WHAT A POST-DEVELOPMENT PRACTICE IS IN BOTH THE GLOBAL SOUTH AND THE GLOBAL NORTH. THE STUDY FIRST SUMMARIZES THE EXTANT DEFINITION OF A POST-DEVELOPMENT PRACTICE. IT THEN ANALYZES THE BUEN VIVIR CONCEPT AS PROBABLY THE MOST WELL-KNOWN REPRESENTATIVE OF (QUASI) TRADITIONAL ONTOLOGY CRITICAL OF MODERNITY. AFTERWARD, THE PAPER CONTINUES WITH AN ANALYSIS OF A PARTICULARPOST-DEVELOPMENT PRACTICE IN THE GLOBAL SOUTH—THE MEXICAN ZAPATISTA, EMPHASIZING THIS PRACTICE'S HYBRID CHARACTER. THIS SECTION ALSO CRITICALLY PERCEIVES THE POSSIBILITIES OF THE CURRENT DEVELOPMENT COOPERATION. THE LAST SECTION FOCUSES ON POST-DEVELOPMENT IN THE GLOBAL NORTH—THE DEGROWTH MOVEMENT AND ITS CONCRETE MANIFESTATION IN GERMANY, CZECHIA AND SLOVAKIA, AND ITSEUROPEAN POLICIES.

INTRODUCTION

The radical critique of development, in the form of the post-development approach, created two antithetical critiques. the first is the question of post-development policies: "*Fine points of theory aside, what is to be done?*" (Nederveen Pieterse 2000:184) According to Nederveeen Pieters, the general trend in post-development is "to stop at critique" (idib.) "*When not celebrating tradition, post-development writers espouse a new openness in politics, but this position is so open-ended and vague that it effectively washes its hands of politics*" (Kiely 1999:46).

The counter critique is that it is post-development instead defines what is appropriate. It turns tradition against modernity, which it accentuates as worth following, hence coming to the same patronage as does "*development*" (Cowen—Shenton 1996: 470).

About two decades, filled with empirical research, have passed since the discussion between post-development proponents and their critics. This research gives us a more plastic view of what post-development means in practice. Even though the practice of post-development has its problems, "t*o read post-development theory as advocating indifference or inaction is to read it uncharitably* (Mathews 2006:53)." This study aims to define post-development practices precisely and based on specific examples and demonstrates what it looks like in reality.

I will first summarize early attempts to define this practice and consequently point out (quasi) traditional concepts of the global South, which are understood as the philosophical basis of post-development practices. I will devote the last two sections to a meta-analysis of research into these movements' practices, from the view of post-development theory in the global South and North.

DEFINITION OF POST-DEVELOPMENT PRACTICE

Escobar provides a textbook definition, which includes the rejection of the development paradigm, "*an interest in local culture and knowledge; a critical stance with respect to established scientific discourses; and the defense and promotion of localized, pluralistic grassroots movements* (Escobar 1995: 215)."

The Japanese ecological economist Yoshirou Tamanoi understood the right to self-rule based on a local constitution, a low-entropy economy without advanced technology such as nuclear energy, a biotic world based on a bio-centric ontology and human-scale rejecting both the atomized individual and a state exceeding regional space, and finally future ethics which include further generations as the foundations of his regionalism project (Nakano 2019: 42—45).

Rahnema set the so-called vernacular (indigenous, local, folk) societies in contrast to western society. An organic consistency characterizes them; a living web of social and cultural relations; a limited number of members; simple and restricted cultural and material needs; economic activity always anchored in socio-cultural relations; work motivation not being profit but solidarity, joy, and societal appreciation. Their final characteristic is local resource use. (Rahnema 1997: 113—114).

For Latouche, the main space for post-development alternative is the so-called informal sector. It can be defined negatively as an un-structured, un-official, un-organized, informal (hence fringe), alegal and sometimes illegal, non-capitalist, non-exploitative, invisible and unreadable; simply a-typical (Latouche 1993: 129). This sector is heterogeneous and, at its core, distinct from the formal sector. Its rationale is not the maximization of profit and its immediate reinvestment but uses the profit to preserve group solidarity through festival celebrations. as for Rahnema, the economy is an activity subject to social rationality and not vice versa (ibid.: 138).

When summarizing post-development authors, we identify four main criteria of post-development practice: economic practices following a non-capitalist logic; decisions revoked from experts and elites and returned to the people to regain control over their lives; interest in local culture and knowledge, connected to a critique of western science as the only form of knowledge and finally practice disrupting the exploitative colonial system (Bendix—Müller—Ziai 2019:134).

Post-development practice has much deeper roots than in conceptual works of academics and intellectuals. the basis of specific practice can be found in hybrid or concepts of the global Souths societies.

BUEN VIVIR: (QUASI) TRADITIONAL "POST-DEVELOPMENT" CONCEPTS.

One way to grasp post-development practice is to perceive it through (quasi) traditional philosophical concepts. A typical example is *Buen Vivir*.

Buen Vivir escapes a clear definition. Gudynas, therefore, writes of a "*shared platform… in which different position converge in a criticism of development*" (Gudynas 2015: 298). Just as there is no clear definition, "*a (single) Buen Vivir does not exist*" (Chuji-Rengifo-Gudynas 2019: 112). the Ecuadorian sumac kawsay is distinct from the Bolivian *suma qamañ*, with similar concepts existing in the traditions of various Latin-American cultures—i.e., *küme morgen* of the Chilean Mapuche or *allin kawsay* of the *Peruani Quechua*. Furthermore, some authors distinguish between indigenous *sumac kawsay* and the contemporary and state-supported *Buen Vivir* (Oviedo 2018 in Zaldívar 2017:193).

Therefore, Buen Vivir can be best understood as a "*process*" (Gudynas 2011:444) or a hybrid, in which "*there is no room for an essentialist position… It is not a static concept, but an idea that is continually being created*" (idib.: 443—444). It is not a purely indigenous position or a return to the pre-colonial era (Gudynas 2015: 297; Chuji—Rengifo—Gudynas 2019:112). *Buen Vivir* does not reject the modern world's technological advancements or the contribution of other knowledge and culture (Kothari—Demaria—Acosta 2014:367). Simply put, it is a hybrid and therein lay its strength and vulnerability.

Which "common components" (Chuji—Rengifo—Gudynas 2019:112) connect the diversity of concepts belonging to *Buen Vivir*? Firstly, it is the rejection of *development* in the form of polluting corporate practices in Latin America. Secondly, it is the rejection of capitalism, and thirdly a rejection of modernity. Here we can notice an apparent discrepancy, as *Buen Vivir* can include a state-led (bio)socialism (Gudynas 2015: 296, Ramírez Gallegos 2010 in Zaldívar 2017: 190), but also reject it as an element of modernity; equated with capitalisms due to the focus on economic growth. Against a strong state, *Buen Vivir* places local communities' autonomy (Caria—Domínguez 2019:60).

This radical critique is understood as the basis of *Buen Vivir*. It is at least a declaratory component of the political shift, which came about with the implementation of *Buen Vivir* into the state political life and, later, the constitutions of Ecuador and Bolivia. in this sense, *Buen Vivir* rejects the linearity of universal development and, in its place, postulates the plurality of cultures (Radcliffe 2012: 244). It also rejects unity of knowledge, and the western one is considered as just one of many. It opposes the anthropocentric western dualism distinguishing between humans and nature. Instead, it considers humans as its component and understands society as consisting of humans, animals, plants, land, mountains, ancestors and their souls, and yet unborn children. It rejects the commodification of nature and consumerism and replaces competition with solidarity. Lastly, it also opposes patriarchy and stresses women's role in the protection of nature.

Even though *sumac kawsay* and other traditional concepts, forming the base of *Buen Vivir*, have roots deep in the past (Walsh 2010:19), first mentions of *Buen Vivir* can be traced to the mid-20th century. the current concept was first defined in the 1990s (Chuji—Rengifo—Gudynas 2019: 111). Thanks to academics and leaders from the indigenous population and, especially, strong social movements, it was eventually possible to include *Buen Vivir* into the Ecuadoran and Bolivian constitutions. Both constitutions subsequently received strong support and approval in national referendums.

At this highest political level, *Buen Vivir* shifted from a radical critique of development and is instead being used to co-opt radical movements. in 2008 the Confederation of indigenous nationalities of Ecuador revoked its support for President Correa's coalition government due to an unsatisfactory implementation of constitutional articles about cultural diversity and understanding. Furthermore, Ecuador and Bolivia's governments are criticized for continuing development and the polluting extraction of natural resources. Walsh criticizes the constitution itself, which uses the terms "development" and "*Buen Vivir*" interchangeably and allows *Buen Vivir* to become a co-opting, discursive device. the national development plan, also known as the National *Buen Vivir* plan, carries out development within the state's context and its technocratic and economistic alignment (Walsh 2010:20).

Nevertheless, the empirical analysis shows that adhering to *Buen Vivir* principles in two Ecuadorian regions resulted in participative democracy. in one case, a civic forum let to a halt in the privatization of water. It also increased public participation in voluntary communal works, emanating from the indigenous mingas tradition (Lang 2019: 181—182). Despite governmental practice, *Buen Vivir* can be understood as a post-development concept (Bendix—Müller—Ziai 2019: 147).

We can identify multiple similar (quasi) traditional alternatives to the contemporary western form of development. Apart from *Buen Vivir*, we consider the South African *Ubuntu*, translated as humanism in relation to other human beings and nature, to belong to this category. It replaces Kant's "I think; therefore, I am" with "We are; therefore, I am" (Le Grange 2019: 324). Other concepts include, for example, the Indian Swaraj (self-rule) (Shrivastava 2019); *Minobimaatisiiwin* (living a good life) of Indigenous American Anishinaabe and Cree tribes (McGregor 2019: 240); the Rwandan Agaciro (dignity) (Ndushabandi—Rutazibwa 2019); North African Agdals (protecting natural resources) (Dominguez—Martin 2019), Amazonian *Kawsak Sacha* (living rainforest) (Gualinga 2019), Japanese Kyosei (co-existence) (Fuse 2019), Colombian *Sentipensar* (the art of living based on thinking with both heart and mind.) (Goméz 2019), the Tuvan Hurai (all the best things) prevalent in China (Hou 2019), or the ontology based on the eco-calendar of the Austronesian people Tao (Hugu 2019). We can also include Buddhism (Damdul 2019), Chinese Confucianism and Taoism (Yongija 2019) as well as the Islamic Ibadism (M'Barek 2019).

Their inclusion of two review publications links the concepts above—The Post-development reader (Rahnema—Bawtree 1997) and Pluriverse: A Post-development Dictionary (Kothari—Salleh—Escobar—Demaria—Acosta 2019). It is also possible that an analysis of Slavic neo-paganism could yield exciting results. Based on Escobar's criteria, *Ziai* labeled *Buen Vivir* and partially also *Ubuntu* as post-developmental, even though Ubuntu does not include a link to social movements or explicit rejection of the development paradigm (Ziai 2015). However, what is the practice of real post-development in the global South?

POST-DEVELOPMENT PRACTICE IN THE GLOBAL SOUTH.

The essential reference point for a specific post-development practice is the Zapatista autonomous region in Chiapas, Mexico. It meets the post-development approach in three aspects. the first is a political structure, which gives power back to the people from the state's hands. Two hundred thousand Zapatistas govern themselves on three levels—villages, counties, and regions. the difference from representative democracy is in the option to revoke representatives on all levels immediately. Simultaneously, the principle of rotating governance ensures that many people have access to governance, hampering individual usurpation of power. the councils' role is to even out regional disparities through so-called brother taxes. the representatives are unpaid, but society ensures that their fields continue to be worked. Overall this represents a return of rule from the state's hands to the people, represented at the regional level through very participative tools (Gilgenbach—Moser 2012: 14—17).

The economy is the second sector where the Zapatistas evoke post-development. in Chiapas, production for self-sustenance and the market co-exist side by side. Local agricultural production secures the majority population's sustenance and is only possible because Zapatistas occupied the land they now manage. Labor occurs in cooperatives, manufacturers, workshops, stores, or restaurants, functioning on the principle of collective ownership and collective decisions about profit use. Production for the world market exists, and the Zapatistas acknowledge the impossibility of completely cutting themselves off. Nevertheless, they demonstrate that it is possible to return the economy from a market based on competition and private property into the hands of organized, solidary society (ibid.: 17—20).

The third link between post-development and Zapatistas is the field of knowledge. the Zapatistas reject colonialism's epistemic violence, continuing to this day and replace it with a hybrid that includes local knowledge, especially in health, such as herbalism or obstetrics. Solidary doctors are essential, as their methods and tools complement the knowledge of Zapatista midwives. in this field, we can also see a return of knowledge from the dominant society back to the Zapatista people (ibid.: 20—22).

There are many smaller post-development societies similar to the Zapatistas. the essential difference from the capitalist economy is well conceptualized by Gibson-Graham (2005) in the category of community economies. It consists of economic practices, which secure society's welfare directly, and not through capitalist industrialization, by redistributing surplus in order for material and cultural practices to maintain the community while actively sharing communal property. One of their case studies follows the Philippine municipality Jagna, with numerous trade, work, and entrepreneurial practices, different from the wage-based market types. For example, through *Hungos*, farmers help each other work their rice fields and expect that other farms will help them in return. Alternatively, the practice of *Bayaniha* of voluntary community work such as working in the school garden. *Reppa-repa* is a form of collective savings in which the final amount is lent to a winner through a lottery (ibid.:9).

We can also include urban movements, such as the *Sem-Tetos* from Rio de Janeiro, as post-development practices. Translated as "without homes," Sem-Tetos are mostly employed in the non-formal sector, live in the poor *favela* neighborhoods, and occupy empty houses and outskirt parts of Rio where they farm the land. They strive to change the view on the character of ownership and housing, promote the right to use instead of the right to private property, and attempt to restrict the functioning of the informal realty market in favelas. They are characterized by a horizontal self-governance structure, whose basic unit is a weekly forum. They also partake in bottom-up decision making, in this way distorting the dominant discourse, which labels their activities an "invasion" rather than an occupation (Hamdi—Hilf—Schmidt 2012).

In Africa's largest slum—Kibera, post-development qualifications are met by the radio *Pamoja FM*. Its goal is to fight against cultural globalization and support community cooperation. in practice, it gives voice to Kibera residents and identifies unequal power structures, which disrupts the dominance of profit-oriented radios (Tutzer 2012: 59—61).

Their contribution to public discourse consists of a more positive representation of Kibare, which goes against the portrayal of Kibera by many NGO's, who live from the negative image of this slum. *Pamoja FM* does through activist practices, what the academics Gibson—Graham mentioned above (Gibson—Graham 2005:10—11). They created a map of positives in the village of Jagna, which they put into contrast with the map of the village's needs. the map consists of positives, such as strong family relations, respect to elders, volunteering, literacy, and many others. Community economy can also be built on positive images such as these. It does not need to stem from a negative representation of the global South, as is the case of many non-governmental projects.

Empirical analyses of post-development practice usually point to the hybrid character of the studied movements or communities. Just as the Zapatistas produce for the world market, the Australian Kuninjku live next to the capitalist market, using it as they seem fit. They earn money by selling food from the Bush and artist artifacts, tourism, and ecological governance of their lands or fishing, which is not optimized for the marked but remains traditional. Productivity does not transform into profitability but into a meaningful activity that maintains the society and its culture. Apart from the use of cellphones, they use helicopters or sophisticated technologies to track carbon emissions. They are not a challenge to capitalism, just an alternative existing alongside (Curchin 2019).

It is not only the relationship to the market where post-development movements can have hybrid character. the popular movement against the south Korean steelwork POSCO (PPSS) does not strive for independence from the state. On the contrary, it expects that the state will fulfill its role, and instead of the multinational corporation, it will defend its citizens' rights. Apart from civil rights, PPSS expects the state to build infrastructure to construct light industry and trade their products. This self-governing popular movement fights against the steelworks to use their environment in a long-term sustainable way. It does not reject modern technology, the state, or the market, just their oppressive forms.

This last example perhaps best describes the hybrid character of social movements and the complexity of relations of resistance against, and the legitimacy of contradictory discourse and practices which fall under the concept of development. in the 1990s, Escobar himself (1995:51) wrote of farmers who were becoming "*ardent advocates of development*".

Analyses of post-development practice do not focus purely on social movements or traditional practices in the global South, but also the persisting aid or cooperation relationships between the global North and South or on governmental anti-poverty policies. There are attorneys, NGOs, or alternative media that the Zapatistas, Sem-Tetos, or PPSS.

James Ferguson provides perhaps the most accommodating stance towards mainstream positions. Reflecting Foucault, he seeks a "'*left' art of government*" (Ferguson 2011: 63), which would be an alternative to (neo) liberal governmentality. He considers South African support of basic income as such alternative, despite being pro-market, as it increases the poor's purchasing power by merely giving them money. It is not an alternative to the market, but it uses this mechanism for its social goals. For Ferguson, it is more critical the South African (But also Brazilian, Venezuelan, or Mexican) policy reaches those goals.

The question is, "*how particular development processes [...] can contribute to the visions of post-development*" (McGregor 2007:160). McGregor points out the partnership between communities in East Timor and prominent international organizations, not based on the project cycle of traditionally understood development cooperation. Despite the donor relationship remaining unequal, this support can lead to results desired by the community, such as water pipes or healthcare or educational services (ibid.: 167).

McKinnon (2008: 287) writes of development workers in northern Thailand, who became defenders of communities against the state. Local firefighting practices were eventually accepted by the state and became the basis of state-endorsed regulations (ibid.: 291).

Trilateral cooperation as a form of solving inequalities is suggested by (Schöneberg 2019). Her interviews demonstrate dissatisfaction with donors and the project cycle's rigidity. Simultaneously, the attractiveness of donors' money leads to new, temporary structures, parallel structures undermining local communities.

"Social movements have to compete large INGOs, which has led an intoxication of social relations in the communities" (ibid.: 271). However, his research demonstrates how the Global Justice Clinic at New York University helped submit complaints to the World Bank's Inspection Panel concerning the mining law. Members of the community also learned how to monitor the water quality in their municipality. the Clinic does not provide financial support. the local movement receives it from the American organization tackling poverty. "*Social change cannot be achieved through grants,*" and the way towards ta re-politicization of poverty lies perhaps in joint lobbying. It may be that such support of relationships between the North and South has purpose. Transnationalization of social movements seems to be the form of cooperation that can lead to grassroots-led social change.

A critical approach to development cooperation should heed that there simply might not be a need for researchers' work in social movements, cooperatives, or unions (Ferguson 1994: 287). Ziai (2013) goes beyond and calls for ending the use of the term "*development,*" and Esteva (1992: 90) even states that "*we must abolish development organizations.*" the problem is that the Global South's population might find itself in a context of strong dependency and urgent, life-saving (while de-politicized) need for help, as in the AIDS epidemic in Tanzania (Hunsmann 2012). No proponent of post-development would argue for the immediate cessation of medicine deliveries for people who have AIDS, even though one might expect such a stance from post-development. in this aspect, Hunsmann demands that radical critique be able to deal with specific practical problems, in which case an immediate system change could lead to the deaths of thousands (Hunsmann 2012: 104).

Current mainstream discourse on development aid reflects the Coronavirus crisis. the question is if COVID-19 will change something or just accelerate current trends; if it will lead to strengthening or weakening multilateralism, and what form of economic rejuvenation can we expect (Izmestiev—Klingebiel 2020).

It seems more than ongoing trends are being strengthened as there is no significant increase in ODA. Eurodad criticized the OECD's Development Assistance Committee's statement for wanting to preserve and not increase development aid budgets. An economic drop in the current ratio would mean less money in absolute numbers (Poel 2020).

Ongoing conflicts in the international community demonstrate a weakening of multilateralism. Instead of cooperation, states mainly follow their national interests, including the healthcare sector.

Perhaps most pressing is the question of economic recovery. the prevailing concern is that economic growth will be achieved at the expense of the environment. On the other hand, a debt increase in countries of the global South can halt any positive economic developments. It seems that China, as the most significant bilateral creditor, is not planning massive debt relief. An analysis of its behavior can lead us to expect that some moderate debt relief will occur, at best in line with wealthier creditors (Sun 2020). At the same time, a conflict about accounting debt relief as ODA remains (Poel 2020). the current crisis has not helped to solve it.

Post-development goes beyond this debate. One of the central answers to specific post-development cooperation questions is how to practice it at home in the global North.

DEGROWTH AS POST-DEVELOPMENT OF THE GLOBAL NORTH

What happens with practice at home that we could label as post-development? What role do the privileged have in fighting poverty (Mathews 2008)?

First and foremost, we have to rethink the concepts of theory and practice of current development again and replace them with more meaningful ones. "*The aim, then, is to change our perception. To see the world differently.*" (Rist 2008: 264). the practice of post-development begins with a change of thinking. According to Rist, we have to contest the whole science of economics (ibid.: 261).

Different thinking alone is not enough; post-development thinking must be spread. Many anthropologists are fighting for the global South's interests through education and public appearances. Their fight against the United States' policies in Central American can be an example (Ferguson 1994: 286). Research alone can bring results going against contemporary development. Simply put, even academic work in an office is not just theory but also a post-development practice that begins, like any other, with a thought.

The anthropologist Christopher Shepherd encourages his colleagues to pretend devotion for development during their research and only inform about injustice or criminality once home. To be aware that an anthropologist is an actor of post-development practice, they should not, for example, answer to university ethics, but foremost to the disadvantaged groups from the global South (Shepherd 2019).

Researchers can also attempt to cooperate with similarly critical actors, such as the movements above in the global North. One of the most famous ones is the Degrowth movement. This term was first used in 1972 in French—*décroissance*—by the grandfather of political ecology André Gorz. in the 1980s, Maria Mies criticized infinite growth from an eco-feminist perspective (Gregoratti—Raphael 2019: 88). the movement itself only began to develop in the early 21st century. in 2002 the UNESCO conference with the name "*Undo development, redo the world!*" took place in Paris. the same year the Institute for Economic and Social Studies on Sustainable Degrowth was founded in Lyon. Next year an international colloquium on sustainable degrowth, with 300 people from France attending, took place. in 2004 the magazine *Degrowth: the Newspaper for the Joy of Living* ("La Decroissance: Le Journal de la Joie de Vivre"), with a monthly circulation of 30.000, began publication in France. This was followed by establishing the *Research and degrowth* collective in 2007, with regular biannual conferences, academic articles publication, and special editions on degrowth (Kallis—Demaria—D'Alisa 2015: 37—39). in 2014 3.000 people attended a degrowth conference in Leipzig. Degrowth is a part of the academic discussion that needs to be taken into account.

It is not a single unified movement. We can identify five positions in the German discussion alone: conservative, social-reformist, self-sufficiency oriented, anti-capitalist, and eco-feminist. Not all of these approaches meet the conditions of post-development. Only the eco-feminist position thoroughly questions the relationship between the global North and South. It rejects how the North achieved development and understands the importance of knowledge and traditional (women's) practices in the global South. At the same time, it criticizes the economic connection between the global North and South, together with anti-capitalist degrowth (Bendix 2017).

German concepts of degrowth mostly deal with the ecologic limits of Europe's current economic model. They are based on Western science and scientific studies, which clearly distinguishes them from more traditional concepts from the global South such as *Buen Vivir*. Instead of the rights of Mother Earth, they calculate CO_2 emissions against economic and population growth. in this aspect, Ziai concludes that degrowth can be considered a specific European post-development concept—secular, based on science and ignoring the topic of universalism (Ziai 2015: 148—150). the problem is also in the western ontological division between culture and nature, hence masculine rationality stemming from human society's independence from nature. Degrowth should strive to connect privileged collectives with the disadvantaged global majority's movements while respecting an ontology based not on economistic categories but on spiritual and natural integrity (Nirmal—Rocheleau 2019).

How does degrowth manifest in practice? Even if it is questionable, if we can consider them a degrowth oriented social movement (Ziai 2015: 150), the Ende Gelände campaign has led to climate protests, which were, according to organizers, in September 2019 joined by 1.4 million Germans (tagesschau.de 2019). During the protests, several thousand activists blocked surface mines in Brandenburg and Sachsen.

Ende Gelände (Here and no further!) strives for a socially and ecologically just energetic transformation and rejects green capitalism. Its tactic is civil disobedience and conscious breaking of rules, which contrasts with other organizations' legal tactics. Ende Gelände's primary goal is to stop coal mining and burning fossil fuels in Germany.

Ende Gelände itself is not a post-development practice of using alternative energy sources. Besides the struggle against coal, it strives to decrease consumption—a step back from current development. It is in this aspect similar to movements in the global South, which also struggle against development and fossil fuel mining, such as Yasuni-ITT (Keep it in the earth!) in Ecuador.

The question remains—what kind of social movement is Ende Gelände. An analysis of German radical alternatives—Solidarity agriculture network (Solawi), Mietshäuser apartment-house syndicate, and Ende Gelände, shows that educated urban middle-class members dominate them. They lack marginalized groups and, despite them being active communities, they are undersized member wise. Hence the using the term movement remains questionable (Bendix—Müller—Ziai 2019).

The Czech Limity jsme my (We are the Limits) are a similar collective, with their much smaller Slovak counterpart being Bod obratu (Turning point). They are both horizontally functioning organizations, which utilize direct action and push for system change. However, they are not alternative practices, in the sense which is analyzed here. They are not energy cooperatives or community-supported agriculture groups.

In practice, degrowth focused mainly on the fight from below. A big part of the movement is based on (eco) anarchist foundations. Nevertheless, academic outputs dealing with degrowth suggest policies acting top-down (61%) and functioning on a national level (43%) (Cosme—Santos—O'Neill 2017: 327).

The relationship between degrowth and the state remains a question. Current academic outputs on degrowth deal with policies that could be implemented by the state but do not present a theoretical framework that would unite the modern liberal state with degrowth ideas (D'Alisa 2019: 245). the ideal usually remains a non-existent or minimal state with strong public participation. the state should not function on a technologic-bureaucratic level but is to move in human-scale space. Academics strive mainly for building bottom-up alternatives to the state. D'Alisa suggests a Gramscian framework of the integral state, which rejects the state's separation from civil society. Within this framework, coherence between the practice of autonomous social movement and state, bureaucratic policies can exist. in its academic form, degrowth, at least implicitly agrees that policy change towards sustainability will require state intervention.

However, in English language articles, degrowth policies suggested by academics most commonly do not aim for environmental sustainability but towards social equality (Cosme—Santos—O'Neill 2017: 328). the policies suggested by critics of growth can also be divided by their relationship to the current system as reformist, alternative, or oppositional to it; and based on their implementation—households, communities, market, and state (Parrique 2019: 476). the list of suggested policies is presented in Table 1.

Relationship to the system / Level of implementation	Oppositional	Alternative	Reformist
Household	Refusing to fly or own a car, responsible planned parenthood	Home-grown and home-prepared food; veganism; traveling by bike or hitchhiking; dry toilets, composting	Less work; minimizing material ownership[1]; limiting energy use[2]; limiting household waste; insulation
Community	Guerilla gardening; Buy Nothing Day; Scree (TV) Free Week; Car Free Sundays	Local currencies; ethical banks; community workshops; production or housing cooperatives; child and elderly care cooperatives[3]; community kitchens and laundromats; community gardens; community supported agriculture; seed banks; co-housing; squats; barter markets; flea markets; free software; eco-villages; participatory budgets	Car sharing
Market	Palm oil ban; interest rate restrictions; restricting fractional banking; divestment[4]	New electric cars; bio and Fair Trade products; micro producer support; non-profit businesses; servitization[5]; social enterprises; slow business[6]; production cooperative.	Excise duty; consumption tax on status goods; carbon tax; road tax; refuse tax; excise taxing instead of wage tax; green and ethical tariffs; Tobin tax; profit and corporate income tax
State	Mining moratorium; pollution limits; debt fatigue; motorsports ban; advertising ban; cessation of nuclear energy; dams; incinerators and high-speed transport; green financial regulation; closure of debt havens and the shadow banking system; planned obsolescence ban; public financing of election campaigns	Universal income; job guarantee; biotope protection; enlargement of local commons and creating new jurisdictions for global commons; replacing GDP with other indicators; converting car infrastructure to biking; carbon markets; international currency; supporting women's reproductive rights	Co-working; financial regulation; capital gains tax; 4-day working week; lowering speed regulations; 100% inheritance tax; nuclear waste tax; free healthcare, education, and social insurance; Glass-Steagall act; banking secrecy reform and tax haven reform; open borders

Source: Adapted based on Parrique 2019: 479—483

1 For example, the "The 100 Things Challenge"—owning a maximum of 100 things (without shared things, books, and tools).
2 For example, the concept of the 2000-watt society funded in the Swiss Federal Institute of Technology in Zurich. Each member of such society should limit their energy consumption to 2kWh per hour—48 kWh per day by 2050.
3 For example, Fureai kippu in Japan, where for senior care, one receives credits exchangeable for care in their old age or for care for their family member.
4 Getting rid of actives for ethical reasons.
5 Replacing product production by providing service similar to the product
6 Replacing short term profit with a long term and sustainable perspective

The policies in the table above were selected from the list of various degrowth actors, including the French Party for Degrowth, Finish Degrowth Network, Barcelona Degrowth declaration from the Second International Conference on Economic Degrowth, or the academic association Research and Degrowth and from various other suggestions from specific academics. the best list is, according to Parrique (2019: 496) offered by Hickel: Extending the lifespan of consumer goods, banning planned obsolesce, right to repair; banning food waste disposal at landfills; taxing red meat; single-use plastic ban; extending the availability of public goods and services; sharing cars or lawnmowers. These specific policies aside, Hickel stresses the implementation of a decreasing material footprint limit, which would stop at 8 tons per person in 2050 (Hickel 2019).

Two significant degrowth policies deal with the question of ownership and money function. Degrowth proposals of monetary reform stem from the assumption that money is not a neutral means of trade but can be adjusted to serve various purposes, including ecological ones. Degrowth proponents suggest (and implement) local currencies, which localize production and consumption, thereby reducing ecological burden. This goal can be attained by geographic and type limitations, such as for energy-efficient products and services, which can be purchased for local currencies (Hornborg 2019). Vegan food stamps could fall into such a category. A national currency can exist within degrowth practice. However, banks may be revoked the right to create money, and the central bank could assume this role without the money it issues being used for providers. in contrast, the government could use the money in line with sustainable principles. Finally, banks could be prohibited from increasing money supply through interest rates hence contributing to economic growth.

Different monetary forms can have goals that are not just ecological. For example, a time bank's members exchange hours worked leading to equality because the value of goods is determined by the duration of work needed to produce it. This form of exchange can likewise gradually lead to non-market "trade," for example, to sharing, reciprocity or redistribution and, consequently, to decommodification—transferring production from market economy to "non-market society" as has often been the case in the past (Parrique 2019: 631—665).

Regarding ownership, degrowth suggests decreasing inequalities, which would lead to limiting the wealth of the world's wealthiest people, hence limiting the destruction of the environment, which is disproportionately committed by the richest. (What ecological effects would increase of the lowest wealth have, remains a question.) Wealth is also connected to income limits. Principle changes are connected to the democratization of corporate property. Degrowth strives to create small-scale cooperatives, allowing them to be governed through the democratic principle of one employee/shareholder—one vote. These cooperatives would have a social goal different from profit, making them non-profits. Production, energy, consumer, or loan cooperatives should also remain limited in size in order to not influence society in the way contemporary mega-corporations do. Johanisová defines social enterprises as market participants, selling some products or services, having a public service goal. Therefore they do not distribute all profit to its shareholders and have a democratic ownership structure (Johanisová 2013: 62). in regards to ownership by attributing subjectivity to nature, some degrowth versions near the aforementioned Ecuadoran *Buen Vivir* and its constitutional codification of Mother Earth (Parrique 2019: 509—565).
A Czech map of fifty economic alternatives connects alternatives in production, sharing, farming, forestry, grocery distribution, education, local currency, culture, transportation, biodiversity protection, or coffee sales. It is complemented by Ecomap from the ecological institute Veronica or by farmer address books. Czech academics further analyze some of the alternatives noted in the maps. For example, there are 15 groups of community-supported agriculture in the Czech Republic. Members of the Brno-based group have agreed to receive 4—7kg of vegetables per week. the Brno-based alternative currency system *Rozleť se* (Fly off) with 130 members includes trading with herbs, childcare, goat cheese, or straw. the Prague-based social enterprise *Modrý domeček* (Blue House) employs 19 persons with disabilities and operates an ironing shop, coffee shop, kids corner, gallery, or lecturing activities. the Brno-based cooperative Autonapůl (A car in half) allows the sharing of 21 cars and a cargo trailer (Fraňková 2015:124—131).

These examples of characteristics fulfill some post-development practices conditions; however, they are not in opposition to the dominant system like Zapatistas in Mexico, Ende Gelände, and the Czech Limity jsme my. Analyses of post-development practice could begin to engage in the complementarity of these approaches. However, environmental NGOs often also promote reformist approaches. Nevertheless, before the 2020 Slovak parliamentary elections, these NGOs openly endorsed pro-growth political parties. in this situation, the complementarity of alternative—opposition—reformism can reverse from post-development back to green capitalism's development policy.

CONCLUSION

An empirical analysis of post-development practice is perhaps a sufficient response to the post-development critique stated initially. It is not true that post-development stops at a critique with its position being so vague and open that it refuses to take responsibility for politics. It is also not true that post-development is patronizing by defending tradition from modernity. in practice, it addresses both critiques by a thorough empiric approach to hybrid concepts, social movements, and specific policies. Post-development authors have no problem in critiquing some forms of contemporary *Buen Vivir* or pointing out that the much-adored Zapatistas partake in the global market or that their healthcare mixes traditional Mexican with modern.

What is more important for the Czech and Slovak public, "rational" degrowth, is critiqued for its rationality, which is supposed to lead to epistemic oppression. the discussion further follows the relationship to the state and society's dominant part. Despite post-development being anti-capitalist, it includes reformist policies. We have to be watchful of their impacts, not to strengthen the current regime.

Only one thing remains after an analysis of post development. To join in.

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