Digital Czech Republic 2025

March 7, 2025, Prague

INSTITUTE FOR POLITICS AND SOCIETY

REPORTS
2025

CON-TENTS

Digital Czech Republic 2025: Shaping the Future

The 10th anniversary international conference provided answers to how the Czech Republic could harness the potential of digital transformation. Artificial intelligence, cybersecurity, and modern technologies are not just tools — they are the foundation of competitiveness and innovation that can propel the Czech Republic toward technological leadership. In 2025, Prague became the place where politicians, business leaders, and visionaries came together and set the direction for the digital future. This unique event fostered the birth of new ideas and partnerships.

The Digital Czech Republic has begun.

Karel Havlíček
Deputy Speaker, Chamber of Deputies
of the Parliament of the Czech Republic

Richard Yonck
International keynote speaker, global futurist
and best-selling author (USA)

Europe Has Fallen Asleep

"The European Union is, without a doubt, facing a huge challenge," said Karel Havlíček, Deputy Speaker of the Chamber of Deputies, at the Digital Czech Conference. Brussels has fallen behind in the development of modern technologies, and the overregulated environment certainly does not help to improve competitiveness. Havlíček recalled that 25 years ago, Europe and the United States were almost economically level. This is no longer the case. We are seeing very rapid developments, especially in China. A quarter-century ago, Beijing's share of the global economy was 3%; today it is 16%, and according to Havlíček, much of that gain has come at Europe's expense. **"This is a big warning, but at the same time a big challenge. In order to determine what it is and how to correct it, we must ask ourselves what led the United States to maintain its position."**
Europe must be courageous; it must invest in itself! The Deputy Speaker pointed out that, among other things, the United States supports a private sector that generates considerable profits. They are not afraid to support emerging companies, and of course, invest heavily in new technologies.

According to Havlíček, China is reopening the world through new technologies, especially by investing in artificial intelligence. A whole generation of Chinese citizens grew up in the Western world — at universities in America, the UK and the European Union — and are now returning home to build a new knowledge-based economy.
According to Havlíček, Europe should be inspired by those who are better — and that means America and now even China. **"And I'm sorry, we have to admit that China is better today. I'm not saying that proudly, I'm not saying I'd like to. But if we do not admit this, let me just remind you that pride precedes the fall."** Private parties should get their chance, Havlíček said. Less should be decided by the state, while business marketing, the ability to invest, risk management and other added values should play a larger one. For all this, Europe should offer them a more favorable environment, if this does not happen, Havlíček argues, European entrepreneurs will leave in pursuit of better opportunities.

> **„Let's get inspired by America. Let us be inspired from handing over control back to companies."**
>
> **Karel Havlíček**

Artificial Intelligence Will Change Our Lives Beyond Recognition

According to Richard Yonck, a bestselling author focusing on new trends and technologies from the United States, the relationship between man and technology is synergistic. He wonders what man has been able to create from scratch. As an example, Yonck introduced chairs in the conference hall, lighting, sound technology, clothing, and above all, the knowledge that humanity possesses: We created that. What will we create next? *"There is a huge change ahead of us because we are currently working on completely revolutionary technologies that will change our lives completely in the coming decades."* Yonck pointed out that artificial intelligence has long been among us. We have been using it for several years and we take it for granted. Now our attention and discussion in public space is focused on the so-called generative AI and chat assistants such as ChatGPT.

People should focus on different forms of artificial intelligence, Yonck believes. Right now, we focus primarily on one type — the one that could eventually be our new colleagues. *"At this point in our world, the types of intelligence prevail, which somehow fulfill our tasks, assignments, and enable us to function more efficiently, work faster,"* he said. But in the future, AI can also teach our children, making them "living" friends. This will lead to big changes in how private data is shared and raise security issues. But Yonck is convinced that this will happen in the future and people should count on it.

Humanity will soon be moving forward in the evolution of quantum computers. *"We could do things with them that we had never dreamed of before,"* the visionary said. He himself sees future use in medicine and in the development of surgical instruments, *"we can extend the life span".*

How can these new technologies be used effectively? Yonck believes this can be done through education, public-private partnerships, and the adoption of ever-evolving tools.

> „It is our responsibility to ensure that technology serves humanity and not the other way around. Do not only build the future, but a brighter and brighter future."

Richard Yonck

Artificial Intelligence as an Engine of Economic Growth: Opportunities and Challenges for the Future

Karel Havlíček
Deputy Speaker, Chamber of Deputies of the Parliament of the Czech Republic

František Štrupl
Country Director, Google Czech Republic

Jan Kavalírek
Deputy Minister, Ministry of Industry and Trade

Tomáš Čupr
CEO & Founder, Rohlik Group

Europe has reached a critical moment. On one hand, it is trying to keep up with big players like the U.S. or China, while on the other hand, it is clear that the old continent is losing its competitiveness. The future lies in artificial intelligence, which is becoming the engine of productivity. Technological innovation and the use of AI will be essential for further economic growth. In the Czech Republic, it will be crucial how successful small and medium-sized companies, which make up about 60 % of the country's GDP, are in adapting to these changes.

AI as the Engine of Economic Growth

Artificial intelligence is undoubtedly a key factor for future economic growth. However, it must be admitted that while the United States and China are investing massive resources in the development and subsequent implementation of AI, Europe is falling behind. If the continent wants to remain competitive, it must create the right conditions for innovation and entrepreneurship in this field. The Czech Republic, too, should create a welcoming environment for the private sector to move forward. Companies should not only use artificial intelligence, embrace it as a tool which will strengthen the economy. *"If we want to achieve economic growth in the future, we simply cannot do without technological development and without a high degree of innovation,"* said František Štrupl, director of Google for the Czech Republic.

It is a fact that the European economy has been growing twice as slowly as the global average since 2019, which is an alarming signal. According to the Draghi report, one of the main factors of the slowing growth is the insufficient support for technological innovation.

> *„Artificial intelligence is too important and it brings too much change to go unregulated."*
>
> **František Štrupl**

AI Regulation — Threat or Opportunity?

The European Union has decided to regulate artificial intelligence through the AI Act. This law divides AI systems into several categories according to the degree of risk. Critics warn that strict regulation can slow innovation and cause companies to leave Europe. On the other hand, the speakers agreed that artificial intelligence is too fundamental a technology to be left entirely unregulated. Such a regulation should be "well-calibrated" — it must not add unnecessary bureaucratic burdens to hinder development. In this context, the debate drew attention to the experiences of small and medium-sized enterprises (SMEs), which often face excessive administrative demands.

Investment in AI and Research

Another key point is the financing of artificial intelligence. Europe spends significantly less on AI than the U.S. and China. Jan Kavalírek, Deputy Government Member of the Ministry of Industry and Trade of the Czech Republic, added: *"Today America invests ten times more in AI development than we do. China is investing five times more in artificial intelligence than we are."* This difference can have long-term negative consequences for Europe's competitiveness.

„*We're not talking about three years or two years from now. That change is now. And in six months it will be even more dramatic.*"

Tomáš Čupr

Ways to support technological development include grants, public procurement, or cooperation between academia and industry. France can offer inspiration for this approach, as the French government actively supports AI-focused technology startups. ***"In the next ten years, we will be facing the bankruptcy of giant companies that do not successfully adapt AI,"*** says Tomáš Čupr, entrepreneur and investor, founder of Slevomat, Dámejídlo.cz, and Rohlík.cz.

Cooperation Between the State, Academia, and the Private Sector

Cooperation between the government, universities and the business sector is absolutely essential. The government should create conditions for the effective transfer of technology from academia to companies. It should also support AI-focused research teams and facilitate their funding.
Simplifying access to research data is one way that AI innovation can be supported. Experts have warned that strict regulation can prevent data usage in European companies, which is a key factor in the development of modern AI models.

ⓘ RECOMMENDATIONS

- Artificial intelligence is a key factor for the future of the European economy.

- If Europe wants to succeed in the technological race, it must invest in AI, promote innovation, and set regulations so as not to hinder the development of companies.

- Cooperation between the state, the academic sector and private companies will be essential to maintain Europe's competitiveness on a global scale.

Karel Havlíček
Deputy Speaker, Chamber of Deputies of the
Parliament of the Czech Republic

Patrik Tovaryš
Public Policy Manager for Central and Eastern
Europe, Meta

VIP Talk:
Open AI vs.
Regulation —
The Way Forward

Open access to artificial intelligence offers unique opportunities for innovation, competitiveness, and economic growth. The Czech Republic and the whole region of Central and Eastern Europe have a chance to use this trend to strengthen their digital economy and create new technological solutions. The key question remains: how can academia, the private sector, and public administration collaborate to ensure that businesses, research institutions, and citizens benefit from opensource AI.

„We have to negotiate, we have to act decisively, and we have to exchange it, maybe for something else."

Karel Havlíček

„Big companies just won't invest here. They would rather make the investment in unregulated states."

Patrik Tovaryš

While some countries see opportunities in technological progress, others fear the risks. Open collaboration and knowledge sharing can play a key role in ensuring that Europe does not lag behind the U.S. and China. Protectionist policies and excessive regulation can slow development, while adopting an open source approach will allow maximum use of AI potential in the region and promote economic development.

Patrik Tovaryš, public policy manager for Central and Eastern Europe at META, stressed the importance of open-source models (such as LAMA) for the development of AI and argued that regulation impedes innovation. According to him, due to over-regulation, some technologies do not enter the European market at all, leading to a significant loss of competitiveness in the region. *"At the moment, we see that some of the products that are already being launched everywhere in the world are unfortunately not coming to the European Union, because of excessive regulation,"* he said. Europe should look around and be inspired by countries such as the United States, the United Kingdom, or Israel, which are far ahead of us. *"These are three strong players for me, he would almost say icons who really invest a lot of effort and money into it and I am starting to worry again if we are not starting to wind up so much in the box,"* Karel Havlíček, deputy chairman of the Chamber of Deputies, said in a statement.

Instead, the European Union focuses too much on environmental aspects and over-regulation. According to Havlíček, regulation will have a negative impact not only on large corporations, but also on SMEs, which form the backbone of the European economy. Excessive regulation, excessive bureaucracy, and an uncomfortable environment will lead to an outflow of investment in less regulated regions — ultimately weakening the economy. Patrik added that if regulation continues to create barriers for open-source AI models, it will not be possible to effectively use artificial intelligence for the public sector and innovation in the future.

On the other hand, a certain degree of regulation is necessary, especially in terms of safety and user protection.

The speakers focused on another important aspect of the development and implementation of artificial intelligence, transatlantic cooperation between Europe and the US. It was noted that the European model is significantly different from the American one. While America focuses primarily on results, Europe places more emphasis on social aspects and subsidies — and that should change. If the European Union wants to remain competitive, it must be more flexible and more inspired by the American approach to innovation. Tovaryš said that there is another reason for the shift: to prevent the growing influence of China. *"It is the United States in Europe that needs to work together to set global standards, even before China does, because we really know that the control over these models is really different,"* he said.

Europe is far from a leader in AI and should look for ways to adapt without creating unnecessary obstacles.

It is in the interest of all the Member States of the European Union to push the European Commission to reduce unnecessary regulation, develop support for innovation, and above all, improve transatlantic cooperation.

E-commerce: How to Adapt and Succeed in a Rapidly Changing Market

Marta Mikliszańska
Director, Public Affairs & Sustainability, Allegro (Poland)

Petr Očko
Deputy Minister for New Technologies, Ministry of Industry and Trade of the Czech Republic

Petr Bartoň
Chief Economist, Natland

Tomáš Prouza
President, Confederation of Commerce and Tourism Czech republic

The rapid development of e-commerce is fundamentally changing the way companies work and how consumers buy. Digitalization of business brings new opportunities for expansion into global markets, but at the same time raises questions about consumer protection, data and product security, and the sustainability of the whole model. Success in digital business requires innovative approaches, the right use of technology, and a deep understanding of the dynamics of the digital market. In addition to technological aspects, it is crucial to create an appropriate regulatory environment at national and EU level that will promote growth and innovation without compromising customer safety and trust.

The Development of E-commerce and Changes in Consumer Behavior

One of the main trends in contemporary e-commerce is the transition to omnichannel trading, which allows you to connect different sales channels — from brick-and-mortar stores to mobile applications to online marketplaces. The approach and expectations of consumers have changed significantly and the market has had to respond accordingly. Modern consumers want an easy and convenient shopping experience, a wide selection, and the lowest possible price. *"Of course, there is a huge demand on the part of consumers for the easiest user experience to make everything work with two clicks to make it comfortable,"* said Marta Mikliszańska, Head of Group Public Affairs and ESG at Allegro in Poland.

The market has also changed significantly in terms of brand loyalty. While in the past, the brand has been seen as a key factor in purchasing decision-making, today half of consumers are willing to switch to another retailer if it offers them a better price or more acceptable conditions. This trend is reinforced by modern technologies such as social media. *"Young people, I think, don't watch advertisements that are on the street or on television, but they are subject to social media. So whoever is on social media is very influenced,"* Tomáš Prouza, President of the Czech Confederation of Commerce and Tourism. He continued to say that the recommendations of influencers and online advertising often replace traditional forms of marketing. AI is also increasingly affecting this area in terms of personalization of advertisements. Algorithms can analyze consumers' buying behavior and recommend relevant products.

Competition from China and Protection of European Businesses

One of the most important issues the speakers agreed on is the growing (unfair) competition of Chinese e-commerce platforms. These often use more favorable trading conditions, such as tax exemptions and less stringent regulation, which allows them to offer goods at lower prices than European companies. Every day, millions of small shipments flow to Europe, which are not sufficiently taxed and subject to lower customs fees. This ultimately creates an uneven playing field for European traders, who, on the contrary, have to comply with stricter rules.

The debate focuses on how to address this issue. One solution mentioned was tightening controls and removing exceptions for shipments under 150 euros, which would ensure fair competition. The discussion also led to recommendations for the competent authorities to increase oversight of compliance with the rules on online trading. It would also be appropriate to introduce mechanisms to ensure that foreign companies operating in the EU comply with the same standards as local ones.

„*Try to guess how many small shipments in the form of a letter come every day from China to Europe. $12 million every day.*"

Marta Mikliszańska

Just as the regulation of digital services provokes emotions, so too does the limitations of artificial intelligence, especially in connection with the new AI act. The document aims to set clear rules for the development and use of AI in Europe. But experts warned that over-regulation could slow technological progress and prevent European firms from competing with global players. A balance must therefore be sought between consumer protection and innovation support.

The fragmentation of the European market is a major problem for traders, in terms of legislation, bureaucracy, and logistics. If each country has its own regulatory requirements, it logically prevents e-commerce companies from expanding. In addition to improving and unifying the conditions, Europe should also invest in the development of digital and physical transport networks to facilitate trade between countries. For example, there are still large differences in parcel delivery, which complicates cross-border sales and increases costs for entrepreneurs.

Regulation and Its Effects.
Logistics and the Single Market

The discussion on e-commerce also included criticism of the regulation of digital services. Strict, European, regulations often create challenges for SMEs while multinationals and Chinese retailers have looser conditions to adhere to. The EU still does not have a fully functioning single e-commerce market. *"It should be a single market, but unfortunately it is a separate market. It is 27 small villages that have to develop something for themselves,"* said Petr Bartoň, chief economist at Natland. While in the U.S. or China, companies can operate in the single market with one set of regulations, within the European Union businesses must address regulatory requirements that differ from one member state to another.

„Europe's biggest problem is that we have a lot of legislation, but we don't apply it, we don't enforce it and we don't make it last."

Tomáš Prouza

The Need for Strategic Cooperation and Education

It would also be appropriate for the state to intervene in the world of e-commerce, at least to support domestic enterprises and regulate them so as to promote innovation and competitiveness. The participants proposed the creation of publicly funded incubators for technology start-ups to help new companies overcome initial barriers and develop innovative solutions in the fields of AI and e-commerce.

In addition, cooperation between the state and the private sector should be improved, particularly in the fields of education and digitalisation. It was said that the digital literacy of consumers must be improved, especially that of elderly, who are less adapted to new technologies. Trust in new technologies is key to the development of e-commerce companies.

ⓘ RECOMMENDATIONS

- The future of e-commerce consists in removing regulatory barriers, strategic cooperation between sectors, and creating a level playing field in the market.

- Digitalisation and education play a key role in helping businesses and consumers adapt better to modern technologies and business environment changes.

- The European Union should review some of its regulatory approaches and focus on their more effective enforcement.

- A single framework for e-commerce and AI regulation was proposed, which would allow companies to better navigate the legal environment and support their growth.

VIP Talk: Artificial Intelligence and its impact on Security and Society

Rapid advances in artificial intelligence are fundamentally changing the way society operates and introducing new challenges. AI has the potential to transform a wide range of sectors, but it also creates risks associated with privacy, disinformation, and technological unemployment. It is essential that AI is used ethically and in accordance with values that protect human rights and democratic processes. Regulation and public policy must ensure that its development produces positive results for society and do not cause disruption to its basic structures.

Katarina Wallin Bureau
General Manager for Strategic Relations, Microsoft European Government Affairs (Sweden)

Martina Tauberová
Head of External Relations, LPP Holding; CEO of MTG Export Int. (Czech Republic)

AI and Security Challenges

Artificial intelligence is undoubtedly becoming a revolutionary technology, comparable to the industrial revolution brought about by the invention of the steam engine or the discovery of electricity. Its proper regulation is essential for maintaining the safety and competitiveness of European companies. People are increasingly integrating AI in their daily lives, and it is becoming a common feature in business operations and government sectors, particularly in security and defense systems. However, extreme caution must be exercised in this area. AI can strengthen defense, but it may also be abused by opponents, for example, in cyber attacks or military operations. Therefore, it is appropriate that Europe unify its defense strategies and invest in technologies to protect it from these risks.

Both experts emphasized that governments have a responsibility to ensure the protection of their citizens and that technology companies should act as partners providing innovative solutions. Artificial intelligence is already used in autonomous defense systems, cyber threat monitoring, and predictive analytics to enable a faster response to potential hazards. This, however, also involves establishing strict control mechanisms to prevent misuse.

„Technology and artificial intelligence are tools and weapons.“

Katarina Wallin Bureau

Artificial Intelligence and Ethics

The daily use of AI at all levels requires discussion on its ethical applications. Companies like Microsoft promote responsible use of AI and work with regulators and NGOs to protect vulnerable groups. Children and seniors are at a great risk, especially due to their lack of awareness and low technological literacy, which makes them more susceptible to AI misuse, for example, to create disinformation or manipulative content. A separate concern is also the safety of women: *"For women, this may be, for example, sexualized content that uses, abuses women's personal data,"* said Martina Tauber, Director of External Relations, LPP holding, Managing Director of MTG Export Int.

Both experts spoke about transparency as a key factor in building public trust in AI. *"The requirement for transparency is quite clear. The maximum level of communication with regulatory authorities is required. For example, the use of certain protective measures is also required, such as a kind of red button that allows the entire system to be turned off in an emergency,"* said Katarina Wallin Bureau, General Manager for Strategic Relations at Microsoft in Sweden.

European Regulation and Competitiveness

Strict regulation of artificial intelligence in Europe can slow down innovation and limit the competitiveness of local companies. While in the United States, technology companies mainly employ engineers who are involved in development, expansion, and sales, in Europe, companies have to invest more in legal teams due to regulatory requirements. *"The problem in Europe is, of course, also the availability of capital and the lack of qualified workforce. We know that the Czech Republic is also promoting a strategy for training, retraining, and upskilling experts,"* said Martina Tauberová.

States should therefore support education in the field of AI and ensure that regulations do not hinder the growth of technology companies. In this context, it was mentioned that Prague could become one of the key AI hubs in Europe.

AI in defense and the risk of misuse

AI has enormous potential in the defense sector, for example in the field of facial recognition, cybersecurity, and autonomous systems. However, with this comes the risk of misuse by authoritarian regimes or terrorist groups, among other bad actors. In such cases, regulation must be robust enough to ensure the safe use of this technology, but at the same time it must not be so strict as to stifle innovation. In this context, the question arises whether defense applications should not have exceptions to some regulations. Effective responses to security threats will likely require that some military technologies be subject to less strict rules.

„Artificial technology can be a good servant, but not always a good master.“

Martina Tauberová

Lukáš Kintr
Director, National Office for Cyber and Information Security (Czech Republic)

Martin Kotek
Director, Digital Intelligence (Czech Republic)

Michal Břežek
Attorney-at-law, AK-PKK (Czech Republic)

Kateřina Hůtová
Founder; Managing Director; and ISMS Manager, Cybrela (Czech Republic)

Ondřej Malý / MODERÁTOR
Independent Consultant and Analyst (Czech Republic)

NIS2 — A new era of cybersecurity and its impact on businesses and institutions

In July 2025, the new European NIS2 Directive will come into force, bringing fundamental changes in the field of cybersecurity and affecting about 8,000 state and private entities in the Czech Republic. The new legislation will place emphasis on ensuring robust cyber protection, including training and education of employees. Beyond regulation, it also presents an opportunity to strengthen credibility and competitiveness in the digital world.

Cyber attacks have an impact on reputation, economic stability, and data security — problems faced by businesses and institutions across all industries. The NIS2 Directive brings new standards that can be seen as a wake-up call to improve overall resilience.

Moderator Ondřej Malý opened the debate by asking how the new directive will affect small businesses citing a bakery in Liberec with sixty employees. *"You are in a lower regime, which is not as dramatic as it sometimes presents itself,"* said Kateřina Hůtová, Cyber-information Security Manager. She understands that *"for someone who hasn't dealt with cyber information, it may be another burden to deal with."* The market is full of misinformation about obligations, so companies are fearful. However, it must be explained to them that the norm is not as terrible, especially in a lower regime, as it may sometimes seem. Since the legislation involves the introduction of new rules and security measures which will affect eight to ten thousand entities, it will be necessary to ensure that a sufficient number of cybersecurity managers are available. According to Lukáš Kintra, Director of the National Cyber and Information Security Authority, there is no exact number of how many experts will be needed, but his office is offering courses and regularly updating materials so that interested individuals can start learning now. Lawyer Michal Brežek said that *"there will be a very short window between the approval of the regulation and its effectiveness, when the market wakes up at once, starts to confuse and does not know exactly. On May 25, 2018 [when the General Data Protection Regulation came into force] , all lawyers and consulting services rang their phones."* Lukáš Kintr added that while this is often compared to the GDPR, it is important to keep in mind the fundamental difference. *"If you violate GDPR, you will harm your customers and you can be liquidated by subsequent sanctions,"* Brežnek said. *"While we're talking about cyber threats, they're targeting you directly, and if you're not safe, you will be the first to suffer the consequences."* In most cases, cyber-attacks mean the end of small and medium-sized enterprises. Entities implement security measures primarily for their own protection, not just because there is a regulation.

Some 1,500 to 2,000 entities are expected to have higher requirements under the Directive, including state actors as well as companies that have not previously dealt with security. The moderator pointed out that, for example, car dealerships might be included in this category. Kateřina Hůtová agreed that there are also companies in this group that may not seem like an obvious fit, but if the EU narrowed the criteria, other companies that should be included might be excluded instead. She added that *"it's okay not to have everything perfect immediately and instead take a gradual approach, starting from the biggest risks and then dealing with the rest."* In her view, accelerated training

is not a long-term advantage and does not serve its purpose. *"I take training as a risk minimization measure, but the most common risk is employees who don't understand why and how to do it, or even leadership, because they don't understand why it's important to them, they should give money and have a cybersecurity manager,"* she said.

Martin Kotek, Director of Digital Intelligence, is dedicated to improving the effectiveness of education in key skills. *"One aspect is a formal and legislative side so that we can demonstrate that the training has taken place. The second thing is the real ability to apply knowledge, and that cannot be done with one training session,"* he said. His company tries to approach this by combining personalization and attractiveness, which means *"telling people relevant information in a relevant way, and also offering the opportunity to bring knowledge to life and verify that they know the context, which helps to store it in long-term memory."* He also emphasized the importance of trying to look at your daily activities from a different perspective.

Part of AI implementation is also its integration in the field of cybersecurity. Martin Kotek criticized the low transparency of AI tools: *"For two of the three AI tools that I consider to be the best, I have not been able to find out who is behind them. All the signs lead to China, so anything we say and write in a meeting can suddenly be on the other side of the world. You only realize that when something happens."* Kotek said that Artificial intelligence does not pose any risk in and of itself, users often focus on the result without understanding how the individual tools work.

Cloud Technologies and Telecommunications: The Cornerstones of Digital Transformation

Marek Novák
Member, Chamber of Deputies of the Parliament of the Czech Republic

Violeta Luca
CEO, Vodafone Czech Republic (Romania)

Richard Yonck
International keynote speaker, global futurist and best-selling author (USA)

Petr Mlsna
Chairman, Office for the Protection of Competition

Cloud technologies and telecommunications form the backbone of modern infrastructure and are essential for a successful digital transformation. These technologies enable organizations of all sizes to access data and computing power flexibly, fostering innovation and economic growth. Telecommunications infrastructure is a key element in connecting people and devices in the digital world. To fully unlock the potential of digital transformation, investment in cloud technologies and telecommunications is essential. It is crucial to ensure that the legislative framework supports innovation while simultaneously safeguarding the security and stability of these systems.

Digital Infrastructure and the Development of 5G Networks

The Czech Republic ranks high among the countries with good 5G coverage, yet it still lags in the development of high-speed internet. Digital transformation is one of the European Union's priorities, and its 2030 goals are particularly ambitious for the Czech Republic. Currently, only 35% of Czech households are connected to fiber-optic networks, compared to an EU average of 50%. There is public demand for high-speed internet and modern technology, according to Marek Novák, Member of the Czech Parliament: *"We have great talent here, we have a strong industrial base, and if we put all of this together, we can play a larger role within the European Union because we have a lot to offer."*
The main challenges in infrastructure development are high investment costs and complex legislative processes. Telecommunications companies have long been calling for streamlining permitting procedures, which would accelerate network expansion. Currently, approvals for building new transmitters or laying optical cables can take more than 18 months, significantly slowing the development of high-speed internet.
According to Petr Mlsna, Chairman of the Office for the Protection of Competition, the state is making every effort to address these issues. He highlighted a recent amendment to the Electronic Communications Act, which facilitates transmitter construction and reduces administrative burdens.
"We have successfully amended the Electronic Communications Act, introducing major changes such as expanding base station deployment options, establishing easements, and improving zoning regulations," Mlsna said.

> „Two-thirds of the market is controlled by three companies. This is the reality we are facing, and we are working to ensure fair access for smaller firms."
>
> **Petr Mlsna**

Regulation of Cloud Services and Market Monopolization

Speakers dedicated significant attention to the regulation of cloud services. The European Commission is working to prevent the monopolization of the market by tech giants such as Google, Amazon, and Microsoft, which collectively control 68% of the global cloud services market. The EU aims to ensure fair conditions for SMEs by regulating the dominance of large corporations and promoting interoperability among cloud service providers.
The EU has already implemented legislative measures, such as the Digital Markets Act (DMA) and the Data Act, to prevent unfair practices by major players. The Data Act, for example, facilitates switching between cloud providers and prevents unfair pricing policies. While regulations like these are necessary, speakers emphasized that they must not overly restrict competition and innovation.
Violeta Luca, CEO of Vodafone Czech Republic, called for a pragmatic approach: *"We urge our governments and the EU to reform and simplify the legislative framework, making it more functional and operational."*

Investment Challenges and Competitiveness

Another key issue is investment return. Europe's telecom sector struggles with low profit margins and high infrastructure costs, while U.S. and Chinese operators benefit from larger customer bases, allowing them to invest more efficiently in new technologies.
One potential solution is strengthening public-private partnerships to improve the investment climate.

„We need to optimize our investment in technology. Let's focus on software investments so that hardware investments are as productive as possible."

Violeta Luca

Regulation and Transparency in AI and Telecommunications

Discussions on modern digital technologies and AI also addressed ethical concerns and data protection. Companies like Microsoft advocate for responsible AI use and collaborate with regulators to protect consumers.
Among the most frequently mentioned risks of AI misuse were manipulation of information and the spread of disinformation, particularly affecting children and seniors.
Data security and ownership regulation are critical issues in the digital age. Richard Yonck, a U.S.-based expert on emerging technologies, emphasized: ***"We need to develop better ways to ensure data is properly segmented and secured. At the same time, access to data must remain practical and efficient."*** The centralization of data among a few large corporations poses risks, prompting speakers to call for data decentralization and the use of advanced technologies such as homomorphic encryption.

> *„With homomorphic encryption, you can process and verify data without needing to decrypt it."*

Richard Yonck

The Future of Digital Infrastructure in Europe

Europe must develop a robust digital infrastructure to remain competitive with the U.S. and China. Several key measures emerged from the discussion:

1. Simplifying legislation and reducing bureaucracy — Regulations should be clearer and less burdensome for businesses. EU institutions should review and streamline existing rules.

2. Increasing investment in digital infrastructure — A mix of public and private funding could accelerate high-speed internet and 5G network development.

3. Supporting tech startups and innovation — Europe should create a favorable environment for startups and ensure better access to capital.

4. Enhancing collaboration between governments and businesses — Stronger coordination among EU member states is needed to develop a unified digital strategy.

5. Strengthening cybersecurity — Investments in new security technologies, such as quantum encryption, are essential to protect data and safeguard Europe's digital sovereignty.

(i) RECOMMENDATIONS

- **The future of the digital economy depends on adapting to technological change, eliminating unnecessary bureaucracy, and investing effectively in infrastructure.**

- **Regulations are necessary but should not hinder innovation and the competitiveness of European companies.**

- **Europe has the potential to become a global leader in digital technologies—if it fosters a business-friendly environment, streamlines legislative processes, and supports strategic partnerships.**

VIP Talk: Digital Transformation of Public Administration – From Vision to Reality

Martin Mesršmíd
Director, Digital and Information Agency

Jan Blažek
Chairman of the Board, Bankovní identita, a.s.

Digital transformation of public administration presents a key opportunity to enhance efficiency, transparency, and the quality of public services. Transitioning to digital processes is essential for modernizing state institutions and improving interactions between the state and its citizens. The success of this transformation depends on a combination of technological innovation, legislative support, and a shift in mindset within public administration. Implementing digital governance requires a comprehensive approach that includes both technical readiness and new management and organizational strategies for public services.

The Importance of Digital Transformation

Modernizing public services is essential—but it's not just about replacing paper documents with electronic ones; It requires a complete change in approach. Both speakers identified obstacles in implementing digital solutions and criticized the insufficient collaboration between the state and the private sector.

"The goal should be to simplify and streamline processes to offer citizens better services. Whether you use digital tools or keep physical branches for certain processes because they are more efficient and cost-effective, that decision should be made based on practicality," said Jan Blažek, Chairman of the Board, Bankovní identita, a.s.

The speakers emphasized that digitalization is not an end in itself—it is a tool for optimizing public administration. Currently, electronic systems are often introduced without deeper process changes, limiting their full potential.

Key Challenges of Digital Transformation

Martin Mesršmíd and Jan Blažek identified several major obstacles to digital transformation:

- **Overregulation and complex legislative processes** — Excessive regulations slow down innovation and impose high administrative burdens on both businesses and public institutions.
- **Shortage of skilled professionals** — The government struggles to compete with the private sector in IT salaries, which hinders the implementation of digital solutions.
- **Weak collaboration between the state and private sector** — The state often delegates responsibilities to suppliers without retaining key know-how or effectively managing projects.

Proposed Solutions

Experts recommend streamlining regulations and simplifying legislation to allow faster and more flexible implementation of digital technologies. Reducing unnecessary bureaucracy would free up resources for innovation.

Another key issue is the shortage of digital experts, who work primarily in the private sector. The government must make public sector jobs more attractive—adjust salaries, offer greater autonomy, and allow professionals to work on strategic projects.

"We, as a state, often fail to provide clear requirements, monitor quality, or even fully understand our own processes and legislation," explained Martin Mesršmíd. This highlights the need for better management of digital projects and more effective cooperation with suppliers.

European Digital Wallet – A Potential Game Changer

Digital public services should simplify interactions between citizens, businesses, and the state. This requires better data sharing, database integration, and service interconnection.

The speakers pointed to the European Digital Wallet as a promising tool. This project aims to allow citizens to securely and conveniently verify their identity, transfer documents (such as proof of study or a driver's license), and make electronic payments.

"The European Digital Wallet will allow people to use it across all EU countries. For example, a foreign citizen will be able to open a bank account in the Czech Republic remotely, without needing to visit in person," added Jan Blažek. This initiative could significantly improve communication between citizens, businesses, and governments, promoting digitalization across Europe.

Cybersecurity: How to Protect Digital Infrastructure?

Robert Králíček
Member, Chamber of Deputies of the Parliament of the Czech Republic

Lukáš Kintr
Director, National Office for Cyber and Information Security

Juraj Šedivý
CEO, CETIN Group

Jan Kolouch
Cybersecurity and Cybercrime Expert, Academic Lecturer

Digitalization becomes increasingly integrated into daily life, and with it, the need to protect critical infrastructure and data from sophisticated cyber threats grows. Ensuring cybersecurity is a top priority for both private and public sectors. Effective cybersecurity requires robust collaboration between governments and businesses to prevent cyberattacks and respond quickly to threats. It is also crucial to raise awareness and enhance cybersecurity skills across society.

Main Cybersecurity Threats

The greatest cybersecurity risk remains human error, agreed all panelists. People frequently click on malicious links, connect unknown USB devices, or unknowingly share sensitive data. Cybercriminals exploit social engineering techniques, ransomware attacks, and espionage to access and misuse personal data.
"The real threat is not just the attacks themselves, but the scale of damage they can cause. We need a defense strategy that limits the impact of attacks and ensures recovery in a short timeframe," said Juraj Šedivý, CEO of CETIN Group.
Supply chain attacks pose another major risk. Hackers target weaker links in an organization's ecosystem to gain access to sensitive data and infrastructure. Additionally, cybercriminals are increasingly using AI to automate cyberattacks, reducing the need for human involvement in their execution, making them more efficient, and harder to detect.

AI in Cybersecurity — A Double-Edged Sword

Artificial Intelligence (AI) is transforming both cyberattacks and defense strategies. Generative AI can be used to create deep-fake scams, highly targeted phishing attacks, and automated hacking operations. On the other hand, AI-driven tools enhance cybersecurity through advanced anomaly detection and predictive analytics.

The Role of Education in Cybersecurity Prevention

Effective defense against cyber threats starts with education. Digital literacy should be taught as early as elementary school so children understand the principles of online safety. *"Critical thinking and common sense must be incorporated into school curricula,"* emphasized Robert Králíček, Member of Parliament. Similarly, businesses and institutions should continuously educate their employees on cybersecurity best practices. Gamification—using interactive simulations of cyberattacks—can help prepare employees for real threats.
Juraj Šedivý added that cyberattacks are 70 times more likely than they were two years ago, making robust security measures more important than ever.
While education is key, it is not enough on its own. It is necessary to combine awareness with technological measures such as multi-factor authentication, regular software updates, and better control over access to sensitive data.

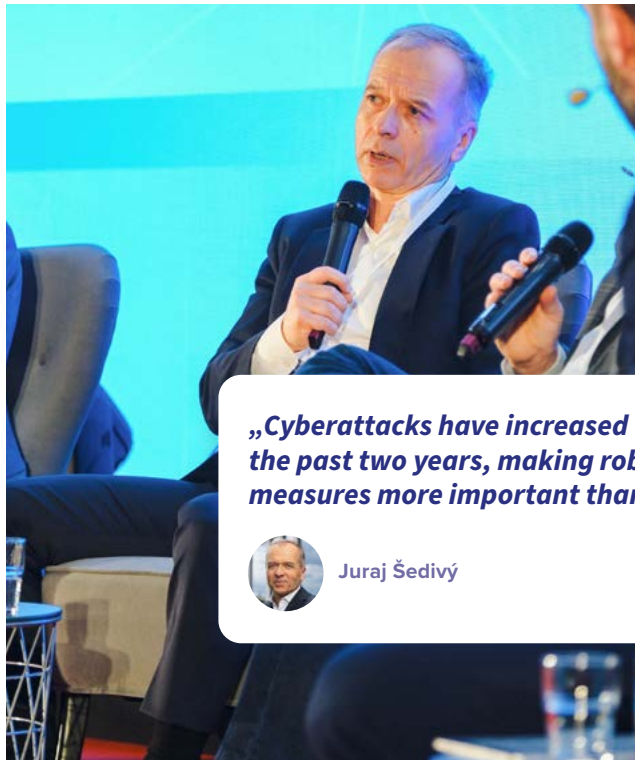*„We are still the weakest link – us humans. And in a way, we are also the threat."*

Robert Králíček

„We often try to use legislation to compensate for a lack of cybersecurity awareness and education, which has been neglected for the past 30 years"

Jan Kolouch

„Cyberattacks have increased 70 times over the past two years, making robust security measures more important than ever."

Juraj Šedivý

Balancing Regulation and Innovation

Regulations are necessary to protect critical infrastructure and users, but they should not hinder innovation. The EU's NIS2 Directive expands cybersecurity obligations for companies, but some fear excessive regulation could burden small businesses and slow down technological progress.

A flexible approach to regulations is needed, allowing companies to tailor security measures based on their risk profile. Regulations should also encourage information sharing between the public and private sectors to improve collective cyber defense.

Public-Private Collaboration — A Key to Stronger Cybersecurity

Effective cybersecurity requires close cooperation between governments and tech companies. SMEs, in particular, need state support, as they often lack the resources for advanced cybersecurity measures.

The American model of sharing cyber threat intelligence between government agencies and private companies could serve as inspiration. Europe should look to models such as the American one while developing their own cyber defense strategy.

ⓘ RECOMMENDATIONS

- Cybersecurity is a complex challenge requiring a mix of education, regulation, and technological innovation.

- 2. Adaptability is key — organizations must be proactive in responding to new cyber threats.

- 3. Europe must integrate innovation, education, and strategic cybersecurity management to remain competitive.

- 4. Collaboration between governments, businesses, and academia will be crucial for building a more resilient digital society.

Artificial Intelligence and Automation: Opportunities and Threats for the Job Market

Ondřej Kovařík
Member of the European Parliament

Lukáš Kačena
Director, prg.ai

Barbora Brabcová
Head of the Working Group for AI Education, Czech Association for Artificial Intelligence

Lukáš Benzl
Director, Czech Association of Artificial Intelligence

The job market is undergoing a profound transformation due to the rise of artificial intelligence, robotics, and automation. While new professions emerge, others become obsolete. This shift presents not only economic opportunities but also challenges related to workforce adaptation. Successfully adjusting to these changes requires retraining employees and creating support frameworks to prevent deepening social and economic inequalities. In this context, the role of the state is crucial, particularly in investing in education and digital skills development.

The Impact of AI on Different Professions

Artificial intelligence is already significantly influencing various professions. Representatives from tech firms and educational institutions agree that AI's role in the workplace is becoming increasingly prominent. While politicians and public officials do not yet consider AI a key element of their work, it is already shaping political campaigns, public opinion analysis, and even the spread of disinformation.

Businesses and technology companies use AI to automate processes, analyze data, and personalize services for customers. *"We generate most of our content, research various regulations using AI, translate foreign sources, and recently, I even synthesized my own voice,"* said Lukáš Benzl, Director of the Czech Association of Artificial Intelligence.

Trainers and consultants rely on AI as a key tool for developing new training methods and optimizing educational programs. HR professionals use AI to streamline recruitment processes. Barbora Brabcová, an AI applications expert, highlighted its role in overcoming creative blocks: *"AI helps when you need a nudge, when you're stuck and don't know what to prepare. These are the moments when I use AI the most, and it helps me tremendously."*

Adaptability will be a key factor for success. Understanding the basics of AI is rapidly becoming a new form of digital literacy, much like computer skills in the past. Employers will increasingly expect their workforce to use AI tools effectively to enhance their work.

Changing Skill Requirements

When it comes to skill demands, two main trends can be identified: narrow specialization and multifunctionality. Companies seek experts with deep knowledge in specific areas who can combine their expertise with technological skills. At the same time, employees who can quickly adapt and handle multiple tasks will be highly valued. AI enables individuals to perform tasks that previously required specialized expertise.

"AI is, to some extent, building managerial skills in everyone. It requires us to clearly define what we want and how to configure the tools we use," said Ondřej Kovařík, Member of the European Parliament.

For example, programmers will increasingly focus on creative and strategic aspects of development, while AI will handle routine coding tasks. Similar trends are expected in marketing, customer service, and administration.

> „AI is gradually becoming part of basic digital literacy, meaning that virtually everyone should know how to work with these tools."
>
> **Lukáš Kačena**

AI Regulation in the European Union

The European Union is working to establish a clear regulatory framework for AI. The AI Act classifies AI systems into different risk categories, with the strictest regulations applying to high-risk systems, such as autonomous weapons or AI used for critical healthcare decisions.

While regulation is necessary, speakers cautioned against excessive restrictions that could hinder innovation. Ondřej Kovařík warned: *"Regulation can act as a brake if it is not appropriately designed. If it is too strict or too rigidly enforced, it could slow down the pace of innovation."*

Strict transparency and accountability requirements could disadvantage European firms compared to their counterparts in the U.S. or China. Therefore, regulations must remain flexible, allowing companies to adapt quickly to emerging trends.

The Future of the Job Market with AI

The long-term impact of AI on the job market remains uncertain. AI could serve as a tool that enhances productivity and makes work easier for employees. Barbora Brabcová noted: *"When we see that tasks that once took a long time or were repetitive and boring can now be done differently, faster, or by AI tools, it motivates us to work more comprehensively. This is also evident in companies."*

However, there are concerns that AI adoption could lead to widespread job displacement. AI is already replacing some entry-level positions, such as in customer support and basic programming. Kačena raised an important question: *"How does someone become a senior programmer if they can't go through a junior position because those positions are no longer needed?"*

This creates a challenge in ensuring career growth for young professionals who would otherwise gain experience in these roles. A potential solution is to invest in education and retraining programs to help employees transition into new job opportunities.

> *„We need people to stop fearing artificial intelligence."*
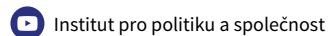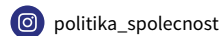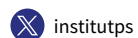>
> **Lukáš Kačena**

ⓘ RECOMMENDATIONS

- AI is fundamentally reshaping the job market, and its impact will continue to grow in the coming years.

- AI presents enormous opportunities but also challenges. Success will depend on adaptability, education, and the development of skills that cannot be easily automated.

- Collaboration between technology companies, the state, and the public will be crucial to ensure AI contributes to economic growth and improves the work environment.

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The mission of the Institute is to cultivate the Czech political and public environment through a professional and open discussion and to create a living platform that names the fundamental issues, elaborates their analyses and offers recipes for their solution in the form of cooperation of experts and politicians, international conferences, seminars, public debates, political and social analyses available to Czech society as a whole. We believe that an open professional discussion and knowledge of the nature and causes of individual problems is a prerequisite for any successful solution to the problems of contemporary society. The main themes of our efforts are social transformations, foreign and security policy, defence, European affairs, ways of adapting to emerging climate change and sustainable development, as well as education, schooling, digitization, energy and its new forms, urbanism, life in the city and in public spaces, and last but not least, the issues of values in politics and human rights in our country and in the world.

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