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USA

Prague, February 22, 2021

Dear xxxx

We write to update you on our efforts to support an innovative economy in Czechia.

Last year, we distributed a *Letter on Innovation (see attached)* to policymakers. That letter suggested initiatives in the four primary areas of economic policy: technology, people, infrastructure, and government.

Over the past year, we have discussed the Letter with leaders throughout the country. During these activities, we have made further conclusions we would like to share with you.

- 1) If Czechia wishes to become an innovative economy, all major political parties, all levels of government, universities and major business associations must make it their top priority. We need a strategic approach that is not reinvented after every election or diluted by multiple public or private action plans.
- 2) Researching and developing advanced technologies in Czechia should become the main economic objective. Developing these advanced technologies contribute to value-added exports, to higher wages, to increased income in scientific research, to the attractiveness of studying STEM subjects, and to a successful start-up community. The most effective method to building a larger base of advanced technologies developed in Czechia is to work with current developers of advanced technologies to expand their development activities in the country. This would require concentrating public research funding and other government support into larger, higher risk projects that utilize both public and private research capabilities (what we call Big Bets).
- 3) A highly innovative economy is built on a highly innovative workforce. STEM education is a Czech strength. We should create incentives for more Czech students to study STEM subjects. We should also use the quality of our STEM education to attract top students from other countries. However, we need more advanced technologies now to create better prospects for STEM students tomorrow. We need more STEM workers now to do that. Therefore, immigration of current STEM workers should not face any quota limitation, and a special process should be established to expedite their applications.

- 4) Land-use policies are particularly important for an innovative economy. Effective, digitized land-use processes (economic planning of how to use land, zoning, and construction permits) ensure a healthy environment and a streamlined approval process, while providing officials with the data and analytical tools to plan and supply sufficient schooling, housing, medical care, and public transport to maintain a high quality of life.
- 5) Digitizing government services not only improves the quality of government services, but it allows the government to collect anonymized data in areas such as health care, transport, and education that can be analyzed by start-ups (and other companies) to improve their products and services. There could be greater coordination and commitment among all levels of government to digitize their processes and services, and a greater continuity between election periods.

Further comments on each of these five topics have been included in an addendum. We would welcome a discussion with you on how to turn Czechia's innovation potential into a prosperous reality.

With regard,

Weston Stacey
Executive Director