Capital: Prague  
Population: 10.5 million  
GNI/capita, PPP: US$26,970

Source: The data above are drawn from the World Bank’s World Development Indicators 2015.

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NOTE: The ratings reflect the consensus of Freedom House, its academic advisers, and the author(s) of this report. The opinions expressed in this report are those of the author(s). The ratings are based on a scale of 1 to 7, with 1 representing the highest level of democratic progress and 7 the lowest. The Democracy Score is an average of ratings for the categories tracked in a given year.
The politically turbulent year of 2013, which was characterized by the fall of Petr Nečas’s government, a caretaker government relying on the president, and early elections, was followed by a year of relative political stability in the Czech Republic. Prime Minister Bohuslav Sobotka formed a new government in January with the participation of the Social Democrats (ČSSD), ANO, and the Christian Democrats (KDU-ČSL). The coalition enjoyed relatively high approval ratings throughout the year, its internal disputes were insignificant compared to the Nečas government, and it benefited from an improving economic situation. Critics were nevertheless concerned that ANO, which had extensive links to the chemical giant Agrofert, would use its large financial and media resources to its advantage. Deputy Prime Minister and Minister of Finance Andrej Babiš, however, maintained high popularity ratings during the year. Some controversial statements and actions of President Miloš Zeman received domestic and international criticism.

National Democratic Governance. The ČSSD, ANO, and KDU-ČSL formed an ideologically mixed coalition government in January. President Zeman’s objections and Andrej Babiš’s past and vast business empire spelt controversy around the formation of the government. Sobotka’s government steered the country in a new direction in foreign policy, emphasizing the importance of economic ties and reforming human rights policy. Due to political stabilization following a scandalous year in 2013, the Czech Republic’s national democratic governance rating improves from 3.00 to 2.75.

Electoral Process. Three elections took place in 2014. Turnout in the May European Parliament elections was the lowest since the country joined the European Union (EU) in 2004. Due to the overlap between the Senate and municipal elections in October, voter turnout was relatively high in the first round and only fell sharply in the second round. The governing parties, especially the Social Democrats, fared well in Senate elections. The Czech Republic’s rating for electoral process remains unchanged at 1.25.

Civil Society. Czech civil society remains vibrant. The new Civil Code, effective as of 1 January 2014, changed the legal framework in which nongovernmental organizations (NGOs) operate, and while its ambiguous language resulted in some uncertainty, it did not impede NGO activities significantly. The government, as well as regional and local authorities, cooperated with civil society actors. Anti-Roma incidents from previous years were not repeated. The Czech Republic’s civil society rating remains unchanged at 1.75.
**Independent Media.** The Czech media sphere is diverse with a variety of opinions, but economic pressures have threatened its sustainability and independence. Since foreign companies pulled back in the past few years, media ownership has concentrated in the hands of a few magnates, posing a risk to independence. Babiš’s recent acquisitions and verbal threats made against Echo24, a website run by a group of journalists who had left his paper, were met with strong disapproval. *The Czech Republic’s independent media rating remains unchanged at 2.75.*

**Local Democratic Governance.** Despite a number of scandals on the local level in recent years, mayors and local assemblies continue to enjoy high public approval ratings. This is reflected by people’s growing interest in running at the municipal elections. The October municipal elections brought victories for local associations of independent candidates and losses for most national parties. *The Czech Republic’s local democratic governance rating remains unchanged at 1.75.*

**Judicial Framework and Independence.** The new Civil Code drew significant criticism after it came into force on 1 January 2014. Following the 2013 raid on the offices of former prime minister Petr Nečas, which resulted in his resignation, politicians became increasingly concerned about the growing power of the prosecutorial services. In the fall of 2014, a reform introduced by the Ministry of Justice reverted some of the previous governments’ proposals and weakened the independence of public prosecutors. *The Czech Republic’s judicial framework and independence rating remains unchanged at 1.75.*

**Corruption.** While the new government puts significant emphasis on the fight against corruption, the results so far have been modest. After more than 10 years, the parliament passed a new Law on Civil Service in September, which will make the appointment process more transparent. When the new government took office, it replaced many officials at the ministries and state enterprises with its own people and appointed former managers from Babiš’s Agrofert holding to top positions. *The Czech Republic’s corruption rating remains unchanged at 3.50.*

**Outlook for 2015.** The government’s stability and success will depend on the extent to which the coalition parties are able to deal with their political differences. Luckily for them, no elections will be held in 2015, an event which often undermined the unity of past governments and coalition parties. The government can also benefit from a satisfactory economic situation, as slipping back into recession—which was typical in previous years—does not seem likely.
The institutions of governance in the Czech Republic are stable and democratic. No single party dominates the political scene, and regular rotations of power occur at national and local levels. Political parties generally agree on the nature and direction of the democratic regime, with one major exception—the largely unreformed Communist Party (KSČM), which has not served in any post-1989 national government. Another protest party entered the parliament in 2013; Úsvit přímé demokracie (Dawn of Direct Democracy) received 7 percent of the vote and gained 14 seats in the October elections.\(^1\)

After a politically turbulent year in 2013—marked by a spying scandal and the resignation of former prime minister Petr Nečas in June, the appointment of a caretaker government in July, and early elections in October—domestic politics stabilized as a new coalition government took shape in January 2014. The 2013 elections significantly altered the political terrain as the two traditionally important political parties, the left-wing Social Democrats (ČSSD) and the center-right Civic Democratic Party (ODS), suffered major losses. ANO, which was founded by businessman and billionaire Andrej Babiš with financial and personnel resources from his chemical company Agrofert, benefitted from voters’ disillusionment with the political class and finished second in the elections. After protracted negotiations, ČSSD signed a coalition agreement with ANO and the Christian Democrats (KDU-ČSL) in early January.

The appointment process dragged on for almost a month as President Milos Zeman strongly objected to several ministers proposed by ČSSD leader Bohuslav Sobotka. Although the constitution empowers the president to appoint new governments, presidents had limited power in the past. Zeman’s abrupt decision to appoint one of his loyalists, Jiří Rusnok, prime minister last year gave rise to strong criticism, and concerns that the president might attempt to shift the balance of power toward a semipresidential system resurfaced in January.\(^2\) In the end, however, the president appointed the new government with eight ministers from ČSSD, six from ANO, and three from KDU-ČSL.

Prior to the government’s appointment, Zeman also demanded that the new parliament put the Law on Civil Service—a piece of unimplemented legislation adopted in 2002—high on its agenda. The president hinted that the law, which separates political from civil service positions, is necessary for the appointment of Babiš as minister of finance. In 2013, accusations resurfaced that Babiš had collaborated with the Communist-era secret police (StB). A lustration law adopted in the early 1990s bars former StB agents from holding certain positions in the state.
administration. Although ČSSD and ANO had considered repealing the lustration law earlier, they eventually backed down due to opposition from KDU-ČSL, ODS, and TOP 09. Since ANO insisted on Babiš’s participation in the government, the coalition partners agreed that the lustration law should not necessarily be applied in the case of ministerial appointments. This interpretation differed from past cases, where the law had been commonly applied. In July 2014, a Slovak court cleared Babiš of the accusations.

The opposition and several media outlets expressed concerns about Babiš’s participation in the coalition, raising potential conflicts of interest with his position in Agrofert. The majority of the public, however, liked the businessman’s slogans alluding to his ability to run the state. Despite his party’s undefined identity, Babiš was the most popular politician in 2014.

The government maintained high approval ratings throughout the year; around 40–50 percent of the respondents said that they trusted the coalition. A recovering economy after several years of recession and popular steps, including a minimum wage increase and a cut in healthcare fees, fueled the increase in popularity.

The coalition parties had a number of minor disputes. ČSSD and KDU-ČSL, mainly motivated by distrust toward ANO, pushed through the appointment of their own deputy ministers in ANO-controlled ministries. With each party supporting their own candidate, the Czech seat in the European Commission also became a bone of contention. In October, Věra Jourová (ANO), a former minister for regional development, was signed in as Commissioner for Justice, Consumers, and Gender Equality.

Supporting Czech export was among the top priorities for the new government. An April joint declaration with China, which stated that Tibet is Chinese territory, drew criticism from the right-wing opposition and journalists and prompted accusations that the government overlooked human rights concerns in the face of potential trade gains. The government’s cautious approach to European Union (EU) sanctions against Russia in the second half of the year elicited similar concerns. Prime Minister Sobotka justified the cabinet’s actions by saying that they were necessary to protect Czech engineering exports. Sobotka also disapproved of strengthening the North Atlantic Treaty Organization’s (NATO) military presence in the eastern member states of the alliance, arguing that the conflict between Ukraine and Russia can only be solved by political and diplomatic means. KDU-ČSL was the only party in the coalition that did not agree with the reorientation toward China and Russia.

Deputy Minister of Foreign Affairs Petr Drulák played a key part in reformulating the country’s foreign policy. Drulák advocated a critical approach toward the legacy of former president Václav Havel and argued that the country’s one-sided focus on political rights (as opposed to economic and social rights) downplayed the importance of dialogue in the past. A draft foreign policy strategy, leaked to the media at the end of 2014, received strong criticism from ODS and TOP 09, in part because the concept paper cited the “ideals of reform communism” as a basis for the new policy. According to some observers, the new direction would align the Czech Republic with countries like China and Russia on human rights issues.
and would jeopardize the important role the country and Czech nongovernmental organizations (NGOs) have played in democracy assistance.14

President Miloš Zeman’s statements, some of which defended authoritarian regimes, received significant domestic and international criticism. During his visit to China in October, he praised Chinese leadership and noted that it is not his aim to “teach China about human rights.”15 In the second half of the year, he often voiced pro-Russian views, questioned Western involvement in Ukraine, and criticized the sanctions against Russia.16 Reacting to a perceived threat from Muslim immigrants in the Czech Republic, he also emphasized that the West needs Russia and China in the fight against terrorism and the Islamic State.17 In mid-November, the Czech Republic celebrated the 25th anniversary of the end of communism. During the celebrations, thousands demonstrated against Zeman, accusing the president of betraying democratic values and calling for his resignation. By the end of 2014, the president’s approval ratings had significantly dropped.18

**Electoral Process**

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The Czech Republic has a parliamentary system with two houses. Real political power resides in the Chamber of Deputies—the 200-seat lower house—with deputies elected by proportional vote on party ballots. The 81-seat Senate is elected on the basis of single-mandate districts, with a third of the senators elected every two years. The Senate can return approved bills to the lower house, but the Chamber of Deputies can override the Senate by an absolute majority of all senators. Three elections took place in 2014; Czech citizens voted in European Parliament (EP) elections in May, and Senate and municipal elections in October.

Voters elected 21 Members of European Parliament (MEPs) in May, using a proportional voting system. Three parties, ČSSD, ANO, and TOP 09, tied for the first place and won four mandates with around 15 percent of the vote each. The Communist Party (10.98 percent) and KDU-ČSL (9.95 percent) gained three mandates; ODS won two mandates (7.67 percent), and the euroskeptic Party of Free Citizens entered the European Parliament for the first time with one mandate (5.24 percent).19

At 18.2 percent, voter turnout in the European Parliament elections reached its lowest point since the country joined the EU in 2004. According to surveys, people consider EP and Senate elections the least important in the country, and the public has been historically skeptical toward European integration. In 2009, 29 percent participated in elections to the European Parliament.20 In comparison, 59.1 percent participated in the country’s first direct presidential elections in January 2013, and 59.5 percent voted in early parliamentary elections in October 2013.21

The low turnout had an effect on individual parties’ results and analysts argued that it misrepresented the amount of support certain parties garnered.22 The
conservative TOP 09 fared better and received 4 percentage points more than it had received in the October 2013 parliamentary elections, partly due to the fact that the elections mobilized the party’s pro-EU electorate. The success of the euroskeptic Party of Free Citizens, which had received only 2.46 percent in October 2013 but almost doubled its support, was also due to the party’s attempts to draw attention to the issue of EU-membership.23

Two small formations, the Greens and the Pirate Party, failed to meet the 5 percent threshold in the elections and appealed to the Supreme Administrative Court in June. The parties argued that the use of threshold violates the constitution. The Constitutional Court had rejected similar complaints related to elections to the lower house in the past. The Supreme Administrative Court ruled at the end of June that the threshold restricted free competition among political forces and violated the equality of voting rights.24 However, since the court’s Electoral Senate did not reach a unanimous decision, the Constitutional Court will have the final say in the case.

Elections to the Senate took place in 27 electoral districts on 10-11 October. The first round was held together with municipal elections, and the turnout was 38.6 percent, well above previous elections. The electoral law requires that a runoff be held between the first two candidates if no candidate receives a majority in the first round. This happened in all 27 of the districts and runoffs were held on 17–18 October. The average voter turnout in the second round was 16.7 percent.25

The governing parties fared well in the elections and secured a majority in the Senate. ČSSD won 10 mandates, and ANO and KDU-ČSL each won 4 mandates. Despite its success, ČSSD lost some of the mandates that the party had won in the 2008 election and its caucus became smaller. The right-wing opposition did not do well, ODS won only two mandates and the TOP 09 did not win any. The Communist Party—which had rarely won any seats in the past because the electoral system marginalizes extremist parties—and the populist Dawn of Direct Democracy also failed to win any seats. On the other hand, the Greens won three mandates where they ran together with KDU-ČSL and considered the elections a success. A number of smaller parties won the remaining four seats in the Senate.

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Civil society in the Czech Republic is vibrant, with a large number of different actors, including societies, foundations, trust funds, public benefit organizations, churches, and trade unions. Most Czechs see NGOs as influential organizations that help solve social problems and are essential to a functioning democracy. The sector has been growing steadily in recent years.26

The regulatory environment is permissive toward civic organizations, banning only the stipulation of anticonstitutional goals in NGO statutes. Courts offer remedies against administrative overreach. The new Civil Code came into force on
1 January 2014, clarifying the legal status of civil society organizations according to their function, partly modifying some existing types of organizations, and adding new ones. The effects of the new regulations are yet to be evaluated because NGOs have several years to send in all related information to the registries. The most significant change was the automatic conversion of civic associations—the most popular category—to “societies.” Since there was some uncertainty about the application of the new law, especially about its implications on taxation and the exclusion of for-profit activities, some civic associations had changed their status before the law came into force. The effects of the new regulations are yet to be evaluated because NGOs have several years to send in all related information to the registries. The most significant change was the automatic conversion of civic associations—the most popular category—to “societies.” Since there was some uncertainty about the application of the new law, especially about its implications on taxation and the exclusion of for-profit activities, some civic associations had changed their status before the law came into force. The most significant change was the automatic conversion of civic associations—the most popular category—to “societies.” Since there was some uncertainty about the application of the new law, especially about its implications on taxation and the exclusion of for-profit activities, some civic associations had changed their status before the law came into force. The most significant change was the automatic conversion of civic associations—the most popular category—to “societies.” Since there was some uncertainty about the application of the new law, especially about its implications on taxation and the exclusion of for-profit activities, some civic associations had changed their status before the law came into force.

The new government designated the development of civil society as one of its top priorities. The coalition tasked the Minister for Legislation Jiří Dienstbier (ČSSD)—who is also the chairman of the Government Council for NGOs, a permanent consultative body—with preparing a new policy for the period of 2015-2020 and ensuring effective cooperation between the public administration and NGOs. Cooperation on the national and local level, where partnership often depends on personal relations between local officials and civil society, was satisfactory, and the coalition had exceptional relations with a number of trade unions. The biggest umbrella organization, the Confederation of Trade Unions—which is traditionally close to ČSSD—welcomed the minimum wage increase and the government’s openness to adopting a law on union representation in the supervisory boards of companies.

Corporate grants and individual philanthropy remain underdeveloped resources for civil society, though this has been changing in recent years. Issues with broad appeal and popular resonance, such as disaster relief or the social rights of children and people with disabilities, receive significant private funding. The state remains the largest source of funding for NGOs, providing extensive financial support through grants and subsidies. Sobotka’s government took a positive step toward sustainability in August, when it authorized ministries to conclude long-term agreements with nonprofit organizations that exceed the annual budget and stretch over several years. At the same time, millions of euros available through the EU Structural Funds have to some extent replaced the resources offered by various foreign foundations, which have greatly reduced their previously extensive support.

As in previous years, the Czech media provided increased publicity to certain civil society organizations and covered their activities extensively, paying special attention to the work of anticorruption NGOs. Some civic activists made use of the media to highlight problems in their region. In February 2014, the ČSSD mayor of Brno, the second largest city in the country, removed a satirical social media site making fun of the city’s initiatives and lampooning the mayor. The group that published the page, led by well-known activist Matěj Hollan, ran in the October municipal elections and won a seat in the city council.

After several years characterized by a rise in the number of extremist formations, 2014 was relatively peaceful. Some extreme-right groups experienced organizational
and personnel crises and were unable to capitalize on the surge of xenophobic and anti-Roma sentiment stirred up by demonstrations in previous years. The far left, especially anarchist groups, were slightly more active, and organized campaigns against municipal elections. Far-left activists also set police cars on fire in a few cases.32

Despite opposition from left-wing parties, Petr Nečas’s government signed an agreement with 16 churches in February 2013 that promised to return property confiscated by the communist regime and pay a compensation amounting to CZK 59 billion (roughly $2.4 billion). ČSSD promised to considerably lower the amount earmarked for compensation during the election campaign in 2013, however, this promise met with opposition from their coalition partner, KDU-ČSL. A joint committee comprised of representatives of ČSSD, ANO, and the churches was set up early in the year to iron out differences but dissolved in March without reaching an agreement.33

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Press freedom has long been secure in the Czech Republic, with a diverse selection of print (around 5000 outlets), online (around 1500 internet sites), and broadcast media (more than 400 radio and TV channels).34 News outlets present a variety of opinions, with analytical and independent coverage as well as views that clearly favor one side of the political spectrum. Public television and the national print media provide quality coverage of the most important national and international developments and have contributed to the country’s high rankings in press freedom indexes. Czech Television (CT) offers highly analytical and critical reporting, though it has not been free from political pressure and received criticism for complying with politicians’ requests on occasions in the past.35

The falling revenues of Czech print media have been a concern for years. Decreasing sales have strongly influenced these figures, especially in the case of daily newspapers, where the revenue generated by online content was not enough to offset the 7 percent loss in total circulation between 2013 and 2014.36 Although the advertising market has recovered and grew by 6.7 percent in the first half of the year, this was mostly due to a significant growth in television advertising; the print market shrank by 3.6 percent at the same time.37 These economic problems led to a series of measures aimed at reducing costs and resulted in a decline in quality. Despite improving figures, a similar negative trend is visible in the television market, where news programs are increasingly replaced by sensationalist items and entertainment programs in an attempt to keep viewers.38

Declining profits in print media also paved the way for a boost in acquisitions and mergers on the Czech media market. Increased concentration in the hands of business magnates at the same time has prompted concerns about the independence
of outlets and the long-term prospects of the industry. At the end of 2013, Ringier
Axel Springer Media AG, which publishes several tabloids and the weekly Reflex, sold
its Czech subsidiary to an investment group owned by two wealthy businessmen,
Daniel Křetínský and Patrik Tkáč. Some argued that the acquisition was not driven
by economic considerations but by competition between Czech magnates and
efforts to extend their influence and secure their position.39 Earlier, in April 2013,
the billionaire owner of the Economia publishing house, Zdeněk Bakala, bought
Centrum Holdings—the third biggest online portal on the Czech media market; and
in June, Babiš announced the acquisition of MAFRA, one of the biggest publishing
houses and the publisher of three important dailies (MF Dnes, Lidové Noviny, and
Metro). Apart from Babiš, no other politicians have stakes in the media. There were
speculations about the sale of Nova TV in 2014, but the channel’s owner, the Central
European Media Enterprise (CME), denied rumors that they were negotiating with
Babiš and the J&T investment group. J&T, which was co-founded by Patrik Tkáč
and has significant investments in Slovakia, the Czech Republic, and Russia, is the
owner of the private Slovak television channel TV JOJ. The purchase of Nova TV
would have significantly increased media concentration.40

In March, a group of journalists left Lidové noviny and MF Dnes because of
concerns over the outlets’ independence under Babiš, and founded a new online
outlet and weekly newspaper, Echo24. After the website was launched, Babiš
attracted significant attention when, during a government press conference, he
accused the journalists of siphoning off resources and threatened the investor of
Echo24 with a tax audit.41 The minister of finance later apologized for his words,
but the owner of Echo24 was indeed audited by the tax authorities in May, which
led to a parliamentary debate about Babiš’s intimidation of journalists. According
to Echo24, the auditing authorities acted fairly.

The newly appointed editor in chief of MF Dnes, Sabina Slonková, left the paper
in July. Critics saw the investigative journalist’s appointment six months earlier as a
guarantee of the paper’s independence. Slonková, however, later explained that she
quit because “in Czech conditions it was really impossible to work in a newspaper
owned by a politician.”42

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The Czech constitution guarantees self-governance and the country is divided into
14 regions. There are more than 6,200 municipalities of various sizes at local level.
Over three-quarters of them have less than one thousand inhabitants.43 Regions
and municipalities can manage their budgets and own property. Certain powers,
such as the disbursement of welfare benefits and the issuing of driving licenses are
delegated to the larger municipalities. The Acts on Local Government and Regional
Government regulate local and regional self-governments, while the capital city of
Prague, which is both a separate region and a municipality, is regulated by its own legal act (the Act on the Capital City of Prague). Citizens elect local and regional assemblies, which further elect local and regional councils, mayors, and regional governors.

People traditionally trust local assemblies and mayors; their approval ratings hovered around 60 percent in 2014. Regional assemblies and regional governors fare worse according to surveys. In 2014, 40 percent of respondents said they trusted the work of their regional representative. Still, more people trust local and regional institutions than the parliament, and the approval ratings for these bodies generally remain steady over time.

The October municipal elections were held together with elections to the Senate. Voter turnout, at 44.43 percent, was only slightly below the 2010 turnout. Since the 1990s, citizens have become more interested in municipal politics, and 212,555 candidates competed in the 2014 elections. In addition, almost one-third of the candidates were women, which was a significant improvement compared to 2010. In some municipalities, however, there were only enough candidates to set up one voting list, and the Ministry of Finance had to appoint an administrator in 12 villages where no candidate list was set up.

Compared to previous elections, local associations set up more lists, and unaffiliated candidates won in over two-thirds of the municipalities. Politicians of traditional parties still dominate the assemblies of large cities, but the national parties are not represented in many small municipalities due to a decline in party membership. An increasing hostility to traditional party politics also played a role in the success of local candidates.

The major parties—which had been relatively successful in the previous elections—suffered significant losses and their internal problems were exacerbated by the departure of many local politicians before the elections. KDU-ČSL was the only party that defended most of its constituencies, but its success was confined to the smaller municipalities where its traditional voter base resides. The populist Dawn of Direct Democracy received very few seats. ANO, on the other hand, was relatively successful and finished first in most major cities.

ANO also won the elections in Prague, closely followed by the previous winner, TOP 09. Both parties received more than 20 percent of votes, while ČSSD, ODS, and the three-party coalition of KDU-ČSL, the Greens, and a local formation each gained around 10 percent. The Communist Party, which usually does poorly in elections in the capital, received just over 5 percent. To the surprise of many, the Czech Pirate Party also passed the 5 percent threshold and succeeded in several other municipalities as well.

The fight against corruption and the opacity of public procurement practices featured prominently in the campaign. ANO ran with the slogan that it “will keep an eye on things,” and its candidate was Adriana Krnáčová, former director of the Czech chapter of Transparency International (TI). The capital’s budget, set at nearly CZK 50 billion ($2 billion), is well above the budget of some of the ministries, and a number of scandals have tainted Prague politics. The most notorious, the
municipal smart card project—where the prosecution investigated insider trading and corruption—implicated the candidates of ODS and TOP 09. However, the timeframe of the investigation only covered the period after the adoption of project, and did not include the circumstances of its adoption which took place under the previous mayor, Pavel Bém, in the early 2000s.\textsuperscript{52}

The issue of transparency became a campaign topic in other municipalities as well, and remained the focus of attention well after the elections. For instance, in the small town of Nejdek, the outgoing council’s decision to sign a 20-year contract for waste collection just before the elections drew significant criticism.\textsuperscript{53}

The new Prague city council, led by Krnáčová and composed of ANO, ČSSD, and the three-party coalition, closely replicates the governing coalition. The councils of most major cities are, however, politically diverse, partly due to the success of local nonpartisan candidates and the pragmatic nature of coalition negotiations. The representatives of KSČM also gained seats in several municipal councils.

Similar to the 2010 local elections, many people filed complaints with the courts. Regional courts found a few cases of serious violations, such as instances of vote-buying from socially disadvantaged voters (mostly Roma) in the towns of Chomutov and Bílina. The results were annulled in these cases.

A number of groups tried to organize local referendums together with the elections. According to the law, referendums require a turnout of at least 35 percent to be valid, which has often proven difficult in the past. Out of the 16 referendums that were eventually held, several were deemed invalid due to low turnout. The most frequent proposals included the regulation of gambling and questions related to construction projects.\textsuperscript{54}

### Judicial Framework and Independence

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The Czech judicial system is four-tiered, with district, regional, high, and supreme courts (the Supreme Court and the Supreme Administrative Court), as well as the Constitutional Court, which acts as a powerful guardian of the constitution. These bodies are the protectors of individual rights and freedoms, which are guaranteed in the constitution and Charter of Fundamental Rights. Judicial independence is protected by the constitution as well, although allegations of political influence in high-profile cases have been a problem in the past.

The new Civil Code, which came into effect on 1 January after a drawn-out drafting process, introduced significant changes in many areas, including in the regulation of contracts, inheritance, and association and assembly. It also changed standard terminology, removed a number of legal terms, and introduced new concepts, some of which had fallen out of use several years ago. Contrary to its aim of providing legal certainty, the new code turned out to be inaccessible to most people. Many of its provisions were difficult to interpret, and courts were often
uncertain in applying them. This led to a number of legal disputes. In December, the Ministry of Justice welcomed a Supreme Court decision, which provided a binding interpretation of one of the code’s provisions, with scathing criticism.55

Frequent disputes between the new minister of justice Helena Válková and her deputies, and disagreements over judicial appointments contributed to a negative atmosphere in the ministry. In June, one of Válková’s deputies lodged a criminal complaint against her for unlawfully trying to obtain information about a tender.56 The appointment of the chairman of the Ústí nad Labem Regional Court also generated some controversy. Local judges objected to the ministry’s choice and criticized the candidate for an insufficient knowledge of local conditions, among other things. The selection committee, on the other hand, considered it an advantage that the candidate was independent of the local environment. In the end, Zeman refused to appoint the candidate.57

The Public Prosecutor’s Office has for a long time been considered the weakest link in the Czech judicial system and has been criticized for its inability or unwillingness to prosecute sensitive cases. The Nečas government made radical changes to the law on the Public Prosecutor’s Office in 2011 and 2012 and proposed additional amendments boosting the independence of the institution in 2013. The amendments would have created a specialized anticorruption department within the prosecution in order to satisfy the growing public appetite for fighting graft. The caretaker government withdrew the bill from the parliament in July 2013. A new version, introduced by Justice Minister Válková in the fall of 2014, would reverse the changes, significantly weaken the position of the Supreme Public Prosecutor’s Office, and strengthen the influence of the Ministry of Justice over public prosecutors. Deputy Minister of Justice Robert Pelikán argued that the changes were motivated by concerns about the formation of a “fourth branch of government” within the state, and Válková added that they needed a bill that is politically acceptable. Supreme Public Prosecutor Pavel Zeman and Prague Chief Public Prosecutor Lenka Bradáčová—both key figures of the previous years’ anticorruption drive—sharply criticized the new proposal.58

Politicians’ attitude toward the prosecutorial reform changed, in large part, because of the police raid on the prime minister’s offices in June 2013 and its aftermath. The orchestrated raid, initiated by Olomuc High State Attorney Ivo Ištvan, took place simultaneously in several different locations across the country, involved about 400 policemen, and resulted in charges against eight people, including the prime minister’s chief of staff, Jana Nagyová, three former ODS deputies, and two military intelligence heads. The Public Prosecutor’s Office stated that the police action—which eventually led to the fall of the government—was necessary in order to fight corruption.

Despite these statements, the Public Prosecutor’s Office was unable to secure any convictions in the cases by the end of 2014. The first-instance ruling of the Prague district court came out in June. The court gave a one-year suspended sentence to Nagyová, who had married Nečas in the meantime, and transferred the two military intelligence heads to the Ministry of Defense for disciplinary action.
During the proceedings, the court applied a court order generally used in less serious offences, and parties to the case did not have to be present at the trial. Both Nagyová and the prosecution appealed the ruling, and most commentaries viewed the outcome as a fiasco for the Public Prosecutor's Office.59

In February, the prosecution also opened a case against Nečas for corruption. Since he was not among the accused originally, the case attracted a lot of attention. The Public Prosecutor’s Office charged him with bribing three deputies with high-level positions in state-owned companies in exchange for giving up their seats. Nečas claimed the accusation was simply an act of revenge, since he had earlier launched a criminal complaint against the head of the special police unit investigating the case.60 The prosecution of the three former deputies was stopped by the Supreme Court in 2013 because they were protected by parliamentary immunity.

### Corruption

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Although the new government verbally committed to continuing the fight against corruption early in the coalition talks, its February policy statement lacked specific measures. In July, the coalition established the Government Council for the Fight against Corruption—a consultative body led by the Minister for Legislation and Human Rights Jiří Dienstbier and set up to coordinate anticorruption activities. The Nečas government had delegated similar tasks to a deputy prime minister focusing specifically on corruption.

Several of the anticorruption measures adopted under Nečas’s government failed to meet their goals. The law abolishing bearer shares, which was supposed to reveal the ownership structure of numerous nontransparent companies, was one of them. Many companies managed to avoid registration by moving abroad or depositing their shares with lawyers who can keep their clients anonymous.61

For more than 10 years, the Czech Republic was without a functioning civil service legislation, which made the country’s public administration extremely susceptible to political pressures and corruption. The Law on Civil Service was approved already in 2002, but most of its provisions never came into force. Governments constantly delayed its starting date, arguing, among other things, that it would require significant funds. A draft approved by the Nečas government in June 2013 fell victim to the early dissolution of the parliament. The coalition government drafted a new bill in the first half of 2014 under the direction of Minister Dienstbier and in cooperation with NGOs, but some of its provisions were heavily disputed within the government. The opposition parties ODS and TOP 09 also criticized the bill; they objected to the establishment of a Directorate General of Civil Service and obstructed the vote in the lower chamber in July and August. According to them, by extending the tenures of Sobotka’s and Babiš’s people in key
positions in the ministries, the bill would have rendered new ministers completely powerless in the future.\textsuperscript{62}

After several weeks of debate, the unity of the government coalition broke.\textsuperscript{63} The compromise reached with the opposition met most of the parties’ demands, and the government annulled plans to establish a directorate general. The new Law on Civil Service was passed in September, and although the president vetoed it in first reading, the parliament overruled his veto and the law will come into force on 1 January 2015. The provisions of the law clarify the role of civil servants and introduce open competition. Anticorruption NGOs, however, stressed that the law does not prevent ministers from replacing high-level officials.\textsuperscript{64}

The new government’s overhaul of ministries after taking office, replacing officials from top officers to ordinary clerks, underlined the opposition’s concerns about the Law on Civil Service.\textsuperscript{65} These personnel changes applied to civil servants in the ministries, as well as in state institutions and state-owned companies. In the latter, about 60 high-level officials were replaced in the first six months.\textsuperscript{66} Similar changes had been common in the past as well, but in Sobotka’s government many of the new appointees, especially at the managerial level, came from Agrofert, the chemical and agricultural giant owned by Babiš. The new minister for the environment, Martin Brabec, had worked in a chemical plant owned by Agrofert; the first deputy at the Ministry of Transport, Milan Feranec, had worked in one of Agrofert’s agricultural companies; and Daniel Kurucz, who became chairman of the board of the state railway enterprise České dráhy, had been a member of Agrofert’s board and worked as a manager in one of its chemical plants before his appointment.\textsuperscript{67} Many were also worried about possible abuse of government influence in favor of Babiš’s holdings. In a newspaper interview, Minister of Agriculture Marian Jurečka from KDU-ČSL spoke about pressure from ANO “to bring agricultural policy into line with Agrofert activities.”\textsuperscript{68}

Public procurement is one of the areas most susceptible to corruption in the Czech Republic, and the lack of transparency in the use of public tenders continued to pose a significant problem. After taking office, a number of the new ministers ordered an extensive audit of tenders published by their ministries the year before, and in some cases suspended or even cancelled an ongoing procurement process. Contracts signed for the procurement of IT services were particularly problem-ridden, and, as in the past, there were questionable tenders submitted to one of the biggest state enterprises, Lesy České republiky (Forests of the Czech Republic).\textsuperscript{69} Not all ministers survived the process unscathed. In November, Minister of Transport Antonín Prachař (ANO) resigned after public procurement practically collapsed at the Road and Motorway Directorate, a state-owned enterprise overseen by his ministry. Prachař was also suspected of deliberately hindering the procurement process for a toll collection system.\textsuperscript{70}
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6 Babiš is Slovak by birth, and most of the StB documents connected with his case remained in Slovakia after the dissolution of Czechoslovakia.


24 “Volební senát předkládá Ústavnímu soudu návrh na zrušení 5% uzavírací klauzule pro volby do EP” [Electoral Senate submits a proposal to the Constitutional Court to cancel the 5%


“Úspěšných referend není mnoho, organizátoři by uvítali nižší kvórum” [There are not many successful referendums, organizers would welcome a lower quorum], ČT24, 14 October 2014, http://www.ceskatelevise.cz/c24/regiony/289220-uspesnych-referend-neni-mnoho-organizatori-by-uvitali-nizsi-kvorum/


Interview with David Ondráčka, Director, Transparency International—Czech Republic, 11 November 2014.


Interview with David Ondráčka, Director, Transparency International, 11 November 2014.


67 Michaela Svobodová, “Vyměnit stovky lidí a zabetonovat” [Replace hundreds of people and fortify], Mladá fronta Denš, 16 April 2014, http://dhi.newton.cz/softec/clanek.sp?ID=10013722&HID=de40d880b0f09760494d8ff8da7a5ebb&db=&Expr=%22ZZN+PELH%22+or+%22Zem%ECd%EClsk%E9+z%E1sobov%E1n%ED+a+n%E1kupy+Pelh%F8imov%22+or+%22ZZN+PELH%22IMOV%22+or+%22ZZN+PELH%D8IMOV%22+or+CS0008456158+or+BAAZZNP.


