

# Czech Republic

by Jeremy Druker

*Capital:* Prague  
*Population:* 10.5 million  
*GNI/capita, PPP:* US\$23,940

Source: The data above was provided by The World Bank, *World Development Indicators 2011*.

## Nations in Transit Ratings and Averaged Scores

	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
Electoral Process	2.00	2.00	2.00	2.00	2.00	1.75	1.75	1.50	1.50	1.25
Civil Society	1.75	1.50	1.50	1.50	1.50	1.50	1.25	1.50	1.75	1.75
Independent Media	2.50	2.25	2.25	2.00	2.00	2.25	2.25	2.25	2.50	2.50
Governance*	2.25	2.25	2.25	n/a						
National Democratic Governance	n/a	n/a	n/a	2.50	2.50	3.00	2.75	2.75	2.75	2.75
Local Democratic Governance	n/a	n/a	n/a	2.00	2.00	1.75	1.75	1.75	1.75	1.75
Judicial Framework and Independence	2.50	2.50	2.50	2.50	2.25	2.00	2.00	2.25	2.00	2.00
Corruption	3.75	3.50	3.50	3.50	3.50	3.50	3.25	3.25	3.25	3.25
Democracy Score	2.46	2.33	2.33	2.29	2.25	2.25	2.14	2.18	2.21	2.18

\* Starting with the 2005 edition, Freedom House introduced separate analysis and ratings for national democratic governance and local democratic governance to provide readers with more detailed and nuanced analysis of these two important subjects.

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.

## EXECUTIVE SUMMARY

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A dramatic year at the ballot box left the Czech Republic with a potentially momentous opportunity to remake the country and do away with many of the ills that have derailed reform and left the political elite floundering without a long-term vision. Parliamentary elections gave a center-right coalition the strongest parliamentary majority since the country's creation in 1993—a far cry from the weak, largely ineffective governments that have characterized recent years. That kind of solid majority will be all the more necessary given the parties' pledges of austerity and fiscal responsibility to reduce the deficit, as well as their goals of finally tackling some of the most difficult reforms and widespread corruption.

**National Democratic Governance.** The dominant majority of the new coalition and its aggressive reform agenda, as well as its pledges to improve the destructive level of political culture, have the potential to improve dramatically both the style and substance of governing. *However, it was still too early to assess the impact of these factors at year's end, and therefore the Czech Republic's national democratic governance remains at 2.75.*

**Electoral Process.** Parliamentary, local, and Senate elections took place in 2010 with allegations of vote-buying forcing the rerun of several local elections. Puncturing the typical staleness of the Czech political system, which has allowed too little room for new faces in politics, the parliamentary elections swept two new parties and dozens of new politicians into power, including more women than ever before. *Although the long-term viability of these parties remains questionable and no progress was made on political inclusion of the substantial Roma minority, the revolution at the ballot box mandates an improvement in the electoral process rating from 1.50 to 1.25.*

**Civil Society.** The reputation of nongovernmental organizations continues to grow in the Czech Republic, and the NGO sector as a whole has matured greatly. In 2010, a long overdue crackdown on extremist groups led to stiff sentences for a racially motivated crime and the banning of a far-right party connected to neo-Nazi groups. These actions, while largely symbolic, represent a strengthened governmental and judicial response to rising violence and intimidation of Roma and other minorities practiced by illiberal extremists. However, it remains to be seen how whether these actions will temper the visibility and influence of extremist groups in Czech society. The Roma minority targeted by the majority of extremists continues to face discrimination in the public education system and the electoral process. *Despite encouraging signs that the government's tolerance for extremism has run out, the Czech Republic's civil society rating remains at 1.75.*

**Independent Media.** Czech media are independent and diverse, but critics continue to speculate about behind-the-scenes political and financial interference. *The biased coverage of the parliamentary elections by some newspapers, as well as several physical attacks on local journalists, keep the rating for independent media at 2.50.*

**Local Democratic Governance.** While more control systems are needed to rid the local administration of clientelism and improve efficiency, local governments have continued to prove their worth and have found relative popularity among citizens. *Political competition remains vibrant but local power brokers still have too much power; therefore, the Czech Republic's local democratic governance rating holds steady at 1.75.*

**Judicial Framework and Independence.** In a rare speech to parliament, the president again attacked the independence of the Constitutional Court, and worries remain over the executive's control over the judiciary and state attorney's office. *However, several of those that interfered in a high-profile corruption case several years ago finally lost their jobs, a significant step toward improving the judicial system's reputation, leaving the country's judicial framework and independence rating at 2.00.*

**Corruption.** The caretaker government that led the country until the spring elections failed to pass any major anticorruption measures, leaving intact the alarming intersection of political and business interests in the Czech Republic. *The new government has placed the fight against corruption at the top of its agenda, but it is still too early to change the country's corruption rating from 3.25.*

**Outlook for 2011.** The new coalition's first six months in office were largely focused on settling in at the various ministries, making personnel changes, and setting policy priorities, with the overriding aim of slashing the budget and passing austerity legislation. The fall local and Senate elections also provided distraction from starting the long-term changes that the government has promised. As demonstrations against all the cost-cutting accelerate, the coalition could be hard-pressed to move aggressively in overhauling the pension, health, and tax systems, reforms that the country's leaders have pledged will begin in earnest in 2011.

# MAIN REPORT

## National Democratic Governance

2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
n/a	n/a	n/a	2.50	2.50	3.00	2.75	2.75	2.75	2.75

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 democratic change, with one major exception—the largely unreformed Communist Party (KSČM), which has not served in a post-1989 government and continues to attract those nostalgic for the old regime as well as those left behind during the economic transition. The KSČM holds 26 of the 200 seats in the powerful lower house of Parliament, but the refusal of other political parties to include the Communists in coalitions has greatly complicated the process of forming stable governments among the remaining, often conflicting parties.

That may finally change, as the coalition that emerged from the May parliamentary elections—the Civic Democrats (ODS), TOP 09, and Public Affairs (VV)—hold 118 seats out of 200, the most in history and a far cry from the case in 2006, when the elections ended in a dead heat between the two main left- and right-wing camps. The shaky government that emerged had to depend on two rebels from the Social Democrats (ČSSD) to pass any major legislation.

The lack of significant progress in reform efforts was also closely tied to the failure of the country's leaders to seek consensus across party lines; the animosity between Mirek Topolánek and Jiří Paroubek, the long-time ODS and ČSSD heads, precluded practically any cooperation on the national level. In the lead-up to the six-month Czech presidency of the European Union (EU) that began in January 2009, the two even failed to close a peace pact, and a ČSSD-initiated vote of no-confidence eventually brought down the government in March 2009, for many yet another example of Czech politicians' placing party or personal interests above the interests of the country at large.

Such incidents made the behavior of the caretaker government that took over until the May 2010 elections so appealing in comparison, led by the non-partisan Jan Fischer, who had been the head of the country's statistical office. In general, Czechs applauded Fischer's balancing act among the parties and appreciated the contrast between his businesslike approach and the usual political invective; Fischer's popularity soared to record rates of over 80 percent during his term. However, though Fischer and Finance Minister Eduard Janota convinced Parliament to pass a crucial austerity package designed to cut the country's large deficit, the government's short mandate and dependence on the political parties prevented any significant policy changes.

Developments over the course of 2010 left many by year's end believing in a possible improvement in political culture and a decline in the unseemly bickering that had characterized so much of the political debate. First, a worn-out Topolánek resigned in April after his latest indignity—controversial comments about gays and Jews—leaving the party in the hands of Petr Nečas, widely seen as a more conciliatory figure without a scandal to his name. Then, Paroubek resigned his position, having won the spring parliamentary elections with a much lower percentage than opinion polls had predicted. That left ČSSD with one of its best chances in years to modernize into a party that appeals to young, progressive voters, instead of relying on older voters not too different from those who continue to vote for the Communist Party.

The new government came into power firmly fixed on instilling fiscal responsibility, cutting back the deficit, and avoiding the devastating financial collapse that has struck some other European countries. Yet the budget-cutters faced accusations of merely taking the easy way out by slashing expenses without thinking of creative ways to save money and implement more long-term reforms. Others criticized parliamentary leaders for installing a “legislative emergency” procedure that allowed the passage of various austerity measures without the normal parliamentary debate. Governing politicians defended the practice by saying they had to act quickly and that real reforms to crucial areas—such as pension, health care, and tax systems—would begin in 2011.

It will not be easy for the coalition to remain united and stay the course, despite its large majority in parliament. Both of the junior parties are new, with evolving identities and insecure futures. With big-name personalities at its head and more veteran political operators in the background, TOP 09 has a better chance than VV of avoiding the fate of other right-wing and centrist parties that have appeared on the political scene over the years and even entered governments, only to fade away after a single term. However, TOP 09 appears extremely dependent on the popularity of Chairman Karel Schwarzenberg and its future could be threatened if he decides to run in the 2013 presidential elections. As for VV, although some impassioned young newcomers have garnered praise, the party continues to face accusations of being merely a vehicle for easy riches (via state tenders) for a group of businessmen/party sponsors led by Minister of Transportation Vít Bárta. In the aftermath of VV's dire performance in the local elections, some party members called for a reorientation toward more “leftist” social policies, the type of handwringing over the party's identity that will likely accelerate in the future and could lead to clashes with coalition partners.

Although the legislature is independent from the executive branch, critics charge that such autonomy has not prevented the Parliament from passing an excessive number of its own poorly prepared laws. According to some commentators, the Czech parliamentary system allows individual deputies too much power, to the detriment of the government, allowing them to speak during parliamentary sessions at will; arbitrarily insert changes into bills proposed by the government; and force the presence of ministers at meetings.<sup>1</sup>

The legislative process is further complicated by the ability of parliamentary deputies to propose an unrestricted number of amendments during the second reading of bills. This tradition often disorients even the most attentive parliamentarians and serves to derail long-needed legislation with calculated additions that have little to nothing in common with the debated bill. In general, lobbying the executive and the Parliament remains largely unrestricted, and the public continues to believe that special interests play a major role in determining the political agenda.

The choice of Miroslava Němcová of ODS as the new parliamentary chairwoman was cause for optimism in this regard, as she has spoken repeatedly about the need to change the current system, including extending the legislative process between the second and third reading of bills from the current three days to several weeks in order to prevent deputies from quickly inserting lobbyist-driven amendments. She also said that a group of deputies should be required to propose an amendment, the European norm, and not just a single deputy. However, similar calls have ended up without success in the past, running up against objections that such changes would prolong the legislative process.

The position of the president is chiefly ceremonial yet retains some important powers, such as forming a government. He or she is currently elected by parliament, but the new coalition has pledged to pass legislation to allow for direct elections. President Václav Klaus, in office since 2003, has sought out candidates closely tied to his political philosophy when appointing new governors to the central bank and new justices to the Constitutional Court. Some analysts believe that the constitution creates an overlap of executive power between the government and the president, which has led to various interpretations of the powers of the president and the government, especially in the realm of foreign policy. Accordingly, despite government criticism of his activities, President Klaus has espoused his personal views at various international forums and during official visits, clashing with the official government line on issues such as global warming, the introduction of the euro, and the Lisbon Treaty.

#### Electoral Process

2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
2.00	2.00	2.00	2.00	2.00	1.75	1.75	1.50	1.50	1.25

Political organizations in the Czech Republic have no problems registering or campaigning. Although shaky coalition governments have been the norm in recent years, the system itself is solidly multiparty, with a strong opposition and diversity at all levels of government. Despite the unprecedented, large governing majority, leading politicians continue to speak of changes to electoral legislation that would foster stronger, more stable governments and eliminate the past need to rely on rebels and outcasts from other parties to pass legislation.

The Czech Republic uses 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. The Senate can return approved bills to the lower house, but the Chamber of Deputies can override the Senate by a simple majority.

The parliamentary elections on May 28–29 were labeled variously as an “earthquake” that laid waste to the traditional, overwhelmingly two-party system and a “voters’ revolt” that rejected the current political elite in favor of new parties. Together, the country’s two biggest parties, ČSSD and ODS, lost 1.5 million votes from the last elections in 2006, even though they came out on top (ČSSD with 22.1 percent and ODS with 20.2 percent). Two parties, TOP 09 and VV, picked up most of those votes, vaulting into double digits in their first attempt to get into parliament (16.7 percent and 10.9 percent, respectively). The Communists, at 11.3 percent, were the only other party to pass the 5 percent threshold, leaving the Greens and the Christian Democrats (KDU-ČSL), a long-time fixture on the political scene, out in the cold. For the first time since 1989, ODS lost in Prague (to TOP 09). Many voters even took the unusual step of crossing out the names on their ballots of some political veterans that had been linked to scandals, meaning several prominent politicians didn’t make it into parliament though placing high on their parties’ candidate lists. In the end, 114 out of the 200 seats in the lower chamber went to newcomers.

In the aftermath of the elections, four party leaders resigned, including ČSSD’s Jiří Paroubek, who actually won the elections, but garnered a much lower percentage than opinion polls had predicted. The results left Paroubek with little chance of forming a coalition or even a minority government with Communist support, another scenario he had entertained. Still, it would be an overstatement to call this a victory of the right and conclude that the majority of voters responsibly chose parties intent on budget cuts and painful reforms (as opposed to the unrealistic promises of ČSSD). As some analysts have pointed out, ODS and TOP 09 together acquired 36 percent of the vote, while the left-wing parties received only slightly less—34 percent, or close to 39 percent, if one also counts the party of Miloš Zeman, a former ČSSD head, which narrowly missed getting into parliament. In addition, despite the apparent novelty of two new parties achieving such an impressive result, virtually overnight, the phenomenon is not particularly unique in post-1989 Czech politics, and often has unimpressive long-term results.<sup>2</sup>

The staying power of those two parties was soon tested in the fall’s Senate and local elections. In the Senate elections, ČSSD rolled to victory, winning 12 of the 27 races up for grabs and a majority of 41 seats in the chamber; ODS defended 18 seats and won eight; TOP 09 won only two; and VV none. ČSSD’s majority in the Senate will allow the party to prolong the legislative process, but the governing coalition’s dominance in the lower house will allow vetoes to be easily overridden. However, the leftist majority will still be able to block constitutional and election laws and military missions abroad.

In the local elections, local associations of independent candidates gained over 50 percent of the total of 62,178 seats available. ODS did the best of the established parties, but ČSSD could claim to be the real winner, strengthening its position in most of the country's big cities, while ODS's traditional power base in many of those same cities declined. TOP 09 won the elections to the Prague City Assembly, and overall did well for a new party, while VV had a disappointing showing based on its success in the parliamentary elections. A court ruled that several elections had to be repeated because of vote-buying and other violations, including in Český Těšín, a Moravian city of almost 26,000 people. Overall, turnout was, at 48.5 percent, a record high.

Political party membership remains low. The KSČM is the largest party (around 60,000 members), followed by the KDU–ČSL (35,000), the ODS (30,505), the ČSSD (around 22,000), TOP 09 (5,000), and the Green Party (2,000). A low membership base has clear repercussions for the political elite. With relatively few members to choose from, parties often recycle the same personalities and reward loyalty rather than expertise. Even TOP 09, which did so well in the parliamentary elections, features many old faces, including the well-respected former foreign minister, Karel Schwarzenberg, as its chairman, and the former finance minister and fixture of the recent political scene, Miroslav Kalousek, as the deputy chairman. That said, the election results seemed to indicate a widespread desire for new blood and the parties managed to present some new faces to voters in time for the local elections, an optimistic development for the future. And the traditionally male-dominated political scene will now have 44 female parliamentarians, a record number.

The low number of party members has also contributed to a phenomenon known as “whale hunting” whereby wealthy businesspeople, usually in the regions, allegedly “buy” new party members who then help them gain greater influence in parties' regional or local structures before party congresses. The most suspect of the parties in this regard, ODS, took several steps toward countering such practices and limiting the power of local godfathers, as former chairman Mirek Topolánek once referred to them, including installing an online program that automatically indicates sudden surges in the membership of party cells.

Party financing also continues to operate with little regulation. In October 2010, for example, one ČSSD parliamentary deputy admitted in an interview that he had donated part of his compensation as a member of the advisory board of a partially state-owned company to his party—not as an official gift, but hidden through various intermediaries.<sup>3</sup>

The country's largest minority, the Roma, is effectively shut out of national politics. Although the number of Roma is estimated at between 200,000 and 250,000, there are currently no Roma parliamentarians. Mainstream parties believe that placing Roma candidates on their lists may do them more harm than good among average voters, while prospective Roma are not politically organized to compete effectively for votes. Roma are, however, active at the local level.

## Civil Society

2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
1.75	1.50	1.50	1.50	1.50	1.50	1.25	1.50	1.75	1.75

Nongovernmental organizations (NGOs) have fully recovered from several scandals that tarnished their early post-Communist existence. Most Czechs now see NGOs as influential organizations, helpful in solving social problems, and essential to a well-functioning democracy. Consequently, there has been an increase in donations to nonprofits from individuals and, until the economic crisis hit, from the business sector. Environmental and humanitarian organizations, in particular, have earned widespread respect among the Czech public.

The nonprofit sector's relationship with the political elite varies. The state is the largest funder of NGOs, providing extensive financial support through grants and coordinating nonprofit activities through the Council for NGOs. Historically, the NGO community has had little confidence in the council. Lately, however, NGOs have begun using the council to promote their views, including the need to create a standardized system for state grants to NGOs, instead of the confusing current state of affairs where each ministry has its own methods of providing funds.<sup>4</sup> NGO representatives also sit on advisory bodies of various ministries. On the other hand, many politicians—most prominently President Klaus—believe NGOs should not attempt to influence public policy or interfere unnecessarily in government work. The political elite is wary of more “aggressive” forms of action, such as demonstrations and petition drives, and is quick to label the initiators as politically motivated. Many officials prefer NGOs to serve strictly as service providers, filling in where the state does not or cannot.

NGO experts generally view the legal framework as adequate in terms of easy registration and independent operation, though the inability to clarify the term *nonprofit organization* in Czech legislation has created problems related to NGO taxation.

Millions of euros in EU structural funds have replaced to some extent resources once donated by numerous foreign foundations and governments before the country joined the EU. However, that flow of funds will dry up in 2013, and an increasing number of nonprofits have launched campaigns to raise funds from individual supporters and experiment with social entrepreneurship ventures. Czech law provides extremely low tax incentives for donations of this kind.

According to the USAID NGO Sustainability Index 2009, the number of NGOs supported by public funds dropped significantly in 2009 for a variety of reasons: the economic crisis has forced cutbacks in corporate donations; the central government has been allocating more funds for regional offices and town halls to distribute; and the local authorities have been implementing more of their own projects or passing on the money to organizations that they have launched, rather than to independent NGOs. The Index rating for NGO sustainability remained at 2.7, the same level since 2004 and the average for Central Europe and the Baltic states.<sup>5</sup>

Grassroots initiatives are still uncommon in the Czech Republic. By contrast, far-right extremist organizations have increased their membership lists and presence in society in recent years, forming alliances with established political parties such as the far-right Workers' Party (DS).<sup>6</sup> The interim government of Jan Fischer came into office highlighting the fight against extremism as one of its main priorities. In February 2010, using abundant evidence of DS ties to neo-Nazi groups, Interior Minister Martin Pecina succeeded where his predecessor had failed in convincing the Supreme Administrative Court to outlaw the DS party.<sup>7</sup> "This ruling needs to be understood as a preventive one, to maintain the constitutional and democratic order in the future," Judge Vojtěch Šimíček said, issuing the first ban on a Czech political party since the country gained independence in 1993.<sup>8</sup> Some experts voiced concerns that the decision might establish a precedent for future attempts to ban the much more popular Communist Party of Bohemia and Moravia (KSČM).

Czech law permits a banned party to re-register under a new name, which former DS members did almost immediately. However, the newly reconstituted Workers' Party of Social Justice (DSSS) appeared to lie low for the remainder of 2010, performing weakly in the May general election, as well as the October Senate and local elections. In November, the City Council of Brno voted to prevent a gathering planned for May 1, 2012 by representatives of the Workers' Youth (DM) association, a group closely connected to the DS and now the DSSS. The DS has marched through Brno many times in the past.<sup>9</sup>

In October, four extremists involved in the 2009 firebombing of a Romany family's home received exceptionally heavy prison sentences of 20 to 22 years each. The actions of these criminals inflicted severe burns upon a two-year-old girl, and were motivated, the court concluded, by a desire to impress others in the neo-Nazi movement and mark the 120th anniversary of Adolf Hitler's birthday. President Klaus expressed surprise at these "unexpectedly high" sentences, while Prime Minister Petr Nečas said he regarded the punishment as entirely appropriate, and the sentence as "minimal."<sup>10</sup>

Such developments point to a more proactive position of the local authorities, the judiciary, and the national leadership on questions of xenophobia and violent extremism among fringe groups. At the same time, evidence of increased efforts to demarginalize the groups targeted by such extremists, most notably the Roma, is lacking.

#### Independent Media

2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
2.50	2.25	2.25	2.00	2.00	2.25	2.25	2.25	2.50	2.50

Press freedom has long been secure in the Czech Republic, and no major media are state owned. The "serious" press has now matured to a point where it offers more balanced political coverage and opinions; publications may favor one side of the political spectrum, but they are generally not viewed as political propaganda

favoring one party or another. However, some analysts have noted that the last few elections have prompted a relapse, with the press returning to the political polarization of the 1990s both before and after the elections. This time around, the right-leaning daily newspapers tended to demonize Jiří Paroubek, the ČSSD leader, and actively mobilize their readers to vote against the Social Democrats (partly out of fear of a ČSSD–KSCM coalition) in the parliamentary elections.

The national print media offer a diverse selection of daily newspapers, weeklies, and magazines, but the economic crisis has placed greater pressure on many, increasing the threat that they will shy away from critical coverage of major advertisers (an allegation already heard over the years). Foreign corporations own a number of these publications, including nearly all Czech dailies. A few prominent publications, such as the weeklies *Euro* and *Tyden*, are controlled by business magnates and have allegedly avoided covering interests close to their owners. Media-related legislation includes minimal ownership restrictions and none on foreign ownership.

Several controversial amendments to the criminal code that took effect April 1, 2009, led to a rare show of unity among media outlets, which complained that their ability to report on crucial issues facing the country would now be limited. Criticized abroad by international journalism rights groups, the law now bans the publication of information gained from police wiretaps—a major source of incriminating evidence against politicians in recent years. The publication of information about individuals involved in criminal acts—both victims and perpetrators—was also deemed illegal and subject to exorbitant fines (up to five years in prison and fines up to five million crowns—US\$264,500). Although Human Rights and Minorities Minister Michal Kocáb, along with media and free speech advocates, had been pushing for a ‘public interest’ amendment as early as January 2010,<sup>11</sup> it seemed that the government wanted to wait until elections were over to pass any important legislation. An amendment to the law was submitted on 30 December 2010, and was expected to be passed in early 2011.<sup>12</sup> The amendment would enable the media to discuss information pertaining to criminal proceedings if it concerns corruption of state officials and politicians. Informing the public about wiretapped conversations would also be legal, if it is a case of a public official acting unlawfully. Laws criminalizing defamation remain on the books, yet prosecutions are rare and are not widely considered a threat to media independence.<sup>13</sup>

With improved news and current affairs coverage over the past few years, the public television and radio stations, Czech TV and Czech Radio, serve as largely effective counterweights to the more biased press. In the past, however, Czech TV’s financial difficulties have made it particularly vulnerable to political and business interests, while some observers have charged that fear over “rocking the boat” has led in the past to the cancellation of some hard-hitting discussion shows and less investigative journalism. However, the year 2010 was a relatively calm year in terms of relations between the political elite and Czech TV, and the station can still boast of some unfettered public affairs programs that would make jealous virtually any other public broadcaster in the post-communist region. But such programs do not have much competition over at the private media, where investigative and

discussion programs have largely disappeared from television screens, ostensibly for financial reasons.

A promising hyperlocal news venture, known as “Naša adresa,” abruptly shut down in August after the owner, the investment group PPF, pulled out. The initiative, which launched in 2009 with seven pilot editions, four newscafes, a high-tech Prague training center, and a promised €8 million investment had garnered much press internationally, but had not done well enough financially for PPF.

The Chamber of Deputies appoints Czech TV’s supervisory board and controls viewer fees supporting the station. Beginning in 2008, Czech TV was banned from running advertising except during key cultural or sporting events, to the multimillion-dollar benefit of the commercial stations. In the past, private stations’ powerful lobbying had an undue influence on parliamentary deputies, resulting in laws favoring commercial stations over public broadcasters. That was especially true in the run-up to digital broadcasting, as the big private stations succeeded in first lobbying to postpone the digital shiftover and then being awarded more stations of their own. So far, hopes that digital broadcasting would help to diversify the playing field have not been fulfilled, as financial pressures have killed off some stations and derailed plans for new ones.

In general, politically compromised members are thought to sit on the boards of both public radio and TV, though these institutions are meant to be apolitical. The new governing coalition has pledged to pass a new television law that would considerably reduce the influence of politicians on public TV, especially the news, which would include changing the system for electing the members of the TV board.<sup>14</sup>

Violent attacks on members of the media are rare, but several did take place in the fall, when several local journalists were attacked in western Bohemia, apparently because of their reporting on the activities of local businessmen.

#### Local Democratic Governance

2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
n/a	n/a	n/a	2.00	2.00	1.75	1.75	1.75	1.75	1.75

Though slow in coming, the development of local government structures and authority has become one of the Czech Republic’s bright spots. Landmark legislation passed in 1997 led to the creation of 14 regions, which began functioning in 2001. The central government handed over significant powers to these regions in the fields of education, health care, and road maintenance. Additionally, 205 newly created municipalities replaced 73 district offices, which ceased all activities by the end of 2002.

Self-governed regions and municipalities own property and manage separate budgets. Voters directly elect regional assemblies, which then choose regional councils and governors. The regional councils may pass legal resolutions and

levy fines. Directly elected municipal assemblies appoint municipal councils and mayors. Municipalities wield considerable power over areas such as welfare, building permits, forest and waste management, and motor vehicle registration.

The regions have made considerable progress in tackling problems neglected by the central government (such as education). Overall, the success in regional management and greater autonomy has made a strong case for allowing regional governments to manage a larger share of the tax money they help to collect. As a November 2008 poll by the Center for Public Opinion showed, Czech citizens trust their local (63 percent) and regional representatives (46 percent) far more than the lower house of Parliament (20 percent) or the Senate (24 percent).<sup>15</sup>

For the bulk of their budgets, however, regions essentially act as middlemen for the state, sending money to predetermined recipients. Politicians in regional governments complain that they are now in charge of roads, hospitals, schools, and old-age homes, among other things, but the central government decides how much money to send to cover these budget items. The failure of funds flowing from the center to keep pace with these newly added responsibilities has proven particularly vexing for officials of smaller towns, which can receive far less money per capita than big cities.

Even with these obstacles, the influence of local officials has increased dramatically from the early years of the country's independence, in both good and bad ways. As the weekly *Respekt* has noted, local "bosses" control regional party cells, which, in turn, choose candidates for parliament and the Senate, and elect party chairmen. Therefore, although the national elections did result in the removal of some compromised politicians and the weakening of the biggest political parties, only a similar revolution on the local level—diminishing the power of the local clans—can lead to real change.

It is still too early to tell whether the local elections in 2010 would be that transformative event, and early indications were not good, especially in some of the country's largest cities. In Prague, Brno, Ostrava, and Plzeň, the greatest rivals, ODS and ČSSD, formed grand coalitions that, in some cases, allowed compromised politicians to stay in power. In Prague, the move led to demonstrations and a petition drive.

Greater transparency and corruption-fighting instruments at the national level have not kept up with the transfer of responsibilities and finances to local governments, and endemic cronyism remains a critical problem. Experts believe that most corruption now takes place at the local level, since the economy has been privatized and wrongdoing is more visible on the national stage. The lack of oversight on such dealings is a major part of the problem, as the Supreme Audit Office (NKÚ) currently has no legal authority to examine the financial management of regional governments or municipalities.

## Judicial Framework and Independence

2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
2.50	2.50	2.50	2.50	2.25	2.00	2.00	2.25	2.00	2.00

The Czech Republic's four-tiered judicial system consists of district courts (86), regional courts (8), high courts (2), and the Supreme Court. The Czech Constitutional Court is a well-respected institution that may be addressed directly by citizens who believe their fundamental rights have been violated. Although the Czech judiciary is constitutionally independent, the minister of justice appoints and dismisses the chairmen and deputy chairmen of the courts. Since 1993, reform attempts have preserved the Ministry of Justice's central role in overseeing the judiciary, drawing criticism that the executive could compromise the true independence of the courts.

Cases of overt meddling remain rare, but one high-profile case continues to haunt the judicial system. Several years ago, a deputy chairman of the Supreme Court (Pavel Kučera), the chief state attorney (Renata Vesecká), and a former minister of justice attempted to get a 2007 corruption case against Deputy Prime Minister Jiří Čunek shelved for fear that an indictment could shatter the then-ruling coalition. The scandal ignited criticism that the executive, in the form of the Ministry of Justice, continues to hold too much power over the Office of the State Attorney, and even led to a judge's ruling in June 2010 that it was permissible to label the group a "judicial mafia." The Czech Republic is the only European country where the minister of justice names the highest state attorney and where state attorneys (as well as their careers and salaries) are significantly dependent on the executive. Finally, in the fall of 2010, the system seemed to be on the verge of putting the Čunek case behind it: In September, Kučera was stripped of his position, and in October, Vesecká was sacked, largely interpreted as a positive move since she had lost the respect of many state attorneys.

Under the coalition led by Prime Minister Topolánek that ruled until March 2009, the Justice Ministry clashed repeatedly with the judicial community over changes to legislation governing the sector. Until recently, a judicial disciplinary board composed solely of judges reviewed accusations of misconduct, drawing repeated criticism that solidarity among judges resulted in lenient punishments that damaged the reputation of the profession as a whole. In October 2008, a law came into effect mandating that half of the review board be made up of lawyers who are not judges—one state's attorney, one attorney, and one person of another legal profession—selected by the chief state attorney, the chairman of the Czech Bar Association, and the deans of the law faculties, respectively. The law also established term limits for various high court functionaries, including chairmen and deputy chairmen.

Perhaps more importantly, the law dramatically increased the role of the country's president, who now names the two vice presidents of the Supreme Court and the heads of all other courts, except the lowest district courts, along with the chief of the Supreme Court and Supreme Administrative Court. The president can submit direct complaints against particular high court judges, including the chairmen and deputy chairmen of the Supreme Court and Supreme Administrative Court.

These moves to strengthen the executive were worrisome considering President Klaus's long-running and unsuccessful effort to fire Iva Brožová, chairwoman of the Supreme Court, and his attempt to appoint her rival as deputy chairman.

While President Klaus's Constitutional Court justice appointments initially raised some concern over their impartiality, the Constitutional Court reasserted its independence with its apparent willingness to defy the president on Brožová's dismissal and repeatedly over the constitutionality of the Lisbon Treaty, including a final ruling in November 2009. (The executive has, however, refused to recognize Constitutional Court decisions on issues such as rent control and pension payments for Czech citizens who worked for Slovak companies.)

Arguably the most significant victory for judicial independence in the last few years took place in September 2009, when the Constitutional Court, resisting clear political pressure from the biggest political parties and especially the president, ruled in favor of the plaintiff over the constitutionality of the law passed to accelerate early elections. And despite calls by some politicians to ignore the ruling or even change the constitution to limit the judges' influence in the future, those threats proved empty. Klaus, however, still holds a grudge against the Constitutional Court: in September, he spoke to the lower house of Parliament for the first time in seven years, and one of the main topics of his short speech was an appeal to parliamentary deputies to restrict the powers of the court, which he said had acted as a third chamber of parliament when making the decision about the elections.

Until 2009, the Czech Republic was the only EU country without antidiscrimination, International Criminal Court (ICC), and civil service legislation. Finally, in June 2009, the lower house of Parliament overrode Klaus's veto and the antidiscrimination law took effect in September, helping the country avert probably millions of crowns in fines from the European Commission. In July 2009, after months of delay, the president also finally signed an agreement on the country's accession to the ICC, which had been approved by the Senate and the lower house the previous year. However, there was no progress on the implementation of the Law on the Civil Service, which was approved eight years ago; its starting date has been repeatedly delayed owing to political disputes, leaving the Czech Republic as the only EU country without such a law. Yet again after the spring elections, various officials were replaced because of their political affiliations rather than merit.<sup>16</sup>

Implementation is also lagging on the 2001 amendment to the labor code mandating equal treatment for all employees, as women remain underrepresented in senior positions and are paid less than men for similar jobs. Overall, while more women now hold seats in the Parliament than ever before, few attain other positions of political power. Their share of seats in Parliament after the June elections rose from 16 to 22 percent, but the government itself ended up with zero female ministers.<sup>17</sup> The Fischer interim government had four female ministers, but just 10 of 74 deputy ministers were women.

Discrimination against the Roma in employment and housing also presents a serious problem. A 2006 government report estimated that 80,000 Roma—roughly a third of the country's Roma population—live in ghettos, with between

95 and 100 percent unemployment. In a landmark decision in November 2007, the European Court of Human Rights (ECHR) ruled that segregating Roma students into special schools is a form of unlawful discrimination in breach of Article 14 of the European Convention (prohibiting discrimination), taken together with Article 2 of Protocol No. 1 (securing the right to education).<sup>18</sup> Yet, in a November 2010 complaint filed at the Council of Europe, the Open Society Justice Initiative, the European Roma Rights Centre, and the Greek Helsinki Monitor (GHM) argued that the Czech Republic “has taken no concrete steps to desegregate schools,” producing an underfunded and vague action plan that has not led to improvement. The organizations asserted that Roma children are still 12 times more likely than non-Roma to be enrolled in special schools for children with mental disabilities (and in some parts of the country the figure is 27 times).<sup>19</sup>

### Corruption

2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
3.75	3.50	3.50	3.50	3.50	3.50	3.25	3.25	3.25	3.25

Improvements in the area of corruption have occurred gradually with the country’s maturation rather than through political will or popular demand. While most in the Czech Republic can live their daily lives without engaging in corrupt behavior, complaints do arise over the need to bribe or “give gifts” to expedite services from the public administration.

Although few people encounter corruption directly, the perception of illegal activity, especially concerning the political elite, is widespread. Many view existing anticorruption measures as insufficient to dismantle the intricate web of connections between political and business elites. While the year saw repeated revelations about corrupt practices at the Ministry of Defense, the problem is equally critical at the local level, where the roots of clientelism run deep. Some analysts believe that the upheaval caused by the local elections (which saw long-ruling parties, especially ODS, lose much of their power in some cities) might lead to improvement.

The new government came to power with the fight against corruption as one of its main tenets, pledging to ban firms from competing for public tenders that have nontransparent ownership structures, to restrict the activities of lobbyists, and to publicize the results of public tenders on the internet and the minutes of city councils. The Czech branch of Transparency International (TIC), however, called the proposals a “mix of ideas rather than a well-thought out strategy.”<sup>20</sup> The coalition’s commitment was also tested by allegations of kickbacks and manipulated tenders at the State Environment Fund that included taped conversations of the minister of the environment himself evidently encouraging a whistleblower to destroy the evidence. Prime Minister Nečas’s defense of the minister, who eventually resigned, and attempts to smear the whistleblower disappointed many and caused tensions in the coalition.

Lack of transparency in major business deals involving the state remains a serious problem at both national and local levels. While the country's highest control body, the NKÚ, has uncovered massive irregularities and overspending on various government contracts, politicians generally ignore its findings, calling the agency incompetent and toothless. Current law does not allow the NKÚ to impose sanctions. Furthermore, in 2009, the NKÚ's reputation was significantly damaged after its head, František Dohnal, became the subject of an investigation into financial mismanagement at the NKÚ.

Journalists often do not invoke their rights under the Law on Freedom of Information, and officials frequently refuse to provide the requested information.

In an October 2010 press release, TIC emphasized the poor performance of the anticorruption police (with much of the blame at the feet of politicians and top police functionaries); instability and internal dissatisfaction in the state attorney's office, which threatens the investigation of financial and other crimes; and the failure to implement a civil service law.<sup>21</sup> During the last weeks of the Fischer government, several anticorruption measures regulating lobbying and banning anonymous shareholding passed the first reading, but didn't have a chance to make it farther through the legislative process before the elections.

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<sup>1</sup> Marek Švehla, "Více než imunitu" [More than immunity], *Respekt*, 14–20 June 2010, <http://respekt.ihted.cz/c1-44202090-vice-nez-imunitu> (in Czech).

<sup>2</sup> Jiří Pehe, "Dvanáct poznámek k volbám" [12 comments on the elections], *Pehe.cz*, 30 May 2010, <http://www.pehe.cz/zapisnik/dvanact-poznamek-k-volbam> (in Czech).

<sup>3</sup> "Volební kampaň" [Voting Campaign], *Respekt*, 11–17 October 2010 (in Czech).

<sup>4</sup> Adam Sura, "Dobro za všechny peníze" [The good for all that money], *Respekt*, 1–7 March 2010, <http://respekt.ihted.cz/z-noveho-cisla/c1-40761370-dobro-za-vsechny-penize> (in Czech).

<sup>5</sup> United States Agency for International Development (USAID), "Czech Republic," in *The 2009 NGO Sustainability Index for Central and Eastern Europe*, 13th ed. (Washington: USAID, June 2010), [http://www.usaid.gov/locations/europe\\_eurasia/dem\\_gov/ngoindex/2009/czech.pdf](http://www.usaid.gov/locations/europe_eurasia/dem_gov/ngoindex/2009/czech.pdf).

<sup>6</sup> Kateřina Čopjaková, "Proč jsou tak úspěšní" [The Secret of their Success], *Respekt*, 26 April 2009, <http://respekt.ihted.cz/c1-36858670-proc-jsou-tak-uspesni> (in Czech). English

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- <sup>9</sup> "Czech city bans DSSS youth march as anti-Roma provocation," *Romea.cz*, 24 November 2010.
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