

Czech Republic

by Jeremy Druker

Capital: Prague
Population: 10.3 million
GDP/capita: US\$21,203
Ethnic Groups: Czech (90.4%), Moravian (3.7%),
Slovak (1.9%), other (4.0%)

The economic and social data on this page were taken from the following sources:

GDP/capita, Population: *Transition Report 2006: Finance in Transition* (London, UK: European Bank for Reconstruction and Development, 2006).

Ethnic Groups: *CIA World Fact Book 2007* (Washington, D.C.: Central Intelligence Agency, 2007).

Nations in Transit Ratings and Averaged Scores

	1999	2001	2002	2003	2004	2005	2006	2007
Electoral Process	1.75	1.75	2.00	2.00	2.00	2.00	2.00	1.75
Civil Society	1.50	1.50	1.75	1.50	1.50	1.50	1.50	1.50
Independent Media	1.75	2.00	2.50	2.25	2.25	2.00	2.00	2.25
Governance*	2.00	2.00	2.25	2.25	2.25	n/a	n/a	n/a
National Democratic Governance	n/a	n/a	n/a	n/a	n/a	2.50	2.50	3.00
Local Democratic Governance	n/a	n/a	n/a	n/a	n/a	2.00	2.00	1.75
Judicial Framework and Independence	2.25	2.50	2.50	2.50	2.50	2.50	2.25	2.00
Corruption	3.25	3.75	3.75	3.50	3.50	3.50	3.50	3.50
Democracy Score	2.08	2.25	2.46	2.33	2.33	2.29	2.25	2.25

* 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 of this report. The opinions expressed in this report are those of the author. 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

The year 2006 can be seen as yet another in which the country thrived—in spite of its politicians. Living standards continued to rise, unemployment dropped, the economy surged, and the crown had never been so strong against the euro. All that in a year when the country remained almost entirely without a government for six months, political culture took another blow as mudslinging abounded, and more corruption scandals erupted, demonstrating the dangerous commingling of the business and political elite.

The failure of the country's political parties to come to any agreement after the stalemated elections of June underlined the utter lack of true leadership and vision among the current political class, which remains bereft of any grand strategy to advance the Czech Republic to the next stage of development. Too many reforms remained unfinished in key areas, such as the fight against corruption, pension and health care systems, transfer of authority to regional administrations, speed of the judicial system, and integration of the Roma minority. While the country possesses most of the window dressing of advanced democracies, including competitive elections and a largely effective separation of powers, much work remains to be done to increase accountability and bring greater diversity to the political elite, as well as find the resources and political will to take controversial but necessary steps toward further democratic consolidation. With economists forecasting the slowdown of the economy, there is a creeping feeling that the country is living—albeit living well—on borrowed time.

National Democratic Governance. The inability to form a government after the 2006 parliamentary elections ended in a stalemate between the Left and the Right and plunged the country down a path of failed negotiations, ugly rivalries, and dead-end “solutions” to the crisis. The lack of a functioning government during the second half of the year not only disgusted much of the population, but dashed any hope of reform in areas such as health care, education, and social security. *The Czech Republic often resembles a fully functioning democracy—stable and secure, with checks and balances in place—but the inability to form a government highlighted the depths of the country's political immaturity and the lack of statesmanship on the domestic scene. That reality, coupled with little visible progress at dampening clientelism and improving legislative efficiency, leads to a downgrade in the national democratic governance rating from 2.50 to 3.00.*

Electoral Process. Parliamentary, Senate, and local elections all took place in 2006 without any serious violations or complaints. Voter turnout was up in each case, indicating widespread public interest in often bitterly fought campaigns. Although

the Green Party entered the Parliament for the first time, the Czech system still allows too little room for new faces in politics, and civic participation remains stunted. *Despite little to no progress in political party development or inclusion of the Roma minority, a series of competitive, well-run elections leads to a slight improvement in the rating for electoral process from 2.00 to 1.75.*

Civil Society. The reputation of nongovernmental organizations (NGOs) has continued to grow, with roughly half the population characterizing NGOs as influential in helping to solve society's problems. On the other hand, many politicians consider the more advocacy-oriented organizations, especially those attempting to change public policy, as unnecessarily interfering in and complicating their work. *Continued growth in the reputation and activities of NGOs is offset by disparaging comments from the president and little happening on the legislative side; the rating for civil society remains at 1.50.*

Independent Media. Czech media are independent and diverse, but critics continue to speculate about behind-the-scenes political and financial interference. The 2006 parliamentary elections prompted a relapse into biased coverage reminiscent of the 1990s, with the press the main culprit in playing political favorites both before and after the elections. *The backsliding into biased election coverage, combined with further delays in the licensing of digital television and the need for greater plurality in the TV market, leads to a slight worsening in the rating for independent media from 2.00 to 2.25.*

Local Democratic Governance. Competitively fought local elections, with a record number of candidates and high voter turnout, bode well for the development of local democracy, yet more control systems over the function of local offices need to be put in place to rid them of clientelism and improve efficiency. The overall system of local government continues to improve, but the flow of funds from the center needs to keep better pace with newly added responsibilities. *With vibrant political competition and a solid system of local democratic governance proving its worth, the rating improves from 2.00 to 1.75.*

Judicial Framework and Independence. In 2006, reforms that would speed up judicial processes remained largely unimplemented, legislation to combat discrimination languished in the Parliament, and provisions to improve gender equality were ignored. Yet the year did mark some improvements, especially with more judicial appointments and indications that reform may finally be on the way. A high-profile dispute between the president and the chairwoman of the Supreme Court ended up reaffirming judicial independence and the Constitutional Court's autonomy. *No real judicial reform took place, but a landmark case reaffirmed the separation of powers, warranting a slight improvement in the country's ranking for judicial framework and independence from 2.25 to 2.00.*

Corruption. The level of everyday corruption is slowly being reduced, but much of Czech society believes that graft is still widespread at both the national and local levels of public administration. The passage of a Law on Conflict of Interest (though imperfect) and a better rating for the Czech Republic in the Transparency International Corruption Perceptions Index suggest hope for the future. *Although the long-delayed passage of important conflict-of-interest legislation in 2006 raised expectations for future improvement, a new government strategy and consistent implementation of current legislation are still needed, so the Czech Republic's corruption rating remains at 3.50.*

Outlook for 2007. By the end of 2006, Mirek Topolánek was back where he started the post-election period, proposing a coalition composed of his Civic Democrats, the Social Democrats, and the Green Party. He pledged a strong reform program for the government, and his choice of ministers seemed to back up that assertion. Yet the challenge remained to find rebels within opposing political parties or outcasts who would at least abstain from a vote of trust in the government, ending the deadlock between Left and Right. And even if that were to happen, the need for such support at every crucial vote in the Parliament calls into question the possibility of passing the controversial reforms necessary for real change.

MAIN REPORT

National Democratic Governance

1999	2001	2002	2003	2004	2005	2006	2007
n/a	n/a	n/a	n/a	n/a	2.50	2.50	3.00

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. The party continues to attract those nostalgic for the old regime and frighten away those who worry that the KSČM will one day sit in power and backtrack on reforms. The KSČM holds 26 of the 200 seats in the powerful lower house of Parliament, but the refusal of other political parties to include it in coalitions has greatly complicated the process of forming stable governments among the remaining, often conflicting parties. That was again the case in 2006, as parliamentary elections in June ended in a tie between the two main left- and right-wing camps.

The months following the elections were full of twists and turns, which was to be expected given the animosity between the country's two major parties and their heads: the Civic Democrats (ODS), led by Mirek Topolánek; and the Social Democrats (ČSSD), led by Jiří Paroubek. Three weeks after the elections, the ODS, the Christian Democrats (KDU–ČSL), and the Green Party (SZ) formed a coalition and named their ministerial lineup. The ČSSD, however, refused to tolerate the government and turned down an offer to join the coalition. In August, the ODS—seeing that the present coalition had no chance of receiving a vote of confidence—began to negotiate with the ČSSD about a minority ODS government that would be tolerated. Soon after, however, the ČSSD shocked the ODS by announcing that it had initiated talks of a coalition with the KDU–ČSL, supported by the KSČM. After an uproar by regional KDU–ČSL representatives, who were outraged that the party's leadership would even consider forming a government that would rely on the Communists, the party pulled out of the negotiations and Miroslav Kalousek resigned as chairman.

The false starts continued throughout the fall. In September, President Václav Klaus appointed a minority government led by Topolánek and composed of ODS politicians and several independents. But, as predicted, the government failed to win a vote of trust in early October—for the first time in the history of the Czech Republic—and resigned a week later, after 38 days in power. By November, with all other avenues evidently closed off, Topolánek and Paroubek sat down to finally agree on a coalition government, but negotiations soon broke down. Finally, in De-

ember Topolánek came around full circle, again proposing a coalition of the ODS, KDU–ČSL, and SZ. This time, however, he was apparently confident of finding several ČSSD rebels or outcasts who would at least abstain during the vote of trust planned for January 2007.

The long period of practically no government had profound effects on vital areas of society, as the daily *Mladá Fronta Dnes* mapped out in an analysis published in mid-October. Among other things, the Ministry of Health belatedly began deciding the cost-sharing structure for prescription drugs, delaying the introduction of new medicine on the market; policemen and firemen waited in vain for the government to issue new pay guidelines expected with the new Law on Civil Service originally scheduled to take effect in January 2007; and farmers had no one with whom to negotiate over subsidies slashed by the previous government.¹

Political analysts have offered many reasons for the failure to form a government—an even number of seats in the Chamber of Deputies, the president’s slow pace before virtually any decision, Topolánek’s naive expectation that the ČSSD would tolerate his first coalition attempt—but the heart of the problem was the inability of the country’s leading politicians to make any political sacrifices in favor of an agreement that would benefit the country as a whole. Although all parties except for the KSČM agree on the general direction of the country’s development, they clash over many details and show a remarkable tendency to avoid compromise, preferring inflammatory attacks that keep the general political discourse at a comparatively low level. The June 2006 elections served only to downgrade the level of political culture even further.

In a special report assessing the reasons for the deadlock, the weekly *Tyden* blamed the parties’ increasing dependence on public opinion polls and popularity rankings, as well as the failure of the party heads to show true leadership and statesmanship. The media have also come under attack for framing any negotiations between the two big parties—a necessity for any agreement—as sinister power games. That approach is a legacy of an unpopular power-sharing agreement between the ODS and the ČSSD from 1998 until 2002 (despite fierce election rhetoric against its rivals, the ODS agreed to tolerate a ČSSD-led government in return for positions in the Parliament and other perks).²

Unsurprisingly, the ugly political campaign and subsequent failure to agree did little to improve the poor reputation of the political elite among the general public. In a poll released on September 26 by the anticorruption organization Transparency International, only 19 percent of respondents said they “trusted” the lower house of Parliament, while even less, 16 percent, felt favorably about political parties.³

Those low ratings also stemmed from scandals that highlighted what many see as the unethical intersection of political and economic interests in the country. One high-profile case concerned the arrest of the former head of the Office of the Prime Minister, the mayor of a Moravian town, and an official in the Ministry of Agriculture on charges of blackmail and conspiring to commit fraud with European Union (EU) funds. 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 (one poll placed special interests and lobbying behind only corruption in that regard).⁴

A lack of transparency in major business deals involving the state at both national and local levels remains a serious problem. While the country's highest control body, the Supreme Audit Office (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. After the head of the NKÚ died in 2003, the Parliament was unable or unwilling to elect a new president until October 2005. Although a Law on Freedom of Information is on the books, journalists often do not invoke their rights.

Critics also point to the political parties' widespread practice of nominating individuals to serve at all levels of the public administration, as well as on the supervisory boards of companies partially owned by the state. This has increased both instability and clientelism, while interfering in the maturation of the civil service, already hampered by low wages, poor reputation, and a corresponding turnover in qualified experts, according to the UN's *Human Development Report*. Implementation of the Law on Civil Service, which was to enter into force in January 2007, was postponed for the third time, until 2009, with politicians claiming that the overburdened budget could not bear the salary increases that would come with the new law.

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. There is also a chronic lack of skilled experts to assist in writing and editing legislation, as well as poor communication and insufficient cooperation among ministries and other bodies of the public administration. The Ministry of Justice, for example, has depended on judges to write legislation, which is problematic from a separation of powers point of view, as the branch charged with implementation should ideally not play a leading role in the creation of laws.

The legislative process is further complicated by the ability of parliamentary deputies to make an unrestricted number of proposed amendments during the second reading of bills. (Although most parliamentary democracies allow such additions, strict rules often apply, such as the need for a minimum number of deputies to make a joint amendment.) As the weekly *Respekt* has pointed out, this tradition often disorients even the most attentive parliamentarians and serves as a calculated strategy to derail long-needed legislation. In the whirlwind of amendments and counteramendments, deputies also manage to sneak in calculated additions that have little to nothing in common with the debated bill. While some deputies agree that this process is open to abuse and should be changed (one proposal making the rounds in the Senate would require a minimum of 10 deputies to make an amendment),⁵ others doubt that their colleagues will give up the power to influence legislation that this privilege grants each deputy.⁶ As a result of these deficiencies, the Parliament sometimes passes error-filled laws requiring repeated revisions, as

well as approving numerous amendments that serve only to complicate the interpretation of laws.⁷

It does not help matters that the executive and the legislature rarely consult civil society for input on proposed legislation. This points to the lack of independent public policy actors but also reflects the unwillingness of most politicians to consider civil society as a potentially important contributor to policy discussions. Legislators remain much more likely to meet with lobbyists behind closed doors than attend NGO-organized events with ordinary citizens debating key issues. Since various forms of “direct democracy” (plebiscites, petition drives, demonstrations, and so forth) are also underdeveloped and underused, public pressure remains minimal. Thus policy making is almost exclusively the domain of government officials, with little outside input.

Although the legislature and judiciary are generally thought to exercise sufficient supervision with respect to the military and security services, a 2006 scandal over a confidential report did call into question the politicization of the police force. Shortly before the parliamentary elections in June, Colonel Jan Kubice, director of the Office for the Detection of Organized Crime, submitted a top-secret report to a parliamentary security committee that alleged the infiltration of organized crime into the highest levels of the civil service and the interference of ČSSD politicians in several criminal cases. The report’s most controversial findings were almost immediately leaked to the press. The timing of the report led some ČSSD members to accuse Kubice of being in the pocket of their rival, the ODS.

Some analysts believe that the Constitution creates an overlap of executive power between the government and the president. Actual confrontations depend largely on the personality of the president, since the position is chiefly ceremonial yet retains some important powers, such as forming a government. Over the years, for example, President Klaus 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.

In key areas such as foreign policy, Klaus has also attempted to expand his real influence on the policy-making process—surpassing steps taken by his predecessor, Václav Havel, and in some cases clouding the division of power. In addition, despite government criticism of his activities, he has espoused his Euro-skepticism at various international forums, clashing with the official government line on issues such as the European Constitution and the introduction of the euro. In this regard, Klaus may have indirectly benefited from the lack of interest in foreign affairs that the major political parties displayed throughout 2006, focused as they were first on the elections and then on solving the political crisis. The resulting lack of a coherent foreign policy—or serious attempts to find some consensus on the country’s so-called national interests—allowed Klaus, to some extent, to fill the vacuum and offer his personal views.

During the crisis following the elections, Klaus faced criticism both for moving too slowly—he waited two and a half months before naming a prime minister—and for freely interpreting the Constitution in an attempt to increase his

own powers. Proceeding under the assumption that tactics not explicitly forbidden by the Constitution are permissible, he stated that he would refuse to name any government that relied on support from renegades from other parties, even if he received a list of more than 100 deputies from the candidate for prime minister. He also suggested that a small change in the Constitution could allow the president to name a government made up of bureaucrats who would not have to seek a confidence vote and said that he might not name a prime minister proposed by the chairman of the lower house (who is granted that power during the third attempt at forming a government).⁸

Electoral Process

1999	2001	2002	2003	2004	2005	2006	2007
1.75	1.75	2.00	2.00	2.00	2.00	2.00	1.75

The Czech Republic is far beyond the fundamental electoral challenges facing parts of Eastern Europe and the former Soviet Union. No one doubts the fairness of the electoral process, and there are no reports of intimidation, fraud, or any other type of manipulation on the part of the authorities (however, the deadlock following the 2006 parliamentary elections did lead to increased calls to change the electoral legislation). Political organizations have no problems either registering or campaigning. Although a shaky coalition government was in power for the last few years, the system itself is solidly multiparty, with a strong opposition and diversity at all levels of government.

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. Though serving as a check on the Chamber of Deputies, the upper house is weaker, still hampered by low regard among the general public and those political parties that did not welcome its introduction in 1996. That poor reputation has started slowly to improve, however, and according to the weekly *Respekt*, the Senate has been the second most successful upper house in Europe at derailing legislation with which it disagrees—the Chamber of Deputies approved only around 60 percent of the laws sent back by the Senate.⁹

In 2006, the Czech Republic conducted parliamentary, Senate, and local elections, with the ODS triumphing each time. In the parliamentary elections, the ODS won 35.38 percent of the vote, giving the party 81 deputies in the 200-seat lower house. The ČSSD came in second with 32.32 percent (74 seats), followed by the KSČM at 12.81 percent (26 seats) and the KDU–ČSL at 7.22 percent (13 seats). Adding a breath of fresh air to the normally static Czech political scene, the

SZ offered a number of new faces from many sectors of society and entered the Parliament for the first time with 6.29 percent of the vote, garnering 6 seats. The election turnout was more than 64 percent, which was 6 percent higher than the last elections in 2002.

Prime Minister Jiří Paroubek, who had revived the ČSSD after corruption scandals and bickering factions led to its plummeting popularity, took the defeat particularly badly. Shortly after the election, he gave a now notorious speech, threatening to legally challenge the election and blaming prominent journalists for the defeat. In his perhaps most inflammatory remarks, he referred to the ODS's "putschist" practices and claimed that democracy was as threatened in the Czech Republic as it was in 1948 when the Communist Party coup took place. Roundly criticized, Paroubek, in the end, took no legal action.

The ODS also triumphed in the Senate elections, winning 14 of the 27 seats up for grabs, giving the party a majority in the upper house (41 seats out of 81)—the first ODS majority since the Senate started functioning. The ČSSD won 5 new seats for a total of 12—a big improvement over the last elections in 2004, when the party won no seats. The KDU–ČSL lost 3, dropping the party's representation to 11. The KSČM did not win any race, staying at 2 seats, while the SZ did not manage to add to their single Senate seat. Independents lost 6 seats but remained a force at 14 total. Voter turnout in the first round was 42 percent, a significant increase over the 25 percent seen in the first round in recent years.¹⁰

Under the current impasse in the lower house—with the Left and the Right equally split—the ODS's new majority in the Senate means little, since it is doubtful that any controversial laws will even make it to the upper house for approval. Just as unlikely is the chance that the Senate would be able to gain approval for any of its own legislation in the Chamber of Deputies. However, if the ODS manages to cobble together a coalition and effectively control both houses, the party will have little problem setting the political agenda and passing any legislation it sees fit. That possibility has raised fears that ODS senators (who have sometimes acted more autonomously than their counterparts in the lower chamber) will be forced to fall in line to ensure their majority and that the Senate will become little more than a meaningless extension of the lower house, simply rubber-stamping legislation.¹¹ The victory of the ODS also increased the likelihood that the party's founding father, President Václav Klaus, will win reelection in 2008.¹² In a joint session, both houses elect the president for a five-year term by a simple majority.

Local government elections were held in October 2006, with a record number of candidates—over 200,000 from 186 parties and groupings, roughly 8,000 more candidates than in 2002.¹³ The ODS was swept to victory in most places, winning in 26 of the 30 largest cities and becoming the only long-serving parliamentary party to raise its number of mandates. Most analysts traced the party's success to efforts to increase its membership base and run party candidates wherever possible—almost 3,000 more than the local elections of 2002. The ČSSD, meanwhile, offered fewer candidates than four years ago and has always been weaker than the ODS at local and regional levels. Both the KDU–ČSL—traditionally strong at the

local level—and the KSČM lost hundreds of seats, partly a result of falling membership levels and fewer candidates running than in years past.¹⁴ Overall, the number of candidates representing national parties is decreasing, replaced by people running on behalf of local groupings or as independents. The weekly *Tyden* interpreted this trend as a response to widespread disgust at the machinations of party politicians in Prague, especially the inability to agree on a government following the parliamentary elections.¹⁵ Turnout was surprisingly strong at 46 percent.

The increases in turnout during the 2006 elections suggested that pessimistic forecasts based on the electorate's indifference in several past polls may have reflected a dislike of the Senate and ignorance of the European Parliament (few turned out in 2004) more than a long-term trend. Apathy has, however, played a key role in the stunted development of other direct or participatory forms of democracy, such as petitions, demonstrations, and referendum drives, notes the UN's *Human Development Report*. Although starting from a low point in the 1990s, use of these tactics has increased in the past few years with some success.

Current legislation on communal referendums has also impeded the increase of public engagement in political life. According to the law, a referendum is valid only if 50 percent of the electorate participates. Even seemingly important issues in smaller towns and villages—such as closing a nursery school or founding a hospice—have attracted minuscule turnouts. Such examples have discouraged local activists and politicians who believed that issues closer to home would reverse voter apathy, reports the weekly *Tyden*.

Continued low membership in political parties does not help the situation. The KSČM remains the largest party (nearly 83,000 members), followed by the KDU–ČSL (41,300), the ODS (28,700), the ČSSD (19,000), and the SZ (2,100). Several new parties formed in time to compete in elections to the European Parliament, but these have very small membership bases. Low figures persist despite generous state funding—to qualify, parties need receive only 1.5 percent of the vote (well under the 5 percent threshold in the Parliament).

The parties' low membership base has clear repercussions for the political elite: With relatively few members to choose from, parties often recycle the same personalities, creating the impression that talented new faces rarely surface. Parties also often reward loyalty rather than expertise, handing out ministries to individuals whose only qualification is their long service to the party. Add to these deficiencies the continued poor management and insufficient democracy within parties, mediocre policy teams, and arrogant grandstanding, and it becomes clear why many analysts believe the current political class does not possess the capacity to push the country forward at a dynamic pace. Leading elite members are unable to seek, let alone achieve, consensus on issues of national interest and major reforms.

In addition to these problems, the country's largest minority, the Roma, are effectively shut out from participating in national politics. Although the number of Roma is estimated at between 200,000 and 250,000, there are currently no Roma parliamentarians. Prospective Roma politicians find themselves in a catch-22: Mainstream parties believe that placing Roma candidates on their lists may

do them more harm than good among average voters, while Czech Roma are not organized politically to compete effectively for votes. There are, however, a handful of Roma who are active at the local level.

Civil Society

1999	2001	2002	2003	2004	2005	2006	2007
1.50	1.50	1.75	1.50	1.50	1.50	1.50	1.50

The reputation of nonprofit organizations has continued to recover from several scandals that tarnished their early post-Communist existence. Most Czechs now see NGOs as not only legitimate but valuable instruments for creating and preserving social cohesion. Roughly half the population characterizes NGOs as influential organizations that help solve social problems and are essential to a well-functioning democracy. In a 2005 survey commissioned by the Donors Forum, almost 81 percent of respondents felt foundations were important and performed work the state did not; 83 percent found that foundations highlighted neglected issues in society. Consequently, there has been an increase in donations to nonprofits from individuals and the business sector. In an April 2004 survey on civil society issues conducted by STEM, a Czech polling agency, 47 percent of respondents said they had made a donation to a nonprofit organization, up 4 percent from 2000.

Roughly 95,000 NGOs exist in the Czech Republic, legally falling into four types: civic associations, public benefit organizations, foundations, and foundation funds. The most common form is the civic association—a legal entity comprising groups of individuals in pursuit of a common interest. By September 2006, the Ministry of the Interior had registered 57,474 civic associations, ranging from political think tanks to hobby groups and sports clubs—a growth of over 3,000 from the past year—and 382 foundations. According to the Czech Statistical Office, there were 4,460 church charities, 986 foundation funds (similar to foundations but not operating any of their funded assets), and 1,278 public benefit organizations (entities providing general services to recipients under the same conditions).

The relationship of the political elite to the nonprofit sector varies. The state provides extensive financial support through grants and remains, overall, the largest funder of NGOs. Policies are technically coordinated through the Council for NGOs, a government body that, however, suffers from low regard among the NGO community, which views it as a bureaucratic entity not in tune with the nonprofit sector. NGO representatives also sit on advisory bodies of various ministries.

On the other hand, many politicians consider more active NGOs, especially those that attempt to influence public policy, as unnecessarily interfering in and complicating their work. The political elite is particularly wary of what it considers more “aggressive” forms of action, such as demonstrations and petition drives, and is quick to label the initiators as politically motivated. Many officials would prefer that NGOs serve strictly as service providers, filling in where the state cannot or will

not. Indeed, most NGOs still feel more like supplicants than true partners. This overall attitude may explain the remarkably small number of truly independent and influential public policy organizations or think tanks in the Czech Republic.

Since the 1990s, when he served as prime minister, Czech president Václav Klaus has exemplified the political establishment's leery attitude toward the NGO sector. This reached new levels in 2005, when at a Council of Europe meeting Klaus called for a fight against so-called postdemocracy, whereby various NGOs supposedly attempt to influence public life without an electoral mandate—which he called a risky and dangerous phenomenon of the past few decades. Almost 90 Czech NGOs united to request an apology. Klaus refused, claiming he never spoke against the sector as a whole, only against those groups that misuse their standing for political purposes. Later in the year, at another conference, Klaus said that disappointed people expecting miracles from democracy turned to the “evangelists” of civil society and NGOs, losing trust in the parliamentary system. He then claimed that “NGO-ism” was almost on the same level as Communism.¹⁶

NGO experts generally view the legal framework as adequate, even though the inability to clarify the term *nonprofit organization* in Czech legislation has created problems, especially after the passage, in 2004, of a new Law on Value-Added Tax. The law, which lowered the limit above which organizations must pay a value-added tax to 1 million crowns (US\$43,000), made no distinction between for-profit and nonprofit organizations—important for NGOs earning funds through their own activities. On the positive side, amendments to the Law on Value-Added Tax in early 2006 removed that tax from donations made through mobile phone text messages, a popular form of giving in the Czech Republic. The Donors Forum coalition has been unsuccessful in attempts to change tax laws to allow individuals to give 1 percent of declared taxes to socially beneficial projects, and the Parliament has failed to pass social services legislation that would affect the vast majority of NGOs.¹⁷ However, these legal deficiencies appear to be the result of the state's insensitivity to the plight of NGOs rather than a concerted effort to apply financial pressure on their activities and limit their impact.

Local donations from individuals and companies are increasingly critical as foreign funding becomes more difficult to obtain. Corporate philanthropy has increased in the past few years, with research conducted in 2004 by the Donors Forum showing 67 percent of companies engaged in sponsorship activities and/or donations. Yet companies complain about limited tax benefits and a lack of appreciation among the public and media. Current trends also show corporate philanthropy supporting recreational activities and young people more than issues such as human rights or ethnic minorities.¹⁸ While international companies have increased their grant programs, Czech firms lag in the area of corporate responsibility, rarely initiating their own projects.¹⁹

Although Czech civil society is certainly more vibrant now than it was a few years ago, grassroots initiatives are still not commonplace. The STEM research found that 14 percent of respondents had participated in a protest demonstration over the past five years; 43 percent had signed a petition; and 12 percent had writ-

ten at least one letter to a newspaper. But motivation is often limited to a core group of activists. Several referendums have not had sufficient participation, while at the same time, a survey by the Center for Research of Public Opinion showed that only one-tenth of respondents were satisfied with the level of citizens' participation in public life, a decrease from earlier surveys.²⁰

Regarding the emergence of extremist organizations, the situation in the Czech Republic appears to have settled down. Violent attacks on foreigners and the Roma minority occur less frequently than in the 1990s and remain largely out of the headlines. In its 2005 annual report (released in October 2006), the Security Information Service (BIS)—the domestic intelligence agency—stated that neither right-wing nor left-wing extremists had strengthened and that Czech racist groups had failed to form a united bloc.²¹ In October, a leading Czech expert on the extreme Right and neo-Nazism, Ondřej Cakl, also reported that the extreme Right was in decline, without public support, and increasingly marginalized—despite the recent appearance of many new Web sites promoting racial intolerance. Only seven candidates from right-wing extremist parties won seats in the country's local elections in the fall.²²

Some continue to see the KSČM as an extremist group. Unlike its counterparts in other Central European countries, the KSČM remains largely unreformed, having failed to renounce its past. The thinly veiled intention of ČSSD leader Jiří Paroubek to form a minority government supported by the KSČM was a rallying cry for the rest of the political spectrum before the 2006 parliamentary elections. On the other hand, the official ČSSD party line explicitly prohibits a coalition with the KSČM. And the country's center and right-wing parties, so cautionary over the KSČM threat on the national stage, happily govern along with the KSČM in cities across the country. In addition, according to the weekly *Respekt*, the number of people who would object to the participation of the KSČM in the government is falling. Today, that figure stands at around half the population, with roughly half of those considering the KSČM a real threat and the other half merely expressing their aversion to having a party with such a name and past ruling the country.²³

Independent Media

1999	2001	2002	2003	2004	2005	2006	2007
1.75	2.00	2.50	2.25	2.25	2.00	2.00	2.25

For the most part, Czech media display sufficient independence and practice a decent, if unremarkable, level of journalism. Press freedom has long been secure in the Czech Republic, and no major media are state owned. Media are generally free of political or economic bias, though allegations still surface of pressure from both business and political interests. Rarely do newspapers publish comprehensive analyses getting to the heart of policy issues. Instead they prefer shorter, sensational

articles. Still, they do provide the population with an adequate overview of the main events and issues facing society.

Anecdotal evidence suggests that media interference still takes place—especially in public broadcasting, with timid responses from management—but hard proof of direct pressure from politicians or financial groups rarely surfaces. Such was the case in December 2005, when Czech TV, the public television station, canceled its top-rated journalism program after then-Prime Minister Paroubek complained repeatedly about its lack of objectivity. Management claimed to have canceled the program because it was expensive and an independent analysis had shown it to be unbalanced, rather than as a result of pressure. Many doubted this explanation, given the approaching elections.

The national print media offer a diverse selection of daily newspapers, weeklies, and magazines. Foreign corporations own many of these publications, including nearly all Czech dailies. (Media-related legislation includes minimal ownership restrictions and none on foreign ownership.) In contrast with the situation a mere six or seven years ago, the “serious” press has now matured to a point where it offers more balanced political coverage and opinions. However, some analysts believe that the 2006 elections prompted a relapse, with the press returning to the political polarization of the 1990s both before and after the elections. Sacrificing impartiality and fairness in favor of waging thinly veiled wars against political enemies, the media more regularly than in the past published attacks on various political figures predicated on hearsay and rumor. These stories—based on supposedly “well-informed sources” often originating in the police and security services—usually remained unconfirmed and unverifiable.²⁴

According to ABC Czech Republic, the Audit Bureau of Circulations, *Mladá Fronta Dnes*, the country’s most popular serious daily, sold an average of 380,354 copies in December 2006, as compared with the tabloid *Blesk* at 552,025, *Právo* at 212,961, *Hospodářské Noviny* at 76,667, and *Lidové Noviny* at 106,519. That works out to roughly 150 sold copies of dailies per 1,000 inhabitants—less than half the normal figure in Western countries.²⁵ *Respekt*, a well-regarded independent weekly, suffers from low sales (15,236 copies). More popular are *Týden* (51,749 copies) and *Reflex* (50,934 copies), both respected weeklies concerning culture, society, and politics. *Nedělní Svět*, the country’s first quality Sunday newspaper, folded in 2006. Many Czechs also receive their news from Web sites run by major dailies, though overall Internet usage continues to lag behind that of the West owing largely to very high dial-up costs. Estimates vary, with some figures quoting “Internet penetration” at nearly half the population and others offering considerably lower numbers. However, the market has grown for high-speed mobile phone and wireless access, which should boost these numbers significantly.

Even with the wide range of publications available, true investigative journalism remains at a premium and appears regularly only in *Respekt* and on the popular online news site *aktuálně.cz*. Some media analysts worry about recent attempts to change the criminal code to ban the use of hidden cameras (making it an offense punishable by up to five years in prison). Supporters of the move say they want

to protect people from unscrupulous private security services, extortionists, and aggressive tabloid newspapers and point out that the civil code allows exceptions for journalists who act in the public interest.²⁶ In a wiretapping scandal that emerged halfway through 2006, the journalist community was outraged to learn that the police had tapped the phones of two reporters in an effort to determine the source of a leak of a classified organized crime report shortly before the parliamentary elections.

In September 2005, the Constitutional Court set a precedent by ruling that journalists do not have to disclose their sources, a landmark decision that could in fact bolster investigative journalism. The ruling effectively strengthened the 2000 Law on the Press—which provides the right for publishers to hide a source rather than individual journalists—and formalized an exception to the penal code, which mandates full cooperation with the police.²⁷

Some media critics have charged that certain publications practice a form of self-censorship by shying away from stories that portray top advertisers in a poor light. Others surmise that commercial television stations occasionally ignore stories that might harm their parent companies' financial interests. But journalists are loath to complain about ethical violations; they fear dismissal and know all too well the small size of the media market, where a huge number of applicants compete for each newly available position. (Along those lines, true media criticism hardly exists in the mainstream press because journalists refrain from antagonizing potential employers.)

Furthermore, some foreign media owners have been denounced for not adhering to the same employment standards followed in their home countries. The lack of a collective bargaining agreement at the national level between publishers and the Czech Syndicate of Journalists means employers are bound only by normal labor law. The syndicate, which counts few influential members, has played a largely insignificant role post-Communism. It does, however, work in the field of media ethics, which includes setting standards. Supported by the European Social Fund and the Czech government, a gender news agency began operating in September 2006, pledging to inform its readers on themes dealing with equal opportunities for men and women.²⁸

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 an opinion poll conducted by the Center for Research of Public Opinion in October, 80 percent of respondents said Czech TV's main news program broadcast "true" information, while only 2 percent said "untrue."²⁹ Czech Radio, in particular, has moved aggressively to embrace the digital era, launching four new thematic radio channels and original programming.³⁰ In the past, however, Czech TV's financial difficulties have made it particularly vulnerable to political and business interests.

The Chamber of Deputies appoints Czech TV's supervisory board and controls viewer fees—the station's lifeblood. In 2005, parliamentarians decided to phase in higher fees and ban advertising except during key cultural or sporting events. In

2007, the station will be forced to halve its ad time, with analysts estimating the commercial stations to benefit by some half a billion crowns (US\$23 million).³¹ It has long been assumed that the private stations' powerful lobbying has had an undue influence on parliamentary deputies, resulting in laws favoring commercial stations over public broadcasters.

The licensing of digital television, which should eventually help level the market and provide more plurality in broadcasting, took another blow in 2006. The process has long been delayed by political haggling over license regulation and alleged attempts by politicians to increase their control.³² In April 2006, the Radio and Television Broadcasting Council (RRTV), the industry regulator, finally granted licenses to six stations. However, after failed license bidders complained over the terms of the tender, the Prague Municipal Court overturned the RRTV's decision in September, throwing the entire process up in the air.

In the meantime, growing competition in the traditional television market dropped off somewhat over the past year. Prima TV, which looked for a time to be capable of rivaling leader TV Nova, has fallen to a 20.8 percent share of the market (down from a record 28 percent a year earlier), while TV Nova is back at 43.2 percent, up from last year's 38 percent, according to *Czech Business Weekly*.³³ Czech TV's two channels together garner almost 29 percent. The commercial stations are more politically balanced than they were several years ago, when TV Nova was often accused of supporting the ODS.

Local Democratic Governance

1999	2001	2002	2003	2004	2005	2006	2007
n/a	n/a	n/a	n/a	n/a	2.00	2.00	1.75

After long delays, the development of local government structures and authority has become one of the Czech Republic's bright spots in recent years. 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, among others. 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 regional governors. The regional councils may pass legal resolutions and levy fines. Directly elected municipal assemblies elect municipal councils and mayors. Municipalities wield considerable power over areas such as welfare, building permits, forest and waste management, and motor vehicle registration.

Some analysts consider the creation of the regions as one of the most important steps in the country's recent history. The regions have made considerable progress in tackling problems neglected by the central government. The education system is a

prime example. Although the birthrate dropped rapidly from the end of Communism and reduced the number of pupils, the state failed to take the unpopular steps of closing schools and firing teachers. Since acquiring power, some regions have moved much more forcefully, shuttering schools and tying funding more strictly to the number of students. Such savings will go toward better equipment and higher salaries for teachers, reports *Respekt*. These improvements have emboldened regional administrations to seek more power and money from the state for education, and some regional leaders have even called for funds connected to high schools to go directly to the regions instead of the Ministry of Education, according to *Lidové Noviny*.

Overall, the success in regional management and greater autonomy has made a strong case for allowing regional governments to manage more of their money. They currently control only a small percent of their budgets, a fact that causes consternation among local leaders. For the large bulk of their budgets, regions essentially act as middlemen for the state, sending money to predetermined recipients.

The failure of funds flowing from the center to keep pace with these newly added responsibilities has proven just as vexing for local politicians, with respect both to new laws and to EU commitments. For example, municipalities must now finance the last year of kindergarten but have not received any funds from the central government to do so.³⁴ Local politicians complain regularly that the central government has transferred major tasks without the money necessary to do their jobs well. The funds they do receive, they say, should be based on their communities' relative wealth rather than sheer size. The regions are allowed to keep only a fraction of the tax money they help collect, although that is an improvement from earlier amounts. The government has assisted occasionally—approving, for example, a transfer of billions of crowns to help impoverished hospitals—but that support has been insufficient. Municipalities, in turn, believe regions do not have the competences, money, or experience necessary to effectively influence local development.

Adding to the aggravation of local authorities, the law allocates a broad range of responsibilities to regional governments, but in practice the transfer has been gradual and the regions have not yet assumed full control over promised areas. Competences have sometimes been transferred, but legislation that would force change with “ownership” has lagged. For instance, the regions now receive funds to care for socially vulnerable citizens, yet no specific law exists to bind local authorities to certain minimum standards (only guidelines). Not surprisingly, some regions have taken the initiative and improved the system, while others have done little, claiming they don't have the money for major changes.

At this stage, insufficiencies at the local level can best be explained as a combination of limited resources and inexperience in areas long neglected even at the national level, such as implementing gender equality provisions, improving civic participation, and addressing the needs of marginal groups. For instance, a Ministry of Labor report in 2005 concluded that the performance of local authorities in integrating foreigners remains uneven, with some municipalities and regions doing

virtually nothing to further integration. Stating that the situation had not improved much since 2003, the report called for changes in legislation that would better define the division of powers between the state administration and local governments and encourage the creation of local strategies for integrating foreigners.³⁵

While the record interest in running for local government seats in the October elections and the high voter turnout might indicate a healthy flowering of local democracy, the weekly *Tyden*, for one, has taken a more sober view, explaining the rough-and-tumble world of local politics as a fight over who gains access to local riches.³⁶ 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.

A Transparency International–Czech Republic (TIC) study released in November 2005 indicated a widespread lack of transparency in awarding public contracts for construction projects in the country's eight largest cities. After reviewing contracts over the past five years for projects in which town halls had awarded more than 10 million crowns (US\$413,000), TIC researchers cited possible favoritism and links between these companies and local officials. Among other problems, the lack of effective control mechanisms, frequent lapses in announcing open competitive biddings, and the failure to publicly announce decisions and provide other information about the tenders annually lead to enormous losses, TIC concluded.³⁷

A lack of control across the board over such dealings is a major part of the problem. Opposition representatives usually have full-time jobs and cannot dedicate the time needed for proper monitoring, and the same is true for understaffed local publications. Many communities do publish newspapers, but few allow any opinions that conflict with the coalition in power—one study of 58 local periodicals found that only 31 percent provided at least a minimum of space for views that differed from those of the local administration.³⁸ Perhaps worst of all, the NKÚ currently has no legal right to examine the financial management of regional governments or municipalities. Although Transparency International and some parliamentary deputies favor changing the law, others argue either that local governments should implement their own controls—in the spirit of self-government—or that sufficient controls already exist.³⁹ With local politicians immune from any conflict-of-interest regulations,⁴⁰ it is no wonder that numerous cases of unethical behavior continue to occur.

Increasingly, ambitious local politicians view their positions as stepping-stones toward national office. The Senate, for example, used to be a mouthpiece for prominent national politicians but has now become home to many mayors and other local representatives. Although some view the situation as a normal development, bringing the Czech Republic closer to Western democracies, others fear that this “localization” of the Senate may dilute its ability to act as a powerful counterweight to the lower house, especially with the ODS now holding a majority in the Senate.⁴¹

Judicial Framework and Independence

1999	2001	2002	2003	2004	2005	2006	2007
2.25	2.50	2.50	2.50	2.50	2.50	2.25	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 the country's founding in 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. Still, cases of overt meddling remain rare.

The most disputed case in 2006 however, did concern the relationship between the executive and the courts. Early in the year, Minister of Justice Pavel Némec decided to remove Iva Brožová, chairwoman of the Supreme Court, claiming that she had failed to manage the Court properly. President Klaus agreed and signed Némec's request, only to soon find Brožová defiantly lodging a complaint with the Constitutional Court that the move to replace her had no legal basis. The Constitutional Court ruled that the portion of the law Klaus had used to dismiss Brožová was unconstitutional and that she should remain chairwoman. An infuriated Klaus labeled the decision as a dangerous move "away from parliamentary democracy toward completely unrestricted judicial autonomy"—a reaction some viewed as interference in the decision of an independent court.⁴²

The dispute lingered late into the year, as Klaus appointed a rival to Brožová as her deputy chairperson, even though she already had a deputy (and legislation mandates one deputy); Brožová again railed against the move as unconstitutional, while Klaus's supporters said he was only increasing the Supreme Court's efficiency, since the chairwoman had been out of the office for six months recovering from an auto accident. The ODS, winner of the parliamentary elections, has said that it will seek to amend the law to allow greater space for replacing court functionaries without clashing with the Constitution and to include nonjudges in judicial disciplinary committees.⁴³ Additionally, the Constitutional Court's stance restored some of its luster of independence. Some respected constitutional experts had felt the Court's independence had been compromised after Klaus became president and, following a drawn-out dispute with the Senate, set about appointing new Constitutional Court justices reportedly close to his political philosophy.

The Czech Republic continues to pay a high price for its slow judicial system, losing numerous cases in 2005 at the European Court of Human Rights (ECHR) in Strasbourg over the length of Czech court proceedings. Some individuals have

waited over a decade for decisions in business disputes; others have been illegally held in detention for extensive periods of time. For example, in April, the ECHR found that the Czech judicial system had breached the “reasonable time” requirement for not settling a fraud case lasting almost 12 years.⁴⁴ According to Ministry of Justice figures, restitution cases are the most problematic, lasting on average around 5 years, while criminal cases are handled the fastest: 275 days.⁴⁵ In general, while some areas continue to have significant backlogs—such as in commercial cases—the overall situation appears to be improving slowly. Laggard judges now face a greater likelihood of disciplinary action or even dismissal.

Although the public and much of the media continue to see the inefficiency of the judicial system as a direct result of too few judges, experts say this is an oversimplification. In fact, a Ministry of Justice report from 2004 concluded that the country actually has the highest per capita number of judges in the EU. The problem, says the ministry, lies in the departure of many compromised Communist-era judges in the 1990s and the subsequent abundance of unresolved cases from those years, including many complicated business and civil disputes. In addition, the courts move slowly because the lack of reform has meant that judges continue to perform many chores, including administrative work. As a result, statistics have shown that raising the number of judges has not dramatically shortened the length of court proceedings.⁴⁶ Once reform does arrive and judges manage to clear the backlog of old cases, there may very well be too many judges.⁴⁷

Some judges may be slow and others incompetent, but as a whole, the judiciary is considered largely free of corruption. However, in its 2005 annual report (released in October 2006), the BIS—the domestic intelligence agency—claimed that organized crime had infiltrated the judiciary. The BIS report stated that some lawyers and state attorneys were involved and that bribes to judges—especially at the district court level—were leading to lenient sentences. Both the Czech Bar Association and the Judges Union strongly protested the allegation of widespread corruption in the judicial sector.⁴⁸

Little progress was made in fulfilling the October 2005 agreements between the Ministry of Justice and the chairmen of the country’s highest courts that were designed to ease some of the major problems in the judiciary. The ministry had pledged to enshrine in law the position of court assistant, who would handle much of the courts’ administrative work, and also pledged to hire new judges and concentrate on sending them to understaffed regions. The deal also included a provision to quickly identify long-delayed cases. However, from the beginning legal analysts doubted whether these reforms would actually be implemented, since then-justice minister Pavel Neměc was fighting for his political survival (in the end, his Freedom Party did not win enough votes in the 2006 parliamentary elections to remain in the Parliament).

Still, the ČSSD-led government did sign off in June on the hiring of 550 new judicial employees—largely administrative help—but funds for salaries must still be found in the 2007 budget. President Klaus approved several dozen new judges in 2006, following up a successful 2005 in terms of new appointees. Another

positive development concerned the opening in October of a new judicial complex in Prague, built at a cost of 2.5 billion crowns (US\$114 million); the complex will house four district courts and state attorney's offices, easing the previously overcrowded conditions.⁴⁹

However, the country has dragged its heels in passing antidiscrimination legislation in line with the UN Convention and EU standards. The government finally approved the bill in December 2004, but it has since languished in the Parliament. Although an amendment to the labor code in 2001 mandated equal treatment for all employees, implementation lags as women remain underrepresented in senior positions and are paid less than men for similar jobs. No significant government measures have been undertaken to remedy these problems, and the bodies that do exist to combat discrimination remain powerless to do more than simply report it, according to a recent Open Society Institute report on equal opportunity. The report found lack of political will as a serious obstacle toward the promotion of gender equality.⁵⁰

The recent parliamentary elections only reaffirmed that political parties—except for the SZ—have little room at the top of their candidate lists for women in national elections or in party leadership positions. Overall, few women hold seats in the Parliament or attain other positions of political power. Only 2 of 18 ministers in the previous government were women, and there are no women regional governors. The country's first women's party—Equality—was officially registered in 2005, with the party's leaders describing as their main goal to increase the number of women in politics.

Discrimination against the Roma in employment and housing is also a serious problem, and a 2006 government report commissioned by the Ministry of Labor and Social Affairs described the troubling growth of Roma-inhabited ghettos. As the most in-depth study ever conducted on the topic, the report estimated that 80,000 Roma—roughly a third of the country's Roma population—live in these neighborhoods, with between 95 and 100 percent unemployment.⁵¹ The issue of Roma housing was again in the news in the fall after the KDU–ČSL mayor of the north Moravian city of Vsetín, Jiří Čunek, was elected senator based on his controversial record of moving hundreds of Roma out of the center of town and even to other parts of the country for nonpayment of rent. Čunek said he was only “removing an ulcer” from the town but denied that his statement referred to any one ethnic group. There are several bright spots, however. Fewer Roma children are being automatically sent to schools for the mentally handicapped, and many more are entering higher education, according to *Mladá Fronta Dnes*.

Corruption

1999	2001	2002	2003	2004	2005	2006	2007
3.25	3.75	3.75	3.50	3.50	3.50	3.50	3.50

Corruption is another area where gradual improvements are more a testament to the country's overall maturation than the result of concrete actions taken by the governing elite or the population at large. Ordinary people still complain about paying bribes or “giving gifts” in exchange for expediting services, as excessive regulation continues to plague parts of the public administration. Yet these are exceptions rather than the rule, and most people are able to conduct their daily lives without engaging in corrupt behavior.

Although few people encounter corruption directly, the perception of illegal activity, especially among the political elite, is widespread and escalating. That may be due partly to media and political exaggeration, but in 2006 the public continued to face countless examples of official wrongdoing at both national and local levels. Many view existing anticorruption measures as insufficient to dismantle the intricate web of connections between political and business elites. When asked in October 2006 what most bothered them in today's world, respondents in a Center for Research of Public Opinion poll said financial crime and corruption (29.4 percent), followed by unemployment (20.9 percent) and the political situation (16.4 percent).⁵²

Expert surveys carry similarly pessimistic views, such as the Transparency International Corruption Perceptions Index, which measures the perceived level of corruption among politicians and public officials. In the 2006 survey, the Czech Republic tied with Kuwait and Lithuania for 46th place (out of 163 countries), with a rating of 4.8 (10 indicates a country without corruption). Although a significant improvement over the 2005 rating of 4.3, it was still bad enough to rate the Czech Republic among EU countries with the worst levels of perceived corruption. In a press release announcing the new survey, the TIC cited several especially vulnerable areas—including the handling of public funds and state and municipal property and the penetration of organized crime into the public administration. The TIC blamed the situation on the failure of the political elite to put in place an effective system for lowering the level of corruption and increasing transparency.⁵³

A TIC report released in September 2006, for example, found a catastrophic situation in the area of public contracts. More than half were awarded in violation of the Law on Public Procurement, with public officials routinely choosing companies without holding tenders. Less than one-third—27 percent in 2005, 19 percent in 2004—of all recent public contracts were subject to open bidding, as officials had often taken advantage of a loophole in legislation that requires open tenders only for contracts of more than 2 million crowns (US\$91,000). In spite of protests by the TIC and other anticorruption advocates, the new Law on Public Procurement, which took effect in July 2006 increased the limit for construction projects to 6 million crowns (US\$284,800).⁵⁴

There have been some improvements of late, at least on paper. After years of stonewalling even in the face of widespread criticism, in 2006 the Parliament finally passed a much stronger conflict-of-interest bill that immediately faced criticism for not requiring asset declarations from the spouses of public officials covered by the law (that is, members of the government, parliamentarians, local government representatives, and others). Still, even most critics admitted the proposal was a step forward.⁵⁵ The law will become valid in 2007. New traffic legislation, which introduced a point system and stricter penalties, took effect over the summer and should lessen corruption among traffic police, who often accept bribes instead of applying fines. And in October, the short-term government of the ODS approved a new strategy in the fight against corruption for 2006–2011, based on prevention, transparency, and punishment, that has been praised by the TIC.

■ AUTHOR: JEREMY DRUKER

JEREMY DRUKER IS EXECUTIVE DIRECTOR AND EDITOR IN CHIEF OF TRANSITIONS ONLINE, AN INTERNET NEWSMAGAZINE COVERING CENTRAL AND EASTERN EUROPE, THE BALKANS, AND THE FORMER SOVIET UNION. ALICE DRUKEROVÁ, A FREELANCE JOURNALIST, ASSISTED IN THE RESEARCH FOR THIS REPORT.

-
- ¹ Jana Blažková, "Lack of Government Affects Schools and Patients," *Mladá Fronta Dnes*, October 12, 2006.
 - ² Miroslav Korecký, "Post-Election Morass, Month Five," *Týden*, October 23, 2006.
 - ³ "Czech Citizens Are for Greater Transparency in Party Financing, Concludes TIC Research," Transparency International–Czech Republic press statement, September 26, 2006.
 - ⁴ Czech News Agency, "CVVM: People Believe Bribes and Lobbying Most Influence Politicians," September 9, 2005.
 - ⁵ Oldřich Kužilek, "Parliament zasedá, bojte se o staky I hrdla," [Parliament Is Meeting, Fear for Your Property and Your Own Neck.] *Mladá Fronta Dnes*, October 13, 2006.
 - ⁶ Hana Čápková, "Anarchy in Parliament," *Respekt*, September 19–25, 2005.
 - ⁷ Oldřich Kužilek, "Parliament zasedá, bojte se o staky I hrdla," [Parliament Is Meeting, Fear for Your Property and Your Own Neck.] *Mladá Fronta Dnes*, October 13, 2006.
 - ⁸ Miroslav Korecký, "Post-Election Morass, Month Five," *Týden*, October 23, 2006.
 - ⁹ Tomáš Pavlíček, "The End of the Old Senate Times," *Respekt*, October 16–22, 2006.
 - ¹⁰ Czech News Agency, "Municipal Councils, Third of Senate to Arise from Upcoming Polls," October 20, 2006.
 - ¹¹ Tomáš Pavlíček, "The End of the Old Senate Times," *Respekt*, October 16–22, 2006.
 - ¹² Olga Málková, "To What End Is ODS's Victory," *Mladá Fronta Dnes*, October 30, 2006.
 - ¹³ Tomáš Menschik, "Za demokratičtější komunál," [For More Democratic Local Elections] *Týden*, no. 42.

- ¹⁴ Pavel Šaradín, “The Second Peak of the Civic Democrats,” *Mladá Fronta Dnes*, October 23, 2006.
- ¹⁵ Ivan Motýl, “Away with the Parties,” *Týden*, no. 43.
- ¹⁶ Czech News Agency, “Klaus Compared Nongovernmental Organizations to the Communists,” October 9, 2005.
- ¹⁷ The Information Centre of Non-profit Organizations *Report on the State of the Nonprofit Sector in the Czech Republic 2005*, <http://neziskovsky.cz/icn/o-nas/aktuality/2327.html>.
- ¹⁸ *Results of Research About Corporate Philanthropy*, Donors Forum, in cooperation with the AGNES NGO, www.donorsforum.cz/index.php?id=1054&kat=4&lang=.
- ¹⁹ Jaroslav Pašmik, “Report of a New Civilization,” *Respekt*, March 14–20, 2005.
- ²⁰ Naděžda Horáková, “Satisfaction with the Situation in Several Areas,” Center for Research of Public Opinion, September 5, 2005, www.cvvm.cas.cz/index.php?disp=zpravy&lang=0&r=1&s=&offset=&shw=100509.
- ²¹ Jakub Pokorný, “BIS Report: Judges Help the Mafia,” October 25, 2006.
- ²² Czech News Agency, “Extreme Right Marginalized in Czech Republic-Cakl,” October 30, 2006.
- ²³ Tomáš Pavlíček, “Thanks for Usama bin Filip,” *Respekt*, September 11–17, 2006.
- ²⁴ Dalibor Balšínek, “Editorial,” *Týden*, October 23, 2006.
- ²⁵ Marius Dragomir, “Prague Gets a New Daily, Digital TV Losers Sit Tight,” *Czech Business Weekly*, September 18, 2006.
- ²⁶ Czech News Agency, “Planned Bill Does Not Threaten Media’s Use of Hidden Camera—MP,” November 14, 2005.
- ²⁷ Czech News Agency, “Journalist Does Not Have to Disclose Information Source—Court,” September 27, 2005.
- ²⁸ Czech News Agency, “Gender News Agency Starts Work in Czech Republic,” September 20, 2006.
- ²⁹ Markéta Škodová, “Evaluating Information in the Media,” Center for Research of Public Opinion, November 6, 2006, http://www.cvvm.cas.cz/upl/zpravy/100612s_om61106.pdf.
- ³⁰ Marius Dragomir, “Public Broadcasters, Reform, and Political Signals,” *Czech Business Weekly*, July 24, 2006.
- ³¹ Marius Dragomir, “Prague Gets a New Daily, Digital TV Losers Sit Tight,” *Czech Business Weekly*, September 18, 2006.
- ³² Marius Dragomir, “Politicians Start to Get into the Picture over Allocation of Digital Television Licenses,” *Czech Business Weekly*, February 21, 2005.
- ³³ Marius Dragomir, “Prima’s Rescue?,” *Czech Business Weekly*, October 10, 2005.
- ³⁴ Czech News Agency, “Towns, Government Agree on Better Cooperation,” July 22, 2005.
- ³⁵ Czech News Agency, “Some Regions Do Nothing for Integration of Foreigners,” January 3, 2005.
- ³⁶ Tomáš Menschik, “Za demokratičtější komunál,” [For More Democratic Local Elections] *Týden*, no. 42.
- ³⁷ “Public Contracting in Construction Industry Greatly Suffers from Nontransparent Procedures; at the Municipal Level, Clientelism Prevails,” Transparency International—Czech Republic, November 1, 2005, www.transparency.cz/index.php?id=2796.
- ³⁸ Tomáš Menschik, “Za demokratičtější komunál,” [For More Democratic Local Elections] *Týden*, no. 42.
- ³⁹ *Pravo*, “Politicians Resist Giving NKÚ Control over Town Halls,” November 2, 2005.
- ⁴⁰ “Politician and Academic Agree: Law on Conflict of Interest for All Representatives,” statement of Bez Korupce alliance of NGOs working for a conflict-of-interest law, November 21, 2005, www.bezkorupce.cz/vypis_zpravy.php?id=2005112101.

- 41 Tomáš Pavlíček, “The End of the Old Senate Times,” *Respekt*, October 16–22, 2006.
- 42 Viliam Buchert, “Quicker courts? In Four to Six Years,” *Mladá Fronta Dnes*, October 16, 2006.
- 43 Ibid.
- 44 European Court of Human Rights press release, reported by noticias.info, April 19, 2006, www.noticias.info/asp/PrintingVersionNot.asp?NOT=168207.
- 45 Novinky.cz, “Before the Elections, Parties Promise More Efficient Judiciary,” April 13, 2006.
- 46 Václav Moravec, interview with Jaromír Jirsa, BBC, December 1, 2005.
- 47 Jaroslav Spurný, “2700 Angry Judges,” *Respekt*, March 21–27, 2005.
- 48 Czech News Agency, “Judges Want BIS to Explain Suspected Corruption in Judiciary,” October 25, 2006.
- 49 *Mladá Fronta Dnes*, “Comfort for the Public and for Judges,” October 31, 2006.
- 50 “Executive Summary for the Czech Republic,” pp. 61–66. *Equal Opportunities for Women and Men*, Open Society Institute Network Women’s Program, 2005, http://www.soros.org/initiatives/women/articles_publications/publications/equal_20050502/a_equal_20050502.pdf.
- 51 Rob Cameron, “New Study Shows Alarming Rise in Creation of Roma Ghettos,” September 14, 2006, Radio Praha.
- 52 Klára Procházková, “Comparison of Circumstances Today and Before 1989,” Center for Research of Public Opinion, November 11, 2006, http://www.cvvm.cas.cz/upl/zpravy/100614s_pd61109.pdf.
- 53 “Index CPI 2006: Czech Republic Remains Long-Term Among the Worst in Europe in Ranking of Perceived Corruption,” Transparency International–Czech Republic press statement, November 6, 2006.
- 54 “Only One-Third of Public Contracts Is Subject to Open Bidding Procedures,” Transparency International–Czech Republic press statement, September 20, 2006.
- 55 Sabina Slonková, “Conflict of Interests Passes Lower House Pruned,” *aktuálně.cz*, January 25, 2006.