

# Something Rotten in the State of Czechia?

SEAN HANLEY\*

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The Czech Republic has been in the news recently because of its politicians' somewhat quixotic campaign to rebrand the country to the world as 'Czechia' (The Guardian 2016). But among political scientists and businesspeople the country's name has long suffered worse damage than this.

Widely seen in the first decade after 1989 as a leading democratiser with high standards of governance overseen by a well-established set of West European-style political parties, the country has since acquired a reputation for engrained political graft and high level corruption, which has blemished its record of reform and modernisation.

In successive elections in 2010 and 2013, the established Czech party system collapsed like a house of cards as – as elsewhere in Central and Eastern Europe (Hanley, Sikk 2016) – voters turned to a diverse array of protest parties promising to address the country's ills by killing off political dinosaurs, fighting corruption and promoting direct democracy. Political scientists quickly spotted this electoral turbulence and the unusual new parties it gave rise to, but few stopped to wonder why and how earlier judgements of the Czech party system as an ersatz, but basically functional, equivalent of West European party politics had been off the mark.

Michal Klíma's new book *Od totality k defektní demokracii: Privatizace a kolonizace politických stran netransparentním byznysem* [From totalitarianism to defective democracy: the privatisation and colonisation of parties by non-transparent business] tackles this issue head-on, suggesting that rather than being a normal party system distorted by elements of corruption, the Czech Republic's post-1989 party-political settlement was a deeply corrupt system overlain with a facade of left – right competition. His book sets out to chronicle and explore how and why this evolved, drawing on a rich seam of Czech investigative journalism and focusing on the two principal pillars of the post-1989 party system: the centre-right Civic Democratic Party (ODS) and the Czech Social Democrats (ČSSD).

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\* UCL School of Slavonic and East European Studies, London, s.hanley@ucl.ac.uk.

## Regional 'godfathers'

By far the book's most impressive achievement is its careful reconstruction of the subversion and takeover of parties and party organisations at the regional level by 'godfathers' (kmotři). Far from providing an impetus for political and economic development, EU-mandated regionalisation and the oncoming stream of structural funds, managed by regional agencies and spent by regional authorities, triggered the takeover of party organisations by corrupt vested interests. Their usual *modus operandi* was the recruitment of fake or paid party members (in Czech political parlance so-called 'dead souls') which allowed the capture of first local, and then regional, party organisations and often opened up the way to national influence.

But the 'provincial godfathers' who brokered or bankrolled corrupt deals – typically owners of regional building, transport or security firms – were small fry compared to bigger national players who had made fortunes in the privatisations of the 1990s and their aftermath and exploited the opportunities offered by state-owned companies such as the electricity giant ČEZ. These bigger economic and political operators exercised influence on parties and politicians more directly at the national level through the corrupt 'lobbying' (lobbování) – the Czech word carries powerful overtones of sleaze – of politicians. This completed the second arm of a pincer movement on parties, hollowing them out and taking over from above as well as from below.

The upshot, Klíma concludes, is that the Czech Republic's much vaunted 'standard' model of party politics was – or quickly degenerated into – a Potemkin village where parties failed to fulfil their basic function of representing voters and formulating some vision of the public interest. They became instead tools of corrupt business groups.

Indeed, he suggests, this process went so far that these corrupted pseudo-parties were in reality a new form of 'anti-system' party, as threatening to liberal democracy in their own way as the ideologically extremist parties for whom this label is usually reserved. This was particularly the case given the ability of informal networks to use their control of parties and politicians to disable or capture law enforcement and monitoring institutions, such as the police, prosecutors and judiciary.

In sum, Klíma concludes that Czechia ended up with a 'clientelistic democracy' where 'although at first glance [there was] a democratically elected representative government, in reality the country was managed by an opaque grey zone of shady business and politics.' So fatally has the influence of corrupt business groups damaged the rule of law and negated democratic choice, he argues, that the country qualifies as what German political scientist Wolfgang Merkel (2004) termed a 'defective democracy', and more specifically, as a form of 'illiberal democracy'.

The most interesting question posed by Klíma, however, is whether such a hollow, captured and corrupt party-political mainstream is preparing the way for some form of full-blooded illiberalism or authoritarianism. There are some signs that it might. Few observers could have missed the brutal power-seeking logic of Czechia's first directly elected president, Miloš Zeman, when he attempted to bend the constitution by imposing a technocrat government over the heads of the country's political parties in 2013 (Hanley 2013). Zeman's plans were thwarted when parties managed to unite sufficiently to call early elections. But a surer footed or luckier politician than Zeman might have got away with an extended period of *de facto* presidential government.

The billionaire populist (and current Finance minister) Andrej Babiš, whose ANO movement came from nowhere to become the country's second biggest party in 2013, is another plausible-looking candidate to put Czechia on the road to democratic backsliding. He has electoral momentum,

and the unparalleled concentration of political, economic and media power in Mr Babiš's hands makes the labyrinthine informal networks of the 'regional godfathers' seem feeble by comparison.

## Dirty money and shady business

*Od totality k defektní demokracii* is a fascinating, thought-provoking and ground-breaking study which would certainly merit publication in English. It is possibly the first full length academic work on Czech party politics to foreground the question of how informal structures affect formal party politics, rather than relegating it to incidental remarks.

However, its thorough analysis of the enmeshing of formal representative institutions and informal socio-economic power structures sometimes begs more questions than it answers. Two issues in particular stand out.

The first is the question of where the money corruptly raked off in bribes, kickbacks and inflated, rigged tenders goes. In many of the cases detailed it seems to go straight into the pockets of the politicians and businessmen themselves, financing luxurious lifestyles, implausible personal fortunes and hard-to-explain property empires. Much less clear is if and how political parties take their cut – in other words, whether corruption feeds an electoral and political arms race driven by the politicians' need to fight expensive election campaigns, or whether it is simply about well-placed individuals and groups exploiting democratic politics for personal enrichment.

The second is the issue of who or what is pulling the strings and eating into party structures. The book refers throughout to the sphere of 'nontransparent' (netransparentní) business and businesspeople. However, in the end we learn little about the nature of these economic actors and how they fit into the wider political economy of the Czech Republic – beyond the fact that some have links to the criminal underworld or made earlier 'careers' in the late communist period as black market hard currency dealers (veksláři). Both these points underscore that political- or economic sociology, rather than just political science, may be needed to understand some of the strange transformations Czech parties have undergone.

## Clientelism vs. klientelismus

The book also offers a number of innovative comparative and theoretical ideas, often adapting the literature on models of democracy and party organisation to map the uncharted territory of informal power. But here the book is often less sure footed and less convincing than it might be. It is doubtful, for example, that developments in the Czech case really merit the elaboration of another new party type ('the clientelistic party model') in a field already overflowing with (often overlapping) models and typologies.

The idea that corrupted, hollowed-out parties can be seen as a new form of anti-system party is provocative, but ultimately seems to be an exercise in concept stretching: the problem seems more that hollow, corrupt parties have constituted the core of a flawed and dysfunctional democratic system rather than a threat to it. If corrupt vested interests and 'non-transparent' business are, as Klíma suggests at one point, parasitical on the democratic process, then like all good parasites they need to be careful not to kill their host.

Problematic too is that the book seemingly takes over the Czech journalistic notion of klientelismus as a loose umbrella term covering all manner of legal and illegal informal practices ranging from patronage and influence-peddling to forms of political corruption. In the political science literature however, 'clientelism' is usually understood more narrowly as politicians trading favours and 'selective benefits' with groups or individuals in exchange for electoral or political support, sometimes (historically) via extensive many-layered patron-client networks reaching down from elite level to the grassroots (Kitschelt, Wilkinson 2007).

While the trading of blocs of votes in the hollowed-out party organisations Klíma describes probably would qualify as clientelistic, much of the klientelismus reported seems in fact to be straightforward corrupt exchanges between businessmen and politicians. Moreover, as the book makes clear, most Czechs who cast votes do so on the basis of broad general assessments of what parties will do – viewed in terms of personal self-interest or some notion of the public good – and not in the expectation that they, their families or communities will get a direct pay-off in recompense in the form of jobs, spending or political favours.

Instead, Klíma suggests, corrupt politics has changed the party – voter relationship in a different way: the emergence of new anti-corruption parties in successive Czech elections, he argues, heralds a shift away from patterns of left-right voting to one where voters assess parties on the basis of their (perceived) corruption, competence and cleanness.

This is an intriguing and plausible idea, but one that perhaps runs ahead of available evidence. It is hard to rule out that the volatility of Czechia's 2010 and 2013 elections might simply be the prelude to a remaking of the party system along familiar lines with one time hard-to-place anti-establishment outsiders quickly slotting into familiar ideological roles – as has occurred in Poland and Slovakia.

## Where did it all go wrong?

When and why did the Czech experiment with building 'standard' West European-style parties go wrong? Klíma offers four basic explanations: 1) the weakness and lack of autonomy of political institutions given the baleful legacy of communism; 2) the weakness of civil society and the middle class as potential checks on political power; 3) the poor quality and lack of 'political culture' of the political class and 4) the tendency of the two main parties, the Civic Democrats (ODS) and Social Democrats (ČSSD) to collude, rather than compete, especially following the 1998–2002 'Opposition Agreement' pact they signed to allow a minority Social Democrat administration to take office, which also ushered in an era of ODS–ČSSD Grand Coalitions at the regional and city levels.

The first two points are textbook descriptions of post-communist politics and societies across Central and Eastern Europe. However, in the Czech context they pose the question of whether the country's democratic traditions and the legacies of bureaucratic autonomy handed down from the pre-communist era really counted that much. Was there in hindsight a certain inevitability about the implosion of the seemingly consolidated parties of 1990s?

Deficiency of elite 'political culture' is a concern frequently voiced by Czech writers. For outside observers it is a judgement that can seem pat and superficial. Anyone dipping into coverage of politics Australian (Wright 2015) or Irish style (Smyth 2014) will find yobbery and

unparliamentary language galore in these long established and successful democracies, which make the Czech parliament look sedate. But at a deeper level the usual Czech worries over 'political culture' tap into a concern – heightened by recent developments in Hungary and Poland – that, unpoliced and given the opportunity, many in Central and Eastern Europe's political class will not only steal, but will willingly sign up to an illiberal project if one comes along. In other words, that they are, to use the jargon, potentially 'disloyal elites'.

The fourth point relating to the Opposition Agreement is different in being both Czech-specific and putting the blame for democratic malaise less on a failure to overcome history or legacies of the communist past than on the dynamics of later party competition and the bad calls made by politicians in 1990s. It is argued that the ill-considered and cynical pact between the Civic Democrats and Social Democrats – although partly rooted in the difficulties of coalition building thrown up by the parliamentary presence of the 'uncoalitionable' Communist Party – shut down competition between the two main parties, giving the green light to corrupt mutual self-enrichment and leading to a 'parcelling out' of state agencies and companies between them.

This interpretation echoes both journalistic accounts of the period and academic research, which sees 'state exploitation' by Czech parties as stemming from a lack of 'robust competition' between them. However, it is not an uncontested view. Lubomír Kopeček's meticulously researched book on the Opposition Agreement (Kopeček 2015), for example, takes issue with the idea that it was a cartel-like 'hidden grand coalition' which tipped the country into a form of corrupt illiberal democracy.

Far from cementing a mutually beneficial oligopoly, he claims, after the two parties' joint project to introduce a majoritarian electoral system was torpedoed by the Czech Constitutional Court, they were often politically at each other's throats. Moreover, Kopeček questions what he terms the 'corruption myth' which makes the Opposition Agreement out to be the font of subsequent corrupt politics. While allowing that the Agreement saw a certain 'economisation of politics' (including the rise of 'regional 'godfathers'), in his view the pact merely exacerbated already well established trends.

Opportunities for corruption were opened up, Kopeček suggests, not by inter-party collusion by 'captured' parties but by the changes wrought by EU-mandated regionalisation (which took effect in 2000–2002) and the coming of EU structural funds (which would have occurred under any government). In this interpretation, it is the collision between party politics and Europeanisation, as well as parties' inability to manage a shifting economic landscape, which left them vulnerable to corruption.

## What is to be done?

In the final chapter, Klíma sketches a broad agenda for reform designed to renew Czech democracy and rescue the unloved but necessary institution of the political party, reforms that might be introduced through a Czech 'Constitutional Convention'.

Formal institutions of state including the civil service, the judiciary and the police, he suggests, need to be strengthened and made more independent by introducing longer terms for those heading public bodies and executive agencies and reducing the control elected politicians can exercise over them. References to an allegedly oversized Czech public sector and a nod towards

Fareed Zakaria's argument that liberal constitutionalism should take precedence over democratic majorities where the two are in conflict hints that politicians' power might be cut back through some form of radical marketisation of public service delivery.

What is less clear, however, is how such reforms could be delivered in practice politically and why efforts at the re-regulation of parties and political power might not misfire in the same way as earlier reforms. One answer may be that they could occur as a 'Big Bang' package – a concept influential in anti-corruption policy studies (Rothstein 2011). Klíma himself draws a parallel with emergency reforms of banking systems in some countries at the height of the 2008–2009 Recession.

A Constitutional Convention in any literal sense would require a degree of inter-party consensus (or degree of social and political crisis) that seems unlikely to occur. However, Klíma's appeal for a Czech Madisonian moment might best be taken more metaphorically as a call for concerted and co-ordinated reform. In either scenario, however, it is a little unclear what political or social forces might deliver the deep and far-reaching change envisaged.

The burgeoning anticorruption parties that emerged in both 2010 and 2013 have, as Klíma ably shows, either been extremist or themselves the creatures of business interests. In an echo of Václav Havel, the book also suggests that civil society needs to be re-energised so it can hold parties and politicians to account and that the impetus for anticorruption comes from the frustrated Czech middle classes. However, it is hard to see quite what form such civic control might take, although the angry mass protests in Slovakia and Bulgaria in 2012 and 2013–2014 are mentioned, as is the Ukrainian Maidan Revolution.

Some of the proposed political reforms also seem shot through with potential unintended consequences. Any effort to roll back the frontiers of political corruption through market reform of the public sector, for example, would need to face up to the fact that poorly regulated free markets lie at the origin of many of the Czech Republic's current problems.

And, as the experience of nearby Hungary shows, in the wrong hands entrenching top officials with long terms of office can be a tool for building a corrupt, partisan illiberal democracy, rather than enhancing the independence of state institutions.

Moreover, even if genuinely neutral technocratic experts and institutions can be put in place, this may raise additional questions about democratic governance and party government. As Peter Mair famously noted, increasing resort to expert decision-making and non-majoritarian institutions in Western European democracies has tended to further hollow out political parties rather than revitalising them (Mair 2013).

In some ways, in the already hollow Czech context, this might not matter. In the book's conclusion, Klíma argues (realistically in my view) that the era of large membership-based parties, even on the modest scale that Czech politicians conceived of in the 1990s, has passed. Expressing scepticism about quick-fix reforms such as changes to the electoral system, Klíma suggests, that although parties will be a central part of the future Czech democratic architecture – they are, after all, mentioned in the Constitution – they will, like it or not, be organisationally small, elite creations far removed from the socially rooted, internally democratic membership organisations envisaged in Czech party law.

Proposed reforms to make parties more centralised and introduce waiting times and screening for new members – measures some Czech parties have already taken up – seem to recognise these realities and to push parties further in this direction, as do the suggestions that parties should be more open at the elite level to allow the recruitment of wider range of candidates from

non-political backgrounds (a practice already tried – or supposedly tried – by a range of Czech political groupings over the years).

## Reasons to be cheerful?

Although ending on a call to arms, the underlying tone of *Od totality k defektní demokracii* is one of pessimism. This is perhaps to be expected in a book which for the first time systematically probes the seamier, informal side of Czech party politics.

But to an extent its diagnosis and its pessimism may be overstated – or rather misdated. Much of its analysis describes a party system which has now disintegrated, having largely melted down in the ‘earthquake elections’ of 2010 and 2013. Czech voters themselves came to similar conclusions to those presented in the book about the corruption and clientelism of established parties. They then had little compunction – and little difficulty – in ‘throwing the rascals out’ and turning to the new parties. The groundswell of public and media demand for more effective investigation of corruption cases also seems to have led the Civic Democrat-led coalition of 2010–2013 to free the hands of police and prosecutors, paving the way for their destruction amid police raids and scandal.

‘Clientelistic democracy’ is, moreover, not a contradiction in terms. Clientelism has historically often proven a rather effective way of organising parties and linking parties to voters, easily co-existing with elements of ‘normal’ ideological or class-based competition.

Even in the Czech context there is the uncomfortable, but quite conceivable possibility – characteristically voiced by Václav Klaus – that klientelismus might have been functional, even necessary, for Czech party democracy, co-ordinating and bringing predictability and stability to the mass of shell-like district organisations which made up the country’s two biggest parties. While eating away at Czech party democracy in the long-term, the ‘regional godfathers’ may have propped it up in the short term.

Overall, this suggests that Czechia’s democracy is more flawed than ‘defective’ (in Wolfgang Merkel’s sense of the term) – with its biggest and most underlying flaw being the weakness of civil society as a mechanism of horizontal accountability – rather than the total subversion of democratic competition or the collapse of the rule of law.

This is, of course, not to say that everything in the garden is rosy. If corrupt vested interests have privileged, covert access to political decision-makers and democratic choice appears a facade, representation and – correspondingly – the legitimacy of the democratic system can only be damaged in the eyes of citizens.

Public goods, from hospitals to motorways to armoured personnel carriers, will also be more expensive and of poorer quality; and citizens will find themselves paying higher taxes if corrupt insiders can skew public policy outcomes to their own advantage. Corruption is not a good thing.

But, the damage done so far is more to policy-making and the quality of democracy than to the democratic system itself and does not signal that regression into a diminished sub-type of illiberal democracy is under way. As recent exposés of the role of the super-rich in US politics underline, the power of social elites and special interests, especially big business, to suborn elected representatives is hardly unknown in the oldest and most advanced democracies, even if in Czechia the equivalent phenomena take particularly corrupt forms.



Faced with widespread (talk of) political corruption, disillusioned citizens in Central Europe withdraw from an already hollowed out, low-participation system or turn to a variety of unstable, elite-dominated protest parties, often themselves vehicles for business interests posing as defenders of the public interest. It remains an open question whether – and in what measure – these changes are a bane or boon.

In the Czech case much will depend on the political future of Andrej Babiš and his movement. These are, as Klíma astutely notes, ambiguous phenomena. Babiš is not quite the cartoon villain some have portrayed and his movement reflects a genuine demand for good governance (Hanley 2015). In government it has pushed reforms in the direction of strengthening the independence of state institutions and greater transparency.

On the other hand, it presents us with the spectacle of a top-down, privately owned party, whose grassroots seems to consist of lovingly maintained Astroturf and whose billionaire leader-proprietor personifies the fusion of economic, media and political power.

Periodically dismantling corruptly captured political machines and reining in the influence of big money in politics might thus be a part of the ebb and flow of democratic development, rather than the first slip in a long slide into illiberalism or authoritarianism. But, especially in post-communist Central Europe, even where there is ‘only’ corruption, rather than the illiberal ruling parties seen in Hungary or Poland, there is nothing to guarantee that such a slide cannot take.

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