



# The Czech Republic Review

**Background of the Czech Politics  
Volume 1, Number 1, September 2012**

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## Power positions of Finance Minister Miroslav Kalousek

Author: CBAP/CSAP

Finance Minister Miroslav Kalousek is often perceived as a “grey eminence” of Czech politics. However, several corruption scandals leaked to the public in the last months have theoretically endangered his position of power inside the Czech government:

► The main strike against him and his circle of friends and protégés was the corruption scandals concerning former defense ministers Martin Barták (2009-2010) and Vlasta Parkanová (2007-2009). Nevertheless, we have to distinguish nuances between these causes and its background.

► Kalousek turned public attention to himself thanks to his fierce defense of Ms. Parkanová. Many questions have been also raised about the reasons for his involvement in an overpriced military transport airplanes CASA purchase. His behavior is suspicious mainly if we take into consideration his phone calls to high-ranking state officials, who later complained about the direct pressure and possible intention to influence them.

► Another dimension of the scandal can be seen in the speculations about the role of the state arms export company Omnipol. The firm is very closely related to Kalousek's friend Richard Hava, who has divided his Omnipol stocks equally between his two sons.

► The decisive defense of Parkanová was probably Kalousek's effort to show his friends in the system of personal ties and business interests that there are no worries about prosecution if something unpleasant occurs. He tried to avoid leaving a trail of informal personal networks of his protégés, who influence both Czech politics and business.

► One of the possible reasons for public disclosure of corruption cases can be found in the process of the emancipation of the Czech

law enforcement structures from political pressure and influence (especially if we talk about the police and the public prosecutor's office). These structures are getting their own autonomy and singled out of political control. Until now, they have held a more or less artificial passive approach, which is now transforming into a more proactive form of prosecutions. These emancipation efforts can be qualified as a “thorn in the eye” for many influential political structures and individuals, who are afraid of possible charges and/or trials. Those people were quite satisfied with the previous informal subordination of the law enforcement forces to the political will and their position in the system.

► Who has actually initiated the first steps and allowed state officials to prosecute corruption scandals (not necessarily connected to only Kalousek and friends) is an unanswered mystery. Thanks to the previously mentioned emancipation of the law enforcement institutions, the initiator of the lead could be anybody, even someone from the police or public prosecutor's structure. This fact can be perceived as a threat to high-ranking politicians, especially those who were involved in previous governments (all former and current ruling political parties have enriched themselves on arms sales and purchases). On the basis of this argument we can assume that all politicians from all political parties could feel threatened by possible consequences in the form of prosecution. Therefore, it is in their own interest not to open a “Pandora's box” of army tenders and to pretend the problem does not exist.

► These assumptions have a rational core that can lead us to the fact that the law enforcement institutions might have the right motivation stimulus for the initiation of prosecution. There were some minor speculations about the animosities between Kalousek and Public Affairs party leader Vít Bárta; however, Bárta has little or no influence over the ongoing political processes nowadays. Although Bárta allegedly disposes of some compromising materials about influential politicians, he stands behind and his role as a politically active player is near the end.

► The case of former Defense Minister Martin Barták is less interesting due to political connotations that are mostly irrelevant nowadays. At the moment, Barták has suddenly found himself out of politics and it's clear that nobody will stand in his defense. The evolution of the corruption case of Tatra (arrest of Ronald Adams, director of Tatra company in August for offering a bribe to Barták) shows Barták's last act of defiance in an effort to turn the events in favour for him. We can assume that the turnabout is not very plausible which can be supported also by the fact that nobody with real influence tries to show support for him. According to one source, Barták was "a man to do the dirty job", who sometimes crossed the line and found himself outside political influence. His cause is interesting from the media or criminal law point of view, but not from a political one.

► Barták is not a typical "Kalousek protégé" like, for example, Parkanová (it's said she allegedly even didn't know what she had signed). He was a much stronger political figure and became defense minister due to former Prime-Minister Topolánek's patronage.

► The finance minister plays its role during the current government crisis (see more below), but not the decisive one. He understands that the crisis is mainly an internal affair of the ODS party. We can assume that Kalousek mainly seeks to control the information system – it is known that ODS deputy-chairman Ivan Fuksa has very close ties to Kalousek and informs him about everything that happens inside the party. An internal crisis in ODS is definitely beneficial to Kalousek, because it shadows internal conflicts of "his" TOP 09 party with STAN (Mayors and Independents).

*The analysis is also available in the Czech language.*

## Relations between TOP 09 and STAN

Author: CBAP/CSAP

The TOP 09 party (informally led by Miroslav Kalousek) finds itself in increasingly complicated relations with STAN (Mayors and Independents) – an independent political party, which signed a coalition agreement with TOP 09, and a political grouping of comparatively popular politicians at the local level (mayors of small cities):

► Allegedly, there are some tensions between Kalousek and the most influential member of STAN, deputy chairman Stanislav Polčák.

► Also, STAN feels that the rising unpopularity of Kalousek will take STAN down with him.

► The autumn local elections (12. - 13. October) will decide the future fate of their coexistence and will be the key indicator of a contract extension with TOP 09 for one more year. Meanwhile, STAN is very carefully monitoring the situation and is considering leaving TOP 09 and joining the Christian Democrats (KDU-ČSL), who now have a greater opportunity to re-enter the Czech Parliament after failing to overcome the 5 % threshold in 2010, should early parliamentary elections occur. Still, there are rather justified hopes for good TOP 09 results in local elections and in this case mutual cooperation will carry on.

*The analysis is also available in the Czech language.*

## Removal of Police President Petr Lessy

Author: CBAP/CSAP

The removal of the police president at the end of August was another important event in the last weeks:

► Personal conflicts with Interior Minister Jan Kubice lie at the center of Lessy's removal. Vít Bárta, the boss of Public affairs party, lobbied for Lessy's appointment to the head of Czech police (he was appointed in January 2011), but Lessy was not Bárta's puppet, who did whatever Bárta said.

► As soon as the smallest party of the ruling coalition Public Affairs had weakened its influence, Lessy started to gain legitimacy in this position by his defense of police against attacks and complaints regarding police activities in sensitive causes.

► Minister Kubice as part of this game can be perceived as an independent figure that is relatively independent, not considering the wide political context and pressure from particular political groups. On the other hand, he used the loss of Lessy's political support for his personal settlement of certain accounts (which infuriated President Václav Klaus, who in some cases supported Bárta).

► The new police president Martin Červíček will be not able to "keep police on a leash" and hold them to a role of passive spectators of various scandals and criminal cases, given the mentioned emancipation of law enforcement structures and the presence of young and ambitious persons at the head of police forces.

*The analysis is also available in the Czech language.*

## Political crisis inside ODS and the possibility of early parliamentary elections

Author: CBAP/CSAP

The long-term substance of Czech politics is not characterized by the absence of firm coalition ties between particular political groups or parties, but rather situational coalitions, formed on the base of common interests inside and across political parties.

The ODS (Civic Democratic Party; the main part of the current ruling coalition) is not a united party, but rather a conglomerate of regional interests (but with no absolute validity). Evolution inside ODS came to a serious internal crisis with reasons connected to:

a) The dissatisfaction of President Václav Klaus with Prime-Minister Petr Nečas. Klaus' motivation to influence affairs in the ODS is, according to some sources, led by his efforts to control the current political process due to his personal ambitions and desire "to shuffle the political cards" for the last time and settle accounts with his political rivals. With regards to the forthcoming end of his presidential term, some conflicts with politicians, who stopped taking his decisions seriously, began to rise in spring 2012. This especially applies to his disputes with Minister of Foreign Affairs Karel Schwarzenberg over an ambassador's appointment (for example, the minister's refusal to appoint Jindřich Forejt as ambassador to the Vatican).

b) A group of Nečas opponents inside ODS is led by influential Petr Tluchoř. This group is formed by more than six deputies, who refused to vote for the adoption of Nečas' legislative package for raising taxes. The strength of dissatisfaction with Nečas will take shape at the autumn ODS congress, which also serves as a perfect opportunity to oust Nečas from party leadership. The campaign against Nečas has no substantive or ideological content (with maybe the exception of Klaus). Many people in ODS are dissatisfied with Nečas, because he has caused a lot of personal animosities and his opponents have simply waited for an opportunity for his removal. This opportunity was offered by the aforementioned tax package (draft for rising Value Added Taxes etc.), which Nečas sought to enforce in Parliament at the beginning of September. Some indications about possible negotiations between opponents of Nečas have been leaked, but they may be a "smokescreen" prepared to look constructive in order to prevent the loss of opponent's support among party members. Nečas has tried to find followers using his opponent's

defamation and their efforts to cause the government to fall, harming the party before very important local elections, in which he reached limited success.

*The analysis is also available in the Czech language.*

## Scenarios for future political development in the Czech Republic

Author: CBAP/CSAP

The possibility of the government falling (and early parliamentary elections) is relatively high for several reasons:

► According to some sources, President Václav Klaus is ready to participate in a government fall and now it's very difficult to assess the Prime-Minister's chances of political survival.

► Nečas' opponents are of course afraid of early parliamentary election results, but on the other hand, they are aware of low pre-election preferences and an unfavorable situation in general, which will not dramatically change until 2014.

► Early parliamentary election is not the only option – the second one is a minority government, with the support of social democrats, or the creation of a new government by somebody else than Nečas (after an agreement with Klaus).

The new candidate for ODS leader is current Minister for Trade and Industry Martin Kuba, who is very inclined to support business development with non-EU countries, especially Russia. Moreover, Russian trade interests are very well represented in the Czech Republic, for example by Vladimir Yermakov, chairman of Russo-Czech Trade Chamber presidium and General Director of Vemex (Gazprom subsidiary). Martin Kuba is supposed to be ready to take the leadership of the party. As for government officials from ODS, he is allegedly the most competent and strongest player with significant political potential. The call for early parliamentary elections (if they are held) could occur in spring 2013, when the presidential election will take place. Early parliamentary elections would be also beneficial for the Russian Federation, especially because of the chance of success for the left-wing Party of Civic Rights - Zemanovci (SPO), closely tied to Russian oil company Lukoil. In spring 2013, SPO would probably get into Parliament thanks to its broad media presentation and general dissatisfaction with the right-wing government. On the other it is possible to assume that the high-profiled party activities in public have only a short-term effect and could be exhausted by 2014. Therefore, SPO has a unique opportunity to capitalize its political potential in short term horizon, but not in two years, middle-range period.

*The analysis is also available in the Czech language.*

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