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Who Is Afraid Of Vaclav Klaus ?  
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**Who Is Afraid Of Vaclav Klaus ?**

The Czech republic has joined the democratic camp for good. As happens in most of the developed, democratic countries its leading party, the ODS (Civic Democratic Party), the largest of the ruling coalition partners, has been accused of accepting an electoral financial gift and of possession of a secret bank account in Switzerland. Prime Minister Vaclav Klaus resigned on 30 November after several months of debates and quarrels not only among the ruling coalition partners but also within the individual coalition parties (1). Public criticism from president Havel was the proverbial final straw. The Prime Minister could hardly ignore it, especially after two previous financial scandals in which he was not directly involved but originally supported the wrong side. He is now designated by the President as the care-taker Prime Minister, probably until elections in early 1998.

The Czech Republic is now entering a difficult period of rough political squabbling and at the same time facing the possible slow disappearance from the political scene of the highly respected ailing president Havel. The present problems in Prague are amplified by local commentators who appear to assume that:

- the Velvet Revolution of 1989,
- smooth post-communist political reforms,
- a reasonably smooth economic transition to a free market,
- the exceptionally peaceful Velvet Divorce with Slovakia (2) and
- the political longevity of Prime Minister Klaus (3)

have made their country immune from political back stabbings, and various tasteless political scandals much in evidence in all democracies. The yearning for imposing, political statesmen, after decades of the rule of the communist gray men is still very strong in Central Europe and the Czech Republic is no exception. Any failings, perceived or real, by contemporary democratically elected politicians, are frequently exaggerated by the local media and are regarded by the concerned voters as systemic problems of democracy rather than as failings of the individuals concerned.

There is no doubt that continuous political infighting among the coalition partners and various financial irregularities do not enhance Prague's credibility among its partners and yet:

- the Democratic Party in the US has problems with financial donations not dissimilar to those of the ODS,

- the ruling British Labour party and their Conservative predecessors accepted political donations from highly controversial quarters,

- the financial irregularities in the Belgian Socialist Flemish Party shook not only the Belgian

political establishment but resulted in the resignation of the previous Secretary General of NATO, the former leader of that party,

- the previous Socialist government in Spain was riddled with various financial controversies,

- the former Irish Prime Minister accepted very generous gifts from one of the more devoted taxpayers (4).

This should reassure the Czech voters that they are not alone. Even the "gift" to the ODS was a paltry 7.5m Kc, i.e. less than €150,000, a small donation by any standards. The present problems facing the Czech Republic are relatively minor considering its economic, social, ethnic stability and good neighbourly relations. It is not so much the problems as the way the Czech politicians deal with them which will be of interest to its NATO allies.

At the moment nothing suggests that the members of the coalition are willing to bury their numerous hatchets. Even if they were to do so, the voters, weary of the constant infighting, could punish them by electing their Socio-Democratic opponents. It is also difficult to imagine that Vaclav Klaus would be able to work with people who, whatever their reasons, manifestly betrayed him. A new leader of the same coalition would probably have similar problems to those faced by his predecessor. The opposition Czech Social Democratic Party (CSSD) can calmly watch from the sidelines their opponents' selfmutilation. Unlike their Polish and Hungarian left-of-centre counterparts the CSSD have no communist-era skeletons rattling in their cupboards and have no reasons to be ashamed of their past.

The Czech voters could decide also that, although the track record of the present coalition is not bad, the country deserved "capitalism with a human face". This appears to be the latest message from the highly popular and respected President Havel, whose idealistic vision of what the modern Czech Republic should represent occasionally clashes with reality (5).

Although Vaclav Klaus has stated already that his participation in the new government is "inconceivable" (6) it is difficult to imagine that this efficient and still popular politician will

retire from politics if given a mandate by the voters. He has already announced that he will stand again for the post of ODS chairman at the party congress in mid December (7). His task is not easy. His considerable talents and good looks, of which he seems to be very aware, are not matched by his modesty or tolerance of those he disagrees with. If the investigation into ODS funding uncovers that Vaclav Klaus knew, or should have known, about any controversial financial donations to the ODS, he might be forced to undergo a political hibernation for some time. If however he is cleared by the investigators, his position would be strengthened and the accusers in his own party would find themselves in an unenviable position.

Vaclav Klaus is also not very popular with the Czech journalists, although many of them admire him grudgingly. He will certainly be a target for sniping by free but occasionally highly partisan sections of the Czech media. The latest, unsubstantiated accusation of TV Nova that the Prime Minister has a house in Switzerland, a dirty tricks campaign waged against him before the 96 elections by one of the papers (8) and the lack of defamation laws in the Republic may make him vulnerable.

As the father of Czech privatisation Klaus acquired some very powerful enemies and some supporters he could do without. Various large investment funds, supported by the state banks, operate with money of sometimes unspecified origin and are controlled on occasions by businessmen of dubious reputations. Some of them will probably use the present political crisis to commit various, even violent, transgressions and it is by the way they will be dealt with that the Czech Republic will be judged by its military and economic partners.

The return to power of the right of centre coalition would help the country only if the politicians concerned stop fighting each other. A victory of the opposition, left of centre CSSD would be no different than a victory of any left wing party in Western Europe. As long as Vaclav Havel is the master of Hradcany Castle, every Czech Prime Minister will have to tread carefully. The president's most powerful weapons are not only his politically unblemished past and present but also Article 62 of the Constitution of the Czech Republic which gives him, among other things the right to appoint and dismiss the premier and other members of the government, to convene and dismiss the Chamber of Deputies and to "entrust the government whose resignation he has accepted or which he has dismissed with discharging its functions temporarily until a new government is appointed". The future use of such powers by less statesmanlike successors will be the measure of how mature Czech democracy really is.

#### Endnotes

(1) The ruling coalition consisted of:

- the Civic Democratic Party (ODS)
- the Christian Democratic Alliance (ODA)
- the Christian Democratic Union - Czechoslovak People's Party (KDU-CSL).

(2) The Czecho-Slovak split was smooth but at the same time alleviated many Czech socio-economic headaches from which Slovakia is still suffering.

(3) CV at Annexe I.

(4) The author is aware of the fact that level of controversy of the above examples varies considerably and that some of them were politically controversial rather than illegal.

(5) The concept of "socialism with human face" was born during the Prague Spring of 1968 and was buried for good by the Warsaw Pact invasion. However, the free-market economy, a.k.a capitalism, was very frequently seen by the inhabitants of Central and East Europe, fed up with communism, through rose-tinted glasses. After 1989 they discovered that the human face of capitalism was human but not as pretty or compassionate as expected. Many critics of the methods and the speed with which the Czech privatisation has been conducted express their understandable worries about its consequences. None of them, including President Havel, offer long term economic alternatives.

(6) Czech radio 2 December, BBC Summary of World Broadcasts (SWB), EE/3039/ C/1 4 December 1997).

(7) Czech Radio 3rd December 1997 BBC SWB, EE/3039/ C/1, 4 December 1997.

(8) Before the elections of 96 Klaus was the target of a smear campaign by the daily "Prace" whose owner decided to "punish" the Prime Minister for the lack of support for his entrepreneurial endeavours.

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## CV ANNEXE I

Surname: Klaus

Name: Vaclav

Date of birth: 19 April 1941

Place of Birth: Prague

Present position: Prime Minister caretaker.

Chairman of the Civic Democratic Party.

Previous posts: 1965 - 70 - Worked in the Economic

Institute of the Czechoslovak Academy of Science.

1966 - Postgraduate economic studies in Italy (Naples).

1969 - Short term work at Cornell University, USA.

1971 - 87 - Worked in the Czechoslovak National Bank in various positions.

1987 - 89 -University lecturer.

1989 - Minister of finance of Czechoslovakia.

1989 - 90- In the leadership of the Civic Forum.

1990 - 91- Chairman of the Civic Forum.

1991 - Chairman of the Civic Democratic Party.

1992 - 97 (November) Prime Minister of the Czech Republic.

Married in 1968 Livia Mistinova. They have two sons. Hobbies - skiing, volleyball, tennis. Author of numerous articles, mainly on economic subjects.