

RECONSTRUCTION OF THE STATE

Reconstruction of the State is a joint program of politicians, citizens, members of civil society and the business community, who wish to live in a country where success is achieved by fair play, where breaking the rules does not pay off, and where the law applies equally to all. The program was initiated by renowned anti-corruption organizations, and is headed by Frank Bold (formerly Environmental Law Service), Transparency International – Czech Republic, and Oživení.

What we want

We want the Czech Republic to be a good place to do business and live in, a place where citizens decide on common issues in elections and continue to have their say in the public debate, and where political representatives serve public—not private—interests.

Reconstruction of the State is a joint program of reducing systemic political corruption that is seriously threatening the legitimacy of the current democratic system. In this joint project we promote and push for laws and measures that will prevent the illicit financing of political parties, the misuse of public funds, easy money laundering, and political interventions in police investigations.

How to achieve this

The aim of Reconstruction of the State is to give anti-corruption reforms in the Czech Republic a new impetus and to adopt 9 key anti-corruption laws. These have been selected and prepared by our experts in cooperation with partners from the business sector and academia. Many of the current deputies and senators have already publicly express their support, others can still join the project by signing the pledge of support for Reconstruction of the State.

The project also involves active citizens—“ambassadors” of Reconstruction of the State—who directly communicate with politicians, asking them to support the proposed anti-corruption laws. Before the snap parliamentary elections in October 2013, we put extraordinarily strong public pressure on candidates. This focused pressure resulted in having more than 1500 pledge signatories, out of whom 165 are now in the new Parliament. We will now monitor their voting activities and other relevant actions, informing the media and the public about how individual politicians are keeping their election promises to fight corruption.

Why should this interest you?

The current situation in the Czech Republic needs to change. We offer a well thought-out and realistic plan, which we have the capacity to implement without dropping it after a few months. We have spent over a year preparing the project and we have gained support from the most important anti-corruption organizations and a number of experts, including some key political allies. Our legislative proposals are grounded in quality research and the analysis of good practices from other countries. We are familiar with the background of the legislative process, and are therefore able to plan our activities in such a way that we adequately respond to the events in the Parliament.

9 zákonů,
které nám 20 let chybí.

rekonstrukce
státu 

JOIN US – BECOME A PARTNER OF RECONSTRUCTION OF THE STATE

Depending on your resources and interest, you can join and support Reconstruction of the State with your name or logo, expertise, finances, information, advertisement, advice, feedback, contacts, and/or recommendations. You may:

- **Become a partner:** Give your official public support to the project.
- **Become a donor:** Support us financially, materially or with your services.
- **Help with promotion:** Share information about the ambitious yet realistic plan to eliminate systemic political corruption in the country and become a messenger of good news.
- **Involve more partners:** Contact your business partners and friends and tell them about the project. Turn them into supporters of Reconstruction of the State.
- **Become an ambassador:** Help us involve more politicians, businesses and people from your community.
- **Help with lobbying:** Take an active part in pushing for any of the proposed laws among the members of the Parliament.

If you want to become a partner of the project, please contact Michala Chatrna at michala.chatrna@frankbold.org, +420 734 202 664.

Organizations participating in the Reconstruction of the State project:



Coordination and financing of the project is secured by Frank Bold.

The project is financially supported by:



Other supporters include for example: Jan Barta, Delikommat, Libor Winkler, Václav Dejčmar, Y Soft, KPMG, EuroWAG, Radiocom, Unimex Group, Student Agency and others.

PARTICIPATING EXPERTS

INTERNAL EXPERTS:

Project guarantors:

- Mgr. Pavel Franc (Director of Frank Bold, formerly Environmental Law Service)
- David Ondráčka, M.A. (Director of Transparency International – Czech Republic)
- Mgr. Martin Kameník (Chairman of Oživení, o. s.)

Expert areas guarantors:

- Mgr. Martin Fadrný (Frank Bold): řízení obchodních společností ovládaných státem
- JUDr. Petra Humlíčková, Ph.D. (Právnická fakulta UK): transparentní legislativní proces
- PhDr. Jiří Fiala (Naši Politici): analýza klientelistických sítí
- Mgr. Martin Kameník (Oživení): zadávání veřejných zakázek
- Janusz Konieczny (Nadační fond proti korupci): anonymní vlastnictví dodavatelů veřejného sektoru
- Mgr. Magdaléna Klimešová (Frank Bold, ISS FSV UK): financování politických stran
- Mgr. Lenka Petráková (Oživení): odpovědnost a nezávislost veřejné správy
- Jan Kotecký (Oživení): samosprávy
- Ing. Mgr. Oldřich Kužílek (Otevřená společnost): svobodný přístup k informacím
- Mgr. Radka Pavlišová (Transparency International): nezávislost justice
- Stanislav Beránek (Transparency International): policie a organizovaný zločin
- PhDr. Ing. Jiří Skuhrovec (Centrum aplikované ekonomie): datová analýza veřejných zakázek

EXTERNAL EXPERTS:

- prof. PhDr. Vladimíra Dvořáková, CSc. (Vysoká škola ekonomická)
 - prof. JUDr. Aleš Gerloch, CSc. (Právnická fakulta Univerzity Karlovy)
 - PhDr. Zdeněk Kudrna PhD. (Universität Wien)
 - Dr. Ing. Vratislav Kulhánek (Industrial Advisors)
 - Ing. Jan Procházka (EGAP)
 - Ing. Miroslav Zámečník (Boston Venture CE)
 - Mgr. František Korbek, PhD. (Havel, Holásek & Partners)
 - Doc. JUDr. Jan Kysela, PhD. (Právnická fakulta Univerzity Karlovy v Praze)
 - prof. PhDr. Martin Potůček, CSc. MSc. (Centrum pro sociální a ekonomické studie FSV UK)
 - Michael L. Smith, Ph.D. (Sociologický ústav Akademie věd ČR)
 - PhDr. Ing. Jana Gutierrez Chvalková (EEIP, Institut ekonomických studií FSV UK)
 - Doc. Ing. Jan Pavel, Ph.D. (Vysoká škola ekonomická)
 - JUDr. Ivan Přikryl (bývalý ředitel Úřadu vlády)
 - PhDr. Karel B. Müller, Ph.D. (Vysoká škola ekonomická)
- and others

9 LAWS OF RECONSTRUCTION OF THE STATE

1. Transparent financing of political parties and election campaigns

Political parties and election campaigns in the Czech Republic are financed by state contributions and by donations from people and businesses. However, even some senior politicians themselves admit that the parties are often financed via the so-called “tunneling” of public procurement, EU subsidies, or the “buying” of political decisions. The true origin of the money is usually not possible to track down, due to the lack of rules for party financing. If the parties have to operate in a transparent way, it will make the illicit financing of their activities and election campaigns more difficult.

2. Electronic declarations of assets on taking up an office

Declarations of assets will ensure that people who make decisions about the expenditure of public funds will not be able to get inexplicably rich while holding their positions. Czech politicians already have a duty to fill out a declaration of assets; however, it is a mere formality—handwritten declarations are often illegible and the law does not specify an explicit obligation to report shares in companies, which is a widespread form of bribery. In addition, politicians report only the assets they have acquired during the time of their service in office, so there is a complete lack of comparison with the original situation. This leaves the playing field open to a variety of tricks and it is practically impossible to verify whether the declaration is legitimate.

3. Contracts on the Internet

There is no reason for not making all contracts of the state and public institutions easily accessible to everyone—it is the best prevention of overpriced contracts, unnecessary purchases or unprofitable sales of assets. Although citizens can now request these contracts through the freedom of information law, the requests are often declined with reference to trade secrets, or on other pretexts. This simplest and most effective measure has already been implemented in Slovakia: each contract becomes effective only after it is published online in the so-called “registry of contracts”. Several town councils in the Czech Republic have also voluntarily adopted this practice.

4. Abolition of anonymous shares (already abolished)

The Conflict of Interest Act is supposed to prevent people who decide about public contracts from having a direct interest in a particular company being awarded the contract. However, this law is easy to circumvent in a situation where it is impossible to find out who is the final recipient of funds from public contracts or grants. Anonymous shares for “bearers” is one of the easiest methods of concealing the true recipient of the money: the owner of the share is always the person who physically has the deed in their hand; there is no evidence. Therefore, abolition—or registration—of anonymous shares is the first important step in order to trace the actual recipients of public funds.

Anonymous shares were abolished in the Parliament on May 7th 2013.

5. Professional appointments to supervisory boards of state-owned enterprises

Supervisory boards should be made up of people competent enough to control the company's managers. Therefore, supervisory boards should include, for example, former successful managers, experts in accounting and procurement or in a field relevant to the company's business. Politicians without relevant experience cannot themselves provide sufficient supervision, which is why in many countries they can only occupy some of the board's positions, sometimes none at all. Therefore, it is necessary to establish rules for filling supervisory boards of state companies with independent experts and people with relevant qualification and experience.

6. Depoliticization and professionalization of public administration

The Czech Republic is the only country in the EU where public officials are not protected from political pressure by a Civil Service Act. The Act prevents new ministers from appointing "favorites" after taking office. These "favorites" then follow their instructions, for example, to divert public funds (e.g. Mr. Knetig in the Drobil case). The Act also significantly tightens the rules for civil servants: their decisions are subject to material liability, management positions are filled by clearly defined recruitment procedures, and rules for compensation are fixed.

7. Public Prosecutor's Office without political interference in investigations

In the past, the investigations of serious corruption cases have often ended in limbo after interventions of senior prosecutors, whose appointments and dismissals were directly influenced by politicians. Without strengthening the independence and impartiality of the prosecutors' office, more significant success in the investigations of the most serious financial crimes and political corruption is impossible. This can be ensured by a number of rules and regulations for the appointment of the Attorney General and for the appointment of a director of a specialized unit for corruption.

8. Transparent legislative process

The rules for the adoption of laws allow individual deputies to unobtrusively include paragraphs that have nothing to do with the pending legislation. Since this is typically done at the very last moment, other deputies often do not know exactly what they voted on. These added sections very often bring advantages for particular interest groups. For example, the Rough Diamonds Act contained a supplement that the Public Procurement Act, and a supplement to the Excise Tax Act, meant a relief for ČEZ worth almost 30 billion crowns, the sum the company would have otherwise had to pay for emission allowances. A series of several measures that have been successfully implemented in other countries can remove the practice of adding supplements.

9. Extension of powers of the Supreme Audit Office

By dealing with this backlog, a third of the budget will be put under independent control. Hundreds of billions of state funds in municipalities and state-owned enterprises will be subject to the Supreme Audit Office. This will make it possible to investigate and prevent future legal cases like Opencard, and to shed light on the economic activities of Czech Railways, Czech Airlines, and Prague Transport Company.

RATING: HOW MPs' VOTE ON ANTI-CORRUPTION LAWS

Reconstruction of the State—a coalition of anti-corruption NGOs—has set up a rating system that shows how MPs, and political parties, vote on selected anti-corruption laws. On the project website, anyone can watch 'live' how the 165 MPs who have pledged support to Reconstruction of the State during the last election campaign live up to their commitment. A new media campaign—involving well-known public figures and using the metaphor of politicians as sportspeople and the public as cheering fans—is supposed to draw public attention to the rating.

As a part of the campaign, people will be able to virtually sit in the audience and watch how the politicians 'score'—or not—in the process of the adoption of good quality anti-corruption legislation. Each legislative proposal, including amendments, will be first assessed by a relevant group of experts. The Reconstruction of the State team will then send their position towards the proposal to all MPs so that they are informed—prior to the actual voting—whether or not is the proposal in line with their commitment to the pledge. The MPs that will vote against a law they have previously pledged to support will receive a 'red card', indicating that they have broken their promise to the voters. All politicians will then have a chance to send their reaction to the rating, which will get published on the website too. In addition, the website shows combined percentages for political parties—how many per cent of their members have signed the pledge, how many have voted in line (or not in line) with such commitment, how many have actively sponsored the bills, or else, have tried to stop them from being adopted. Importantly, the rating will include not only the votes from plenary sessions but also proposals discussed during committee meetings, which are often not public and thus allow for all kinds of 'riders' that might effectively rule out the desired anti-corruption effect of the laws.

Step 1

165 of the current deputies have pledged to support anti-corruption laws that will increase transparency and control of public money.

Before the elections, we asked the candidates to sign the Pledge of Support of Reconstruction of the State. The pledge includes 43 specific measures in 9 proposed laws that will reduce corruption and prevent misuse of public money. Being already effective in the majority of European countries, most of the laws are long overdue.

Step 2

Before each vote, our experts inform the politicians about which proposals are in line with their commitment in the pledge.

Following a successful pledge campaign, we initiated three bills from the pledge to be proposed in the new Chamber of Deputies. We also ensured that the remaining bills appeared in the new government legislative plan—with deadlines that are realistic, yet ambitious enough. We actively participate in the process of drafting the bills, sharing our positions, recommendations and comments. For each proposal and amendment, we prepare a detailed position—as we very well know that the devil is in the detail, and sometimes even one sentence can doom the entire bill to failure.

Step 3

After each vote, we monitor and show how each MP has voted on the issue. Based on their previous commitment, we also assess whether or not the MPs have kept their word.

The final formulation of the laws before they are adopted is up to the politicians to decide. In our rating system, we base the assessment on key parts of the law—those parts and provisions that guarantee the desired anti-corruption effect of the law. When an MP does not vote for a particular law that they have previously promised to support, we are happy to publish their explanation for such a decision.

Step 4

As voters and citizens, we have a right to know how our MPs vote on the issues that matter to us. The more people are interested in how the MPs vote on anti-corruption issues, the more likely it is that the politicians will raise their hand for these laws.

During election campaigns, politicians don't seem to expect us to have the time or the energy to look for facts, or base our voting decision on their actual behaviour during the election period. Instead, they hope to impress us with new promises on billboards. Using our rating system, we will provide the voters with a simple overview of which parties and MPs helped to fight corruption and increase transparency. We need to show the politicians that we care what they do and how they represent us, and they must understand that we are ready to use this information before the next election.