

Economic Policy Making and Parliamentary Accountability in the Czech Republic

Zdenka Mansfeldová

Democracy, Governance and Human Rights
Programme Paper Number 17
October 2005

United Nations
Research Institute
for Social Development



This United Nations Research Institute for Social Development (UNRISD) Programme Paper has been produced with the support of UNRISD core funds. UNRISD thanks the governments of Denmark, Finland, Mexico, Norway, Sweden, Switzerland and the United Kingdom for this funding. UNRISD also thanks the governments of Denmark, Finland, Mexico, the Netherlands, Norway, Sweden, Switzerland and the United Kingdom for their core funding.

Copyright © UNRISD. Short extracts from this publication may be reproduced unaltered without authorization on condition that the source is indicated. For rights of reproduction or translation, application should be made to UNRISD, Palais des Nations, 1211 Geneva 10, Switzerland. UNRISD welcomes such applications.

The designations employed in UNRISD publications, which are in conformity with United Nations practice, and the presentation of material therein do not imply the expression of any opinion whatsoever on the part of UNRISD concerning the legal status of any country, territory, city or area or of its authorities, or concerning the delimitation of its frontiers or boundaries.

The responsibility for opinions expressed rests solely with the author(s), and publication does not constitute endorsement by UNRISD.

Contents

Acronyms	iii
Acknowledgements	iv
Summary/Résumé/Resumen	v
Summary	v
Résumé	vi
Resumen	vii
Introduction	1
Data sources	3
Section 1: Economic Transformation in the Czech Republic	4
Macroeconomic framework	4
The concept of economic transformation	6
Section 2: Policy-Making Styles in Economic Transformation	13
Who were the new elites?	14
Ministry of Finance	15
Independence of the central bank	16
Problems of policy coordination with the executive branch	21
The Czech National Bank and legislative power	22
The Czech Republic and international financial and economic organizations	23
Section 3: The Party System, Coalition Politics and the Parliamentary Process	25
Sociopolitical framework	26
The government	27
The Parliament	30
The president	32
Relationship between the legislative and executive branches and control of the government by Parliament	34
The process of bargaining in Parliament	35
The committees	37
Section 4: Bargaining in Parliament on Economic Policy Issues	43
Preconditions for successful bargaining	43
The Budget Committee	44
Bargaining on the budget	45
Committee for Economics	48
Section 5: Participatory Aspects of Governance	48
Interest groups	49
The emergence and development of a social dialogue	49
Actors in the social dialogue process	52
The main issues discussed by CESA	54
Conclusion	56
Appendices	59
Appendix 1: Ministers of finance, 1989–2000	59
Appendix 2: Occupational origins of economic and political elites in the Czech Republic, Hungary and Poland	60
Appendix 3: Percentage of MPs and senators in cabinets in the Czech Republic, 1992–2003	61
Appendix 4: Particular spheres of the president's competency to be modified: A survey of deputies and senators	61
Appendix 5: Number of members in the committees, 1992–2004	62

Appendix 6: Rating of prestige of committees: A survey of deputies	62
Appendix 7: Occupation of deputies prior to their election to the Parliament	63
Appendix 8: Budget and Audit Committee in the election term, 1990–1992	63
Appendix 9: Budget and Audit Committee / Budget Committee in the election term, 1992–1996	64
Appendix 10: Voting on the state budgets in the first election term, 1992–1996	65
Appendix 11: Voting on the state budgets in the second election term, 1996–1998	65
Appendix 12: Voting on the state budgets in the third election term, 1998–2002	65
Appendix 13: Voting on the Governmental Draft Act of the state budget of 1995: Amending proposals in the third reading	66
Appendix 14: Voting on the Government Draft Act of the state budget of 1996: Amending proposals in the third reading	66
Appendix 15: Voting on the Government Draft Act of the state budget of 1997: Amending proposals in the third reading	66
Appendix 16: Voting on the Government Draft Act of the state budget of 1998: Amending proposals in the third reading	67
Appendix 17: Voting on the Government Draft Act of the state budget of 2000: Amending proposals in the third reading	67
Appendix 18: Scope of issues addressed by the Committee for National Economy in the 1990–1992 election term	67
Appendix 19: The scope of issues the Committee for National Economy/Committee for Economics addressed in 1992–1996	68
Appendix 20: Party composition of the Chamber of Deputies 1993–2004 and of the Czech National Council 1990–1992 at the beginning of the electoral term	69
Appendix 21: Composition of the Upper House (Senate) after elections, according to Senate party groups	70
Bibliography	71
UNRISD Programme Papers on Democracy, Governance and Human Rights	73
Tables	
Table 1: Average support by parliamentary party groups for proposed amendments to the government supplementary bill	19
Table 2: Membership of Czechoslovakia/Czech Republic in international financial and economic organizations	23
Table 3: Number of parties in the elections to the Czech National Committee and House of Deputies of the Parliament of the Czech Republic	27
Table 4: The composition of the government and its support in Parliament	29
Table 5: The principal direction of government policy: The decision makers, as perceived by the deputies	35
Table 6: Legislative activity of the Czech Parliament	37
Table 7: Selected legislation on the economy, with the number of amendments and modifications in 2001	38
Table 8: Number of committees and subcommittees	39
Table 9: Investigative commissions	42
Table 10: Activity of the Budget Committee, 1990–2004	44
Table 11: Voting choices	47
Table 12: Activity of the Committee for Economics, 1990–2002	48

Acronyms

AITU	Asociace samostatných odborů (Association of Independent Trade Unions)
CEB	Council of Europe Development Bank
CESA	Rada hospodářské a sociální dohody (Council for Economic and Social Agreement)
ČKD	Českomoravská–Kolben-Daněk (Czech-Moravian Kolben-Daněk)
CMCTU	Česko-moravská konfederace odborových svazů (Czech and Moravian Confederation of Trade Unions)
ČMSS	Českomoravská strana středu (Czech-Moravian Centre Party)
ČMUS	Českomoravská unie středu (Bohemian and Moravian Union of the Centre)
CNB	Česká národní banka (Czech National Bank)
ČNR	Česká národní rada (Czech National Council)
ColI.	Collected Acts
CSCTU	Česká a slovenská konfederace odborových svazů (Czech and Slovak Confederation of Trade Unions)
CSFR	Československá federativní republika (Czech and Slovak Federative Republic)
ČSOB	Československá obchodní banka (Czechoslovak Trade Bank)
ČSSD	Československá sociální demokracie/ Česká strana sociálně demokratická (Czechoslovak Party of Social Democracy/ Czech Social Democratic Party) (The name was changed in 1993.)
ČSTV	Český svaz tělesné výchovy (Czech Sport Organization)
CZK	Česká koruna (Czech crown)
DB	Deputies' Bill
DEU	Demokratická unie (Democratic Union)
EBRD	European Bank for Reconstruction and Development
EC	European Commission
ECB	European Central Bank
ESCB	European System of Central Banks
ESOP	Program zaměstnaneckého vlastnictví akcií (Employee Share Ownership Plan)
EU	European Union
EUR	Euro
FS	Federální shromáždění (Federal Assembly)
GA	Generální dohoda (General Agreement)
GB	Government Bill
GDP	gross domestic product
HSD-SMS	Hnutí za samosprávnou demokracii–Sdružení pro Moravu a Slezsko (Movement for Autonomous Democracy–Association for Moravia and Silesia)
HZDS	Hnutí za demokratické Slovensko (Movement for a Democratic Slovakia)
IAO	Independent Audit Office
IMF	International Monetary Fund
IPB	Investiční a poštovní banka (Investment Post Bank)
IPF	Investiční privatizační fond (Investment Privatization Fund)
KDH	Křesťanskodemokratické hnutí (Christian Democratic Movement)
KDS	Křesťansko demokratická strana (Christian Democratic Party)
KDU–ČSL	Křesťansko demokratická unie–Československá strana lidová (Christian Democratic Union–Czechoslovak People's Party)
KOVO	Odborový svaz KOVO (Czech Metalworkers' Federation)
KSČ	Komunistická strana Československa (Communist Party of Czechoslovakia)
KSČM	Komunistická strana Čech a Moravy (Communist Party of Bohemia and Moravia)
LB	Levý blok (Left Block)

LSNS	Liberální strana národně sociální (<i>Liberal National Socialist Party</i>)
LSU	Liberálně sociální unie (<i>Liberal-Social Union</i>)
MP	member of Parliament
NATO	North Atlantic Treaty Organization
ODA	Občanská demokratická alliance (<i>Civic Democratic Alliance</i>)
ODS	Občanská demokratická strana (<i>Civic Democratic Party</i>)
OECD	Organisation for Economic Co-operation and Development
OF	Občanské fórum (<i>Civic Forum</i>)
OH	Občanské hnutí (<i>Civic Movement</i>)
Parliamentary DICE	Dokumentační a informační středisko o parlamentech střední Evropy (<i>Documentation and Information Centre on the Parliaments of Central Europe</i>)
PIU	Phare Project Implementation unit
PPG	Poslanecký klub (<i>Parliamentary Party Group</i>)
SCO	Nezávislý kontrolní úřad (<i>Supreme Control Office</i>)
SPR-RSČ	Sdružení pro republiku–Republikánská strana Československa (<i>Association for the Republic–Republican Party of Czechoslovakia</i>)
SPT Telecom	Společnost Proti Telefonování (<i>telecommunications company</i>)
UNCTAD	United Nations Conference on Trade and Development
UNRISD	United Nations Research Institute for Social Development
US	Unie svobody (<i>Freedom Union</i>)
USSR	Union of Soviet Socialist Republics
VPN	Verejnosť proti násiliu (<i>Public against Violence</i>)
WTO	World Trade Organization

Acknowledgements

I would especially like to thank Petra Rakušanová, who assumed a large portion of the organizational work and documentation in the archive of the Chamber of Deputies of the Parliament of the Czech Republic, conducted a number of interviews and co-authored section 3. Many thanks to Emil Voráček who co-authored section 1. Furthermore, my thanks to all those who were willing to answer my questions and provided me with, or made it possible for me to obtain, the indispensable information and data.

The report was prepared for the United Nations Research Institute for Social Development (UNRISD) project on Economic Policy Making and Parliamentary Accountability.

Summary/Résumé/Resumen

Summary

Responsibility and accountability are major issues in every democracy, and are especially important in countries that are building democratic systems and market economies. Accountability is closely linked to the issues of delegation of power, the existence of traditional democratic checks and balances, and sanctions. The treatment of accountability in a legal system requires a framework for the system's functioning, but the reality may differ from the ideal. Legislation is generally created gradually; practice often precedes the formation of rules or reveals the weaknesses of existing laws. These problems can be ameliorated by simply gaining experience over time, by the professionalization of elites and, sometimes, by external political and economic influences.

In this paper, Zdenka Mansfeldová emphasizes the legislative power of parliament and the ways in which the government attempts to coordinate the decision-making process in the field of economic policy. The paper highlights six areas:

- the economic transformation in the Czech Republic and the evolution of economic policy making;
- policy-making styles during economic transformation, the creation of independent authorities – in particular the independent Czech National Bank (CNB) – and their relationship with legislative authority, and the role of international financial institutions and their influence on economic and political transformation;
- the nature of the political system and the relationship between the legislative and executive branches;
- parliamentary participation in economic policy making during the phase of decision making or, *ex post*, during the phase of control;
- the process of bargaining on the state budget; and
- participatory aspects of technocratic governance, the role of interest groups and the emergence and development of a social dialogue.

In the Czech Republic, the initial period of transformation between 1990 and 1992 was crucial for the creation of democratic institutions and the formation of the political spectrum. At the same time, a major decision was made about how economic reforms would be carried out. The process during the first few years of the transition pushed the issue of accountability into the background, although a legislative framework for accountability was created. The emphasis on rapid economic reform, the process of privatization and the underestimation of the legislative framework and its ethical dimensions created problems, especially in the second half of the 1990s, when it became apparent that individual aspects of the reform programme had not been sufficiently coordinated. The lack of experience among the new political elites also played a role in this dilemma. The 1990s, however, also brought considerable professionalization of political elites. In the process of consolidating democracy in the Czech Republic, the Parliament has become functionally embedded in the constitutional system.

The programmes that democratic political parties presented in the first free elections in 1990 after the fall of communism were typical of efforts to return to democratic Europe, which in concrete terms meant the inclusion in those international institutions and organizations of which Czechoslovakia had been a member before the communist regime, or which were created during that regime. These programmes were an important step at the beginning of the political and economic transformation because, among other things, they made possible foreign loans and expertise from international organizations. This, in turn, helped develop new legislation and create new institutions.

The establishment of an independent central bank, the CNB, was an important part of the economic reform process. Nonetheless, the high degree of independence guaranteed to the bank

under the law created tensions between the CNB and the government. It routinely became a subject of political disputes related to the economic development of the country. The means by which the government wanted to resolve such problems often clashed with the position of the bank. The independence of the CNB has never been questioned; the issues were related to increasing the accountability of the institution vis-à-vis the elected representatives (the members of Parliament); addressing accountability from a legal perspective; and ensuring communication with the cabinet. In the second half of the 1990s, cooperation between the CNB and the European Union and European Central Bank increased in the areas of monetary policy and banking, and in matters related to the anticipated accession of the Czech Republic to the European Union.

In the last section of the paper, Mansfeldová examines the role of interest groups, especially in the area of labour and capital, with respect to influencing the direction of economic policies during the transformation. She maps the development of an institutionalized social dialogue, its role in the transformation process and the new challenges related to accession to the European Union.

Zdenka Mansfeldová is a Senior Research Fellow at the Institute of Sociology, Academy of Sciences of the Czech Republic. Her research interests include political sociology, in particular the institutionalization and representation of interests, both their political representation (in political parties and parliaments) and their non-political “mezzo-structures”.

Résumé

Responsabilité et contrôle, enjeux majeurs dans toute démocratie, revêtent une importance particulière dans les pays qui sont en train de se doter d'un système démocratique et d'une économie de marché. Le contrôle est étroitement lié aux questions de la délégation des pouvoirs, à l'existence des freins et contrepoids traditionnels dans une démocratie et aux sanctions. L'organisation du contrôle dans un système de droit suppose que le système fonctionne selon des règles données, bien que la réalité puisse s'écarter de l'idéal. L'élaboration des lois se fait en général de manière progressive; la pratique précède souvent l'énoncé des règles ou révèle les faiblesses des lois en vigueur. Ces problèmes peuvent s'aplanir avec le temps, simplement grâce à l'expérience acquise, à la professionnalisation des élites et parfois à des influences politiques et économiques extérieures.

Zdenka Mansfeldová se penche ici sur le pouvoir législatif du parlement et sur la façon dont le gouvernement tente de coordonner le processus décisionnel en politique économique. Son étude porte sur six domaines:

- la transformation économique de la République tchèque et l'évolution constatée dans l'élaboration de la politique économique;

预览已结束，完整报告链接和二维码如下：

https://www.yunbaogao.cn/report/index/report?reportId=5_21283

