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**DEVELOPMENT OF THE SHARE OF  
MEMBERSHIP FEES AND DONATIONS ON  
FUNDING OF SELECTED POLITICAL PARTIES  
AND MOVEMENTS DURING 1998-2013**

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Diploma thesis

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### **Annotation**

The financing of political parties and movements has become an important aspect of political life. Parties can raise money by different means but the focus of this diploma thesis is on donations and membership fees. Both of these have already been researched various times but not from the perspective of politicians. I have examined donations by Members of Czech Parliament and Regional politicians and have researched whether there are significant differences between the amounts of donations by these two groups of politicians. Testing was done on donations by politicians as a whole as well as separately on selected political parties and movements. Also the amount of membership fees raised by political parties and movements, the amount of membership fees, and member's base were explored. Furthermore, many statistics regarding both of these types of funding are presented in the master's thesis.

### **Keywords**

political parties and movements, annual financial reports, funding, donations, donors, membership fees, revenues, transparency, elected politicians



## **Declaration**

I hereby declare that I have developed and written the thesis independently, using only the sources listed in accordance with Czech and Finnish legal regulations and the internal regulations of the University of Tampere.

In Brno, May 2016

Author's signature



## **Acknowledgements**

I would like to express my gratitude for the remarkable support, professional guidance, and especially great patience provided by my thesis supervisor Ing. Marek Pavlik, Ph.D. Furthermore, I would like to thank my Finnish supervisor Prof. Hannu Laurila for his guidance and support in terms of the master's double degree program at University of Tampere. Lastly I would like to thank my parents who have always been supportive and kept me positive about my studies and who kindly helped whenever I needed it.



## **ABSTRACT**

In this diploma thesis I reflect on recent calls for greater transparency, control, and focus on the financing of Czech political parties and movements. The main focus of this thesis is on donations by politicians and membership fees. Apart from the goal of determining the shares of these two types from total revenues the most important question was whether we can witness any significant differences between donations made by Members of Parliament and Regional politicians. Regarding membership fees I researched their amount, member's bases and questioned raised amounts of membership fees stated in the annual income statements of all selected political parties.

For the purpose of the analysis I used elementary statistical and mathematical methods. All data were retrieved from annual income statements and manually processed by author. For the purpose of answering the question regarding donations I used Mann Whitney U-test which allows the research of two groups of data against each other in order to find out statistically significant differences. In respect to membership I used simple a test where I multiplied a number of members of selected political party by the amount of membership fees in that year. If there are were any additional conditions I also incorporated them in the test. For other statistics similar elementary statistical and mathematical methods were used to determine the shares, means, medians, percentiles and etc.

The analysis of donations approved the hypothesis that there is a difference between amounts of money donated by Members of Parliament and Regional politicians. Furthermore, this trend was found within 5 out of 7 parties on which a party-wise statistical test could be performed. In total, Regional politicians did donate more money than Members of Parliament; however this is mainly due to fact that there were 1,501 Regional politicians but only 966 Members of the Chamber of Deputies and the Senators during research period of time. On the other hand the average high of donations, especially by Members of Chamber of Deputies but also Senators, was higher than the amount of donations by Regional Politicians. In the case of membership fees it was proven that that there are some discrepancies between information stated in annual income statements of some parties and actual results of the test. Moreover, it was bit surprising how difficult it was to get information about the current amount of membership fees as well as about member's base. In this way some of the parties were not able to supply me with the data on the number of members. An important fact in relation to a member's base is that most of the parties are facing the common trend of diminishing numbers of members. Another important outcome of the thesis is that transparency and availability of information regarding funding of the political parties

and movements are big issues. A few recommendations on how to deal with transparency and availability are also presented in the thesis.

Apart from all the results of analysis and different statistics in relation to donations by politicians and membership fees, the processing of the data is a huge benefit for future studies in this area which has not been researched yet. Data are useful not only for possible use at the University as study material but someone may also build on them and use them for the purpose of deeper analysis or in their dissertation.

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## INTRODUCTION

The connection between politics and money is increasing from year to year and one could not exist without each other. Politics itself and its executors – politicians, have an inevitable impact on a various number of businesses worldwide and in reverse these companies do have an impact on politics and politicians. I consider researching the financing of the political parties and movements extremely important and interesting in the same time. It was surprising to me that in 21<sup>st</sup> century I could find so little information about the funding of the Czech political parties and movements on the internet, as well as the fact that most of the issues concerning the financing of the political parties and movements can be found only in the headquarters of selected political parties and movements or in the Parliamentary library in Prague.

These facts together with my personal interest in politics led me to the idea of researching political finances. The key areas that I chose to do my research on are donations from politicians to its own political parties or movements and membership fees. These areas have not been researched that deeply yet in the Czech Republic despite the potentially interesting data and questions available there. **The main aim of this master's thesis is to determine what the shares of membership fees and donations from total incomes of the parties are, and whether there are demonstrable trends or dependencies in their amount and structure with respect to donations and membership fees of political parties and movements.**

The main focus is on politicians whose mandates bring money from the state budget to their political parties and movements. These functions are – Members of Chamber of Deputies, the Senators, and Regional politicians. This dismemberment plays a key role in my research on donations made by politicians from these three groups. I was prevalently interested in the question of whether politicians are expected to donate to their parties once they were given the trust of the parties and people during elections as well as the question of possible corruption. This leads to the hypothesis examined in this diploma thesis: Assuming that Members of the Chamber of Deputies, the Senators or Regional politicians donate money to their political parties or movements in the form of donations, we suppose that the amount of money donated by Regional politicians will be different from the amount donated by Members of the Chamber of Deputies or the Senators.

Donations made by politicians can be also hidden in the membership fees. The research questions regarding this issue are: Is there any surplus money when we take into consideration the number of members and the amount of a membership fee in a selected political party or movement? And how many people could possibly donate more than required?

This thesis is divided into five chapters, of which the first two chapters are theoretically oriented. The elaboration of these chapters is influenced by my joint degree studies at Masaryk University, Czech Republic and University of Tampere, Finland. This is the reason why I have made the theoretical part of thesis more comprehensive to Finnish readers.

In chapter one I outline how the Czech political system works. Also, the legislation regarding donations and membership fees is presented as well as specifics of these two types of funding of political parties and movements.

Chapter two briefly introduces selected political parties and movements, Czech political institutions, results of elections to these institutions during 1998-2013, and share of power by political parties and movements.

Chapter three is fully focused on the data analysis of donations from politicians. In this part of the thesis elementary mathematical and statistical methods were used to confirm, or disprove, the hypothesis and to find answers to research questions. Donations from politicians are firstly researched as a whole and subsequently on a party-wise basis.

Chapter four comprises data on membership fees. Numbers of members of selected political parties are presented and also the amount of membership fees can be found in this section. Moreover, a simple test regarding membership fees was taken in this chapter to find an answer to the research question.

The fifth chapter supplies readers with a discussion over my recommendations in respect to donations and membership fees. Also the problem of annual income statements is discussed in this chapter.

# 1 FINANCING OF POLITICAL PARTIES AND MOVEMENTS

Money and politics have always existed in conjunction with one another and have inevitably influenced each other. Politicians make important decisions regarding businesses and its regulations. On the other hand, money often plays key role in political processes and decision-making. This sentiment was echoed by Representative Mark Hanna, representing the Republican Party in the American Congress at the turn of 19<sup>th</sup> and 20<sup>th</sup> century: *“There are two things that are important in politics. The first is money and I can’t remember what the second one is.”*<sup>1</sup>

OECD’s view on financing political parties and movements can be described as following: *“Money is a necessary component of the democratic processes, enabling representation and facilitating democratic competition. However, when the financing of political parties and electoral campaigns is not adequately regulated and enforced, money is also the means for undue influence and policy capture by narrow private interests, resulting in further erosion of public trust in governments.”*<sup>2</sup>

As in other eastern European countries the Czechoslovakian democratic political system was created after the fall of Communism in 1989. However, the modern Czech political party system was launched after the split of Czechoslovakia in 1993. Its roots are embedded in the Czech Constitution. Article number 5 states: *“Political system is based on free and voluntary formation of political parties and its free competition while respecting elementary democratic principles and refusing violence as means to enforce its own interests.”*<sup>3</sup>

Other basic rights and entitlements are anchored in the Charter of Fundamental Rights and Freedoms. Article 20 warrants the law to establish political parties and movements as well as the right to a club in these parties.<sup>4</sup> Article 22 states: *“Statutory regulation of all political rights and freedoms and its interpretations and usage must enable and protect free political competition in democratic society.”*<sup>5</sup>

As of result of this, the financing of political parties is usually based on a few democratic principles which are recognized among different authors. These principles are:<sup>6</sup> equality, freedom, transparency and control. Talking about principle of equality we mainly point at the necessity of equal access to financial resources among all political parties and movements. This is important in order to create a fair environment for all political parties in their goal to acquire power. On the other

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<sup>1</sup> HANNA, Mark (2016)

<sup>2</sup> OECD (2014)

<sup>3</sup> DAVID, Roman (2015), p.85

<sup>4</sup> DAVID, Roman (2015b), p.226

<sup>5</sup> Op. Cit.

<sup>6</sup> OUTLY, Jan (2003), p.47

hand, the principle of freedom enables political parties to attain money by their own means or from the private sector. As said by Outly:<sup>7</sup> *“It is apparent that these two principles are colliding. However, in almost all countries they are in effect next to each other.”* It is unacceptable for one of these principles to be prevalent over the other, as this leads to a situation where some parties take advantage of being established and well recognized and thus receive more state money. Furthermore, some parties enhance their member’s basis or membership fees in order to gain more money as well as attracting more individuals or companies to obtain financial gifts. This leads us to the main purpose of this master’s thesis which researches and investigates how political parties gain funds from its members and how actively its members donate to parties in the form of financial gifts. The third principle is transparency, which claims that financing should be transparent in relation to state and society and should be freely available to anyone. This leads us to the final principle of control, which requires political parties to state true information in their accounting and to undertake regular controls by auditors and other bodies.<sup>8</sup>

## 1.1 Types of funding and legislation

Relevant literature usually divides the funding of political parties into three types. These types of financing of political parties are:<sup>9</sup>

- a) Financing from public resources (state)
- b) Financing of political parties from its own (private) resources.
- c) Combination of a) and b)

In the case of the Czech Republic we are experiencing both funding from state money and from private resources. However, it is important to take into account the words of Mr. Simicek:<sup>10</sup> *“No funding model for optimal financing of political parties exists; ... in all democratic countries it becomes a matter of constant criticism and efforts to improve.”* The primary laws dealing with financing principles are; bill No.424/1991, called the Act on political parties and political movements, and bill No.247/1995 named the Law on election to Czech Parliament, and on changes and the supplementing of some other laws. The first bill was put into practice in November 1991 and since that date it has been amended 19 times until the end of 2013. The most important parts for elaboration of this thesis are:<sup>11</sup>

- a) Political parties and movements are responsible for their own obligation with all property.

On the other hand members are not responsible for parties’ obligations

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<sup>7</sup> OUTLY, Jan (2003), p.47

<sup>8</sup> Op. Cit.

<sup>9</sup> SIMICEK, Vojtech (2015), p.176

<sup>10</sup> SIMICEK, Vojtech (1997), p.160

<sup>11</sup> REGULATION N. 424/1991Sb. (2016)

- b) Political parties and movements cannot run businesses under its own name
- c) Parties can actively participate in businesses with different legal entities or firms
- d) Party revenue can be:
  - 1) Contribution from state budget of Czech Republic to election expenses
  - 2) Contribution from state budget of Czech Republic to run political party or movement
  - 3) Membership fees
  - 4) Donations and inheritance
  - 5) Income from lease and sales of tangible and intangible property
  - 6) Interests on deposits
  - 7) Revenues arising from participation in businesses run by different legal entities
  - 8) Income from organizing raffles, cultural, social, sporting, recreational, educational and political events
  - 9) Loans and credits
- e) Political parties and movements do accounting according the law No.563/1991
- f) Political parties and movements cannot own property outside the Czech Republic

Bill No.247/1995 indicates how elections to various institutions are conducted, how elections results are counted as well as outlines how individual seats are allocated among successful political parties and movements. This is important in relation to future financing of political parties and movements from state budget. The Bill has been amended twenty-one times since the law was put in practice up until 2013.<sup>12</sup>

### **Annual Financial Reports**

Furthermore, political parties and movements are responsible to hand in financial reports annually by 1<sup>st</sup> April into the hands of the Chambers of Deputies. This annual financial report must contain:<sup>13</sup>

- a) auditor's report
- b) annual financial statements in accordance with special regulations
- c) overview of total income
- d) overview of donation and donors
- e) overview of inheritance property with a value higher than 100,000 CZK
- f) overview of members whose membership fee was higher than 50,000 CZK
- g) contract of donations from all donors who donated more than 50,000 CZK

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<sup>12</sup> REGULATION N. 424/1991Sb. (2016b)

<sup>13</sup> REGULATION N. 424/1991Sb. (2016c)

All annual financial reports must be public according to law. Anyone can view or make copies of these annual financial reports. The only constraint is that only place where you can do so is in Prague in the Parliamentary library. I had to visit this library three times while working on my thesis just in order to make copies of all annual financial reports. Photocopying itself took three days. In the 21<sup>st</sup> century I would say it is astounding that the financial reports are not online. Moreover, most of the political parties claim that one of their main goals is to be transparent. It was surprising that most of the political parties and movements do not have this information online. Furthermore, in the case that they do have the information online, these reports are usually incomplete. In some cases I have also discovered one or two missing papers, even in the Parliamentary library, which is caused mainly due to disorganization and a lack of supervision over the person viewing information concerning financial reports. This eventually leads to situations where some papers are in the wrong order, are missing, are being placed in a different political party's financial reports or being placed under the wrong year.

All of this illustrates that currently it is complicated for regular citizens to investigate the financing of any political parties and movements. However, the situation is getting better especially thanks to an internet portal called [politickefinance.cz](http://politickefinance.cz),<sup>14</sup> where you can find information on elementary funding of selected political parties and movements since 2006.

## **1.2 Donations in Czech Republic**

Political parties and movements have an extensive range of means of boosting their revenues. The main focus of this thesis is on donations from individuals and especially politicians. Everything in respect to donations is enshrined in bill No.424/1991. Apart from legislation concerning donations I outline main cases, problems and availability of information regarding donations.

### **Donations and donors**

Straight after the transformation and fall of Communism there were no strict rules regarding donations. With a few exceptions almost anyone could donate to political parties and movement. Moreover, financial reports were not public in those times, and controls were not as detailed as they are today. The current form of law was accepted in 2000.<sup>15</sup> This amendment was a reaction to a political scandal by the ruling Civic Democratic Party in 1997. Civic Democrats were accepting donations amounting to 10 million CZK from Mr. Srejber but in their financial reports they

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<sup>14</sup> POLITICKE FINANCE(2016)

<sup>15</sup> OUTLY, Jan (2013)

published fictitious names. This scandal also led to government dissolution.<sup>16</sup> The below reflectors describe who is not allowed to donate money to political parties and movements:<sup>17</sup>

- a) state
- b) funded organizations
- c) municipalities, urban districts, counties with exception of renting office space
- d) state enterprises, legal entities with state-owned share, people who are subject to state management unless the share of state is less 10% in these entities
- e) legal entities with capital participation of municipalities, urban districts and counties unless their share is less than 10% in these entities
- f) benevolent societies
- g) other legal entities, if stipulated by special legislations
- h) foreign legal entities with exception of political parties and foundations
- i) individuals without Czech citizenship unless these individuals have permanent residence in the Czech Republic

Other problematic donors are offshore donors. “*We say a donating company is an offshore donor if at least 50% of the company is owned by a foreign person.*”<sup>18</sup>

### **Transparency and corruption**

As written in law every donation over 50,000 CZK must be evidenced by a donation agreement in the annual financial report of the party. Highly interesting results of political behaviour are presented in a book by Vojtech Simicek titled Financing of Political Life.<sup>19</sup> The results of his research are shown in Table 1. He undertook research on selected political parties and movements during 2006-2013 and confirmed his hypothesis that the typical total amount of one donation is fluctuating in range from 40,000 CZK to 50,000 CZK.

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<sup>16</sup> E15 (2012)

<sup>17</sup> REGULATION N. 424/1991Sb. (2016d)

<sup>18</sup> SKUHROVEC, Jiri, TITL, Vitezslav, PALANSKY, Miroslav (2015), p.14

<sup>19</sup> SIMICEK, Vojtech (2015), p.162

**Table 1.1 Frequency of donations in value range from 35,000 CZK to 60,000 CZK**

<b>Value of donation (CZK)</b>	<b>Number of donations</b>	<b>Volume of donations (CZK)</b>
35,001-37,500	102	10,403,946
37,501-40,000	590	23,545,027
40,001-42,500	40	1,663,878
42,501-45,000	282	12,634,179
45,001-47,500	74	3,453,807
<b>47,501-50,000</b>	<b>4093</b>	<b>204,405,434</b>
50,001-52,500	32	1,647,107
52,501-55,000	62	3,359,302
55,001-57,500	315	1,738,804
57,501-60,000	15	9,282,344

*Source:* SIMICEK, Vojtech (2015), p.162

This means that a big percentage of donors prefers not to sign a donation agreement and therefore not to provide all personal information. Not only does this mark the transparency of the whole donation process but as a result society's trust in the financing of politics is declining. It is apparent that the transparency of financing political parties and movements should be one of the leading topics of the current government as transparency is important to maintain assurance of a fair and democratic society and decision making process.

Another problematic aspect of donations is the possibility of corruption. Despite an extensive list of people and entities that are not able to become donors there is an infinite number of individuals and legal entities that are allowed to give money to political parties and movements in the form of a donation which in reality could be a hidden form of bribe. We could question private companies competing in public tenders or its members who can simply try to influence the decision of politicians in their favour. Not only private subjects could be suspicious donors but also politicians may appear in the role of donors and donate money to their own political party. It is a significant question whether this is a way for politicians to buy a spot inside their political party's structure. There could also possibly be unwritten rules within political parties and movements describing how much you are expected to donate when you are Senator, member of the Chamber of Deputies etc. It has already been published in Tradition Prosperity Responsibility 09 (TOP 09) that in the case you want to be given chance to candidate in election to European Parliament you must donate an amount from 20,000 CZK to 100,000 CZK. Similar procedures are set in ANO 2011 (ANO), where all members of the Chamber of Deputies must pay monthly 7,000 CZK to their political movement as a fee for services provided by their movement.<sup>20</sup>

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<sup>20</sup> PARLAMENTNÍ LISTY (2014)

Politicians and their donations to their own parties are the most important aspect of this thesis and I analyse behaviour and donations of selected politicians and political parties and movements. This problem brings us back to the issue of transparency. Currently it is almost impossible to track every single politician in way research on the problem of whether politician X is donating to its political party or movement via his wife, sons, family members, friends or friend's legal entities. As an example I use Mr. Petr Zimmermann from the Civic Democratic Party who donated 250,000 CZK to the party in 2013. Separately from him, his wife Mrs. Monika Zimmermannova, who has nothing to do with the Party, also donated 50,000 CZK in 2013. I can confirm that they are married based them registering the same addresses in the annual financial report.<sup>21</sup> The question is, what was the real reason behind Mrs. Zimmermannova's donation to her husband's political party? As proved earlier, in this case it was easy to discover that these two individuals are involved in a relationship; however it is almost certain that there are any number of hidden connections between people disclosed to financial reports as donors of selected political parties and movements. This would mean that donations as a type of funding of political parties causes great concerns over the transparency of the system. Another consequence of this problem is that in my thesis I am working solely with information and data written on actual names of selected politicians as deeper research would be a matter of a rather dissertation thesis than a master's thesis.

### **1.3 Donations abroad**

In this place I consider it interesting to outline how the donation system works in three other countries – The United States of America (U.S.A.), Germany and Finland. These countries have somewhat different political systems and laws to the Czech Republic; however, it is important to introduce different ways of dealing with the question of political fundraising. I chose these three countries because all three of them are doing better in the Corruption perception index by Transparency International than the Czech Republic.<sup>22</sup> Moreover, Finland is the country of my second university and is considered to be one of the countries with the highest transparency. Germany is a Czech neighbour and the U.S.A. is an overseas country which provides us with greater variety.

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<sup>21</sup> ANNUAL INCOME STATEMENTS OF ODS (1998-2013)

<sup>22</sup> Corruption Perception Index is available in Appendix 2 [TRANSPARENCY INTERNATIONAL (2013)]

## **United States of America**

Fundraising of Congressional candidates (Representatives and Senators) in the U.S.A. is subject to the Federal Election Campaign Act and Federal Election Campaign regulations.<sup>23</sup> This law strictly states what types of fundraising is permitted and prohibited during a political campaign. Each candidate must register for every single new election cycle as well having a transparent account where anyone can track how much money the selected candidate has raised and from whom.<sup>24</sup> There are four official ways to get funding:<sup>25</sup>

- a) raise money by themselves
- b) through Political Actions Committees (PACs)<sup>26</sup>
- c) its party committees
- d) individuals

According to law candidates are enabled to receive a maximum of 100\$ from individual donors in cash. Anonymous donations are allowed to the amount of 50\$. An Individual or group's maximum donation to a congressional candidate is 2,700\$.<sup>27</sup> In the case that the donor wants to donate more, the money has to go through PACs. PACs are receiving donations for a political party as a whole and it is their decision what party candidate will receive money from them.<sup>28</sup>

## **Germany**

The German system of political funding recognizes three ways of financing:<sup>29</sup> direct state financing, indirect state funding and private financing. Elementary principles are anchored at Grundgesetz (Constitution) and Parteiengesetz – PartG (Act on Political Parties). In Germany all political parties must hand in annual financial reports controlled by auditors.<sup>30</sup> An interesting part of the law is the fact that parties cannot be prevalently funded by state. This means that if state funding crosses 50% of all party's revenues, the state will cut money from their support to narrow the ratio.<sup>31</sup>

This obviously leads political parties to raise money from private resources – most often in the form of donations. Donations are regulated by the Act on Political Parties in section 25. The Act allows

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<sup>23</sup> United States Congress is bicameral legislation body in U.S.A. based in Washington, D.C., consisting of two houses: House of Representatives and the Senate.[WHITE HOUSE.GOV (2016)]

<sup>24</sup> BOUNDLESS (2016)

<sup>25</sup> FEDERAL ELECTION COMMISSION (2014), p.18

<sup>26</sup> Political Action Committee (PAC) – “*Popular term for a political committee that is neither a party committee nor an authorized committee of a candidate. PACs directly or indirectly established, administered or financially supported by a corporation or labour organization are called separate segregated funds. PACs without such a corporate or labour sponsor are called non-connected PACs*” [FEDERAL ELECTION COMMISSION (2014), p.176]

<sup>27</sup> See Appendix 1 for more campaign donations limits of candidates valid for years 2013-2014. Op. Cit.

<sup>28</sup> Op. Cit.

<sup>29</sup> SIMICEK, Vojtech (2015), p.44

<sup>30</sup> SIMICEK, Vojtech (2015), p.50

<sup>31</sup> SIMICEK, Vojtech (2015), p.47

donations in cash amounting 1,000€. If any donation is received by a party member, he or she should immediately pass this donation to a Party Executive Committee member responsible for finances. If the total amount of donations to the political party exceeds 10,000€ during a calendar year, the party is required to record all donors' addresses and names. In the case that a party receives a single donation exceeding 50,000€, <sup>32</sup> this should be immediately reported to the President of German Bundestag. <sup>33</sup>

## **Finland**

Finland as a Scandinavian country is considered to be one of the cleanest countries in the world regarding corruption. This is almost annually confirmed by the Corruption Perceptions Index made by Transparency international where Finland was placed third in 2013. <sup>34</sup> Due to this, it was a shocking scandal for all Fins in 2008 where Timo Kalli, chairman of the Center Party, did not manage to explain who the donors of his election campaign were in 2007. The strange fact is that Finnish politicians must reveal such information but if they fail to do so, they are not punished or sanctioned. <sup>35</sup>

This case led to the creation of a new law called the Act on a Candidate's Election Funding, introduced in 2009. This act accompanied the Act on Political Parties. The new law states that all donations must be reported to the National Audit Office. Furthermore, all donations exceeding the amount of 800€ in municipal elections, 1,500€ in Parliamentary elections or 2,000€ in European Parliamentary elections or Presidential elections must be disclosed separately with all information of each donor required by law. <sup>36</sup> On top of that no candidate or his group is allowed to receive a single donation higher than 3,000€ in municipal elections, 6,000€ in Parliamentary elections or 10,000€ in European Parliamentary elections or Presidential elections. <sup>37</sup> This all led to greater transparency and the return of Finland to the Top 3 countries in Corruption Perceptions Index in 2011 <sup>38</sup> after a sudden fall in 2008. <sup>39</sup>

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<sup>32</sup> FEDERAL MINISTRY OF INTERIOR GERMANY (2004)

<sup>33</sup> The German Bundestag is "elected by German people and is the forum where differing opinions about the policies the country should be pursuing are formulated and discussed. The most important tasks of Bundestag are legislative process and the parliamentary scrutiny of the government and its work. "

[GERMAN BUNDESTAG (2016)]

<sup>34</sup> See Appendix 2 – Corruption Perceptions Index 2013 ranking including Czech Republic, U.S.A., Germany and Finland [TRANSPARENCY INTERNATIONAL (2013)]

<sup>35</sup> IBISON, David (2008)

<sup>36</sup> MINISTRY OF JUSTICE OF FINLAND (2009), p.1

<sup>37</sup> MINISTRY OF JUSTICE OF FINLAND (2009), p.2

<sup>38</sup> TRANSPARENCY INTERNATIONAL (2011)

<sup>39</sup> TRANSPARENCY INTERNATIONAL (2008)

## 1.4 Membership fees

Another type of funding of political parties which is important for this thesis is membership fees. Membership fees are similar to donations type of private fundraising. Each political party and movement can collect membership fees from its members. The cost of membership fees is subject to the internal decisions of a selected political party. Membership fees are also subject to the Act on Political Parties (424/1991). Every annual membership fee exceeding 50,000 CZK must be disclosed in the party's annual financial report as well as the name, address and date of birth of the particular member.<sup>40</sup> Most of the parties differentiate its fee regarding the status of the member – student, worker, and pensioner. The amount of the membership fee among these groups usually differs and the average amount of a membership fee across the political spectrum oscillates between 100 CZK – 1,000 CZK.<sup>41</sup> Some political parties such as the Communist Party of Bohemia and Moravia (KSCM) determine the amount of the membership fee by a percentage of the income of the politician.<sup>42</sup>

However, even membership fees are causing problems regarding transparency and corruption. As it has been said only membership fees exceeding the line of 50,000 CZK must be disclosed in annual financial reports which gives political parties and movements a relatively big space in which to hide some more generous members in their accounting. We can confirm this assumption by the scandal of the Czech Social Democratic Party (CSSD) in 2010. Their politician Mr. Poche contributed to the party 200,000 CZK but not in the form of donation but as a membership fee. This would not be unusual if Mr. Poche hadn't distributed this 200,000 CZK among his ten subordinates who contributed to the Social Democrats in the form of a membership fee. As each of them contributed less than 50,000 CZK there was not a single visible notification about this contribution in the accounting. Mr. Poche argued that he would have to pay tax in the case that his contribution would be made in the form of a donation. However, this was not true as donations are not subject to tax since 2001.<sup>43</sup> What Mr. Poche and his case showed is an elegant and easy way of hiding money and generous donors in the party's accounting.

Due to this, I also research the question of membership fees against total revenues in financial reports. In order to achieve the aims of this research I needed information on a number of members of selected political parties. Despite the fact it is not compulsory for parties to release the number of members, it was bit surprising that not every political party or movement keep records of this index or do not want to provide this information. In the case of the KSCM and CSSD I was given data

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<sup>40</sup> REGULATION N. 424/1991Sb. (2016e)

<sup>41</sup> TYDEN (2011)

<sup>42</sup> HLOUSKOVA, Lenka (2007)

<sup>43</sup> IDNES (2010)

only after I visited their headquarters. In case of ANO I have not received any response or call after more than eight months. Information on any number of members should be easy to attain and it is hard to understand why some political parties and movements do not publish these accounts.

## **2 CZECH POLITICAL SYSTEM, PARTIES, AND MOVEMENTS**

The Czech Republic is a parliamentary democracy with a President who is elected in a direct Presidential election.<sup>44</sup> The Czech Parliament is bicameral consisting of a Chamber of Deputies and the Senate. The Czech Republic is divided into 6851 municipalities, dated from 31.12.2014<sup>45</sup>, and since 2000 also into 14 counties. Political power is divided into three types – executive (Czech government), legislative (Czech Parliament) and judicial (Supreme Court and courts). Czech supreme law holds the Constitution along with the Charter of Freedoms and Right. The Supreme Court is the highest judicial body in the country.

### **2.1 Governmental Institutions**

The most important political institutions from the perspective of power and financing are bicameral Czech Parliament consisting of the Chamber of Deputies and the Senate, and County Councils. With regards to the financial perspective, elections to each of these institutions have a deciding impact on the funding of political parties and movements from the state budget. This chapter provides the most important information about each of these three institutions.

#### **Chamber of Deputies**

The Chamber of Deputies is located in the capital city of Prague and its head is chairman of the Chamber of Deputies. The Chamber of Deputies has 200 members elected every four years in democratic election using a proportional representation system and D'Hondt method to determine a number of mandates. Anyone older than 18 years can vote in the election. Anyone older than 21 years can run their own candidacy. To be successful in elections, a political party or movement needs to cross the 5% line of all valid votes registered in the election.<sup>46</sup> Usually we experience 4-7 political parties or movements that manage to achieve more than 5%.<sup>47</sup> After every election the President of the Czech Republic usually delegates the chairman of the winning party in order to assemble a government. The Government can have a majority or can work as a minor government. The Head of Government is the Prime Minister and every government usually has from 15-20 ministers, predominantly consisting of men. Any government can be dissolved if more than half of the present members of the Chamber of Deputies votes against the government during Governmental confidential voting. Most recently and for the first time in the history of the Czech

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<sup>44</sup> Current Czech President Milos Zeman was elected in first ever direct Presidential election in January 2013. His mandate is valid till March 2018.

<sup>45</sup> MINISTRY OF REGIONAL DEVELOPMENT OF THE CZECH REPUBLIC (2015)

<sup>46</sup> KREJČÍ, Oskar (2006), p.308,309

<sup>47</sup> VOLBY (1998-2013)

Republic this happened to the government of the Civic Democratic Party (ODS) and its Prime Minister Mirek Topolanek in 2009.<sup>48</sup> It was almost obvious that we would experience another dissolution in 2013 after another scandal of governmental ODS and its Prime Minister Petr Necas, but he resigned from his position two days before voting was about to take place.<sup>49</sup>

Elections to the Chamber of Deputies are also a deciding factor while redistributing money from the state budget to political parties and movements. Rules and regulation on state funding are based in Law No.424/1991 and Law No.247/1995. We distinguish three types of contribution from state budget in respect to the Chamber of Deputies: contribution to election expenses, annual contribution to mandate of member of the Chamber of Deputies, and annual permanent contribution to run a party.

Contribution to election expenses is distributed to all political parties and movements which receive more than 1.5% in the election to the Chamber of Deputies. Such parties receive 100 CZK for every single valid voice.<sup>50</sup>

The annual contribution to the mandate of a member of the Chamber of Deputies is distributed towards a political party or movement whose candidate was elected into the Chamber of Deputies. Such contributions are set at the annual amount of 855,000 CZK.<sup>51</sup>

The annual permanent contribution to run a party is determined for political parties which receive more than 3% of all valid votes. Such a political party or movement has the right to receive 6,000,000 CZK annual contribution to run their activity. Furthermore, each party exceeding 3% gets another 200,000 CZK for each 0.1% of votes. The maximum amount of the contribution is 10,000,000 CZK per year. This ensures that all parties that manage to get to the Chamber of Deputies and hereby cross line of 5% votes will receive 10,000,000 CZK every year.<sup>52</sup>

## **The Senate**

The Senate is also located in capital city of Prague and its head is chairman of The Senate. The Senate has 81 members who are elected every 6 years. However, the Senate's elections are every two years but only one third of Senators is elected in 27 electoral districts. Senators are elected according to a two-round majority election system. Candidate may be elected in the first round if the total number of votes received exceeds 50% all votes. To run a candidacy the Senate's election

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<sup>48</sup> CZECH TELEVISION (2009)

<sup>49</sup> GOVERNMENT OF THE CZECH REPUBLIC (2015)

<sup>50</sup> MINISTRY OF FINANCE OF THE CZECH REPUBLIC (2013)

<sup>51</sup> REGULATION N. 424/1991Sb. (2016f)

<sup>52</sup> REGULATION N. 424/1991Sb. (2016g)

candidate must be at least 40 years old. Voters must be 18 years old.<sup>53</sup> The Senate of the Czech Republic cannot be dissolved and its main purpose is to serve as the control body of the Chamber of Deputies and legislative power in the country. The Senate can amend the bills or veto them. In this case the bill must return to the Chamber of Deputies where, as a consequence, the majority of all members of the Chamber of Deputies is needed to pass a law and not only the majority of all present members, as it is for voting on regular bills.<sup>54</sup>

Political parties and movements obtain money from the state budget in the form of an annual contribution to a mandate of the Senator. This contribution is equal to the annual contribution to the mandate of a member of the Chamber of Deputies which means 855,000 CZK.<sup>55</sup>

### **Regional Councils**

Regional Councils were created in 2000 and the first election was held in November 2000. The Czech Republic is divided into 14 counties, one of which is the Capital City of Prague. Regional councils are located in the major regional cities of each county. Elections to each Regional council use the proportional representation system and D'Hondt method to redistribute the mandates. Members of the Regional Council are elected every four years during Regional council elections with the exception of the Capital City of Prague. Regional council members in Prague are elected during the municipal election. This means that Regional council members from Prague are at the same time councillors of Prague. Anyone older than 18 years can both vote and participate as candidates during election.<sup>56</sup> Regional councils are in the autonomous system the most powerful bodies in its counties.

Political parties and movements obtain money from state budget in the form of an annual contribution to the mandate of a Regional politician. This contribution is significantly lower than for the Senators and Members of the Chamber of Deputies. The annual amount of contribution is set at 237,500 CZK.<sup>57</sup>

## **2.2 Major Czech political parties and movements**

Political parties and movement can originate by registration at the Ministry. Once the Ministry officially recognizes a political party or movement, the party can actively participate in political life in the Czech Republic. There are various numbers of political parties and movements which are

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<sup>53</sup> LEBEDA, Tomas, MALCOVA Karolina, LACINA Tomas (2009), p.12-16

<sup>54</sup> DAVID, Roman (2015), p.114

<sup>55</sup> REGULATION N. 424/1991Sb. (2016f)

<sup>56</sup> BALIK, Stanislav eds. , CALOUD, Dalibor and others (2005), p.19

<sup>57</sup> REGULATION N. 424/1991Sb. (2016f)

active in various elections. In the last election to the Chamber of Deputies there were 24 political parties and movements competing for the mandates.<sup>58</sup>

For the purpose of this master's thesis I selected ten political parties and movements. All of them have one thing in common which is the fact that they have succeeded in being elected to the Chamber of Deputies. This means that each of the following parties and movements crossed the limit of 5% of all votes in one or more elections during 1998-2013. In this time period we had four elections to the Chamber of Deputies in the Czech Republic – 1998, 2002, 2006, 2010, and one premature election in 2013. This is also the reason why I chose the time period from 1998 to 2013. Elections to the Chamber of Deputies are easy to use for this purpose, with the addition of five different political terms ensuring we have enough data to do the research on. Parties and movements successfully participating in the election process are: Czech Social Democratic Party (CSSD), Civic Democratic Party (ODS), Communist Party of Bohemia & Moravia (KSCM), Christian and Democratic Union - Czechoslovak People's Party (KDU-CSL), Green Party (SZ), Tradition Responsibility Prosperity 09 (TOP 09), ANO 2011 (ANO), Dawn – National Coalition (USVIT), Public Affairs (VV), and Freedom Union – Democratic Union (US-DEU).

We can argue that CSSD, ODS, KSCM, and KDU-CSL are traditional political parties with deep historical roots. These parties were also most often participating on the decision-making process for almost 100 years. On the other hand parties and movements such as ANO, TOP 09, VV, SZ, US-DEU and USVIT were founded recently as a reaction to current political issues and dissatisfaction with traditional political parties and movements. Some of them are considered to be “populist” parties and managed to achieve a place in the Chamber of Deputies in merely one term.

### **Civic Democratic Party (ODS)**

As one of the two historically most successful Czech political parties, ODS was established in 1991 and is considered to be the dominant inheritor of the Civic Forum who played key role during the Velvet revolution in 1989. This means ODS has always been one of the most important representatives of the non-socialistic political system in Czech Republic.<sup>59</sup>

Nowadays the Civic Democratic Party is a conservative, liberal, right-oriented political party. The Party has always supported entrepreneurs and conservative principles, and the notion of the family. The current chairman is Petr Fiala whose main goal is to return ODS back to the most influential and powerful political party in the Czech Republic after some big scandals involving previous

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<sup>58</sup> CZECH STATISTICAL OFFICE (2013)

<sup>59</sup> PINK, Michal (2012), p.27

leaders.<sup>60</sup> ODS, after nearly seven years of being a governmental party, is now in opposition as they lost almost 14% of votes in the preliminary election to the Chamber of Deputies in 2013.<sup>61</sup>

The most famous member of ODS is their former chairman, the Minister of Finance, Prime Minister, and co-founder Vaclav Klaus. Vaclav Klaus also succeeded in the Presidential elections of 2003 and 2008, also thanks to support from ODS. Other Prime Ministers from ODS were Miroslav Topolanek and Petr Necas. ODS was also a governmental party during the rule of the Social Democrats of 1998-2002 as ODS signed a questionable Opposition contract with CSSD. This enabled the Social Democrats to create a minor government.

The most important financial scandals caused the resignations of three of ODS's Prime Ministers. The scandal regarding donations and Vaclav Klaus has already been described. Mirek Topolanek and his connections to lobbyist Marek Dalik, as well as the connection of his name with a corruption case of highly ranked ODS members, forced Miroslav Topolanek to resign in 2009. Most recently Prime Minister Petr Necas allowed Military Intelligence to monitor his wife and was also accused of bribing of three other politicians.<sup>62</sup>

### **Czech Social Democratic Party (CSSD)**

The history of CSSD goes back to the 19<sup>th</sup> century, however the modern Social Democratic Party was established in March 1990 and the first chairman was Jiri Horak. After the disintegration of Czechoslovakia, Milos Zeman was the first Czech Social Democratic Party leader.<sup>63</sup> As stated earlier CSSD is debatably the most influential, popular, and traditional Czech political party. The Czech Social Democratic Party is middle-left oriented party which stresses support of a free market economy, social benefits for a wide spectrum of people, solidarity, equality and freedom. Social Democrats have also a prevalently positive attitude towards European Union.<sup>64</sup>

CSSD was a governmental party during 1998-2006 and since 2013 till nowadays. During this period of time five Prime Ministers from Social Democrats were in charge of the country. Milos Zeman was the first. He signed the questionable Opposition Contract with ODS. In 2002 he decided to run for President, but lost to Vaclav Klaus and stepped away from politics. Currently he is the Czech President as he won the first direct Presidential election in 2013. Next was Vladimir Spidla. He resigned after bad results in Presidential elections and elections in 2002. The Party leadership was taken over by Stanislav Gross who became the youngest Prime Minister in the history of the

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<sup>60</sup> CIVIC DEMOCRATIC PARTY (2016)

<sup>61</sup> VOLBY (1998-2013)

<sup>62</sup> CZECH TELEVISION (2013)

<sup>63</sup> CZECH SOCIAL DEMOCRATIC PARTY (2016)

<sup>64</sup> SPAC, Peter (2013), p.112

Czech Republic. Gross was eventually also forced to resign as he could not explain the financial situation regarding the purchase of his flat. He was also accused of corruption. Two other Prime Ministers were Jiri Paroubek and the currently governing, Bohuslav Sobotka. One further financial scandal has almost resulted in a traditional Czech joke. The former Regional Governor and Minister of Health Care David Rath, was caught while receiving a 7,000,000 CZK bribe in box of wine.

### **Communist Party of Bohemia & Moravia (KSCM)**

KSCM was founded in 1990 as the successor of the Communist party of Czechoslovakia, the leading and ruling party of Czechoslovakia from 1948 till Velvet revolution in 1989. KSCM stands on the very left end of political spectrum. Program goals of party include socialism, equality of all citizens, prosperity, and social justice. Program KSCM is based on Marxist theory. Even today KSCM is the party with the biggest number of members.<sup>65</sup>

Since fall of the Communist period KSCM has never been a governmental party despite the fact that party receives on average 15% of votes in Parliamentary elections. This is partly caused by the *unwritten agreement of all other democratic political parties and movements in the Czech Republic ensuring the exclusion of KSCM from high-level policy-decision processes; however, in reality there are many contacts and KSCM has already become a legitimate part of the political system in Czech Republic.*<sup>66</sup>

Miroslav Grebenicek became first Czech chairman of KSCM in 1993. In 2005 Vojtech Filip replaced Mr. Grebenicek and still is the Chairman of KSCM. Another famous communist is former Deputy Chairman of the party, Jiri Dolejs, who resigned from his position due to his name being connected with corruption regarding the Act on lottery in 2012.<sup>67</sup>

### **Christian and Democratic Union - Czechoslovak People's Party (KDU-CSL)**

KDU-CSL is another traditional political party, whose roots go back to 1919. The Party is middle-oriented, conservative and focused on family, rural areas, and agriculture. The Party follows Christian principles and supports democratic and humane traditions. The Party is usually strong in south and middle Moravia and their voters are usually Christians, families, and people from rural areas.<sup>68</sup> The current leader is Pavel Belobradek. The Party has never experienced any large-scale financial scandal. Most of the issues were rather in the form of inappropriate comments or moves.

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<sup>65</sup> COMMUNIST PARTY OF BOHEMIA&MORAVIA (2016)

<sup>66</sup> CERNOCH, Filip (2011), p.61

<sup>67</sup> LIDOVKY (2010)

<sup>68</sup> CHRISTIAN AND DEMOCRATIC UNION-CZECHOSLOVAK PEOPLE'S PARTY (2016)

KDU-CSL is one of the most popular parties to create a coalition with. This is thanks to their middle-oriented politics.

### **Freedom Union – Democratic Union (US-DEU)**

Freedom Union was founded in 1998 when some ODS members decided to leave their party. Freedom Union's first Chairman was Jan Ruml. The Party was right-oriented. They were supporters of a market-based economy and political freedom. Freedom Union began to form a so called four-way coalition with other political parties in order to get more votes in elections. In 2001 they joined with Democratic Union and established a new political party US-DEU. This party competed in following years but after several failures the party decided to not participate in political life anymore. In 2011 the party ceased their activity and went into liquidation.<sup>69</sup> For the purpose of this thesis all data are processed on the assumption that parties were cooperating since 1998.

### **Green Party (SZ)**

The main ideology of Green Party is green policy. As other green parties from around Europe SZ is also affiliated with the European Green Party Chart and to Global Greens. The party was founded in 1989 but most of their members entered the Party in 2002. These people were predominantly varying kinds of ecologists. The Party's main goals are a clean environment and the fight against corruption.<sup>70</sup> The biggest success of the modern Green Party was under Chairman Martin Bursik in 2006 when the Green Party made over 5% for the first, and currently only, time in elections to the Chamber of Deputies.<sup>71</sup> The Party still has significant influence especially in big cities but struggles to succeed in big elections. The current leader is Matej Stropnický.

### **Tradition Responsibility Prosperity 09 (TOP 09)**

The Party was established in 2009 by an initiative of current chairman Miroslav Kalousek. But the most important face of the party is its first chairman Karel Schwarzenberg.<sup>72</sup> The Party is right oriented, conservative and strictly against populism. Their main program values consist of traditional conservative approach with roots in Christian and Jewish principles, prosperity of the state and a market-based economy, and responsibility.<sup>73</sup> The Party managed to achieve 17% in their first election to the Chambers of Deputies and also became a governmental party.<sup>74</sup>

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<sup>69</sup> VODICKA, Karel, CABADA, Ladislav (2011), p.295

<sup>70</sup> GREEN PARTY (2016)

<sup>71</sup> VOLBY (1998-2013)

<sup>72</sup> BALIK, Stanislav (2010), p.22

<sup>73</sup> TOP 09 (2016)

<sup>74</sup> Op. Cit.

Its most controversial member is the current leader and former Minister of Finance Miroslav Kalousek who is constantly being accused of corruption and stealing money from the state. However, nothing has been ever proven against him.

### **ANO 2011 (ANO)**

This political movement was established in 2011 and their leader is billionaire and second richest Czech citizen, Andrej Babis. The Party is middle-right oriented and its main values are freedom, solidarity, rationality, and families. Furthermore, the movement's main goal is a functional, prosperous, and stable society.<sup>75</sup> The political movement came second with 20% of votes in their first election to the Chamber of Deputies in 2013.<sup>76</sup> Moreover, the movement is currently in government and its leader Andrej Babis is the Minister of Finance. This has proven controversial as Mr. Babis is the owner of Agrofert Company. He is being constantly suspected of favouritism towards his firm and also that he grooms grant regulation in favour of Agrofert.

### **Dawn – National Coalition (USVIT)**

The most recent and new political party in Czech Republic which succeeded in election to the Chamber of Deputies just six months after its establishment in 2013. This party is strongly right oriented and populist. The Party's main goal is direct democracy along the line of the Swiss system, but it is also strongly against the European Union, migration, and Islam. The Party founder and first chairman was Tomio Okamura.<sup>77</sup> After various numbers of misunderstandings and internal problems Tomio Okamura left the party. One highly controversial fact is that the party had only nine members and Tomio Okamura refused to accept others. This also meant that all the money was distributed along these 9 members only.

### **Public Affairs (VV)**

Public Affairs were established in 2001 but the most important thing happened after choosing of popular, famous, and investigative journalist Radek John as a party leader. This pragmatic and populist party based their campaign in 2010 on fight against so-called political dinosaurs (traditional parties). The Party succeeded and with 10% of votes played key role while the government was created. The Party managed to get 4 ministers.<sup>78</sup>

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<sup>75</sup> YES, IT WILL BE BETTER: POLITICAL MOVEMENT (2016)

<sup>76</sup> Op. Cit.

<sup>77</sup> DAWN – NATIONAL COALITION (2016)

<sup>78</sup> VODIČKA, Karel, CABADA Ladislav (2011) p. 287

The Party suffered several scandals. The biggest one was regarding its most generous member Michal Babak who failed to explain from where he received 6,000,000 CZK that he then donated.<sup>79</sup> Further to this, mistakes and the hiding of real donors was found in their annual financial reports. One of their leaders, Vit Barta, was accused of bribing party members to silence them when talking about funding of Public Affairs.

## **2.3 Results of elections and power**

Elections are an inevitable aspect of political life and thus the most important thing for all political parties. Through elections, not only can a party gain power but it can also gain access to state money. In the following pages I introduce results of all elections of all selected political parties and movements to the Chamber of Deputies, The Senate, and Regional councils during 1998-2013. Further to that, percentage representation on power is introduced as well.

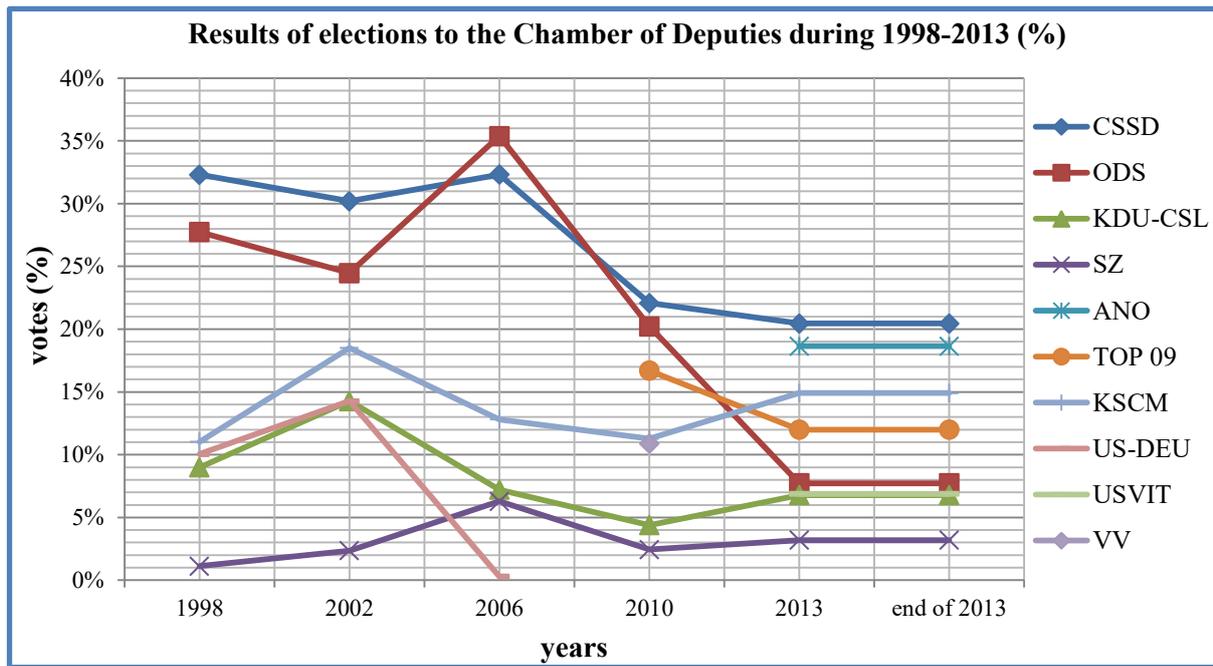
### **Results of elections to the Chamber of Deputies during 1998-2013**

Czech leading political parties and movements are under no doubt that Social Democrats are left oriented and the Civic Democratic Party is on the right side of the political spectrum. One of these two parties has always won the election and has entered government with the support of a usually middle-oriented party. Figure 2.1 shows the development of the percentage share of all the votes gained during individual elections to the Chamber of Deputies. CSSD and ODS usually received over 30% of votes and won the election with a huge lead over the other parties. This changed in 2010 after big scandals for both parties and the emergence of VV, TOP 09, USVIT and ANO, all of which took advantage of the declining popularity of these two traditional parties. There was also a big shock for KDU-CSL in 2010. It was for the first time in their almost 100 year history that they did not reach the 5% limit and consequently did not gain any mandate in the Chamber of Deputies.

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<sup>79</sup> IDNES (2011)

**Figure 2.1 Results of elections to the Chamber of Deputies during 1998-2013 (%)**<sup>80</sup>



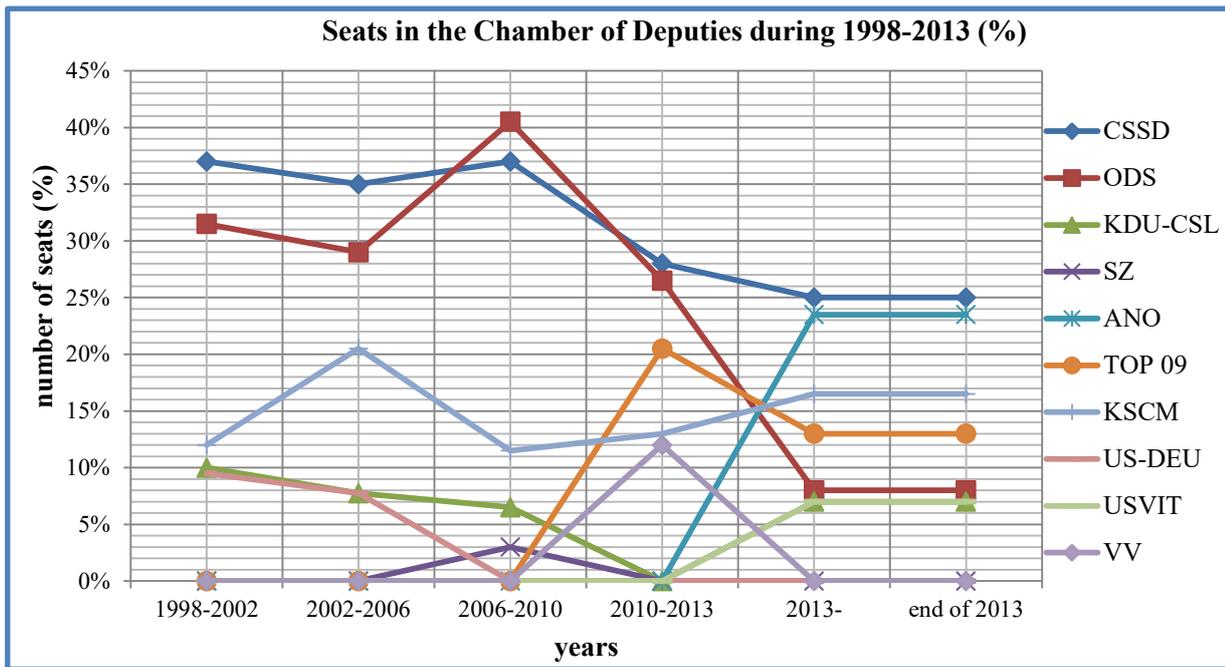
*Source: Created by author using statistical results from VOLBY (1998-2013)*

**Note:** In 1998 US and DEU participated separately in the election, however their results are shown as sum of their results. US got 8.6% of votes while DEU 1.45% of votes. Also in 2002 US-DEU and KDU-CSL created a coalition. Their common result was split into two equal parts.

Figure 2.2 shows how big the share and influence of the parties in the Chamber of Deputies was. **The highest ever share of power was held by the Civic Democratic Party during 2006-2010** where they had 40.5% of all seats, which is equal to 81 seats out of 200. However, nowadays their share is at somewhat around 8% which indicates how deep the crisis of ODS following the scandals was. An interesting fact is that even 25 years after the Velvet revolution the Communist Party still maintain 15-20% share of seats in the Chamber of Deputies. This is usually explained as a matter of Communist voters who always attend elections as they are used to doing so from the previous regime. Apart from ANO after 2013, the election share of seats of every other party has exceeded 20%.

<sup>80</sup> Complete results of all elections to the Chamber of Deputies are in Appendix 3

**Figure 2.2 Seats in the Chamber of Deputies during 1998-2013 (%)**



*Source: Created by author using statistical results from VOLBY (1998-2013)*

**Note:** In 1998 US and DEU participated separately in the election, however their results are shown as a sum of their results. Also in 2002 US-DEU and KDU-CSL created a coalition. Their common result was split into two equal parts.

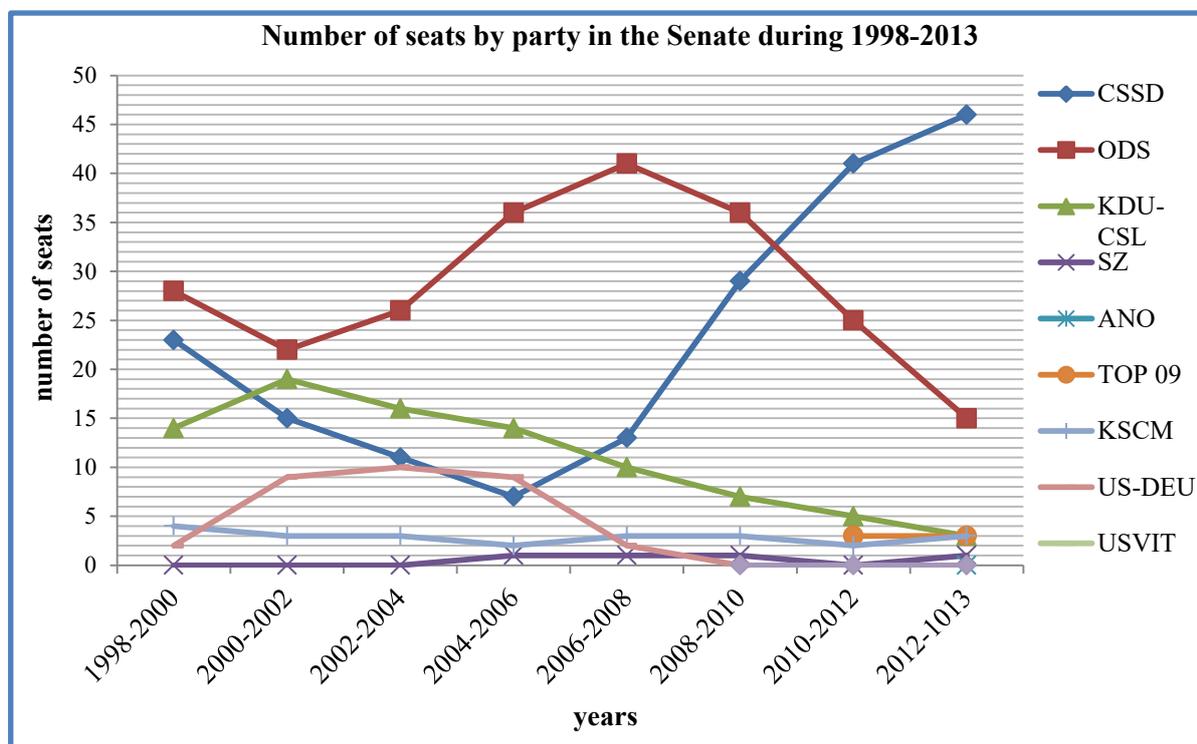
### **Results of elections to the Senate during 1998-2013**

Similarly to the Chamber of Deputies also in the Senate the two leading political parties are CSSD and ODS. Nevertheless, a number of political parties and movements participating in the Senate is higher than in the Chamber of Deputies. This is caused mainly due to fact that people mostly choose the best candidate but do not look at his political affiliation. Since 1996 there were also successful independent candidates. Along with the age requirement of over forty, political parties and movements often search for the perfect candidate among local doctors, actors, athletes etc. The big issue of election to the Senate is voter's participation. Apart from elections to the Chamber of Deputies it seems like elections to the Senate are not that attractive and not considered to be that important to society. Participation is usually higher in first round of elections. In the 2<sup>nd</sup> round, participation oscillates around only 20%.

Figure 2.3 shows that **highest number of seats by a single party was 46 Senators earned by the Social Democratic Party** after elections in 2010. This was once again a consequence of the scandals of the governing Civic Democratic Party. As we can see this was actually for the second time in history that a party held a majority of seats in Senate. The Civic Democrats managed to get 41 places out of 81 after a very successful election in 2006. As usual this was mainly due to the dissatisfaction of voters against the governing Social Democratic Party back in 2006. Other parties

are struggling to get at least ten seats. Out of our selected parties ANO, VV and USVIT have never succeeded in achieving a seat in the Senate.

**Figure 2.3 Number of seats by party in the Senate during 1998-2013<sup>81</sup>**

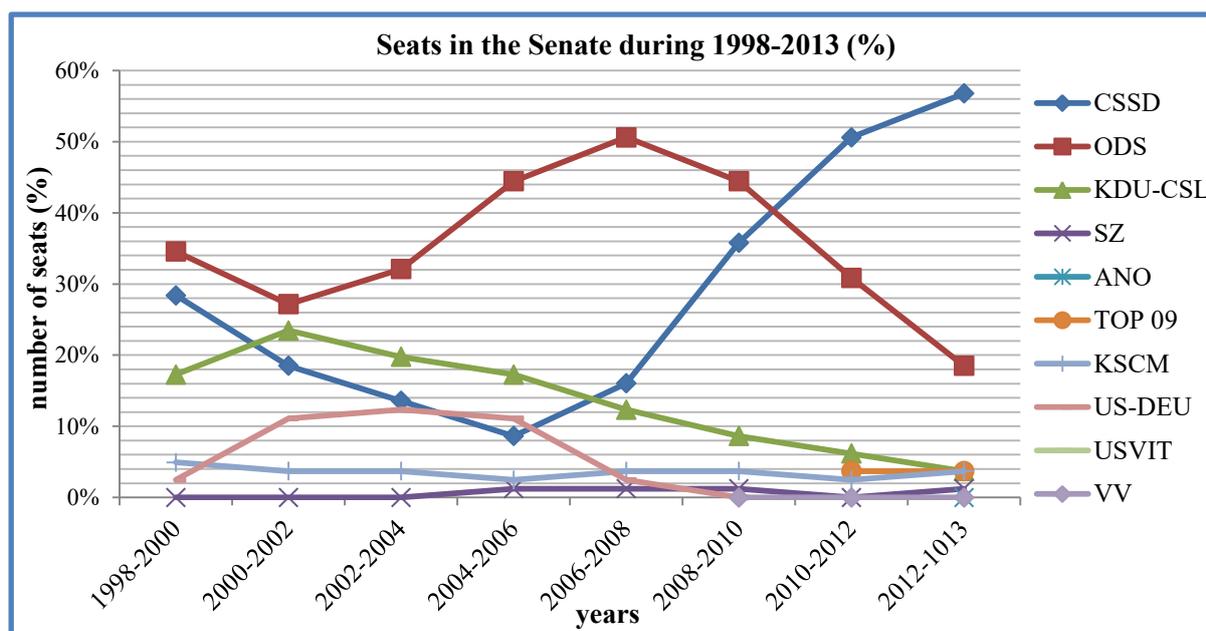


*Source: Created by author using statistical results from VOLBY (1998-2013b)*

Figure 2.4 shows the percentage of representation of selected political parties and movements in the Senate. As with the previous figure, this figure confirms that only two parties have reached a majority and also points out that **all parties except for the Social Democrats do have declining curves**. Even KDU-CSL which always managed to reach voters with interesting candidates lost over 15% of its influence in the last two decades. The Communist party on the other hand, maintains its 2-5% share throughout the whole period of time.

<sup>81</sup> Complete results of all elections to the Senate are in Appendix 4

**Figure 2.4 Seats in the Senate during 1998-2013 (%)**



*Source: Created by author using statistical results from VOLBY (1998-2013b)*

### **Results of elections to Regional councils during 2000-2013**

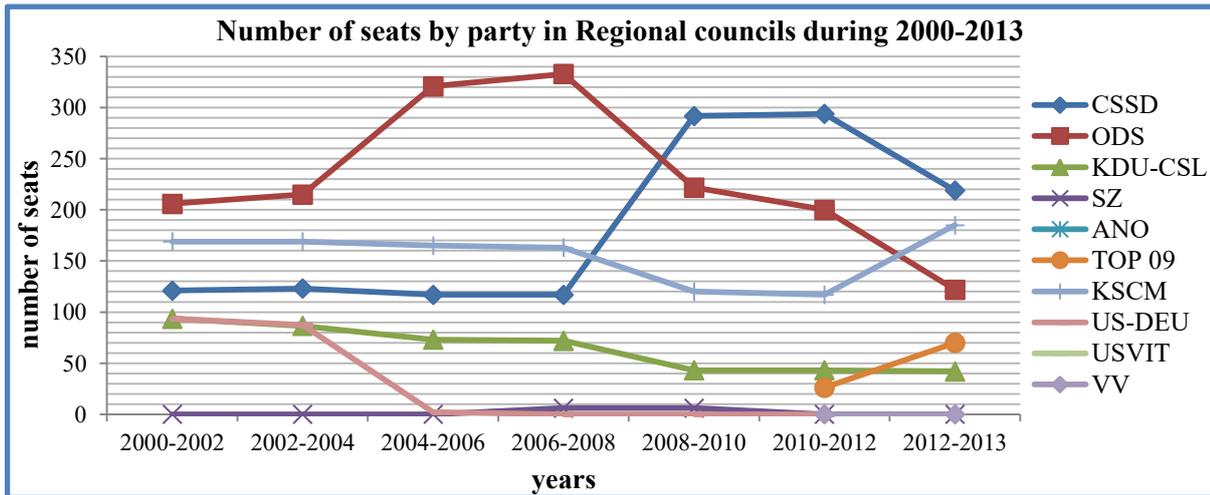
The first elections to regional councils took place in November 2000. Since that time every four years new regional councillors are voted in. In the case of Prague, regional elections take place every four years from 2002 as a part of municipality elections. Elections are very important for the funding of parties as they receive annually 237,500 CZK per each elected politician. The number of seats differs among the 14 counties but altogether it was 730 seats until 2002, 745 seats from 2002 until 2008, and from 2008 it is 738 seats in all 14 regional councils.<sup>82</sup> In regional elections political parties and movements which are solely focused on their region often operate. These parties and movements also very often succeed in the elections, and therefore actively participate on regional politics.

In Figure 2.5 we can see that in regional election not only two leading parties are successful but also Communist Party with an average above 150 seats in all counties. KDU-CSL is also usually quite strong especially thanks to the South Moravian and Zlin counties. KDU-CSL has already managed to have few regional governors. The highest number of seats reached by one of the selected political parties is 333 by the Civic Democrats during 2006-2008.<sup>83</sup> But as of the case with the Senate, we can see that **traditional parties are managing to get less and less seats every year.**

<sup>82</sup> Processed by author with the use of VOLBY (1998-2013c)

<sup>83</sup> Processed by author with the use of VOLBY (1998-2013c)

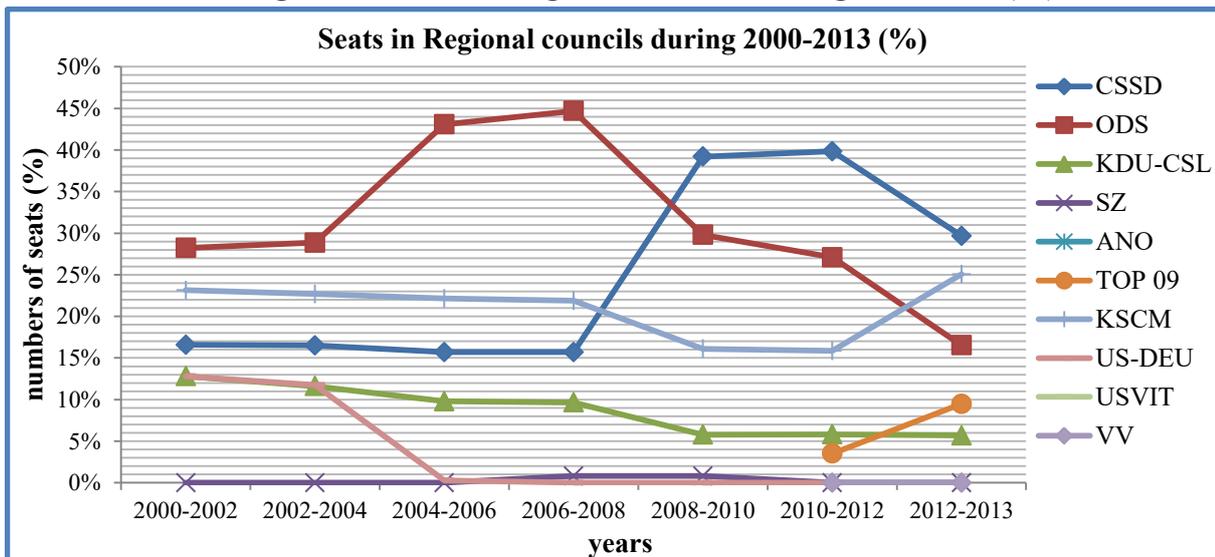
**Figure 2.5 Number of seats by party in regional councils during 2000-2013**



*Source: Created by author using statistical results from VOLBY (1998-2013c)*

Figure 2.6 confirms what has been already stated and it is the fact that major political parties have never had more than a 45% of share of power in the counties. What may be bit surprising is the fact that the **Communist Party, with exception of 2006-2012, have always been the second most powerful parliamentary party**. In this place it is important to state that the KSCM has a traditionally low support in the capital city of Prague where the municipality elections took place in 2006 and 2010. Also, TOP 09 is an important party while talking about regional politics. TOP 09 is actively cooperating with the party called Mayors and in regional elections usually competes alongside them in order to achieve better results.

**Figure 2.6 Seats in Regional councils during 2000-2013 (%)**



*Source: Created by author using statistical results from VOLBY (1998-2013c)*

**Note:** In case of TOP 09, only candidates who stated at candidacy lists of TOP 09, not Mayors, are included in the counts. US-DEU and KDU-CSL featured as coalition in regional elections in 2000. Their results are split into two halves.

### 3 ANALYSIS OF DONATIONS

In this part donations made by politicians to their political parties or movements are researched. I focus on donations made by Members of the Chamber of Deputies, the Senators, and Regional politicians. The reason I chose these three groups of politicians is that political parties and movements receive money from the state budget for each of these mandates gained in elections. For each mandate held in the Chamber of Deputies and for each mandate held in the Senate political party or movement annually receives 855,000 CZK. For each regional politician the party annually obtains 237,500 CZK.<sup>84</sup> I also find answers to the hypothesis: Assuming that Members of the Chamber of Deputies, the Senators or Regional politicians donate money to their political parties or movements in the form of donations, we suppose that the amount of money donated by Regional politicians will be different from the amount donated by Members of the Chamber of Deputies or the Senators.

#### 3.1 Methodology and data analysis

For the purpose of analysis introduced in this part of the thesis I have listed all names of the politicians of major political parties who were holding mandates of the Senators, Members of the Chamber of Deputies or Regional politicians during 1998-2013. During the given period of time a total of 2467 politicians from major political parties and movements were holding one of the examined positions.

Straight after the list of names was made I visited the Parliamentary library in Prague as it is the only place in the Czech Republic where Czech citizens can look into the annual income statements of all Czech political parties and movements unless the parties uploaded them on internet which is not compulsory. The majority of annual income statements available on the internet are also no older than 2008. Furthermore, most of the annual income statements uploaded by selected parties were incomplete so it was necessary to make a photo copy of all statements in Parliamentary library.

Once all the copies were made and the list of names was prepared the most time-demanding part of the analysis took place. I went through all annual income statements of all major political parties and movements during 1998-2013 and manually assigned the amounts of money donated by politicians to their parties each calendar year they had mandate. This means that even though Senator XY became a Senator in November 2003 and was in position until February 2005, the amount of his annual donation was assigned to him for the years 2003, 2004, and 2005. It would

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<sup>84</sup> REGULATION N. 424/1991Sb. (2016f)

not be possible to assign a proportional amount of money to the politicians in the years when their mandate started or finished as such information is not provided in annual income statements.

Due to the fact that researched data are available only in printed version, I processed all numbers manually and am hereby aware of possible mistakes made while assigning amounts of money to selected politicians. In total 15649 values were assigned.

Another important aspect of my thesis is that I took into consideration only donations by individuals but not by legal entities. It would not be possible to find out whether politicians have some shares in those legal entities and most importantly it would not be possible to prove that donations made by such legal entities are made on the proposal of these politicians. Similarly to legal entities it is not possible to prove any family relationships or any other while examining donations by individuals. I did find some cases where I could easily prove that for example Mrs. X is wife of the Senator Y as their permanent addresses stated in annual income statements were the same but there was a minimum of such examples, so I decided to not take into consideration donations made by family members that I was able to prove.

The Czech Constitution also prevents situations where a Senator would act as a Member of the Chamber of Deputies at the same time and vice versa. This is called incompatibility of political mandates and is described in Article 21 of the Czech Constitution.<sup>85</sup> Apart from this restriction a politician can simultaneously be member of Czech Parliament and a Regional politician. During 1998-2013 a total of 77 politicians were members of the Chamber of Deputies or the Senate and at the same time they held the mandate of Regional politician. The main issue with these politicians is that it is not possible to prove whether the donation made by them had been made on behalf of their membership in Czech Parliament or as a Regional politician. These politicians were removed for the purpose of analysis as this would introduce bias into the experiment because the same amount of money would be counted in both categories.

Another important adjustment made on data during statistical research is that I took into consideration how much on average was annually donated by selected a politician to his political party or movement. This means that if the politician held seat in the Senate during 2002-2004 and had donated 1,000 CZK in 2002, 29,000 CZK in 2003 and no donation had been made in 2004 his annual average donation was 10,000 CZK. This small adjustment has no impact on the final results as we are examining the whole period of 1998-2013 and not any single election period or so.

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<sup>85</sup> DAVID, Roman (2015), p.96

For the purpose of data analysis I used elementary statistical methods with the help of a SPSS program. To verify or disprove the hypothesis I needed to work with all data available without stressing any political affiliation. During 1998-2013 there were a total of 2467 politicians representing major political parties of who 966 donated money to their parties. The biggest group is represented by 1683 Regional politicians. We can also say that proportionally Members of the Chamber of Deputies are donating the most – in fact 66.8%. On the other side Regional politicians are proportionally donating less than members of Parliament. Only 58.3% Regional politicians donated to their political parties or movements.<sup>86</sup>

However, for the purpose of my research I have to put both groups of politicians from Parliament into the same group. Results of this are presented in table 3.1. That means there is a total of 1683 Regional politicians and 784 Members of Parliament. We can also see that proportionally Members of Parliament (66.2%) donated more than Regional politicians (58.3%).

**Table3.1 Total of politicians who donated to their political parties during 1998-2013**

		Total		Total
		donated	did not donate	
Regional politician	Count	701	982	1683
	%	41.7%	<b>58.3%</b>	100.0%
Member of Parliament	Count	265	519	784
	%	33.8%	<b>66.2%</b>	100.0%
Total	Count	966	1501	2467
	%	39.2%	60.8%	100.0%

*Source: Author*

### **Statistical methodology**

In the next step I made a test on the statistical significance between political mandate and giving donations. Results of this test are presented in table 3.2. Results of the test proved that there is a statistically significant dependency between giving donations and mandates as Fisher’s exact 2-sided test proved to have value no greater than 0.05. I chose Fisher’s test rather than the Pearson Chi-square test due to its greater accuracy as Pearson’s test is just an asymptotic approximation.<sup>87</sup> I chose a 2-sided exact test because in my hypothesis I suppose that there will be a difference between the amount of donations from Members of Parliament and from Regional politicians. I could use a 1-sided exact test in the case I would research whether for example Members of Parliament are donating more than Regional politicians.

<sup>86</sup> Data processed by Author - Complete counts are available in appendix 6

<sup>87</sup> MCDONALD, John H. (2014)

**Table 3.2 Test of stat. significance on Members of Parliament and Regional politicians**

	Value	Degree of freedom	Asymptotic Sigma (2-sided)	Exact Sigma (2-sided)	Exact Sigma (1-sided)
Pearson Chi-Square	13.837 <sup>a</sup>	1	.000		
<b>Fisher's Exact Test</b>				<b>.000</b>	.000
Number of Valid Cases	2467				

a. 0 cells (0.0%) have expected count less than 5. The minimum expected count is 306.99

*Source: Author*

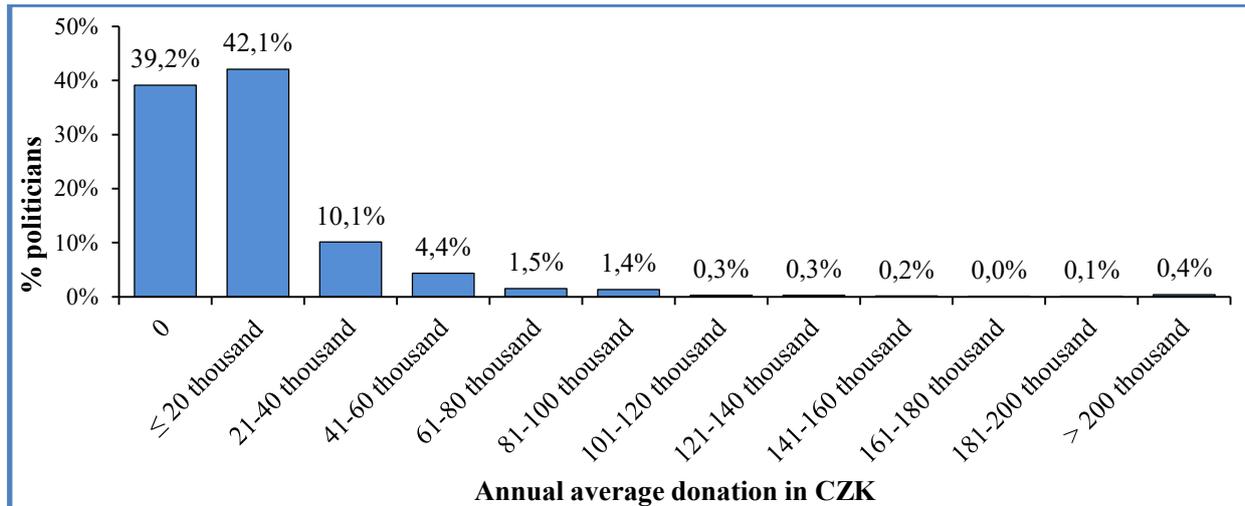
As it was statistically proved that there is a statistical significance between the amounts of donations in the next step I chose the appropriate method to test the hypothesis. Figure 3.1 shows the original distribution of all annual average donations made by politicians. In this figure politicians who did not donate are included as well. A majority of 81% did not donate or donated less than 20,000 CZK. On the other hand only 10% of all politicians annually donated more than 40,000 CZK. Figure 3.2 was created with the help of a decimal logarithm in order to find out whether our data have Gaussian distribution or not, as a logarithm helps us to transfer data from a not normal distribution into the Gaussian one.<sup>88</sup> Politicians who did not donate are not included in this figure because a logarithm of zero does not exist. Figure 3.2 proved that data do not have Gaussian distribution because the figure is skewed. This means that all the values are a bit shifted to the right side on the horizontal axes. In the Figure 3.2 we also see that the highest percentage of politicians annually donated around 10,000 CZK. Fewer than 3% of them donated over 100,000 CZK. Almost 10% of all politicians donated less than 1,000 CZK.

Because it was proved that these data do not have Gaussian distribution I cannot use the t-test which is a research means (this would be relevant just with Gaussian distribution), consequently that is why I chose to use Mann-Whitney U-test for the purpose of this thesis. Mann-Whitney U-test does not assume that the difference between the samples is normally distributed; it works just with the ranks regardless of whether samples are generally transformed or if they do not have Gaussian distribution. This is the reason to use this non-parametric test which does not assume any probability of a random variable.<sup>89</sup> Furthermore, non-parametric tests have less strength which means it is more complicated to get asymptotic sigma smaller than 0.05.

<sup>88</sup> Gaussian distribution = normal distribution = “is symmetrical with a single central peak at the mean (average) of the data. The shape of the curve is described as bell-shaped with the graph falling off evenly on either side of the mean. The spread of the normal distribution is controlled by the standard deviation. The smaller the standard deviation is the more concentrated data are.” [ROBERTS, Donna (2012)]

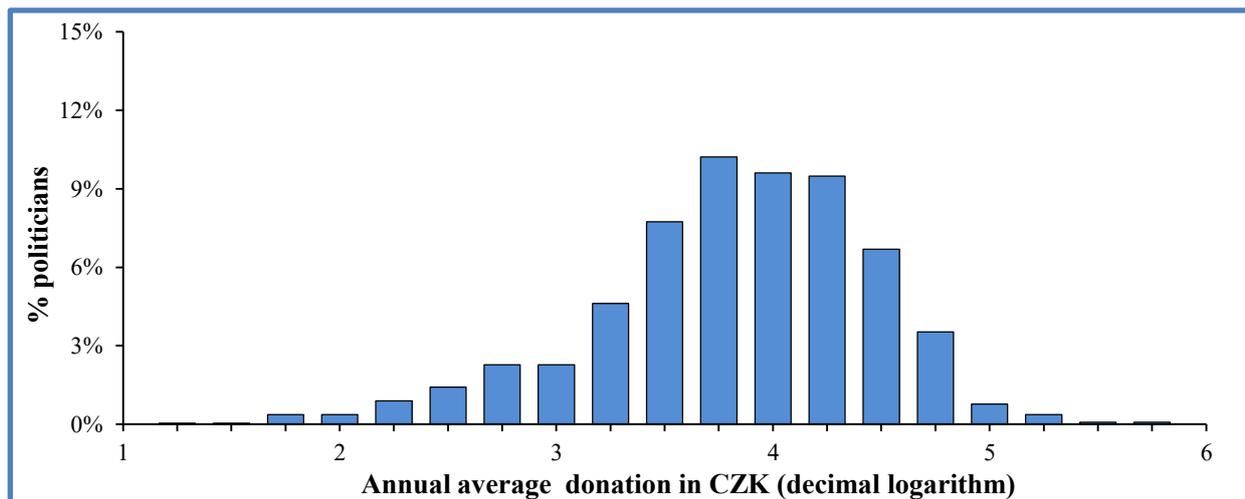
<sup>89</sup> STATISTICS SOLUTIONS (2016)

**Figure 3.1 Distribution of annual average donations of all politicians**



*Source: Author*

**Figure 3.2 Distribution of donations with the use of decimal logarithm**



*Source: Author*

### **Kruskall-Wallis test and Mann-Whitney U-test**

Before I did the Mann-Whitney U-test I had done the Kruskal-Wallis test. This test basically examines exactly the same thing but is used with more than two groups of data. This is because I firstly decided to test our three groups of politicians separately.<sup>90</sup> Outcomes of the test indicates that there is a statistically significant difference between these three groups as asymptotic sigma is no greater than 0.05. However, this test is not able to specify between which groups we can experience the difference and that is why I used Mann-Whitney U-test to test the groups between themselves.

<sup>90</sup> Complete results of the Kruskal-Wallis test are presented in appendix 7

In this case the number of false-positive results is increasing. To avoid this, we can use the Bonferroni correction. „*The Bonferroni correction is an adjustment made to P values when several dependent or independent statistical tests are being performed simultaneously on a single data set. To perform a Bonferroni correction, divide the critical P value ( $\alpha$ ) by the number of comparisons being made.*”<sup>91</sup> In our case three hypotheses are being tested, the new critical P value would be 0.05/3. The statistical power of the study is then calculated based on this modified P value.

All three Mann-Whitney U-tests used the Bonferroni correction while testing statistical power. It has been proved that there are statistically significant differences in the amount of donations between each three groups of politicians while examining donations.<sup>92</sup> Generally this means we proved that there are differences in the amount of money between all of these three groups of politicians while donating to their political party or movement.

However, for the purpose of this thesis the most important test to confirm or disapprove my hypothesis is Mann-Whitney U-test on Members of Czech Parliament and Regional politicians. Results of the Mann-Whitney U-test where Members of the Chamber of Deputies and the Senators were put in a common group called Members of Parliament are shown in table 3.3. Asymptotic sigma is no greater than 0.05 which means we have statistically proved that there is a difference between donations made by Members of Parliament and Regional politicians. This means that our hypothesis was proved to be right.

**Table 3.3 Mann-Whitney U-test on Members of Parliament and regional politicians**

<b>Ranks</b>				
category - binary		N	Mean Rank	Sum of Ranks
average annual sum without those who did not donate	Regional politician	982	670.76	658683.50
	Member of Parliament	519	902.83	468567.50
	Total	1501		
<b>Test Statistics<sup>a</sup></b>				
<b>Mann-Whitney U-test</b>	176030.500			
<b>Z</b>	-9.866			
<b>Asymptotic Sigma (2-tailed)</b>	.000			

a. Grouping Variable: category-binary

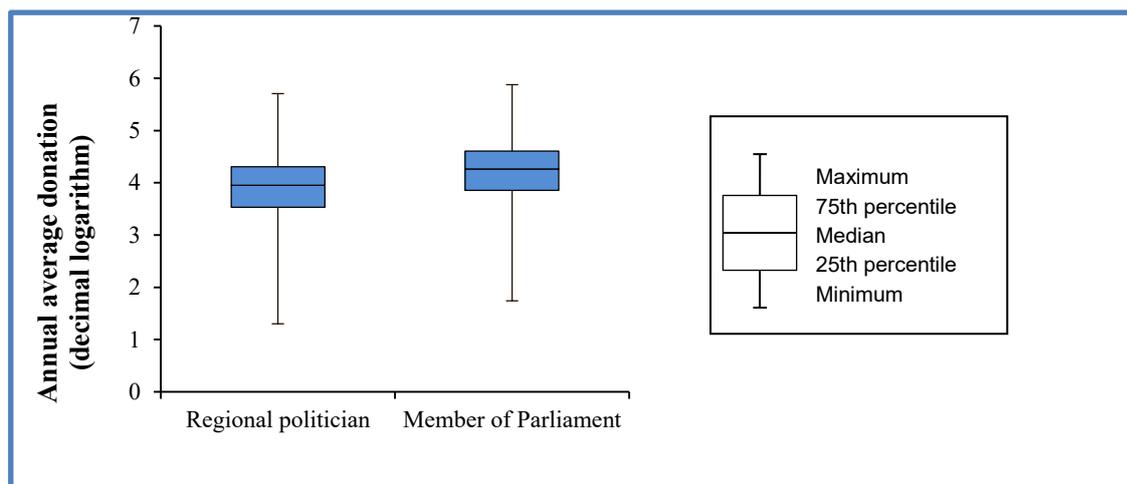
*Source: Author*

Figure 3.3 complements information on how much on average is being annually donated by Members of Parliament and Regional politicians. We can see that donations by Members of Parliament are a bit higher and oscillate around 20,000 CZK.

<sup>91</sup> NAPIERALA, Matthew A. (2016)

<sup>92</sup> Results of these tests are presented in appendix 8

**Figure 3.3 Annual donations made by Members of Parliament and Regional politicians**



*Source: Author*

### **Major findings from statistical testing**

It was set out in the methodology that all politicians who did not donate during their mandate will be removed from testing, and it was also stated that I had worked with average annual donations made by a selected politician. In this subchapter I introduce interesting data output. There are two tables introduced, one of which states the amounts of money donated on an average annual basis and the other one in total. Both tables are divided into two parts. One part includes all the politicians during 1998-2013 and the second part just those who donated to their political party or movement during their political careers. For the purpose of data description I found it more interesting to describe all three groups separately rather than put Members of Parliament in the same group again. This form is used in the rest of the thesis as it is more interesting to see the difference between Members of the Chamber of Deputies and the Senators as well and not only the comparison of Regional politicians and Members of Parliament.

Table 3.4 works with a total sum of donations made during 1998-2013. This method was not used during statistical testing; however it supplies us with more interesting data overview than in table 3.5 where the average annual sums are being stated.

In table 3.4 we can see that highest total amount of donations made by one politician is 3,026,624 CZK. This politician was a member of the Chamber of Deputies. The highest sum donated by the Senator and Regional politician in total was 1,135,000 CZK and 2,541,512 CZK respectively. The mean amount of money donated in total by the Regional politician is 57,810 CZK, 95,748 CZK by the Senator, and 139,836 CZK by Member of Chamber of Deputies. On the other hand if we were to consider just those who have donated during their mandate, the mean amount of money donated in total by Regional politicians would be 99,078 CZK, 209,399 CZK by Member of the Chamber of

Deputies, and 148,601 CZK by the Senator. The mean can be also influenced by some exceptionally high donations and that is the reason why is it more correct to take into account the amount of money donated by median politicians. As shown in the table 3.4 median amounts donated in total just by those who donated would just under half of the mean amounts. The smallest donation made in total during the mandate of politicians was 100 CZK and it was made by a Regional politician.

As already mentioned table 3.5 outlines results of the annual average amounts donated by politicians. On average the highest annual donation would be 756,656 CZK by a Member of the Chamber of Deputies. As we can see annual average median amounts would oscillate in the range of 8,000 – 20,000 CZK across the political spectrum. In the case that we would take into account also those who didn't donate, the average annual amount would be just in range of 1,000 – 8,000 CZK.

**Table 3.4 Total donations made by politicians during 1998-2013 (in CZK)**

TOTAL SUM DURING 1998-2013		Total N	Valid N	Mean	Stan. Dev.	Min	Perc. 05	Perc. 25	Median	Perc. 75	Perc. 95	Max
Total	Regional politician	1683	1683	57,810	146,617	0	0	0	7,920	55,000	250,000	2,541,412
	Member of Chamber of Deputies	590	590	139,836	294,298	0	0	0	38,400	154,113	600,000	3,026,624
	Senator	194	194	95,748	164,161	0	0	0	25,500	128,000	465,000	1,135,000
Just those who donated	Regional politician	982	982	99,078	181,010	100	2,400	16,500	46,000	115,000	335,000	2,541,412
	Member of Chamber of Deputies	394	394	209,399	339,416	300	5,000	38,000	105,500	240,080	905,483	3,026,624
	Senator	125	125	148,601	184,464	500	5,000	29,160	72,000	180,000	528,000	1,135,000

*Source: Author*

**Table 3.5 Average annual donations by politicians during 1998-2013 (in CZK)**

AVERAGE ANNUAL SUM DURING 1998-2013		Total N	Valid N	Mean	Stan. Dev.	Min	Perc. 05	Perc. 25	Median	Perc. 75	Perc. 95	Max
Total	Regional politician	1683	1683	9,658	24,564	0	0	0	1,567	10,000	43,000	508,282
	Member of Chamber of Deputies	590	590	23,123	52,657	0	0	0	8,009	26,250	87,188	756,656
	Senator	194	194	14,610	24,222	0	0	0	4,226	18,431	57,500	162,143
Just those who donated	Regional politician	982	982	16,553	30,336	20	482	3,300	8,124	19,000	53,333	508,282
	Member of Chamber of Deputies	394	394	34,626	61,289	60	1,286	8,004	19,314	40,000	100,000	756,656
	Senator	125	125	22,675	26,996	71	720	5,000	13,813	32,000	70,000	162,143

*Source: Author*

## **3.2 Donations in political parties and movements**

This chapter provides readers with a deeper look into the financing of Czech major political parties and movements. I apply the same statistical methodology used in the previous subchapter to find significant differences within a political party or movement itself. This means that I explore answers to questions such as, for example, whether in the case of the CSSD is there any significant difference between donations made by their Members of Parliament and Regional politicians or not. Necessary conditions to make such a test are that a selected party or movement must have had at least some members in both positions.

### **3.2.1 Party-wise analyses**

Interesting facts regarding donations made by politicians to their parties or movements are introduced. Those facts may be in the form of possible similar traits within parties and movements or specific behaviour while donating to their parties or movements.

Furthermore, tables with the complete financing of the party from the state budget are shown as well as numbers regarding the politics of a party's donation and membership fees. Also information on shares of donations by Members of Chamber of Deputies, the Senators, and Regional politicians within their political parties or movements from total donations received are shown. Shares of donations and membership fees from a total of a party's financing are also stated in those tables.

All tables regarding state funding do take into account money received just with the respect to donations and mandates gained by political parties and movements in elections. This means that contributions to elections expenses and others are not incorporated into these sums and statistics.

All of these data were compiled by the author and are based on data collection made by the author. Data were analysed mainly with the use of elementary mathematical and statistical methods. All data introduced in this chapter are covering the years 1998-2013. The most common resources were annual financial statements of the major Czech political parties and movements from this time period as well as the web pages of the Ministry of Finance of the Czech Republic, where all the information on state financing can be found.

#### **Civic Democratic Party (ODS)**

The Civic Democrats had 762 active politicians in total during 1998-2013 which makes the party the biggest with respect to number of politicians in mandates. The biggest group out of the total 762 was represented by Regional politicians amounting to 542, then 155 Members of the Chamber of Deputies, and 72 Senators.

As seen in table 3.6 with the use of Mann-Whitney U-test it was proven that within ODS we experience statistically significant differences between amounts of money donated by Members of Parliament and Regional politicians as asymptotic sigma is no greater than 0.05. Regarding donations ODS is one of a few political parties where we can register donations by politicians even during 1998-2002. During this period of time it was not that common for members of other parties to donate money. It seems like ODS has created some internal rule regarding making donations as their politicians are regularly donating during 1998-2013. This means that more than 87% of ODS's politicians elected to any of the researched mandate had donated some amount of money to the party. This number is extremely high in comparison to other political parties and movements. Another interesting aspect is that especially in electoral years to the Chamber of Deputies most of the newly elected members as well as those re-elected ones usually donated 50,000 CZK to ODS. Also most of the politicians who had ever donated money to ODS did it on annual basis. This means that a majority of politicians were donating money to ODS regularly every year rather than just once during their mandate.

**Table 3.6 Mann-Whitney U-test within ODS**

**Ranks<sup>a</sup>**

category - binary		N	Mean Rank	Sum of Ranks
average annual sum without those who did not donate	Regional politician	464	304.52	141299.50
	Member of Parliament	200	397.40	79480.50
	Total	664		

a. party = ODS

**Test Statistics<sup>a,b</sup>**

Mann-Whitney U-test	33419.500
Z	-5.724
<b>Asymptotic Sigma(2-tailed)</b>	<b>.000</b>

a. party = ODS

b. Grouping Variable: category - binary

*Source: Author*

In table 3.7 we see that the share of donations from total revenues of ODS is on average around 20%. On the other hand, the share of membership fees is usually fewer than 5% from total revenues. The highest share of donations amounted to 38.6% in 2012. The highest share of membership fees from total revenues was noted in 2010. The share was 10.7%. Somewhat surprisingly, we can say that Regional politicians are holding on average a bigger share than members of Parliament. In the case of ODS it could be due to a much bigger number of Regional politicians as well as the fact that in ODS most of the politicians actually donate, which is not that common in most other political parties and movements. The share of donations made by politicians from total donations is usually near 10% in the case of ODS. During 1998-2013 the total share of donations from total revenues

was 19.3%. This number represents over 1 billion CZK. The total share of membership fees amounted to 3.5% which is nearly 186 million CZK.

**Table 3.7 Financing of ODS during 1998-2013 (in CZK)**

ODS	Total revenues	Total donations	Share of donations from total revenues	Total donations from Members of Chamber of Deputies	Share of donations from Members of Chamber of Deputies from total donations	Total donations from the Senators	Share of donations from the Senators from total donations	Total donations from Regional politicians	Share of donations from Regional politicians from total donations	Total member fees	Share of member fees from total revenues
1998	243,254,000	23,218,000	9.5%	489,6	2.1%	192	0.8%			6,852,000	2.8%
1999	94,731,000	6,601,000	7.0%	442	6.7%	217,6	3.3%			7,487,000	7.9%
2000	96,317,000	22,344,000	23.2%	620,88	2.8%	434	1.9%	2,405,564	10.8%	10,268,000	10.7%
2001	216,028,000	14,902,000	6.9%	827,29	5.6%	253,3	1.7%	1,025,982	6.9%	6,513,000	3.0%
2002	349,854,000	64,693,000	18.5%	2,569,800	4.0%	544,976	0.8%	2,995,605	4.6%	7,954,000	2.3%
2003	456,827,000	16,514,000	3.6%	1,718,200	10.4%	291,1	1.8%	2,351,015	14.2%	8,591,000	1.9%
2004	307,171,000	49,550,000	16.1%	1,340,262	2.7%	2,108,136	4.3%	7,606,882	15.4%	10,118,000	3.3%
2005	233,852,000	17,808,000	7.6%	932,568	5.2%	284,927	1.6%	1,634,414	9.2%	11,849,000	5.1%
2006	592,595,000	107,175,000	18.1%	5,009,918	4.7%	1,855,700	1.7%	5,716,128	5.3%	13,248,000	2.2%
2007	261,517,000	18,040,000	6.9%	1,369,618	7.6%	327,877	1.8%	2,117,263	11.7%	13,648,000	5.2%
2008	346,087,000	75,205,000	21.7%	2,439,064	3.2%	850	1.1%	8,899,327	11.8%	15,707,000	4.5%
2009	471,064,000	97,001,000	20.6%	5,371,510	5.5%	674,999	0.7%	3,474,256	3.6%	16,402,000	3.5%
2010	612,904,000	232,910,000	38.0%	5,165,809	2.2%	2,369,620	1.0%	10,560,800	4.5%	15,802,000	2.6%
2011	445,131,000	93,387,000	21.0%	1,948,500	2.1%	292,3	0.3%	2,178,130	2.3%	14,575,000	3.3%
2012	247,017,000	95,366,000	38.6%	690,5	0.7%	988,6	1.0%	5,979,090	6.3%	14,070,000	5.7%
2013	281,386,000	78,292,000	27.8%	1,592,600	2.0%	332,5	0.4%	2,922,737	3.7%	12,035,000	4.3%
<b>Total</b>	<b>5,255,735,000</b>	<b>1,013,006,000</b>	<b>19.3%</b>	<b>32,528,119</b>	<b>3.2%</b>	<b>12,017,635</b>	<b>1.2%</b>	<b>59,867,193</b>	<b>5.9%</b>	<b>185,119,000</b>	<b>3.5%</b>

*Source:* Created by author using ANNUAL INCOME STATEMENTS OF ODS (1998-2013)

*Note:* Total amounts of money raised from Members of Chamber of Deputies, the Senators, and Regional politicians are the highest among all major political parties and movements.

The maximum average annual donation made by any Civic Democrat was 325,000 CZK by a Regional politician. The minimum annual average donation out of those who donated was 20 CZK. When taking into account those who donated the mean amount donated by politicians was between 18,000-30,000 CZK but median was between 10,000-19,000 CZK.<sup>93</sup>

Table 3.8 represents funding from the state budget. As we can see state funding plays an important role throughout the whole time period and is strongly dependent on results of the elections. The biggest income for ODS has always been from contributions to the mandate of Member of the Chamber of Deputies and from contributions to the mandate of a Regional politician depending on the result of elections to the Chamber of Deputies. The total share of state funding from total revenues is rather diminishes as the donations become more and more popular in ODS. The total share of state funding from total revenues during 1998-2013 was 40.5%, which proves the importance of state funding for one of Czech's two most powerful political parties in the last two decades.

<sup>93</sup> More data on donations within ODS in Appendix 9

**Table 3.8 State funding of ODS 1998-2013 (in CZK)**

ODS	Total contribution to mandate of Member of Chamber of Deputies	Total contribution to mandate of the Senator	Total contribution to mandate of Regional politicians	Permanent contribution to run a party	Total revenue from state budget	Share of revenues from state budgets from total revenues
1998	32,750,000	16,000,000		5,000,000	53,750,000	22.1%
1999	31,500,000	13,833,333		5,000,000	50,333,333	53.1%
2000	31,500,000	13,500,000		5,000,000	50,000,000	51.9%
2001	56,700,000	19,800,000	51,500,000	10,000,000	138,000,000	63.9%
2002	54,450,000	20,700,000	51,875,000	10,000,000	137,025,000	39.2%
2003	52,200,000	23,100,000	53,750,000	10,000,000	139,050,000	30.4%
2004	52,200,000	25,125,000	58,166,667	10,000,000	145,491,667	47.4%
2005	52,200,000	32,400,000	80,250,000	10,000,000	174,850,000	74.8%
2006	62,550,000	33,525,000	81,000,000	10,000,000	187,075,000	31.6%
2007	72,900,000	36,900,000	83,250,000	10,000,000	203,050,000	77.6%
2008	72,900,000	36,000,000	78,625,000	10,000,000	197,525,000	57.1%
2009	72,900,000	31,500,000	55,500,000	10,000,000	169,900,000	36.1%
2010	58,200,000	30,000,000	54,583,333	10,000,000	152,783,333	24.9%
2011	45,315,000	21,375,000	47,500,000	10,000,000	124,190,000	27.9%
2012	45,315,000	19,950,000	44,412,500	10,000,000	119,677,500	48.4%
2013	33,630,000	12,825,000	28,975,000	9,166,667	84,596,667	30.1%
<b>Total</b>	<b>827,210,000</b>	<b>386,533,333</b>	<b>769,387,500</b>	<b>144,166,667</b>	<b>2,127,297,500</b>	<b>40.5%</b>

*Source: Created by author using ANNUAL INCOME STATEMENTS OF ODS (1998-2013)*

*Note: ODS has received in total highest amount of money in the form of contribution to mandate of the Senator, contribution to mandate of Regional politician, and also total income from state budget was the highest among all Czech political parties.*

### **Czech Social Democratic Party (CSSD)**

During 1998-2013 CSSD had 729 politicians in total from which 177 were Members of the Chamber of Deputies, 70 were the Senators, and 482 were Regional politicians. This makes the party the second biggest during the given period of time. An interesting fact in comparison to ODS is that only 52.4% of elected Social Democrats had ever donated money to its party which is almost 35% less than in the case of ODS which is of a similar size. This could be due to internal policy or due to the fact that Social Democrats are a left-oriented party in which their members may not have always been as active in business as the Civic Democrats. Also, there is practically no sign of any donations made by Social Democrats before 2003 with just a few exceptions. Moreover, in most of the cases politicians donated money to their party just once or twice which is also bit different in comparison to ODS. There is no sign of any visible policy of donations within the Social Democratic Party. In table 3.9 we can see that also in the case of the Czech Social Democratic Party it was proven that there is a statistically significant difference between donations from Members of Parliament and Regional politicians.

**Table 3.9 Mann-Whitney U-test within CSSD**

**Ranks<sup>a</sup>**

category - binary		N	Mean Rank	Sum of Ranks
average annual sum without those who did not donate	Regional politician	250	176.58	44145.50
	Member of Parliament	132	219.75	29007.50
	Total	382		

a. party = CSSD

**Test Statistics<sup>a,b</sup>**

Mann-Whitney U-test	12770.500
Z	-3.634
<b>Asymptotic Sigma (2-tailed)</b>	<b>.000</b>

a. party = CSSD

b. Grouping Variable: category - binary

*Source: Author*

Table 3.10 provides us with information on the different types of funding of CSSD. Total revenues of CSSD during 1998-2013 were over 5.7 billion CZK which makes CSSD the richest party amongst all Czech major political parties and movements. Donations amount to 14.7 % of all revenues during 1998-2013. In the case of Social Democrats it seems like Members of Chamber of Deputies have always been the most common donors with the average share of 6% of total donations. On the other hand, Senators rarely crossed the 1% share from a total party's donation. An interesting aspect of donations is that the share of donations made by Regional politicians is rapidly growing in recent years but it is difficult to discover what the incentive for that is. Membership fees create a 3.6% share from total revenues during 1998-2013 which is almost exactly the same share as ODS has. The amount of money annually collected after 2004 in the form of a membership fee is much higher than before 2004.

**Table 3.10 Financing of CSSD during 1998-2013 (in CZK)**

CSSD	Total revenues	Total donations	Share of donations from total revenues	Total donations from Members of Chamber of Deputies	Share of donations from Members of Chamber of Deputies from total donations	Total donations from the Senators	Share of donations from the Senators from total donations	Total donations from Regional politicians	Share of donations from Regional politicians from total donations	Total member fees	Share of member fees from total revenues
1998	393,007,326	1,967,677	0.5%	132,304	6.7%	0	0.0%			5,948,779	1.5%
1999	118,682,630	1,657,360	1.4%	420,019	25.3%	0	0.0%			4,662,627	3.9%
2000	153,970,446	3,667,152	2.4%	63,001	1.7%	25,000	0.7%	51,500	1.4%	5,875,030	3.8%
2001	573,849,000	<b>385,843,370</b>	67.2%	5,000	0.0%	0	0.0%	2,000	0.0%	5,361,000	0.9%
2002	352,410,000	20,696,000	5.9%	590,295	2.9%	17,000	0.1%	394,950	1.9%	9,146,000	2.6%
2003	147,849,000	10,639,000	7.2%	250,109	2.4%	17,000	0.0%	138,653	1.3%	6,858,000	4.6%
2004	240,890,000	64,314,000	26.7%	493,156	0.8%	19,000	0.0%	507,347	0.8%	10,189,000	4.2%
2005	170,592,021	34,018,394	19.9%	227,370	0.7%	4,000	0.0%	166,000	0.5%	9,123,880	5.3%
2006	409,888,857	75,571,877	18.4%	3,125,770	4.1%	22,821	0.0%	3,443,776	4.6%	17,389,120	4.2%
2007	263,485,442	23,425,987	8.9%	723,420	3.1%	85,100	0.4%	277,020	1.2%	11,609,036	4.4%
2008	282,580,529	38,151,689	13.5%	1,747,513	4.6%	581,600	1.5%	3,864,909	10.1%	17,057,757	6.0%
2009	524,999,790	24,560,994	4.7%	1,463,083	6.0%	247,299	1.0%	2,036,881	8.3%	17,785,310	3.4%
2010	718,190,496	65,882,977	9.2%	2,757,514	4.2%	707,730	1.1%	4,693,803	7.1%	23,284,107	3.2%
2011	350,900,597	36,580,237	10.4%	819,523	2.2%	273,979	0.7%	2,720,489	7.4%	19,524,503	5.6%
2012	509,080,884	47,636,271	9.4%	608,279	13%	532,020	1.1%	4,867,759	10.2%	22,279,014	4.4%
2013	498,505,561	4,064,641	0.8%	1,116,575	27.5%	152,683	3.8%	1,004,563	24.7%	19,832,590	4.0%
<b>Total</b>	<b>5,708,882,579</b>	<b>838,677,626</b>	<b>14.7%</b>	<b>14,542,929</b>	<b>1.7%</b>	<b>2,685,232</b>	<b>0.3%</b>	<b>24,169,650</b>	<b>2.9%</b>	<b>205,925,733</b>	<b>3.6%</b>

*Source: Created by author using ANNUAL INCOME STATEMENTS OF CSSD (1998-2013)*

*Note: CSSD has the biggest total revenues during 1998-2013 out of all major political parties. CSSD also received highest donation out of all. This was in 2001 and CSSD got back their basis called People's House (385 million CZK) which is located in the centre of Prague.*

As was mentioned earlier the percentage of donations by politicians is much higher in ODS than in CSSD. This is especially due to CSSD's Regional politicians. Out of 482 serving politicians only 250 donated some to CSSD. However, the maximum annual average donation was in CSSD made by a Regional politician. The amount of this annual average maximum was 508,282 CZK. The mean amount donated by a Social Democratic Member of the Chamber of Deputies was 22,201 CZK. The median annual average donation by Members of the Chamber of Deputies was 12,633 CZK. Both amounts are based on data just from those politicians who actually donated to CSSD. If we take into account also the Social Democrats who did not donate to CSSD at all, the annual average median amount of a Social Democratic Member of the Chamber of Deputies would be just 786 CZK.<sup>94</sup>

The reason why CSSD has the highest total revenues of all Czech political parties is not that they received the most money from the state budget as a contribution to their mandates. As shown in Table 3.11 CSSD received 1.9 billion CZK in total during 1998-2013 which is more 220 million CZK less than ODS. Furthermore, state funding creates only 33.4 % from the total revenues of the party. Revenues from contribution to mandate of a Regional politician are the most important ones

<sup>94</sup> More data on donations within CSSD in Appendix 10

to a party's funding from the state budget since 2009. This is due to the increased influence of CSSD in Regional Councils after regional elections in 2008. The great success of CSSD in elections to Senate in 2010 after a huge scandal of ODS brought CSSD an additional 10 million CZK in the following years.

**Table 3.11 State funding of CSSD during 1998-2013 (in CZK)**

CSSD	Total contribution to mandate of Member of Chamber of Deputies	Total contribution to mandate of the Senator	Total contribution to mandate of Regional politicians	Permanent contribution to run a party	Total revenue from state budget	Share of revenues from state budgets from total revenues
1998	34,291,667	13,000,000		5,000,000	52 291 667	13.3%
1999	37,000,000	11,500,000		5,000,000	53 500 000	45.1%
2000	37,000,000	11,500,000		5,000,000	53 500 000	34.7%
2001	66,600,000	13,500,000	30,250,000	10,000,000	120 350 000	21.0%
2002	64,800,000	12,900,000	30,333,333	10,000,000	118 033 333	33.5%
2003	63,000,000	9,600,000	30,750,000	10,000,000	113 350 000	76.7%
2004	63,000,000	8,475,000	30,625,000	10,000,000	112 100 000	46.5%
2005	63,000,000	6,300,000	29,250,000	10,000,000	108,550,000	63.6%
2006	64,800,000	7,425,000	29,250,000	10,000,000	111,475,000	27.2%
2007	66,600,000	11,400,000	29,250,000	10,000,000	117,250,000	44.5%
2008	66,600,000	15,300,000	40,187,500	10,000,000	132,087,500	46.7%
2009	66,600,000	26,100,000	73,000,000	10,000,000	175,700,000	33.5%
2010	57,150,000	28,800,000	73,125,000	10,000,000	169,075,000	23.5%
2011	47,880,000	34,983,750	69,825,000	10,000,000	162,688,750	46.4%
2012	47,880,000	36,551,250	66,856,250	10,000,000	161,287,500	31.7%
2013	42,607,500	<b>41,040,000</b>	52,012,500	9,166,667	144,826,667	29.1%
<b>Total</b>	<b>888,809,167</b>	288,375,000	584,714,583	144,166,667	1,906,065,417	33.4%

*Source: Created by author using ANNUAL INCOME STATEMENTS OF CSSD (1998-2013)*

*Note: CSSD received the most money of all from state budget in the form of contribution to mandate of Member of Chamber of Deputies. Also party got the highest annual contribution to mandate of the Senator in 2013 amounting to 41 million CZK.*

### **Communist Party of Bohemia & Moravia (KSCM)**

The Communist Party had 410 politicians in total in a mandate during 1998-2013. KSCM has traditionally a very low representation in the Senate which means that KSCM had only seven Senators. In the Chamber of Deputies KSCM always has over 10% of votes in elections but the names of the politicians are usually the same as KSCM struggles a little with new faces. KSCM had 57 Members in the Chamber of Deputies. The biggest share creates Regional politicians with 343 names. Only 42% of Communists have donated money to their party. This is due to Regional politicians who are not forced to do so. All seven Senators donated money to KSCM as well as 53 out of 57 Members in the Chamber of Deputies. With the exception of 1998-2001 basically every KSCM Member of Parliament donated annually a certain amount of money to their party. This is due to internal policy where a certain percentage of income should be sent to the party.<sup>95</sup> From what has been said it is obvious that there is a difference between donations made by KSCM's

<sup>95</sup> Personal meeting with KSCM member – exact number was not provided

Members of Parliament and Regional politicians but Table 3.12 supplies us with proof of a statistically significant difference.

**Table 3.12 Mann-Whitney U-test within KSCM**

**Ranks<sup>a</sup>**

category - binary		N	Mean Rank	Sum of Ranks
average annual sum without those who did not donate	Regional politician	112	62.51	7001.00
	Member of Parliament	60	131.28	7877.00
	Total	172		

a. party = KSCM

**Test Statistics<sup>a,b</sup>**

Mann-Whitney U-test	673.000
Z	-8.633
<b>Asymptotic Sigma (2-tailed)</b>	<b>.000</b>

a. party = KSCM

b. Grouping Variable: category - binary

*Source: Author*

With regards to what has been already mentioned table 3.13 confirms that KSCM's Members of Parliament have a 55.2% share on total donations received by KSCM during 1998-2013. An interesting point to note is that the KSCM politician's share of total donations is nearly 74% of all donors. This is due to not very high popularity of KSCM in the Czech business environment as well as due to their political program. Donations create only 2.2% of total revenues. On the other hand membership fees amount to 17.1%. This proves how dependent KSCM is on its own members. Members of Parliament are supposed to pay 10% of their salary to the party in the form of a membership fee.<sup>96</sup> Furthermore, KSCM has the most members amongst major political parties and movements. This is due to their high base from the end of 80s'. The number of members is rapidly decreasing yet KSCM still has enough members to raise over 20 million CZK in the form of membership fees.

<sup>96</sup> NOVINKY(2007)

**Table 3.13 Financing of KSCM during 1998-2013 (in CZK)**

KSCM	Total revenues	Total donations	Share of donations from total revenues	Total donations from Members of Chamber of Deputies	Share of donations from Members of Chamber of Deputies from total donations	Total donations from the Senators	Share of donations from the Senators from total donations	Total donations from Regional politicians	Share of donations from Regional politicians from total donations	Total member. fees	Share of member. fees from total revenues
1998	153,132,000	0	0.0%	0	0.0%	0	0.0%			33,150,000	21.6%
1999	92,741,000	831,000	0.9%	0	0.0%	0	0.0%			34,093,000	36.8%
2000	93,081,000	474,000	0.5%	0	0.0%	0	0.0%	0	0.0%	33,406,000	35.9%
2001	167,582,000	376,000	0.2%	269,700	71.7%	0	0.0%	0	0.0%	33,621,000	20.1%
2002	251,840,000	998,000	0.4%	601,975	60.3%	3,600	0.4%	65,804	6.6%	35,106,000	13.9%
2003	162,529,000	4,355,000	2.7%	1,982,900	45.5%	62,560	1.4%	531,900	12.2%	30,289,000	18.6%
2004	188,742,000	3,462,000	1.8%	2,605,281	75.3%	336,631	9.7%	586,910	17.0%	30,888,000	16.4%
2005	158,052,651	4,564,954	2.9%	2,958,110	64.8%	201,016	4.4%	639,286	14.0%	28,106,280	17.8%
2006	265,217,859	3,911,970	1.5%	2,199,591	56.2%	237,200	6.1%	678,959	17.4%	29,043,864	11.0%
2007	140,416,750	5,431,818	3.9%	2,752,130	50.7%	217,270	4.0%	904,090	16.6%	26,712,993	19.0%
2008	167,186,069	4,576,140	2.7%	2,642,132	57.7%	215,860	4.7%	989,249	21.6%	26,111,493	15.6%
2009	191,595,054	4,507,713	2.4%	2,940,930	65.2%	144,680	3.2%	785,355	17.4%	27,335,765	14.3%
2010	210,051,107	5,532,735	2.6%	3,008,974	54.4%	130,240	2.4%	1,228,673	22.2%	26,292,678	12.5%
2011	125,322,047	5,624,807	4.5%	2,903,098	51.6%	112,080	2.0%	1,416,663	25.2%	24,385,798	19.5%
2012	135,051,656	5,646,712	4.2%	3,112,811	55.1%	50,000	0.9%	1,647,558	29.2%	23,161,849	17.2%
2013	214,999,673	8,821,418	4.1%	2,816,278	31.9%	115,178	1.3%	1,540,054	17.5%	22,163,421	10.3%
<b>Total</b>	<b>2,717,539,866</b>	<b>59,114,267</b>	<b>2.2%</b>	<b>30,793,910</b>	<b>52.1%</b>	<b>1,826,315</b>	<b>3.1%</b>	<b>11,014,501</b>	<b>18.6%</b>	<b>463,867,141</b>	<b>17.1%</b>

*Source:* Created by author using ANNUAL INCOME STATEMENTS OF KSCM (1998-2013)

*Note:* All numbers in bold are highest among all political parties. KSCM's members are the most generous donors out of all. KSCM raised by far the biggest amount of money in form of membership fees, which is due to fact, that party has the biggest member's base.

The maximum average annual donation by KSCM's politician was 126,400 CZK and was made by a Member of the Chamber of Deputies. Another piece of interesting data output is that in the case of KSCM the mean annual average amount of a donation is, in the case of Members of Parliament; lower than the average annual median amount of donations. The annual average minimum amount of donations made by a Member of the Chamber of Deputies is 3,785 CZK, which is also an extremely high number in comparison to other political parties and movements.<sup>97</sup>

The Communist Party has traditionally a lot of Members in the Chamber of Deputies which helps the party to annually receive between 60-90 million CZK from the state budget as presented in Table 3.14. This amount of money creates on average over 40% of all revenues by KSCM. However, with the exception of 2013, where preliminary election to the Chamber of Deputies was held, the party's income is decreasing almost every year. This is valid for contributions to the mandate of Regional politicians even though KSCM did well in the 2012 election, which helped them to gain additional 12 million CZK.

<sup>97</sup> More data on donations within KSCM in Appendix 11

**Table 3.14 State funding of KSCM during 1998-2013 (in CZK)**

KSCM	Total contribution to mandate of Member of Chamber of Deputies	Total contribution to mandate of the Senator	Total contribution to mandate of Regional politicians	Permanent contribution to run a party	Total revenue from state budget	Share of revenues from state budgets from total revenues
1998	11,583,333	1,000,000		5,000,000	17,583,333	11.5%
1999	12,000,000	2,000,000		5,000,000	19,000,000	20.5%
2000	12,000,000	2,000,000		5,000,000	19,000,000	20.4%
2001	21,600,000	2,700,000	42,250,000	10,000,000	76,550,000	45.7%
2002	29,250,000	2,700,000	42,250,000	10,000,000	84,200,000	33.4%
2003	36,900,000	2,700,000	42,250,000	10,000,000	91,850,000	56.5%
2004	36,900,000	2,625,000	42,166,667	10,000,000	91,691,667	48.6%
2005	36,900,000	1,800,000	41,250,000	10,000,000	89,950,000	56.9%
2006	30,150,000	1,800,000	41,166,667	10,000,000	83,116,667	31.3%
2007	23,400,000	2,475,000	40,750,000	10,000,000	76,625,000	54.6%
2008	23,400,000	2,700,000	38,958,333	10,000,000	75,058,333	44.9%
2009	23,400,000	2,700,000	30,000,000	10,000,000	66,100,000	34.5%
2010	23,400,000	2,550,000	29,875,000	10,000,000	65,825,000	31.3%
2011	22,230,000	1,710,000	27,787,500	10,000,000	61,727,500	49.3%
2012	22,230,000	1,710,000	31,825,000	10,000,000	65,765,000	48.7%
2013	21,873,750	1,710,000	43,937,500	9,166,667	76,687,917	35.7%
<b>Total</b>	<b>387,217,083</b>	<b>34,880,000</b>	<b>494,466,667</b>	<b>144,166,667</b>	<b>1,060,730,417</b>	<b>39.0%</b>

*Source: Created by author using ANNUAL INCOME STATEMENTS OF KSCM (1998-2013)*

*Note: KSCM is third and last party to receive over 1 billion CZK from state budget during 1998-2013. It is especially thanks to their stable position in Chamber of Deputies and typically great success in Regional election thanks to their influence in rural areas.*

### **Christian and Democratic Union - Czechoslovak People's Party (KDU-CSL)**

During the researched period of time KDU-CSL had 233 different politicians in mandates. The biggest share is made of 164 Regional politicians, and then there were 39 Members of the Chamber of Deputies and 30 Senators. Out of these, 58.3% donated money to the party which means that also in this party most of the active members do donate. The result of the Mann-Whitney U-test shown in table 3.15 did not prove statistically significant differences between donations made by Members of Parliament and Regional politicians as the asymptotic sigma was much greater than 0.05. This could be due to the traditionally strong position of KDU-CSL in Regional Councils especially in Moravia. Also KDU-CSL's politics are strongly oriented towards families and regional development, which could be mean that for most of the KDU-CSL's politicians it is more important to become a Regional politician than a Member of Parliament and hereby support its party when elected to the Council

**Table 3.15 Mann-Whitney U-test within KDU-CSL**

		<b>Ranks<sup>a</sup></b>		
<b>category – binary</b>		<b>N</b>	<b>Mean Rank</b>	<b>Sum of Ranks</b>
average annual sum without those who did not donate	Regional politician	95	67.05	6369.50
	Member of Parliament	41	71.87	2946.50
	Total	136		

a. party = KDU-CSL

<b>Test Statistics<sup>a,b</sup></b>	
Mann-Whitney U-test	1809.500
Z	-.654
<b>Asymptotic Sigma (2-tailed)</b>	<b>.513</b>

a. party = KDU-CSL

b. Grouping Variable: category - binary

*Source: Author*

KDU-CSL is the fourth and last of the Czech major political parties whose total revenues exceeded one billion CZK during 1998-2013 as it is shown in Table 3.16. Donations account for nearly 5% of all revenues but their importance increased in 2010 after KDU-CSL did not make it to the Chamber of Deputies. The party lost 49 and 47 million crowns in 2011 and 2012 respectively. In those years we can also notice an increased share of donations in the party's funding as donations created up to 14% of all revenues. Regional politicians are relatively much more generous than Members of Parliament as their share on total donations amounts to 13% but donations from Members of Parliament have a share of only 6%. Also we can question possible internal policy in 2011 and 2012 where Regional politicians suddenly donated over two million and one million crowns in 2011 and 2012 respectively. This could be due to the fact that Party did not have any members in the Chamber of Deputies in 2011 and 2012. Membership fees do play an approximately similar role as in the case of other traditional parties with the share of 4.9% of total revenues. Regarding memberships fees, we see a trend of collecting less and less money every year. This is due to a dramatically decreasing number of members during 1998-2013.

**Table 3.16 Financing of KDU-CSL during 1998-2013 (in CZK)**

KDU-CSL	Total revenues	Total donations	Share of donations from total revenues	Total donations from Members of Chamber of Deputies	Share of donations from Members of Chamber of Deputies from total donations	Total donations from the Senators	Share of donations from the Senators from total donations	Total donations from Regional politicians	Share of donations from Regional politicians from total donations	Total members. fees	Share of member. fees from total revenues
1998	155,009,000	2,891,000	1.9%	0	0.0%	90,000	3.1%			9,530,000	6.1%
1999	68,190,000	125,000	0.2%	0	0.0%	0	0.0%			6,850,000	10.0%
2000	82,074,000	2,170,000	2.6%	0	0.0%	0	0.0%	0	0.0%	9,065,000	11.0%
2001	96,602,000	708,000	0.7%	21,000	3.0%	56,000	7.9%	2,000	0.3%	6,347,000	6.6%
2002	201,939,000	4,801,000	2.4%	295,000	6.1%	145,800	3.0%	256,500	5.3%	7,123,000	3.5%
2003	154,256,724	1,569,271	1.0%	54,450	3.5%	20,400	1.3%	79,000	5.0%	5,742,561	3.7%
2004	166,053,000	5,973,000	3.6%	122,950	2.1%	132,000	2.2%	1,115,449	18.7%	7,531,000	4.5%
2005	147,008,000	2,822,000	1.9%	115,500	4.1%	80,000	2.8%	420,464	14.9%	6,928,000	4.7%
2006	187,425,000	11,358,000	6.1%	695,396	6.1%	391,165	3.4%	799,776	7.0%	6,230,000	3.3%
2007	124,331,421	3,549,866	2.9%	204,700	5.8%	281,437	7.9%	756,759	21.3%	5,964,645	4.8%
2008	122,666,234	9,201,042	7.5%	242,968	2.6%	91,200	1.0%	2,239,714	24.3%	6,048,855	4.9%
2009	137,036,246	7,548,659	5.5%	484,000	6.4%	88,000	1.2%	709,800	9.4%	4,809,003	3.5%
2010	124,993,272	9,805,926	7.8%	148,000	1.5%	316,500	3.2%	820,864	8.4%	4,341,558	3.5%
2011	75,494,302	2,892,809	3.8%	0	0.0%	85,000	2.9%	570,690	19.7%	4,143,082	5.5%
2012	77,971,208	10,354,896	13.3%	0	0.0%	261,000	2.5%	2,250,798	21.7%	4,008,552	5.1%
2013	107,334,444	15,322,085	14.3%	1,070,800	7.0%	80,400	0.5%	1,580,100	10.3%	4,737,968	4.4%
<b>Total</b>	<b>2,028,383,851</b>	<b>91,092,554</b>	<b>4.5%</b>	<b>3,454,764</b>	<b>3.8%</b>	<b>2,118,902</b>	<b>2.3%</b>	<b>11,601,914</b>	<b>12.7%</b>	<b>99,400,224</b>	<b>4.9%</b>

*Source: Created by author using ANNUAL INCOME STATEMENTS OF KDU-CSL (1998-2013)*

*Note: KDU-CSL badly suffered from losing their seats in Chamber of Deputies in 2010 as we can see it in case of total revenues in 2011 and 2012. Moreover, loss in election meant loss of 7 million CZK in the form of donations in 2011. Party also manage to raise lot of money through membership fees. Their total share from total revenues is second highest after KSCM.*

Regarding donations it is interesting to say that the maximum annual average donation made by KDU-CSL's Member of the Chamber of Deputies was 300,000 CZK. If we take into account just those who donated then the mean annual average donation by KDU-CSL's Regional politician is higher than the one made by the Senator. This does not apply when we take into consideration also those who did not donate. The maximum donated annual amount by KDU-CSL's Regional politician is 154,000 CZK, whilst the Senator's is 110,850 CZK.<sup>98</sup>

With respect to a big loss in the election to the Chamber of Deputies in 2010 we can see blank spaces in Table 3.17 in the years 2011 and 2012. This is where contributions to the mandate of the Member of the Chamber of Deputies were supposed to be. What is interesting about KDU-CSL is the fact that despite the party receiving less money from the state budget the share of state funding from total revenues increased. This is due to less money collected in the form of donations, especially from legal entities. Furthermore, the number of members dropped by another 4000 members during these two years.

<sup>98</sup> More data on donations within KDU-CSL in Appendix 12

**Table 3.17 State funding of KDU-CSL during 1998-2013 (in CZK)**

KDU-CSL	Total contribution to mandate of Member of Chamber of Deputies	Total contribution to mandate of the Senator	Total contribution to mandate of Regional politicians	Permanent contribution to run a party	Total revenue from state budget	Share of revenues from state budgets from total revenues
1998	9,583,333	6,500,000		5,000,000	21,083,333	13.6%
1999	10,000,000	8,000,000		5,000,000	23,000,000	33.7%
2000	10,000,000	8,000,000		5,000,000	23,000,000	28.0%
2001	18,000,000	18,900,000	18,750,000	10,000,000	65,650,000	68.0%
2002	18,900,000	18,150,000	18,708,333	7,500,000	63,258,333	31.3%
2003	19,800,000	14,400,000	18,075,343	5,000,000	57,275,343	37.1%
2004	19,800,000	15,150,000	18,351,141	5,000,000	58,301,141	35.1%
2005	19,800,000	12,600,000	21,250,000	5,000,000	58,650,000	39.9%
2006	15,750,000	11,700,000	21,208,333	7,500,000	56,158,333	30.0%
2007	11,700,000	9,000,000	21,000,000	10,000,000	51,700,000	41.6%
2008	11,700,000	8,550,000	19,833,333	10,000,000	50,083,333	40.8%
2009	11,700,000	6,300,000	14,000,000	10,000,000	42,000,000	30.6%
2010	4,875,000	6,150,000	14,000,000	9,300,000	34,325,000	27.5%
2011	0	5,130,000	13,300,000	8,800,000	27,230,000	36.1%
2012	0	4,845,000	13,466,633	8,800,000	27,111,633	34.8%
2013	2,992,500	3,420,000	14,214,375	8,366,667	28,993,542	27.0%
<b>Total</b>	<b>184,600,833</b>	<b>156,795,000</b>	<b>226,157,491</b>	<b>120,266,667</b>	<b>687,819,991</b>	<b>33.9%</b>

*Source: Created by author using ANNUAL INCOME STATEMENTS OF KDU-CSL (1998-2013)*

*Note: Only twice during 1998-2013 KDU-CSL did not receive at least some money for any contribution from state budget. This is the reason why party got almost 700 million CZK from state budget which plays key role in party financing and makes KDU-CSL 4<sup>th</sup> richest party.*

### **Green Party (SZ)**

The Green Party is the fifth and last party which was active during the whole period of 1998-2013. The Green Party is modern type of party and their influence has increased in recent years. Consequently they had only 24 politicians elected in this time period: one as a Senator, six as members of the Chamber of Deputies and 17 as Regional politicians, especially in Prague. As the number of party members active in political positions is quite low, the power of Mann-Whitney U-test is not that high. Moreover, only 10 out of these 24 donated money to the Green Party. However, the Mann-Whitney U-test proved that there is statistically a significant difference between donations made by Members of Parliament and Regional politicians as shown in table 3.18.

**Table 3.18 Mann-Whitney U-test within SZ**

category - binary		N	Mean Rank	Sum of Ranks
average annual sum without those who did not donate	Regional politician	5	3.40	17.00
	Member of Parliament	5	7.60	38.00
	Total	10		

a. party = SZ

**Test Statistics<sup>a,b</sup>**

Mann-Whitney U-test	2.000
Z	-2.193
<b>Asymptotic Sigma (2-tailed)</b>	<b>.028</b>

a. party = SZ

b. Grouping Variable: category - binary

*Source: Author*

As the Green Party had only ten donating members during 1998-2013 it is unsurprising that these donations had almost no share on total revenues, while membership fees make up a share of 3.1% from total revenues during 1998-2013, as presented in table 3.19. The only four significant years from a donation perspective were 2007-2010, where some higher donations were made. Apart from that we can claim that the party earns much more money in ways other than with the help of donations and membership fees.

**Table 3.19 Financing of SZ during 1998-2013 (in CZK)**

SZ	Total revenues	Total donations	Share of donations from total revenues	Total donations from Members of Chamber of Deputies	Share of donations from Members of Chamber of Deputies from total donations	Total donations from Regional politicians	Share of donations from Regional politicians from total donations	Total membership fees	Share of membership fees from total revenues
1998	2,915 680	10,000	0.3%	0	0.0%			59,237	2.0%
1999	528 341	360	0.1%	0	0.0%			314,275	59.5%
2000	370 193	1,697	0.5%	0	0.0%	0	0.0%	61,000	16.5%
2001	?	?	?	?	?	?	?	?	?
2002	12,573 000	352,000	2.8%	0	0.0%	0	0.0%	96,000	0.8%
2003	461 000	0	0.0%	0	0.0%	0	0.0%	201,000	43.6%
2004	3,147 000	275,000	8.7%	0	0.0%	0	0.0%	298,000	9.5%
2005	2,138 000	25,000	1.2%	0	0.0%	0	0.0%	280,000	13.1%
2006	47,671 043	2,503,953	5.3%	0	0.0%	0	0.0%	549,969	1.2%
2007	19,939 997	843,806	4.2%	0	0.0%	61,052	7.2%	542,912	2.7%
2008	29,249 559	2,003,930	6.9%	0	0.0%	72,500	3.6%	761,448	2.6%
2009	21,539 435	1,460,924	6.8%	170,130	11.6%	7,000	0.5%	568,994	2.6%
2010	26,255 815	3,363,899	12.8%	199,113	5.9%	9,000	0.3%	673,954	2.6%
2011	1,631 748	891,746	54.6%	0	0.0%	0	0.0%	614,844	37.7%
2012	5,218 916	3,580,285	68.6%	0	0.0%	964	0.0%	552,006	10.6%
2013	24,428 584	2,887,784	11.8%	0	0.0%	0	0.0%	551,218	2.3%
<b>Total</b>	<b>198,068,311</b>	<b>18,200,384</b>	<b>9.2%</b>	<b>369,243</b>	<b>2.0%</b>	<b>150,516</b>	<b>0.8%</b>	<b>6,124,857</b>	<b>3.1%</b>

*Source: Created by author using ANNUAL INCOME STATEMENTS OF SZ (1998-2013)*

*Note: In 2006 party's revenues were on the top amounting as much as 47 million CZK which is quarter of all money party has ever made. Furthermore, we see how the role of membership fees changed after loss of seats and good times in Chamber of Deputies in 2010. Their share from total revenues increased from year to year by 35%. The only year when party received donation from its Senators was 2012. Total amount was 72,000 CZK. This would be 2% share from total donation in that year. Above that complete information for year 2001 are missing as annual income statement in Parliamentary library does not content financial statement of Green Party from this year. This information is also not available on the internet nor party's leadership which I had contacted did not know those data and claimed that old statement were already destroyed and trashed.*

The Green Party received its first contribution from the state budget in 2004 when the first Senator and first Regional politician in Prague on behalf of Green party was elected. In table 3.20 we can see that in that year the Green Party received 233,333 CZK. The most successful years were the ones in which the Green Party were in the Chamber of Deputies. In these years state funding accounted for a 60-90% share of total revenues. The highest amount of money received in one year was in 2007 straight after the election to the Chamber of Deputies. The Green Party received 18.3 million CZK.

The highest annual average donation made by SZ's politician was 36,000 CZK by their Senator. The mean annual average donation by a Member of the Chamber of Deputies was 18,462 CZK. What is interesting here is that the median annual average donation made by a Member of the Chamber of Deputies was 18,750 CZK; whereas the median is usually lower than mean.<sup>99</sup>

**Table 3.20 State funding of SZ during 1998-2013 (in CZK)**

SZ	Total contribution to mandate of Member of Chamber of Deputies	Total contribution to mandate of the Senator	Total contribution to mandate of Regional politicians	Permanent contribution to run a party	Total revenue from state budget	Share of revenues from state budgets from total revenues
1998	0	0		0	0	0.0%
1999	0	0		0	0	0.0%
2000	0	0		0	0	0.0%
2001	0	0	0	0	0	
2002	0	0	0	0	0	0.0%
2003	0	0	0	0	0	0.0%
2004	0	150,000	83,333	0	233,333	7.4%
2005	0	900,000	500,000	0	1,400,000	65.5%
2006	2,700,000	900,000	875,000	5,000,000	9,475,000	19.9%
2007	5,400,000	900,000	2,000,000	10,000,000	18,300,000	<b>91.8%</b>
2008	5,400,000	900,000	1,916,667	10,000,000	18,216,667	<b>62.3%</b>
2009	5,400,000	900,000	1,500,000	10,000,000	17,800,000	<b>82.6%</b>
2010	2,250,000	750,000	1,250,000	4,166,667	8,416,667	3.1%
2011	0	0	0	0	0	0.0%
2012	0	213,750	534,375	0	748,125	14.3%
2013	0	855,000	2,137,500	1,600,000	4,592,500	18.8%
<b>Total</b>	<b>21,150,000</b>	<b>6,468,750</b>	<b>10,796,875</b>	<b>40,766,667</b>	<b>79,182,292</b>	<b>40.0%</b>

*Source:* Created by author using ANNUAL INCOME STATEMENTS OF SZ (1998-2013)

*Note:* In case of SZ we can see how important state funding to a small party is as its share from total revenues was over 80% during years that SZ spent in Chamber of Deputies.

### **Freedom Union – Democratic Union (US-DEU)**

US-DEU is the only political party whose activity finished during the period 1998-2013. As described earlier, US-DEU was founded in order to gain more votes and hereby more influence, which was the main trigger for US and DEU to merge together. In total the party was represented

<sup>99</sup> More data on donations within SZ in Appendix 13

by 134 politicians with the biggest share of 95 Regional politicians. US-DEU also had 27 members in the Chamber of Deputies and twelve Senators. Out of these politicians 38.8% donated money to the party. A common sign of donations made by US-DEU's Regional politicians and the Senators is based on the assumption they had donated money to party, and they did so in most of the cases only once during their political party. Regarding US-DEU's Members of Chamber of Deputies it seems that newly elected members in 1998 were expected to donate 20,000 CZK to the party as 15 out of 20 members did so. Three members donated even more and only two members did not donate at all. After 1998 no further signs of any other significant donations are available as well as most of the politicians who did not donate anymore. However, as proved in case of KDU-CSL, neither US-DEU has statistically any significant difference between the amount of donations made by Members of Parliament and Regional politicians as shown in table 3.21.

**Table 3.21 Mann-Whitney U-test within US-DEU**

**Ranks<sup>a</sup>**

category - binary		N	Mean Rank	Sum of Ranks
average annual sum without those who did not donate	Regional politician	29	24.78	718.50
	Member of Parliament	23	28.67	659.50
	Total	52		

a. party = US-DEU

**Test Statistics<sup>a,b</sup>**

Mann-Whitney U-test	283.500
Z	-.926
<b>Asymptotic Sigma (2-tailed)</b>	<b>.354</b>

a. party = US-DEU

b. Grouping Variable: category - binary

*Source: Author*

Table 3.22 shows that donations did not play a key role in the funding of a party as on average they amounted to a 3.9% share of total revenues. The total amount of membership fees declined annually from 1998 towards the end of the party, with the average share of 2.2% of total revenues. However the party managed to raise a solid amount of money in total especially thanks to successful years from the turn of the millennium.

**Table 3.22 Financing of US-DEU during 1998-2010 (in CZK)**

US-DEU	Total revenues	Total donations	Share of donations from total revenues	Total donations from Members of Chamber of Deputies	Share of donations from Members of Chamber of Deputies from total donations	Total donations from Regional politicians	Share of donations from Regional politicians from total donations	Total membership fees	Share of membership fees from total revenues
1998	67,510,765	5,886,528	8.7%	464,000	7.9%			2,506,480	3.7%
1999	19,181,000	665,000	3.5%	39,176	5.9%			1,443,000	7.5%
2000	33,838,000	2,907,000	8.6%	110,000	3.8%	768,677	26.4%	1,564,000	4.6%
2001	70,363,000	431,000	0.6%	90,000	20.9%	57,000	13.2%	1,104,000	1.6%
2002	115,066,000	3,978,000	3.5%	130,000	3.3%	500,000	12.6%	1,358,000	1.2%
2003	41,810,000	-77,000	-0.2%	2,200	-2.9%	3,000	-3.9%	824,000	2.0%
2004	48,257,000	2,272,000	4.7%	180,000	7.9%	138,000	6.1%	530,000	1.1%
2005	26,194,000	1,743,000	6.7%	145,000	8.3%	0	0.0%	318,000	1.2%
2006	26,262,000	140,000	0.5%	55,000	39.3%	0	0.0%	270,000	1.0%
2007	5,571,000	0	0.0%	0	0.0%	0	0.0%	87,000	1.6%
2008	3,671,000	50,000	1.4%	0	0.0%	0	0.0%	85,000	2.3%
2009	2,185,000	20,000	0.9%	0	0.0%	0	0.0%	73,000	3.3%
2010	595,000	15,000	2.5%	0	0.0%	0	0.0%	58,000	9.7%
<b>Total</b>	<b>460,503,765</b>	<b>18,030,528</b>	<b>3.9%</b>	<b>1,215,376</b>	<b>6.7%</b>	<b>1,466,677</b>	<b>8.1%</b>	<b>10,220,480</b>	<b>2.2%</b>

*Source:* Created by author using ANNUAL INCOME STATEMENTS OF US-DEU (1998-2010)

*Note:* Interesting fact that in 2003 party was in negative numbers regarding total donations received. This is due to return of donation to legal entity Stavebni podnik Ralsko a.s. amounting to 200,000 CZK. The only year when party received donation from its Senators was 2004. Total amount was 30,000 CZK. This would be 1.3% share from total donation in that year.

The maximum average annual donation made by US-DEU's politician was 83,333 CZK. The minimum donation was 600 CZK. Both median and mean annual donations were beneath the line of 10,000CZK.<sup>100</sup>

Table 3.23 represents the influence of state funding on the financing of US-DEU. The share of state funding was always very high with the top 96.1% of shares in 2003. Even in the years of political regression by US-DEU the share was still over 50%. This means that the party was basically struggling to raise money by other means which was also one of the reasons why the party had been shut down by 2010. The average annual share of state funding from total revenues of a party was 60.6% which is by far the greatest share among Czech major political parties and movements.

<sup>100</sup> More data on donations within US-DEU are available in Appendix 14

**Table 3.23 State funding of US-DEU during 1998-2010 (in CZK)**

US-DEU	Total contribution to mandate of Member of Chamber of Deputies	Total contribution to mandate of the Senator	Total contribution to mandate of Regional politicians	Permanent contribution to run a party	Total revenue from state budget	Share of revenues from state budgets from total revenues
1998	5,541,667	500,000		2,916,666	8 958 333	13.3%
1999	9,500,000	1,500,000		5,000,000	16 000 000	<b>83.4%</b>
2000	9,500,000	1,500,000		5,000,000	16 000 000	4.3%
2001	17,100,000	9,000,000	23,723,973	10,000,000	59 823 973	<b>85.0%</b>
2002	12,600,000	9,225,000	19,222,774	7,500,000	48 547 774	4.2%
2003	8,100,000	9,900,000	17,174,657	5,000,000	40 174 657	<b>96.1%</b>
2004	8,100,000	9,450,000	21,171,524	5,000,000	43,721,524	<b>90.6%</b>
2005	8,100,000	8,100,000	2,000,000	5,000,000	23,200,000	<b>88.6%</b>
2006	4,050,000	7,050,000	1,916,667	2,500,000	15,516,667	<b>59.1%</b>
2007	0	1,800,000	1,500,000	0	3,300,000	<b>59.2%</b>
2008	0	1,650,000	1,250,000	0	2,900,000	<b>79.0%</b>
2009	0	900,000	0	0	900,000	41.2%
2010	0	0	0	0	0	0.0%
<b>Total</b>	82,591,667	60,575,000	87,959,595	47,916,666	<b>279,042,928</b>	<b>60.6%</b>

*Source: Created by author using ANNUAL INCOME STATEMENTS OF US-DEU (1998-2010)*

*Note: In 8 out of 13 years share of state funding from total revenues was higher than 50%. On average it was 60%. This makes the party to be the most dependent one on state money.*

### **Public Affairs (VV)**

Public Affairs succeeded only in election to the Chamber of Deputies in 2010 which brought them 22 seats. Only one out of these elected politicians did not donate to VV. This means that 96% of VV members donated to the party. In respect to the fact that party has never had any seats in any a Regional Council the Mann-Whitney U-test cannot be performed and hereby any dependencies cannot be found. Almost all Members donated money to a party in 2010 but in the following years only a few of them did. In 2012 most of the party members left Public Affairs and joined the newly founded movement LIDEM. In 2012 and 2013, with the exception of Vit Barta and Viktor Paggio, no donation was made.

In table 3.24 we see that donations have always played an important role in VV's financing. During the first years after the foundation donations were the only source of revenue. Donations also played key role in 2009, a year before a successful election. In this year high donations from party co-founder Vit Barta and his ABB security firm were received to support their political campaign. Donations were an important item of funding of VV but in 2012 we can see a huge drop of 52% in the share of donations from total revenues. All in all, donations amounted annually up to 30% of total revenues, which is the second highest ratio amongst Czech major political parties. On the other hand, it is interesting to see that during 2003-2008 no membership fees were raised and even later the role of membership fees was not big as the party has never managed to raise over 90,000 CZK

in membership fees during one year. The total share of membership fees from total revenues was only 0.8%.

**Table 3.24 Financing of VV during 2002-2013 (in CZK)**

VV	Total revenues	Total donations	Share of donations from total revenues	Total donations from Members of Chamber of Deputies	Share of donations from Members of Chamber of Deputies from total donations	Total membership fees	Share of membership fees from total revenues
2002	70,000	20,000	28.6%	0	0.0%	50,000	71.4%
2003	51,000	51,000	100.0%	0	0.0%	0	0.0%
2004	143,000	143,000	100.0%	0	0.0%	0	0.0%
2005	414,000	354,000	85.5%	0	0.0%	0	0.0%
2006	3,228,000	519,000	16.1%	0	0.0%	0	0.0%
2007	2,949,772	750,000	25.4%	0	0.0%	0	0.0%
2008	2,573,843	1,179,102	45.8%	0	0.0%	0	0.0%
2009	12,930,537	11,146,691	86.2%	0	0.0%	24,600	0.2%
2010	101,836,832	22,629,373	22.2%	4,752,366	21.0%	527,781	0.5%
2011	71,827,496	38,424,361	53.5%	2,205,452	5.7%	869,447	1.2%
2012	32,440,912	122,301	0.4%	44,750	36.6%	408,251	1.3%
2013	21,867,452	140,500	0.6%	140,000	99.6%	92,417	0.4%
<b>Total</b>	<b>250,332,844</b>	<b>75,479,329</b>	<b>30.2%</b>	<b>7,142,568</b>	<b>9.5%</b>	<b>1,972,496</b>	<b>0.8%</b>

*Source:* Created by author using ANNUAL INCOME STATEMENTS OF VV (2002-2013)

*Note:* Over 90% of all VV's revenues are from time they spent in Chamber of Deputies. Also share of donations from total revenues used to be pretty high (2004) but after government along with VV got into troubles in 2012 the share of donations was almost 0%. VV had no donations from Senators or Regional politicians during 2002-2013 as party did not succeed in any elections to those institutions.

The mean annual donation made by VV's Member of the Chamber of Deputies was 85,255 CZK. However, this amount is negatively influenced by two very generous donors; Vit Barta and Michael Babak. These two donated together 3,707,484 CZK to the party in 2010 which amounts to 79% of all donations made by their members in the Chamber of Deputies.<sup>101</sup> Similarly high amounts by these two politicians were donated in 2011 too. This means that, especially in case of Public Affairs, it would be more reasonable to take into account the median amount which was 14,599 CZK.<sup>102</sup>

As table 3.25 proves, as we recognize a drop in donations the role of state funding became crucial for Public Affairs. Moreover, it is obvious that the party was receiving money from the state budget only during 2010-2013, while the party was participating in the Chamber of Deputies. In total the party received 102 million CZK from the state budget during the three years spent in the Chamber of Deputies.

<sup>101</sup> ANNUAL INCOME STATEMENTS OF VV (2002-2013)

<sup>102</sup> More data on donations within VV in Appendix 15

**Table 3.25 State funding of VV during 2002-2013 (in CZK)**

VV	Total contribution to mandate of Member of Chamber of Deputies	Total contribution to mandate of the Senator	Total contribution to mandate of Regional politicians	Permanent contribution to run a party	Total revenue from state budget	Share of revenues from state budgets from total revenues
2002	0	0	0	0	0	0.0%
2003	0	0	0	0	0	0.0%
2004	0	0	0	0	0	0.0%
2005	0	0	0	0	0	0.0%
2006	0	0	0	0	0	0.0%
2007	0	0	0	0	0	0.0%
2008	0	0	0	0	0	0.0%
2009	0	0	0	0	0	0.0%
2010	14,400,000	0	0	6,666,667	21,066,667	20.7%
2011	20,520,000	0	0	10,000,000	30,520,000	42.5%
2012	20,520,000	0	0	10,000,000	30,520,000	94.1%
2013	13,680,000	0	0	6,666,667	20,346,667	93.0%
<b>Total</b>	<b>69,120,000</b>	<b>0</b>	<b>0</b>	<b>33,333,334</b>	<b>102,453,334</b>	<b>40.9%</b>

*Source: Created by author using ANNUAL INCOME STATEMENTS OF VV (2002-2013)*

*Note: Total share of state funding from VV's total revenues would be much higher than 41% if party would have been successful in more election.*

### **Tradition Responsibility Prosperity 09 (TOP 09)**

TOP 09 became a successful player in the Czech political field straight after its foundation in 2009. Since that year the party already had 89 active politicians. Almost 62% of them donated money to TOP 09. The Party has had 40 Regional politicians, 47 Members of the Chamber of Deputies and only two Senators, none of which had donated to the party. Not many members donated to the party before 2012 but since that year it seems more common for party members to participate in the funding of their party. As we see in table 3.26 the Mann-Whitney U-test proved that within TOP 09 there exist statistically significant differences between amounts donated by Members of Parliament and Regional politicians.

**Table 3.26 Mann-Whitney U-test within TOP 09**

category - binary		N	Mean Rank	Sum of Ranks
average annual sum without those who did not donate	Regional politician	27	22.20	599.50
	Member of Parliament	28	33.59	940.50
	Total	55		

a. party = TOP 09

### **Test Statistics<sup>a,b</sup>**

Mann-Whitney U-test	221.500
Z	-2.637
<b>Asymptotic Sigma (2-tailed)</b>	<b>.008</b>

a. party = TOP 09

b. Grouping Variable: category – binary

Source: Author

Table 3.27 outlines that the TOP 09 total share of donations from total revenues during 2009-2013 was 32.8%. This is the highest ratio among all major Czech political parties and movements. This is especially due to the year 2009 where total donations amounted to nearly 41 million CZK. This money helped the party to succeed in elections to the Chamber of Deputies in 2010. But even after 2010 the money raised in the form of a donation played an important role within funding of TOP 09. However, the influence of donations made by their own politicians was weak rather than strong during this period of time. Members of the Chamber of Deputies usually participated with a share of around 4% and Regional politicians with a share of around 1-3%. Membership fees were oscillating in a similar way to other political parties and movements in the range of 2 to 4% of total revenues.

**Table 3.27 Financing of TOP 09 during 2009-2013 (in CZK)**

TOP 09	Total revenues	Total donations	Share of donations from total revenues	Total donations from Members of Chamber of Deputies	Share of donations from Members of Chamber of Deputies from total donations	Total donations from Regional politicians	Share of donations from Regional politicians from total donations	Total membership fees	Share of membership fees from total revenues
2009	42,121,571	40,863,031	97.0%	50,000	0.1%	0	0.0%	1,217,650	2.9%
2010	180,681,275	57,548,486	31.9%	1,370,000	2.4%	110,000	0.2%	2,266,469	1.3%
2011	64,061,273	6,809,048	10.6%	599,000	8.8%	114,600	1.7%	4,136,285	6.5%
2012	85,140,672	28,467,419	33.4%	1,069,014	3.8%	910,000	3.2%	2,991,879	3.5%
2013	152,410,431	38,471,504	25.2%	2,818,004	7.3%	1,343,800	3.5%	4,732,813	3.1%
<b>Total</b>	<b>524,415,222</b>	<b>172,159,487</b>	<b>32.8%</b>	<b>5,906,018</b>	<b>3.4%</b>	<b>2,478,400</b>	<b>1.4%</b>	<b>15,345,095</b>	<b>2.9%</b>

*Source:* Created by author using ANNUAL INCOME STATEMENTS OF TOP 09 (2009-2013)

*Note:* Total share of donations from total revenues is the highest among selected political parties. Moreover, TOP 09 along with SZ and KSCM are the only parties where the share of donations received by Members of Chamber of Deputies is higher than the share of donations by Regional politicians. TOP 09 did not receive any donations from its Senators during 2009-2013 despite the fact party had 3 Senators.

The mean annual donation by TOP 09's Member of the Chamber of Deputies was 49,429 CZK which is almost the same as the median annual amount of 42,500 CZK represented by this group of politicians. The maximum annual donation made was 225,000 CZK. The minimum was 1,250 CZK which is the highest annual minimum donated across all Czech major political parties.<sup>103</sup>

As the Party was founded in 2009 it had no revenues from state budget that year. Since following year, the Party maintained receiving annually over 30 million CZK for their mandates. The total

<sup>103</sup> More data on donations within TOP 09 in Appendix 16

share of all state money received from total revenues of TOP 09 is 35.8%. Other information on state funding is shown in table 3.28.

**Table 3.28 State funding of TOP 09 during 2002-2013 (in CZK)**

TOP 09	Total contribution to mandate of Member of Chamber of Deputies	Total contribution to mandate of the Senator	Total contribution to mandate of Regional politicians	Permanent contribution to run a party	Total revenue from state budget	Share of revenues from state budgets from total revenues
2009	0	0	0	0	0	0.0%
2010	24,600,000	225,000	1,625,000	6,666,667	<b>33,116,667</b>	18.3%
2011	35,055,000	855,000	6,175,000	10,000,000	<b>52,085,000</b>	81.3%
2012	35,055,000	855,000	7,303,125	10,000,000	<b>53,213,125</b>	62.5%
2013	28,927,500	855,000	10,424,270	9,166,667	<b>49,373,437</b>	32.4%
<b>Total</b>	123,637,500	2,790,000	25,527,395	35,833,334	187,788,229	35.8%

*Source:* Created by author using ANNUAL INCOME STATEMENTS OF TOP 09 (2009-2013)

*Note:* Since its establishment in the end of 2009 party maintains to get annually around 50 million CZK as a support from state budget. This makes their financing stable.

### **Dawn – National Coalition (USVIT), ANO 2011 (ANO)**

USVIT and ANO were founded in 2013 2012 respectively, and hereby there is not enough data available for both parties. For this reason I put them into the same subchapter as both USVIT and ANO only participated in elections to the Chamber of Deputies in 2013 and it was a successful election for both of them. USVIT gained 11 seats and ANO 49 mandates. In 2013 only four USVIT's politicians donated money to the party and as few as five of ANO's politicians donated money to their movement. This means that, as in the case of Public Affairs, the Mann-Whitney U-test could not be performed as there are empty groups needed for the purpose of testing. USVIT with only nine members in the political party became the smallest political party to participate in the Czech Chamber of Deputies. As shown in table 3.28 USVIT's members did not have to pay membership fees. In 2013 donations by members of the Chamber of Deputies amounted to 61% of all donations received in the party. The share of total donations from total revenues was only 0.7%. On the other hand in Table 3.29 we can see funding of ANO. In 2012 when the movement was founded the party received almost 64 million CZK which created 99.9% of total revenues in that year. Membership fees were the second and last source of money in that year. In 2013 donations created only 3.4% of total revenue. The share of ANO's membership fees stayed the same but the movement raised over 310,000CZK more in membership fees.

The mean donation by ANO's Member of the Chamber of Deputies was 14,940 CZK but the median amount was 10,000 CZK. The minimum received was 1,000 CZK and the maximum

donation was 50,000 CZK.<sup>104</sup> In the case of USVIT the mean amount was 28,500 CZK and the median amount was 6,500 CZK. The minimum amount donated was 1,000 CZK but the maximum was 100,000 CZK.<sup>105</sup>

**Table 3.28 Financing of USVIT in 2013 (in CZK)**

USVIT	Total revenues	Total donations	Share of donations from total revenues	Total donations from Members of Chamber of Deputies	Share of donations from Members of Chamber of Deputies from total donations	Total membership fees	Share of membership fees from total revenues
<b>2013</b>	39,995,417	269,017	0.7%	164,000	61.0%	0	0.0%

*Source:* Created by author using ANNUAL INCOME STATEMENT OF USVIT (2013)

*Note:* USVIT had no donations from Senators or Regional politicians in 2013 as movement did not participate in any elections to those institutions.

**Table 3.29 Financing of ANO during 2012-2013 (in CZK)**

ANO	Total revenues	Total donations	Share of donations from total revenues	Total donations from Members of Chamber of Deputies	Share of donations from Members of Chamber of Deputies from total donations	Total membership fees	Share of membership fees from total revenues
<b>2012</b>	64,058 064	63,981,964	99.9%	0	0.0%	75,801	0.1%
<b>2013</b>	235,565 215	7,912,118	3.4%	74,700	0.9%	381,416	0.2%
<b>Total</b>	299,623,279	71,894,082	24%	74,700	0.1%	457,217	0.2%

*Source:* Created by author using ANNUAL INCOME STATEMENTS OF ANO (2012-2013)

*Note:* ANO had no donations from Senators or Regional politicians during 2012-2013 as movement did not participate in any elections to those institutions.

Table 3.30 represents money received by USVIT from the state budget in 2013 and table 3.31 shows the money received by ANO. In the case of USVIT this money represented 13.7% of the total revenue and in the case of ANO it was 5.3% of their total revenue in 2013.

<sup>104</sup> More data on donations within ANO in Appendix 17

<sup>105</sup> More data on donations within USVIT in Appendix 18

**Table 3.30 State funding of USVIT in 2013 (in CZK)**

USVIT	Total contribution to mandate of Member of Chamber of Deputies	Total contribution to mandate of the Senator	Total contribution to mandate of Regional politicians	Permanent contribution to run a party	Total revenue from state budget	Share of revenues from state budgets from total revenues
2013	2,992,500	0	0	2,500,000	5,492,500	13.7%

*Source:* Created by author using ANNUAL INCOME STATEMENT OF USVIT (2013)

**Table 3.31 State funding of ANO during 2012-2013 (in CZK)**

ANO	Total contribution to mandate of Member of Chamber of Deputies	Total contribution to mandate of the Senator	Total contribution to mandate of Regional politicians	Permanent contribution to run a party	Total revenue from state budget	Share of revenues from state budgets from total revenues
2012	0	0	0	0	0	0.0%
2013	10,046,250	0	0	2,500,000	12,546,250	5.3%
Total	10,046,250	0	0	2,500,000	12,546,250	4.2%

*Source:* Created by author using ANNUAL INCOME STATEMENTS OF ANO (2012-2013)

### 3.2.2 Major findings

In the third chapter I focused on answering the hypothesis of whether there is a difference between donations made by Members of the Czech Parliament and Regional politicians to their political parties and movements, and with the help of Mann-Whitney U-test it was proved that there is. A significant difference was founded not only among all politicians as whole but also within five out of seven parties on which the test was taken (the other three did not have members in both groups – the test could not be performed). This means that we are experiencing some internal policies or pressures which make one or another group of politicians donate more. With respect to the data collection available in figure 3.3 we can claim that prevalently Members of Parliament do donate higher amounts of money than Regional politicians. Despite this, the share of donations from Regional politicians from the total donations received by selected parties is almost always higher than the share of donations from Senators and is almost similar to the share of Members of the Chamber of Deputies. This is especially due to the higher number of Regional politicians than Members of Parliament. This means that especially Members of the Chamber of Deputies and the Senators donate in most cases higher amounts than Regional politicians, but as the number of Regional politicians is usually much greater the total amount of money received from Regional politicians is, in four out of seven parties, comparably higher than the amount of money received from Members of Parliament.

The highest share of donations by Members of the Chamber of Deputies from total donations by a selected party is in the case of USVIT (61%) and KSCM (52%). The greatest share of donations by the Senators from total donations is also with KSCM but amounts only to 3.1%. This means that the Senators are usually not playing an important role in the total of a party's donation. The share of membership fees from total revenues is usually around 4% among major political parties but once again KSCM is on top with a 17% share of membership fees from their total revenues. State funding usually accounts for 30-40% of the total revenue of selected political parties. The highest share is by US-DEU (60%) and the lowest by USVIT (4%) and ANO (14%). But this is due to fact that the parties have been active for only one year by the time testing was taken. Apart from these two the third lowest share of state funding from total revenues was CSSD with 31%.

Lastly, I took a small test from all the data available during 2011-2013 to outline some recent trends.<sup>106</sup> During that time all parties received 3,866,840,552 CZK in total out of which 15.4% was raised in the form of donations and 5.2% in the form of membership fees. The share of donations by politicians from total donations was 9.8% and represented 58.2 million CZK. Of these, the Members of the Chamber of Deputies donated in total 23.8 million CZK, the Senators 3.4 million CZK, and the greatest share was by Regional politicians amounting to 31.1 million CZK. These results show that parties raised more money in the form of membership fees than in donations from politicians; however the amounts raised from politicians in form of donations are still quite high. It also confirmed what has been already said, which is that in total Regional politicians donate more money than Members of Parliament.

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<sup>106</sup> Complete test results are available in Appendix 18

## **4 ANALYSIS OF MEMBERSHIP FEES**

Membership fees do play an important role in the financing of political parties. As presented in the previous chapter, the share of membership fees from total revenues is usually under 5% of the total of the party's revenues, but yet are important and a more or less stable item of the party's income. An important aspect of membership fees are obviously the members itself. The Communist Party of Bohemia & Moravia has always had the most members of all Czech political parties and movements. Furthermore, it is a common thing that the member's base of most of the parties is diminishing every year and that political parties and movements struggle to maintain members under its wings. This causes problems not only with a possible loss of money raised through membership fees, but also a possible loss of sponsors and good candidates for the positions within the party.

This chapter focuses on a number of members as well as on average amounts of membership fees amongst the Czech major political parties and movements. I also seek an answer for the research questions: Is there any surplus money when we take into consideration the number of members and the amount of a membership fee in a selected political party or movement? And how many people could possibly donate more than required? This testing is done only on recent data since 2011 and prevalently on the largest parties.

### **4.1 Members and amount of membership fees**

While thinking of members one could easily think it is easy to find out how many members each party have, but it is not. In the Czech Republic there is no duty for political parties and movements to publish information in regards to their members. This means that in some cases it is impossible to find out the exact data. For the purpose of this thesis I contacted all Czech major political parties and movements by email and in some of the cases I was immediately given information on the number of members. However, in case of KSCM and CSSD I was given data just after I made a call and promised to go to their headquarters in Prague. There I was supplied with the information I needed almost immediately even though it had not been possible to collect the information during the half a year I was in contact with the parties. In the case of ANO, I have not succeeded in getting the data I needed as none of the email recipients replied back to me (with one exception) and the same applies for all calls I have made in the last ten months – no response. I was also unable to get data from US-DEU as the party no longer exists. Their website is shut down and there is no information regarding their members available on the internet from the years 1998 and 2003-2010.

Employees of the Green Party sent me their numbers immediately but unfortunately they claim that there is no more data regarding their member's base before 2007 and in 2009.

Table 4.1 shows the number of members of all Czech major political parties and movements during 1998-2013. Biggest decline is registered within KSCM which lost 92000 members during the given 16 years. KDU-CSL lost over 41000 members and also the Green Party has lost over thousand members since the times that the Party spent in the Chamber of Deputies. On the other hand the two most influential parties, ODS and CSSD, gained over 5000 respectively 6000 members. Despite this, we can see a huge loss of 8000 members between 2009 and 2013 in the case of ODS. TOP 09, since its foundation, somehow oscillates around 4000 members.

**Table 4.1 Number of members of political parties and movements during 1998-2013**

Year/Party	ODS	CSSD	KDU-CSL	KSCM	SZ	US-DEU	VV	TOP 09	ANO	USVIT
1998	16189	17343	60 460	142490	?	?				
1999	18432	18762	56 616	128346	?	3118				
2000	17962	17079	55 306	120673	?	2933				
2001	18188	16300	51 453	113027	?	3570				
2002	20412	17026	49 953	107813	?	3152	?			
2003	21226	17913	46 905	100781	?	?	?			
2004	22472	16658	44 811	94396	?	?	?			
2005	24553	16328	42 843	88081	?	?	?			
2006	27124	16750	41 779	82864	?	?	?			
2007	27712	17650	40 292	77115	?	?	?			
2008	29226	18354	37 850	71823	2666	?	?			
2009	31624	20684	35 804	66627	?	?	?	2412		
2010	29526	24497	34 270	61990	1918	?	?	4221		
2011	27026	24486	32 500	56763	1534		?	4502	?	
2012	24507	24396	30 987	53479	1332		?	3781	?	
2013	21518	23613	28 872	50353	1438		?	3711	719	9

*Source: processed by author after email conversation or personal visits of press centres of the major political Czech parties and movements*

*Note:* Question mark means that the number of members was not found for that year. Blank space indicates that party was not founded or already shut down in that year

During email conversations and calls with press centres of the Czech major political parties I also tried to find information on the amount of membership fees. In most cases I received non-specific answers as in some parties the amount of membership fees is dependent on the region and regional office headquarters. Table 4.2 shows the amount of membership fees after 2011. Membership fees of US-DEU were not possible to find as the party no longer exists. The highest fee can be found with VV, where employed people annually pay 1,000 CZK. Conversely, USVIT has no membership fees for its members. In KSCM members pay 0.5% from their net income. But in the case of an emergency the amount can be reduced. The Green Party is the only one which does not differentiate between employed members and others. Everyone pays 400 CZK. The Social

Democrats in Parliament pay 50,000 CZK; KDU-CSL's elected members pay 3% of their net income over 20,000 CZK and The Communist's members of Czech Parliament pay 10% of their net income.

**Table 4.2 Membership fees among major political parties and movements after 2011**

Political party	Students / Pensioners	Employed / Adults	Special fees
<b>KDU-CSL</b>	50 - 100 CZK	200 CZK	Regional politicians and Members of Parliament - 3% from net income over 20,000 CZK
<b>KSCM</b>	0.5% from net income (min.20 CZK)	0.5% from net income (min.20 CZK)	Members of Parliament - 10% from net income
<b>ODS</b>	200 CZK	500 CZK	
<b>CSSD</b>	60 CZK	300 CZK	Members of Parliament – 50,000 CZK
<b>SZ</b>	400 CZK	400 CZK	
<b>VV</b>	200 CZK	1,000 CZK	
<b>TOP 09</b>	100 CZK	400 CZK	
<b>ANO 2011</b>	200 CZK	500 CZK	
<b>USVIT</b>	0 CZK	0 CZK	
<b>US-DEU</b>	?	?	

*Source: created by author using HLOUSKOVA, Lenka (2007), PARLAMENTNI LISTY (2011), and TYDEN (2011)*

## 4.2 Membership fees - test

Membership fees are a necessary item of revenue which is stated in annual income statements of the political parties and movements. My research questions regarding membership fees are: Is there any surplus money when we take into consideration the number of members and the amount of a membership fee in a selected political party or movement? And how many people could possibly donate more than required?

For the purpose of this thesis I decided to do a small test in respect to finding an answer to my research question. This test was taken on data from the years 2011, 2012, and 2013. The test was made on just seven political parties of all Czech major parties. It was not possible to do the test on US-DEU as the party did not exist during 2011-2013. In the case of VV it was not possible to do the test as data of a number of members are missing. In the case of KSCM I decided not to do the test as their system of membership seems to be the most transparent. Moreover, KSCM members pay 0.5% of their net income and Members of the Chamber of Deputies pay 10% of their net income. It would not be possible to get the data of all their incomes.

In the test I used a higher amount of membership fees of a selected political party or movement and multiplied this amount by the number of members in that specific year. Following that I compared the final amount of money with the amount of money stated in the annual income statement of the

selected party from the specific year. In case of CSSD I multiplied the number of Members of Parliament by 50,000 CZK in addition to the elementary test. This is due to CSSD's internal policy where all Members of Parliament are supposed to pay 50,000 CZK. In 2011 CSSD had 99 politicians in Parliament, in 2012 it was 103, and in 2013 the party had 117 politicians in mandates. If the amount of money stated in annual income statement was higher than the amount from our test, then the difference was in green numbers. On the other hand if the party stated a less amount of money in their annual income statement the difference was in red numbers.

Results of the test are presented in table 4.3. In USVIT members do not pay membership fees at all. With regards to ANO I was able to do test only for the year 2013 and the difference was just under 100,000 CZK which is a reasonable deviation. In case of the Green Party we see that the result of test was always close to the reality. In 2013 the party gathered rather less money than they possibly could collect regarding their member base. KDU-CSL is the only party whose test's results are always in red numbers. Not only did that party collect less than would have been equal to their member's base but also in the test it was not taken into consideration that elected members of the party must pay 3% of their net income over 20,000 CZK. This all means that there are more members in the party who pay a discounted membership fee.

With three parties their results reached higher green numbers. The ODS deviation is in the range of 1-2 million CZK. Regarding these results 21 politicians in 2011, 36 politicians in 2012, and 25 politicians in 2013 could possibly pay 50,000 CZK. As presented in chapter 2.5 membership fees exceeding 50,000 CZK must be accompanied with a name. It is questionable whether ODS has some internal policy similar to CSSD in respect to Members of Parliament or not. As is discussed earlier these differences could be possible proof that members do buy better positions within the political party with no need to reveal their name. TOP 09 has similar results. In 2011 there was space for additional 46 membership fees of 50,000 CZK, in 2012 for 29 and in 2013 for over 65. However, it is possible that in case of TOP 09 there is some existing internal policy regarding members of Parliament. The Party had 43, 45, and 54 politicians in Czech Parliament during 2011-2013 respectively. These numbers correspond with the possible membership fees of 50,000 CZK covering the difference. The worst results of the test go to CSSD. As we can see the result difference is, in all three years, over 6.8 million CZK less than in annual income statements of the party from the selected years. According to those results there would be space for 144 contributions of 50,000 CZK in 2011, 196 in 2012, and 138 in 2013. These numbers are extremely high and it is possible that not only members of Parliament pay 50,000 CZK but also Regional politicians or CSSD's politicians in high municipal positions. However, there are existing proof of such internal policy.

**Table 4.3 Test of membership fees on available data during 2011-2013**

	ODS	CSSD	KDU-CSL	SZ	TOP 09	ANO	USVIT
higher amount of membership fee	500	300	200	400	400	500	0
members in 2011	27026	24486	32 500	1534	4502		
members in 2012	24507	24396	30 987	1332	3781	?	
members in 2013	21518	23613	28 872	1438	3711	719	9
total fees in Annual income statement 2011	14,575,000	19,524,503	4,143,082	614,84	4,136,285		
members*fee 2011	13,513,000	12,295,800	6,500,000	613,6	1,800,800		
<b>difference in 2011</b>	<b>1,062,000</b>	<b>7,228,703</b>	<b>-2,356,918</b>	<b>1,244</b>	<b>2,335,485</b>		
total fees in Annual income statement 2012	14,070,000	22,279,014	4,008,552	552,01	2,991,879	?	
members*fee 2012	12,253,500	12,468,800	6,197,400	532,8	1,512,400	?	
<b>difference in 2012</b>	<b>1,816,500</b>	<b>9,810,214</b>	<b>-2,188,848</b>	<b>19,21</b>	<b>1,479,479</b>	<b>?</b>	
total fees in Annual income statement 2013	12,035,000	19,832,590	4,737,968	551,22	4,732,813	457,217	0
members*fee 2013	10,759,000	12,933,900	5,774,400	575,2	1,484,400	359,5	0
<b>difference in 2013</b>	<b>1,276,000</b>	<b>6,898,690</b>	<b>-1,036,432</b>	<b>-23,98</b>	<b>3,248,413</b>	<b>97,717</b>	<b>0</b>

*Source: Author*

### 4.3 Major findings

Transparency and accuracy regarding membership fees was tested in this chapter. During data collection it was proven that it is not easy to get exact data regarding member's count and amount of Membership fees. Political parties have no statutory duty to reveal such information and thus in some cases they do not keep records of these, as I was informed in some cases. However, we see that member's counts are diminishing in recent years. This is valid especially for KSCM and KDU-CSL. Influential parties such as ODS and CSSD managed to get more members in the end of research period than in the beginning, but their counts are also shrinking in over last years. Curiosity is represented by USVIT with as few as nine members. Membership fees are usually divided into two groups. The higher amount with the exception of VV (1,000 CZK) is no higher than 500 CZK. Some parties such as CSSD, KSCM, and KDU-CSL have special conditions for their elected members who are supposed to pay more than regular members.

On top of that a small test regarding the accuracy of collected amounts of membership fees stated in the annual income statements was taken. Results showed that some parties collected much more money than expected once we assume that a member's base is multiplied by a higher amount of membership fee valid for the selected political party. This applies especially in the case of CSSD where amounts of difference were higher than 6.8 million CZK. On the other hand in case of KDU-CSL it was raised less than expected in every researched year.

## 5 DISCUSSION AND RECOMENDATIONS

Donations and membership fees play more than merely an important role in financing of the political parties. Not only it is a source of money for political parties and movements but it is also way for political party members to easily prove their relationship, bind or devotion to its party. As was mentioned previously, membership fees and donations could also serve the possibility of corruption within political parties, but corruption itself is beyond the topic of this thesis. However, what is considered to be important in regards to membership fees and donations is transparency, availability, and clarity. Following this I discuss outcomes and possible recommendations of annual income statements, membership fees, and donations, all of which played key role in this thesis.

### Annual income statements

Can anyone at any time look into the annual income statements of Czech political parties? The answer is no. If any Czech citizen decides to look into the financing of a political party or movement which is currently making decisions on laws and the everyday life of people, they will be greeted with a seemingly endless list of constraints to overcome. Annual income statements must be annually handled by all Czech political parties and movements into the hand of the Chamber of Deputies. All Czech major political parties do that but it simply does not seem to be enough especially in the age of the ever-continuing internet boom and its infinite possibilities. This means that unless you live in the capital city of Prague you will need to travel there. In Prague you need to go to the Chamber of Deputies, register your name and state the purpose of your visit. After this, and further security procedures, you are granted access to the library of the Chamber of Deputies where you are under the surveillance of librarian. All annual income statements are placed in one closet in various numbers of cluttered folders. Once you manage to find the correct year you are interested in and the party you are searching for, you must hope that all the papers are there and none are missing. It happened to me few times that the data I was searching for were simply missing. To my surprise, after I contacted parties to receive missing information I was told it is not their problem and that I need to go back to the library of the Chamber of Deputies.

It is almost certain that this is not the way citizens who actually do care about the life of political parties and movements should be treated. My very first recommendation regarding annual income statements is that **political parties should have a statutory duty to publish their annual income statements with a full context and appendices at their websites**. As discussed earlier, some of the parties already do that but some information in these annual income statements is missing and only recent years are available. Moreover, what was shocking to me is that parties such as Public

Affairs whose main political program consisted of transparency did not have annual income statements online.

Apart from that all Czech political parties and movements **should have their annual income statements available for inspection at their regional offices**. With respect to people who might not use the internet and prefer to see the physical data first hand this should be an obvious service provided by parties, and not only for their voters. Furthermore, parties definitely need the information from their annual income statements from time to time so it is hard to believe that their annual income statements are not available for workers at their regional offices or on their internal web pages.

Lastly, regarding annual income statements, as I visited the library of the Chamber of Deputies various times and made photocopies of all annual income statements of all Czech major political parties and movements during 1998-2013 I decided to supply this data to my home school – Faculty of Economics and Administration, Masaryk University. This data might be used for further research as well as for studying purposes. I would also like to contact the people who are running the website called Political Finances and supply them with the data for the purposes of their service provided on their webpage. This would also be an easy way of providing data for everyone in the Czech Republic.

### **Membership fees**

As shown in chapter four even in the case of membership fees there are many questions and unclear information. As law does not allow the revealing of the names of contributors who paid less than 50,000 CZK, it is not easy to follow trends within political parties and movements regarding membership fees. Further to that, most of the parties I contacted did not know the exact amount of membership fees, even in recent years. As an example I have used CSSD. I spent some time in their archive searching for the amount with the kind help of the archivist but we did not succeed in finding any information about it. We also contacted the cashier of CSSD and even this lady could not remember the amount paid in recent years. The Head of finances, who we met in the corridor, told us that I am the researcher and that I need to find it myself. In my view every single **party should have easily approachable information on the amount of their membership fees, ideally on the internet**. This is important also in relation to possible new members in order to show them how much they are expected to pay as a member or as an elected member to some function.

In respect to party members it should also be statutory to **make political parties annually publish the number of their members**. Parties and movements should state those data online on their websites or possibly as an addition to the Political Finances web. Information on a member's counts

could also become part of annual income statements as it is closely linked to the financing of the parties and movements. This would also serve as an easy checking tool such as the one I used in chapter four, where I simply multiplied the number of members with the higher amount of the membership fee. The test proved that some party's results do not correspond with the reality as in the case of CSSD, ODS, and TOP 09.

What would definitely help transparency with regards to membership fees is the **cancellation of a statutory limit of 50,000 CZK, under which the party is not obligated to reveal names and information of the amount**. It would be more transparent if the party would retain its right to not reveal name of members who paid basic, student's or adult's membership fee but would have to state the name and amount paid of every single membership higher than those elementary ones. At the same time this would not add too much additional bureaucracy to the political parties as I assume that a great majority of members pay a regular membership fee. To do this, the law on political parties would have to be amended. However, I suppose it would not be easy for such an amendment to be passed in the Czech Parliament as parties might want to retain these data for themselves.

### **Donations**

Donations represent the most crucial aspect of this topic. The main focus was on donations from politicians to their parties although recommendations in this part also cover donations as a whole. Donations, similar to membership fees, are an inevitable item in the revenues of political parties. As proved in this thesis, donations usually have a share of total revenues in the range of 3-35% which is a rather high ratio. As an important part of a party's revenue, the donation should be under wider supervision of the public. Unfortunately, Czech governments do fail to approve new laws to support especially greater transparency despite the fact that there are now some signs of a brighter future.

Transparency is the highest priority regarding donations. Donations are an easy way for companies, individuals and many others to participate on political life and recently there have been many voices calling for new policies regarding donations. As with the case in the U.S.A., I would apply **transparent accounts of all parties before and during every election**. This is an easy checking tool allowing anyone to look into campaign finances, and consequently the origin of the money received. In the Czech Republic there was a first attempt to do so during the first direct Presidential election in 2013. All candidates were under obligation to run transparent financial accounts for the purpose of their candidacy. This was a first statutory attempt and it is up to politicians to move this obligation towards political parties and movements as well. Some parties have their own transparent accounts during campaigns or at least publish financial reports regarding all sources of

money used for campaigns. An example of this is TOP 09 whose financial campaign's report can be found on their websites. Unfortunately this still works on a voluntary basis and only a few Czech political parties and movements do so. All in all, I believe this would be solution for the future and it would also be easy to create a reasonable policy as is the case in many western countries.

Similarly, to the law proposal called Act on Financing of Political Parties which is has been discussed and amended by governments and oppositions since 2012, I would propose the **establishing of a central independent neutral office whose main working focus would be the management of donations to political parties and movements**. Such an office would have to have workers without any political history. This body would control, administrate, and publish all donations received by all Czech political parties. What I strongly consider to be important is to well financially evaluate workers of such an office as it is important to take every step towards avoiding possible corruption. This would obviously be costly for the state but this control body would make sure that the political competition is fair and transparent. The main tasks of the office would be to keep records of all donations made as well as publish them, and make sure that all donations are accompanied with a contract. A similar proposal has already been in Parliament but has not yet been passed. I consider it is possible that there is a chance for such an Act to be passed in the near future but it is obvious that Parties would amend the bill a lot many compromises would have to be accepted.

If such a proposal will not succeed in the Chamber of Deputies, similar **offices or controllers positions could be established within all major political parties and movements**. Such offices would serve on a similar assumption as, for example, PACs introduced in the case of the U.S.A. mentioned earlier in the thesis. In other words something like a central political party's body which is takes care of all donations made to a selected political party or movement.

With respect to the **amount which is subject to being accompanied with a donation contract I would also lower this amount of money from 50,000 CZK by half**. This would once again lead to higher transparency. Furthermore, I would set special conditions regarding individuals and politicians themselves. A similar system works in all three countries whose system was introduced in the second chapter. In this place **I would set a limit over which an individual or legal entity is not allowed to donate money unless approved by the Chamber of Deputies**. Such limits for individuals should be set at an amount of 250,000 CZK as a total of all donations made by one individual during a year. This seems to be a reasonable amount regarding all donations made in recent years and the amount is ten times higher than the amount which is supposed to be accompanied with contract. Such a limit would affect just a few donors who are donating extremely

high amounts of money. In my view it would not be right to prohibit people from such donations but it is necessary to set much stricter conditions for such donors. Once again I would apply the German system and make it mandatory for donations over 250,000 CZK from individuals to be presented to the chairman of the Chamber of Deputies first. Strict control would follow and just after this process, donations from individuals exceeding 250,000 CZK could be accepted by a political party or movement. A similar process should be applied for legal entities and companies but the limit would be obviously set higher. In the case of legal entities I would suggest an annual limit of 1,250,000 CZK which is proximately equal to \$50,000 in total per one company or legal entity. Once again any donation made to any party over this limit would have to be handled by of the Chairman of the Chamber of Deputies, and controlled, and approved by the Chamber of Deputies.

Another group of people which should be under wider supervision are the politicians themselves. In order to make financing more transparent there should also be a rule set regarding close family members. These close **family members of politicians should reveal their family connections while donating**. This would lead to greater transparency. Also, I would make the limit of 250,000 CZK strict for all politicians and their close family members with no possibility to donate more money than that. This is especially to avoid suspicion of corruption as well as possible buying of spots on the candidacy lists.

In regards to legal entities and companies, politicians should make it always clear while donating money through a company. This means that **politicians should reveal their shares in companies who are actively donating money to the political parties and movements**. This is important especially when it comes to public tenders or any other means of possible future ways how to influence political decisions. It is almost for certain that such laws would have no chance of being passed in Parliament but this would definitely lead to fair competition as well as to higher transparency of political parties themselves. Therefore, the public would know what companies do have members involved in politics and what companies have politicians financially participating in political life. However, I consider it almost impossible for any of the last four recommendations to be passed in Parliament and become law. All of these obviously lead to greater transparency but at the same time the state would be supplied with delicate data which is definitely not what politicians want.

On top of that, to make all of the above work it would be necessary to **set punishments for situations where the law is violated by political parties**. The lowest possible punishment for the first breakage of the law or some misinformation should be fines. These fines should be high

enough to motivate parties not to break the rules at all or ever again. If a law is violated repeatedly, harder punishments should apply. Such punishments could be the withdrawing of state contribution to the mandates of elected politicians or the restriction to accept donations from anyone for some period of time. Another possibility would be restrictions to accept new members, which is also important for parties in order to raise membership fees as well as to ensure young or new people who would take over the lead in the future. In the case of campaigns and violations of transparency accounts high fines could apply. Furthermore, the party could possibly not receive contributions to elections expenses from the state budget which is dependent on the election results of the party. It may seem that some of the punishments are far too high but it is important to motivate political parties and movements to follow the law as their members are given extensive power to influence our everyday lives and economics.

### **Summary of recommendations**

Table 5.1 summarize all the recommendations made in this chapter. Also probability of putting such recommendations into the practise is being outlined. Most of the recommendations are not expected to pass the Czech Parliament as political parties would not necessarily agree to accept such tools to make their financing more transparent to the public.

**Table 5.1 Summary of all recommendations**

	<b>Recommendation</b>	<b>Probability of approval</b>
<b>Annual Income Statements</b>	Should be online as a mean of statutory duty for all political parties and movements	high
	Should be available at all Regional Offices of all political parties and movements	medium-high
<b>Membership Fees &amp; Members</b>	Amounts of membership fees should be easily approachable online	high
	Parties should annually publish number of members they have	high
	Lowering of statutory limit of membership fee which must be accompanied with the name	medium-low
<b>Donations</b>	Transparent accounts of all parties before and during every election	medium
	Establishment of Central independent neutral office with focus on control of donations to political parties and movements	medium
	Establishment of offices or controller's positions within all major political parties and movements	medium
	Lowering of statutory limit of donations which must be accompanied with the name	medium-low
	Setting of limit for both Individuals and legal entities over which an approval of Chamber of Deputies would have to be gained in order to receive donation	low
	Family connections of politicians should be revealed	low
	Shares of politicians in legal entities which donate money to the parties should be revealed	low
	Set of punishments should be made.	medium

*Source: Author*

## CONCLUSION

Donations and membership fees proved to be an inevitable aspect of revenues of political parties and movements. Donations approximately amount to 15% of all revenues and membership fees approximately to 6%. However, in the case of some parties such as TOP 09 and ANO donations create over 30% of total revenues. Membership fees play a crucial role for KSCM as their share from total revenues is over 30%. Not only does this mean that it is necessary to attract donors but more importantly that also politicians themselves are important for political parties and movements while talking about the funding of political parties. To be even more specific I discovered that a politician's share of total donations is usually around 15% which is quite a lot once we take into consideration the amount of money we actually talk about.

Talking about politicians there were 2467 of them representing ten selected political parties and movements during the researched years of 1998 to 2013. For the purpose of data analysis I went through 113 annual income statements of those parties and appointed the amount of donations from every year to every single politician active in the Czech Parliament or Regional Councils out of all selected political parties and movement. All together this means that the analysis comprised of 15649 manually appointed amounts of donations. This is something which has not been done yet in the Czech Republic. At the same time I hope that these data will be used for further research in upcoming years and someone will build on the research I did in future. On top of that I believe that data will be used at the Faculty of Economics and Administration as learning tools in the courses where financing of the political parties and movement is being taught.

During statistical testing I proved that there is significant difference in the amount of donations made by Members of Parliament and Regional politicians. Furthermore, this trend was found within five out of seven parties on which the party-wise statistical test could be performed. In total Regional politicians did donate more money than Members of Parliament; however this is mainly due to fact that there were 1501 Regional politicians but only 966 Members of the Chamber of Deputies and the Senators during the researched period of time. On the other hand, average high of donations especially by Members of the Chamber of Deputies but also Senators was higher than the amount of donations by Regional Politicians. Many statistics regarding donations are introduced in chapter three.

Membership fees are very important to political parties and movement as they serve as basically the only stable source of revenues. Nevertheless, it was bit surprising how difficult it was to get information about the current level of membership fees as well as about a member's counts. In this way some of the parties were not able to supply me with the data on the amount of members. An

important fact in relation to a member's base is that most of the parties are facing common trends of a diminishing number of members. Above that, a small test of membership fees was taken and the results showed that there are some discrepancies between information stated in the annual income statements of some parties and the actual results of the test.

State funding is crucial to most of the parties and is fully dependent on the results of elections to most important Czech political institutions. Through this type of financing parties usually make around 35% of their total revenues but in the case of US-DEU the share of state funding was over 60%. Money from the state budget is also important to the traditional and most influential parties such as CSSD and ODS with a 34% share of total revenues, respectively 40%.

Both donations and membership fees produce many questions especially in respect to transparency. That is reason why I made few recommendations in the fifth chapter. A common recommendation was to put as much information regarding donations and membership fees as possible to the websites and hereby make them accessible to anyone. Also, possibly tools such as the lowering of statutory limits to reveal names along with the accompaniment of contracts were introduced. The Czech government is currently working on a new law whose main aim is to ensure the higher transparency of financing political parties and movements but has not passed a bill through Parliament yet. Finally, also annual income statements must be more available than they are now. It is unacceptable for the public to have such limited access to these data as finance and money play a key role in the life of a political party or movement.

Lastly, the processing of this diploma thesis was a great asset to me as I truly got a deeper insight into the financing of the political parties and movements. I am much more aware of the issues such as transparency of the funding as well as about the role played by politicians themselves when talking about donations and membership fees. Moreover, I developed much more interest in researching financial aspects of political parties and movements and would like to run or participate on future research in this area.

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## **LIST OF ACRONYMS**

ANO	YES – it will be better 2011
CSSD	Czech Social Democratic Party
CZK	Czech Crown
KDU-CSL	Christian and Democratic Union - Czechoslovak People's Party
KSCM	Communist Party of Bohemia & Moravia
ODS	Civic Democratic Party
OECD	Organisation for Economic Co-operation and Development
PAC	Political Action Committee
SZ	Green Party
TOP 09	Tradition Responsibility Prosperity 09
U.S.A.	United States of America
US-DEU	Freedom Union – Democratic Union
USVIT	Dawn – National Coalition
VV	Public Affairs

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## Appendix 1

### Contribution limits for 2013-2014 US Congress election

CONTRIBUTION LIMITS FOR 2013 – 14					
Donors	Recipients				Special Limits
	Candidate Committee	PAC <sup>1</sup>	State, District and Local Party Committee <sup>2</sup>	National Party Committee <sup>3</sup>	
Individual	\$2,600* per election <sup>4</sup>	\$5,000 per year	\$10,000 per year combined limit	\$32,400* per year	no limit
State, District and Local Party Committee	\$5,000 per election combined limit	\$5,000 per year combined limit	Unlimited transfers to other party committees		no limit
National Party Committee	\$5,000 per election	\$5,000 per year			\$45,400* to Senate candidate per campaign <sup>5</sup>
PAC Multicandidate <sup>6</sup>	\$5,000 per election	\$5,000 per year	\$5,000 per year combined limit	\$15,000 per year	no limit
PAC Not Multicandidate	\$2,600* per election	\$5,000 per year	\$10,000 per year combined limit	\$32,400* per year	no limit
Authorized Campaign Committee	\$2,000 per election <sup>7</sup>	\$5,000 per year	no limit	no limit	no limit

\* These limits are indexed for inflation in odd-numbered years.

<sup>1</sup> These limits apply both to separate segregated funds (SSFs) and political action committees (PACs). Affiliated committees share the same set of limits on contributions made and received.

<sup>2</sup> A state party committee shares its limits with local and district party committees in that state unless a local or district committee's independence can be demonstrated. These limits apply to multicandidate committees only.

<sup>3</sup> A party's national committee, Senate campaign committee and House campaign committee are each considered national party committees, and each have separate limits, except with respect to Senate candidates—see Special Limits column.

<sup>4</sup> Each of the following is considered a separate election with a separate limit: primary election, caucus or convention with the authority to nominate, general election, runoff election and special election.

<sup>5</sup> This limit is shared by the national committee and the Senate campaign committee.

<sup>6</sup> A multicandidate committee is a political committee that has been registered for at least six months, has received contributions from more than 50 contributors and—with the exception of a state party committee—has made contributions to at least five federal candidates.

<sup>7</sup> A federal candidate's authorized committee(s) may contribute no more than \$2,000 per election to another federal candidate's authorized committee(s). 52 U.S.C. §30102(e)(3)(B) and 11CFR 102.12(c)(2).

*Source:* FEDERAL ELECTION COMMISSION (2014), p.18

## Appendix 2

### Corruption Perceptions Index 2013 ranking

RANK	COUNTRY/TERRITORY	SCORE	RANK	COUNTRY/TERRITORY	SCORE	RANK	COUNTRY/TERRITORY	SCORE
1	Denmark	91	21	Ireland	72	41	Cape Verde	58
1	New Zealand	91	22	Bahamas	71	41	Dominica	58
3	Finland	89	22	Chile	71	43	Lithuania	57
3	Sweden	89	22	France	71	43	Slovenia	57
5	Norway	86	22	Saint Lucia	71	45	Malta	56
5	Singapore	86	26	Austria	69	46	Korea (South)	55
7	Switzerland	85	26	United Arab Emirates	69	47	Hungary	54
8	Netherlands	83	28	Estonia	68	47	Seychelles	54
9	Australia	81	28	Qatar	68	49	Costa Rica	53
9	Canada	81	30	Botswana	64	49	Latvia	53
11	Luxembourg	80	31	Bhutan	63	49	Rwanda	53
12	Germany	78	31	Cyprus	63	52	Mauritius	52
12	Iceland	78	33	Portugal	62	53	Malaysia	50
14	United Kingdom	76	33	Puerto Rico	62	53	Turkey	50
15	Barbados	75	33	Saint Vincent and the Grenadines	62	55	Georgia	49
15	Belgium	75	36	Israel	61	55	Lesotho	49
15	Hong Kong	75	36	Taiwan	61	57	Bahrain	48
18	Japan	74	38	Brunei	60	57	Croatia	48
19	United States	73	38	Poland	60	57	Czech Republic	48
19	Uruguay	73	40	Spain	59	57	Namibia	48

*Source:* TRANSPARENCY INTERNATIONAL (2013)

Appendix 3

**Table A1 Complete results of all elections to the Chamber of Deputies during 1998-2013<sup>107</sup>**

YEAR	1998			2002			2006			2010			2013		
political party/ movement	Votes	Number of seats	Seats in the Chamber of Deputies	Votes	Number of seats	Seats in the Chamber of Deputies	Votes	Number of seats	Seats in the Chamber of Deputies	Votes	Number of seats	Seats in the Chamber of Deputies	Votes	Number of seats	Seats in the Chamber of Deputies
<b>CSSD</b>	32.31%	74	37.00%	30.20%	70	35.00%	32.32%	74	37.00%	22.08%	56	28.00%	20.45%	50	25.00%
<b>ODS</b>	27.74%	63	31.50%	24.47%	58	29.00%	35.38%	81	40.50%	20.22%	53	26.50%	7.72%	16	8.00%
<b>KDU-CSL</b>	9.00%	20	10.00%	14.27%	15.5	7.75%	7.22%	13	6.50%	4.39%	0	0.00%	6.78%	14	7.00%
<b>SZ</b>	1.12%	0	0.00%	2.36%	0	0.00%	6.29%	6	3.00%	2.44%	0	0.00%	3.19%	0	0.00%
<b>ANO</b>			0.00%			0.00%			0.00%			0.00%	18.65%	47	23.50%
<b>TOP 09</b>			0.00%			0.00%			0.00%	16.70%	41	20.50%	11.99%	26	13.00%
<b>KSCM</b>	11.03%	24	12.00%	18.51%	41	20.50%	12.81%	23	11.50%	11.27%	26	13.00%	14.91%	33	16.50%
<b>US-DEU</b>	10.05%	19	9.50%	14.27%	15.5	7.75%	0.30%	0	0.00%			0.00%			0.00%
<b>USVIT</b>			0.00%			0.00%			0.00%			0.00%	6.88%	14	7.00%
<b>VV</b>			0.00%			0.00%			0.00%	10.88%	24	12.00%			0.00%

*Source: Created by author using statistical results from VOLBY (1998-2013)*

<sup>107</sup>In 2002 there was a coalition of KDU-CSL and US-DEU -> number and share of seats was split in between these two parties by half

Appendix 4

**Table A2 Complete results of all elections to The Senate during 1998-2013**

YEAR	1998			2000			2002			2004		
political party/movement	Number of newly gained seats	Total number of seats	Seats in The Senate	Number of newly gained seats	Total number of seats	Seats in The Senate	Number of newly gained seats	Total number of seats	Seats in The Senate	Number of newly gained seats	Total number of seats	Seats in The Senate
CSSD	3	23	28.4%	1	15	18.5%	7	11	13.6%	0	7	8.6%
ODS	9	28	34.6%	8	22	27.2%	9	26	32.1%	18	36	44.4%
KDU-CSL	5	14	17.3%	8	19	23.5%	1	16	19.8%	3	14	17.3%
SZ	0	0	0.0%	0	0	0.0%	0	0	0.0%	1	1	1.2%
ANO												
TOP 09												
KSCM	2	4	4.9%	0	3	3.7%	1	3	3.7%	1	2	2.5%
US-DEU	1	2	2.5%	8	9	11.1%	1	10	12.3%	1	9	11.1%
USVIT												
VV												

*Source: Created by author using statistical results from VOLBY (1998-2013b)*

YEAR	2006			2008			2010			2012		
	Number of newly gained seats	Total number of seats	Seats in The Senate	Number of newly gained seats	Total number of seats	Seats in The Senate	Number of newly gained seats	Total number of seats	Seats in The Senate	Number of newly gained seats	Total number of seats	Seats in The Senate
<b>CSSD</b>	6	13	16.0%	23	29	35.8%	12	41	50.6%	13	46	56.8%
<b>ODS</b>	14	41	50.6%	3	36	44.4%	8	25	30.9%	4	15	18.5%
<b>KDU-CSL</b>	4	10	12.3%	0	7	8.6%	2	5	6.2%	2	3	3.7%
<b>SZ</b>	0	1	1.2%	0	1	1.2%	0	0	0.0%	1	1	1.2%
<b>ANO</b>										0	0	0.0%
<b>TOP 09</b>							2	3	3.7%	1	3	3.7%
<b>KSCM</b>	0	3	3.7%	1	3	3.7%	0	2	2.5%	1	3	3.7%
<b>US-DEU</b>	0	2	2.5%	0	0	0.0%						
<b>USVIT</b>												
<b>VV</b>				0	0	0.0%	0	0	0.0%	0	0	0.0%

*Source: Created by author using statistical results from VOLBY (1998-2013b)*

Appendix 5

Table A3 Complete results of all elections to the Regional councils during 2000-2013

YEAR	Prague's municipality election 1998			Regional election 2000				Prague's municipality election 2002				Regional election 2004			
	Number of newly gained seats	Share of votes	Share on power	Number of newly gained seats	Total number of seats	Share of votes	Share on power	Number of newly gained seats	Total number of seats	Share of votes	Share on power	Number of newly gained seats	Total number of seats	Share of votes	Share on power
<b>CSSD</b>	10	17.53%	N/A	111	121	14.66%	16.58%	12	123	14.66%	16.51%	105	117	14.03%	15.70%
<b>ODS</b>	21	36.88%	N/A	185	206	23.80%	28.22%	30	215	35.54%	28.86%	291	321	36.35%	43.09%
<b>KDU-CSL</b>	8	14.04%	N/A	85.5	93.5	11.43%	12.81%	1	87	4.56%	11.61%	72	73	10.67%	9.80%
<b>SZ</b>	0		N/A	0	0	0.57%	0.00%	0	0		0.00%	0	0	1.17%	0.00%
<b>ANO</b>			N/A												
<b>TOP 09</b>			N/A												
<b>KSCM</b>	8	10.02%	N/A	161	169	21.14%	23.15%	8	169	10.83%	22.68%	157	165	19.68%	22.15%
<b>US-DEU</b>	8	14.04%	N/A	85.5	93.5	11.43%	12.81%	2	88	5.64%	11.74%	0	2	1.17%	0.27%
<b>USVIT</b>			N/A												
<b>VV</b>			N/A												

Source: Created by author using statistical results from VOLBY (1998-2013c)

YEAR	Prague's municipality election 2006				Regional election 2008				Prague's municipality election 2010				Regional election 2012			
	political party/movement	Number of newly gained seats	Total number of seats	Share of votes	Share on power	Number of newly gained seats	Total number of seats	Share of votes	Share on power	Number of newly gained seats	Total number of seats	Share of votes	Share on power	Number of newly gained seats	Total number of seats	Share of votes
CSSD	12	117	15.88%	15.70%	280	292	35.85%	39.19%	14	294	17.85%	39.84%	205	219	23.58%	29.67%
ODS	42	333	54.43%	44.70%	180	222	23.57%	29.80%	20	200	21.10%	27.10%	102	122	12.28%	16.53%
KDU-CSL	0	72		9.66%	43	43	6.65%	5.77%	0	43	1.89%	5.83%	42	42	5.82%	5.69%
SZ	6	6	7.80%	0.81%	0	6	3.15%	0.81%	0	0	5.90%	0.00%	0	0	1.75%	0.00%
ANO																
TOP 09									26	26	30.26%	3.52%	44	70	6.63%	9.49%
KSCM	6	163	7.93%	21.88%	114	120	15.03%	16.11%	3	117	6.82%	15.85%	182	185	20.43%	25.07%
US-DEU		0		0.00%	0	0	0.03%	0.00%		0		0.00%				
USVIT																
VV									0	0	5.66%	0.00%	0	0	0.25%	0.00%

*Source: Created by author using statistical results from VOLBY (1998-2013c)*

Appendix 6

**Table A4 Donating money by politicians to their parties during 1998-2013**

		Total		Total
		donated	did not donated	
Regional politician	Count	701	982	1683
	%	41.7%	<b>58.3%</b>	100.0%
Member of Chamber of Deputies	Count	196	394	590
	%	33.2%	<b>66.8%</b>	100.0%
the Senator	Count	69	125	194
	%	35.6%	64.4%	100.0%
Total	Count	<b>966</b>	<b>1501</b>	2467
	%	<b>39.2%</b>	<b>60.8%</b>	100.0%

*Source: Author*

Appendix 7

**Table A5 Kruskal-Wallis test on three groups – Members of Chamber of Deputies, the Senators, and Regional politicians**

<b>Ranks</b>		
category		N
average annual sum without those who did not donate	Regional politician	982
	Member of Chamber of Deputies	394
	Senator	125
	Total	1501
<b>Test Statistics<sup>a,b</sup></b>		
<b>Chi-Square</b>		103.918
degree of freedom		2
<b>Asymptotic Sigma</b>		<b>.000</b>

a. Kruskal Wallis Test

b. Grouping Variable: category

*Source: Author*

Appendix 8

**Results of Mann-Whitney U-tests between each of the three groups of politicians**

**Table A6 Mann-Whitney U-test on Members of the Chamber of Deputies and the Senators**

<b>Ranks</b>				
category		N	Mean Rank	Sum of Ranks
average annual sum without those who did not donate	Member of Chamber of Deputies	394	269.80	106303.00
	Senator	125	229.10	28637.00
	Total	519		
<b>Test Statistics<sup>a</sup></b>				
Mann-Whitney U-test	20762.000			
Z	-2.644			
<b>Asymptotic Sigma (2-tailed)</b>	<b>.008</b>			

a. Grouping Variable: category

*Source: Author*

**Table A7 Mann-Whitney U-test on Members of the Chamber of Deputies and Regional politicians**

<b>Ranks</b>				
Category		N	Mean Rank	Sum of Ranks
average annual sum without those who did not donate	Regional politician	982	620.49	609324.00
	Member of Chamber of Deputies	394	858.00	338052.00
	Total	1376		
<b>Test Statistics<sup>a</sup></b>				
Mann-Whitney U-test	126671.000			
Z	-10.023			
<b>Asymptotic Sigma (2-tailed)</b>	<b>.000</b>			

a. Grouping Variable: category

*Source: Author*

**Table A8 Mann-Whitney U-test on Regional politicians and the Senators**

<b>Ranks</b>				
category		N	Mean Rank	Sum of Ranks
average annual sum without those who did not donate	Regional politician	982	541.76	532012.50
	Senator	125	650.12	81265.50
	Total	1107		
<b>Test Statistics<sup>a</sup></b>				
Mann-Whitney U-test	49359.500			
Z	-3.569			
<b>Asymptotic Sigma (2-tailed)</b>	<b>.000</b>			

a. Grouping Variable: category

*Source: Author*

Appendix 9

**Table A9 Annual average donations by ODS's politicians during 1998-2013 (in CZK)**

ODS		Total N	Donated	Mean	Standard Deviation	Minimum	Percentile 05	Percentile 25	Median	Percentile 75	Percentile 95	Maximum
<b>Just those who donated</b>	Regional politician	464		18,759	30,050	20	556	4,000	10,000	23,338	57,000	325,000
	Member of Chamber of Deputies	139		30,387	37,398	60	2,857	10,000	19,667	36,200	98,750	236,208
	Senator	61		26,806	31,344	71	2,357	6,000	15,429	35,957	72,443	162,143
<b>Total</b>	Regional politician	542	464	16,059	28,570	0	0	1,489	7,533	20,000	52,810	325,000
	Member of Chamber of Deputies	155	139	27,251	36,597	0	0	6,563	16,000	31,585	97,500	236,208
	Senator	72	61	22,710	30,406	0	0	3,381	12,625	32,500	72,443	162,143

*Source: Created by author using ANNUAL INCOME STATEMENTS OF ODS (1998-2013)*

## Appendix10

Table A10 Annual average donations by CSSD's politicians during 1998-2013 (in CZK)

CSSD		Total N	Donated	Mean	Standard Deviation	Minimum	Percentile 05	Percentile 25	Median	Percentile 75	Percentile 95	Maximum
<b>Just those who donated</b>	Regional politician	250		15,008	36,863	67	250	2,500	6,958	15,000	50,398	508,282
	Member of Chamber of Deputies	97		20,675	22,201	103	200	4,400	12,633	30,000	60,000	125,000
	Senator	35		15,841	16,627	111	625	5,000	8,333	25,000	51,850	70,000
<b>Total</b>	Regional politician	482	250	7,784	27,565	0	0	0	188	7,500	33,333	508,282
	Member of Chamber of Deputies	177	97	11,330	19,374	0	0	0	786	14,261	50,000	125,000
	Senator	70	35	7,920	14,137	0	0	0	56	8,333	40,500	70,000

*Source:* Created by author using ANNUAL INCOME STATEMENTS OF CSSD (1998-2013)

Appendix 11

**Table A11 Annual average donations by KSCM's politicians during 1998-2013 (in CZK)**

KSCM		Total N	Donated	Mean	Standard Deviation	Minimum	Percentile 05	Percentile 25	Median	Percentile 75	Percentile 95	Maximum
<b>Just those who donated</b>	Regional politician	112		8,783	12,356	327	622	2,083	4,290	9,734	29,909	89,735
	Member of Chamber of Deputies	53		52,757	33,765	3,785	5,460	24,219	50,328	80,100	105,910	126,400
	Senator	7		38,236	29,757	720	720	14,286	45,833	51,080	89,042	89,042
<b>Total</b>	Regional politician	343	112	2,868	8,159	0	0	0	0	1,957	16,257	89,735
	Member of Chamber of Deputies	57	53	49,054	35,263	0	0	15,715	44,008	79,242	105,910	126,400
	Senator	7	7	38,236	29,757	720	720	14,286	45,833	51,080	89,042	89,042

*Source: Created by author using ANNUAL INCOME STATEMENTS OF KSCM (1998-2013)*

Appendix 12

**Table A12 Annual average donations by KDU-CSL's politicians during 1998-2013 (in CZK)**

KDU-CSL		Total N	Donated	Mean	Standard Deviation	Minimum	Percentile 05	Percentile 25	Median	Percentile 75	Percentile 95	Maximum
<b>Just those who donated</b>	Regional politician	95		18,168	25,067	222	500	4,692	10,000	21,278	76,667	154,000
	Member of Chamber of Deputies	21		45,889	75,225	200	300	5,448	18,922	30,000	200,000	300,000
	Senator	20		16,841	24,221	143	183	2,364	13,100	20,031	72,675	110,850
<b>Total</b>	Regional politician	164	95	10,524	21,054	0	0	0	2,500	14,286	39,724	154,000
	Member of Chamber of Deputies	39	21	24,709	59,291	0	0	0	300	20,000	200,000	300,000
	Senator	30	20	11,227	21,203	0	0	0	2,364	17,595	34,500	110,850

*Source: Created by author using ANNUAL INCOME STATEMENTS OF KDU-CSL (1998-2013)*

Appendix 13

**Table A13 Annual average donations by SZ's politicians during 1998-2013 (in CZK)**

SZ		Total N	Donated	Mean	Standard Deviation	Minimum	Percentile 05	Percentile 25	Median	Percentile 75	Percentile 95	Maximum
<b>Just those who donated</b>	Regional politician	5		6,078	6,337	482	482	600	4,000	10,600	14,710	14,710
	Member of Chamber of Deputies	4		18,462	10,777	5,526	5,526	10,263	18,750	26,661	30,823	30,823
	Senator	1		36,000		36,000	36,000	36,000	36,000	36,000	36,000	36,000
<b>Total</b>	Regional politician	17	5	1,788	4,265	0	0	0	0	482	14,710	14,710
	Member of Chamber of Deputies	6	4	12,308	12,672	0	0	0	10,263	22,500	30,823	30,823
	Senator	1	1	36,000		36,000	36,000	36,000	36,000	36,000	36,000	36,000

*Source:* Created by author using ANNUAL INCOME STATEMENTS OF SZ (1998-2013)

Appendix 14

**Table A14 Annual average donations by US-DEU's politicians during 1998-2010 (in CZK)**

US-DEU		Total N	Donated	Mean	Standard Deviation	Minimum	Percentile 05	Percentile 25	Median	Percentile 75	Percentile 95	Maximum
<b>Just those who donated</b>	Regional politician	29		10,196	16,037	600	1,111	3,000	5,800	8,000	35,714	83,333
	Member of Chamber of Deputies	22		9,848	7,742	2,222	4,000	4,000	6,653	13,000	24,000	26,250
	Senator	1		4,286		4,286	4,286	4,286	4,286	4,286	4,286	4,286
<b>Total</b>	Regional politician	95	29	3,112	9,944	0	0	0	0	2,400	13,111	83,333
	Member of Chamber of Deputies	27	22	8,024	7,976	0	0	4,000	4,000	11,356	24,000	26,250
	Senator	12	1	357	1,237	0	0	0	0	0	4,286	4,286

*Source:* Created by author using ANNUAL INCOME STATEMENTS OF US-DEU (1998-2010)

Appendix 15

**Table A15 Annual average donations by VV's politicians during 2002-2013 (in CZK)**

VV		Total N	Donated	Mean	Standard Deviation	Minimum	Percentile 05	Percentile 25	Median	Percentile 75	Percentile 95	Maximum
<b>Just those who donated</b>	Regional politician	0										
	Member of Chamber of Deputies	21		85,255	211,786	877	2,500	7,737	14,599	34,312	682,127	756,656
	Senator	0										
<b>Total</b>	Regional politician	0	0									
	Member of Chamber of Deputies	22	21	81,379	207,480	0	877	7,700	13,198	34,312	682,127	756,656
	Senator	0	0									

*Source:* Created by author using ANNUAL INCOME STATEMENTS OF VV (2002-2013)

Appendix 16

**Table A16 Annual average donations by TOP 09's politicians during 2009-2013 (in CZK)**

TOP 09		Total N	Donated	Mean	Standard Deviation	Minimum	Percentile 05	Percentile 25	Median	Percentile 75	Percentile 95	Maximum
<b>Just those who donated</b>	Regional politician	27		28,268	42,822	2,500	4,250	6,250	12,500	37,500	55,000	225,000
	Member of Chamber of Deputies	28		49,429	37,639	1,250	5,000	17,500	42,500	78,750	115,000	150,000
	Senator	0										
<b>Total</b>	Regional politician	40	27	19,081	37,447	0	0	0	6,875	25,000	53,375	225,000
	Member of Chamber of Deputies	47	28	29,447	37,852	0	0	0	10,000	50,000	90,500	150,000
	Senator	2	0	0	0	0	0	0	0	0	0	0

*Source:* Created by author using ANNUAL INCOME STATEMENTS OF TOP 09 (2009-2013)

Appendix 17

**Table A17 Annual average donations by ANO's politicians during 2012-2013 (in CZK)**

ANO		Total N	Donated	Mean	Standard Deviation	Minimum	Percentile 05	Percentile 25	Median	Percentile 75	Percentile 95	Maximum
<b>Just those who donated</b>	Regional politician	0										
	Member of Chamber of Deputies	5		14,940	19,970	2,000	2,000	2,700	10,000	10,000	50,000	50,000
	Senator	0										
<b>Total</b>	Regional politician	0	0									
	Member of Chamber of Deputies	49	5	1,524	7,356	0	0	0	0	0	10,000	50,000
	Senator	0	0									

*Source: Created by author using ANNUAL INCOME STATEMENTS OF ANO (2012-2013)*

Appendix 18

**Table A18 Annual average donations by USVIT's politicians in 2013 (in CZK)**

USVIT		Total N	Donated	Mean	Standard Deviation	Minimum	Percentile 05	Percentile 25	Median	Percentile 75	Percentile 95	Maximum
<b>Just those who donated</b>	Regional politician	0										
	Member of Chamber of Deputies	4		28,500	47,823	1,000	1,000	2,000	6,500	55,000	100,000	100,000
	Senator	0										
<b>Total</b>	Regional politician	0	0									
	Member of Chamber of Deputies	11	4	10,364	29,881	0	0	0	0	3,000	100,000	100,000
	Senator	0	0									

*Source:* Created by author using ANNUAL INCOME STATEMENT OF USVIT (2013)

Appendix 19

**Table A18 Funding of all Czech major political parties during 2011-2013 (in CZK)**

<b>ALL MAJOR POLITICAL PARTIES DURING 2011-2013</b>	
Total revenues	3,866,840,552
Total donations	595,946,923
Share of donations from total revenues	15.4%
Total donations from politicians	58,189,619
Share of donations by politicians from total donations	9.8%
Total donations from Members of Chamber of Deputies	23,793,884
Share of donations from Members of Chamber of Deputies from total donations	4.0%
Total donations from the Senators	3,347,740
Share of donations from the Senators from total donations	0.6%
Total donations from Regional politicians	31,047,995
Share of donations from Regional politicians from total donations	5.2%
Total membership fees	200,323,153
Share of membership fees from total revenues	5.2%
Total revenue from state budget	1,344,220,280
Share of revenues from state budgets from total revenues	34.8%

Source: Author