

WHO FINANCES POLITICS IN THE CZECH REPUBLIC?

Prague, January 14, 2015 - One third of Czech public procurement suppliers directly donate money to political parties, creating severe conflict of interest. Another 14 % of the reported party donors are hidden behind offshore or shell companies, or they even do not exist at all. These are the main findings of a recent study by the Centre for Applied Economics, who were the first to gather and explore political donations data, pointing out a severe risk of state capture.

Findings of the researchers exceeded their expectations. They found literally thousands of suspicious donors with an unclear ownership structure or a connection to public money. That is why they have set up a webpage politickefinance.cz that makes all the data available to the general public. Currently, journalists have already been using it to uncover shady financing, such as the [case of LEV 21](#), a party of the former Czech Prime Minister, Jiří Paroubek.

"We were the first to gather such evidence, simply because the data on political donations were available only in paper form in the Czech parliamentary library. We took the effort to manually process all donation lists into our own database, where we could combine them with other datasets that our NGO gathers - such as public procurement, European funds or offshores," comments Jiří Skuhrovec, the project leader.

Their research confirms the long-standing notion that firms obtain an advantage by donating to political parties. Evidence shows, that this helps them getting significantly larger volumes of procurement contracts, while facing smaller competition than non-donating firms.

Researchers' activity is, however, facing a legal ban: "We were informed by Czech Office for Personal Data Protection that we violate the donors' personal rights by publishing data on political donations online. However, we believe that concealing such information is potentially harmful for healthy democratic governance in our country. Public interest in transparent political party financing should outweigh the need for personal data protection. Thus we are ready to defend our actions in court," explains his position Skuhrovec.

Results merely confirm the general comments by [GRECO](#) - that transparency of Czech political party financing is unsatisfactory, and that independent control mechanisms need to be set up. This year, the Czech government plans to pass a new law on political party financing - it has, however, been already postponed several times. "We hope that our analysis will contribute to a fact-based discussion on real issues of party financing, and perhaps also serve as an example of good practice for NGOs in other countries," concludes Skuhrovec.

The full text of the study (in English) by Skuhrovec, Titl and Palanský (2015) can be found at: <http://cae.zindex.cz/wp-content/uploads/2015/01/2015-01-12-Analysis-of-Czech-Political-Party-Donations.pdf>

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