

[2016 AmCham Letter on Strategy](#)

proposes to increase GDP per capita by 60% over the next ten years by focusing on value-added manufacturing, health care, city creative development and good governance. The first question to be posed is **What will an IT specialist will look like in 2020?** and **How to attract highly skilled workforce?** Contact Renata Paceltova at rpaceltova@amcham.cz.

A position document published by the AmCham's **Health Care Task Force** is ready for comments from members and associations at its next meeting in March. The document focuses on the health care system, that needs an unified, clear and measurable target for determining how successfully the system operates. Ministry of Health Care as well as AmCham identified as a measurable target policy raising the healthy life years by two years by 2020. Contact Veronika Szentivanyiova at veronika@amcham.cz.

European Commissioner for Justice Vera Jourová appeared before the European Parliament LIBE committee to present the outcome to the negotiations on a renewed EU-US Safe Harbour agreement. . On February 2, the College of Commissioners will meet with the aim to endorse any renewed EU-US Safe Harbour agreement. Contact Weston Stacey at wstacey@amcham.cz.

Progress or Regress: The State of the Anti-Corruption Movement

Last fall, AmCham debated what our advocacy priorities should be for 2016. We made a strategic choice. We would get back to what we like to do: pursue economic development issues. Since so many others had jumped into the fight against corruption, we felt we could cut back our hours there, and start examining how research could contribute to higher value-added exports, or how the Prague-Brno corridor could become the primary catalyst for the Central European region. We slid good government to fourth, and last, place among our economic priorities.

We were expecting our businesses to sigh in relief that we were no longer creating potential fights with the government. We expected the government to smile in satisfaction. Instead, we got almost a unanimous response: good government reform should remain first on our agenda.

Ugh. It is not fun work. First of all, the forces who oppose reform have an obvious advantage: they pay better. Support them, and you get the good contracts, or the prized post in government, or a nice supplement to your paycheck from the paper. Support good government, and you may get good government.

Second, the anti-corruption movement is a mess. Last week was a good example. Transparency International announced that the country had risen from 53rd to 37th on their Transparency Index. The very next day, Transparency International's director announced that Andrej Babis' presence in government represented a historical height for conflict-of-interest. The two claims are hard to reconcile (it is also hard to understand why TI's director campaigned publicly to be named Minister of Interior by Mr. Babis if he represents a historic disturbance).

The timing of the announcement also raised eyebrows. Transparency International (TI) negotiated a special publicity deal with Pravo, which allowed Pravo to see the results in advance. On Monday, Pravo printed a broadside by President Zeman blasting the anti-corruption campaign of foreign embassies (including the US Embassy). In the article, Jan Hamacek of the CSSD suggested that assessment of corruption were better left to NGOs than foreign embassies. Conveniently, two days later, TI announced the great leap forward.

This is not to say Transparency International connived to undermine the anti-corruption activities of the foreign embassies. This is to suggest that TI was used by the President and CSSD to serve a political purpose.

TI is not alone. Most politicians feel that ReSt has become a political arm of ANO. Part of the reason is that Andrej Babis is listening to them and acting. Bohuslav Sobotka listens, but assigns anti-corruption activities to Jiri Dienstbier. Nevertheless, ReSt was also used by ANO to score points in the debate on public registries. When CSSD deputies decided to violate their signed pledge to pass registries of public contracts, ReSt reacted by running advertise-

ments in Pravo condemning CSSD as the new ODS, and warning that they too would share the same fate. CSSD deputies scurried out to support the registries in the form ReSt desired. A great victory, right? Well, maybe. We now have a law on public registries, and a much diluted law according to its original drafter, Jan Farsky. To have an actual registry, it will have to be built by a ministry. The ministry responsible is the Ministry of Interior, which is headed by Minister Chovanec, the heir apparent to the CSSD throne. How much are you willing to bet the registries will have all sorts of “technical” problems coming to life?

Being outplayed at politics by top politicians is not a crime. The challenge for the big anti-corruption crusaders is that they placed their bets on headlines and television driving reform, and it has not. Politicians have countered the graphics and press conferences with their own spin, and the public has wearied of the topic. Does the anti-corruption movement have enough “boots on the ground” to achieve day-to-day incremental progress?

It depends on where they choose to fight. Reform in the Chamber of Deputies will be hard; the real majority party in the Chamber is municipal officials. Most mayors and councilman want easy decision-making processes with little accountability. And now, CSSD has an allergic reaction to anything reform or ReSt-related. In fact, much of parliament has the same allergy. The Senate is better, but does not get to initiate its own laws.

What about the government? CSSD has given the portfolio to one of their least influential ministers, and seems more interested in the public relations than reform. ANO is a mixed bag: Andrej Babis knows he needs to back up his campaign promises, but his Minister of Regional Development listens to the CSSD-dominated association of towns more than to him. TOP 09, ODS, KSCM and KDU-CSL do not seem to want to make reform a priority (other than to bash Minister Babis for his conflict-of-interest).

That does not leave much territory where a fight can be won. Reshaping the territory might be exactly how the anti-corruption movement can make the most of the next few months.

First, reform has become adversarial. When the Platform for Transparent Public Procurement first started, the goal was to get everyone at the table and get them to agree on how best to improve procurement. Now the anti-corruption movement decides what needs to be done and how best to do it, and demands the government do it. When the government declines, or presents their own version of reform, the anti-corruption fighters scream in the media. That may change a law, but it will not change a culture. It may even worsen the culture; it contributes to a political environment in which every disagreement becomes an accusation of corruption. We should get back to finding common priorities and common solutions. That will be our first step: rebuilding a platform for discussion.

Second, reformers need to support those who are already reformed. Around the country, many mayors— primarily elected as locally trusted independents— have already enacted their own reforms, and are introducing innovative ways of governing that improve not only transparency, but results. We need to build up an exchange for sharing best practice, and we need to promote their work with the broader public. The more incentive they have for

6409

Number of public procurements
in 2015 with single bid
EconLab

32%

% of single bid procurements
EconLab

82%

Increase in single bid
Procurements in 2015
*Year on Year
EconLab*

2015 set the record
for highest number of
single bid procure-
ments.

trying, the more they will try, and the more they will be copied by other aspiring mayors. Our intention is to make the Platform's website a place to highlight what mayors have done to improve their decision-making, and to show how that has resulted in better communities.

Shifting the debate from process to results is also necessary. Since the discussion has been about laws, we have focused on rules, and opponents have argued that more rules mean worse results. But the ultimate goal of anti-corruption reform is not more bureaucracy, or rules. It is better government. That is why we will shift from a discussion of what procedures should be implemented, to what the optimal outcome of procurement should be. In health care, for instance, we want to work with hospitals to make sure that procurement contributes to the national goal of increasing Healthy Life Years by 2 years.

Finally, we need to speak directly to you. For years, our members have complained that the political system has given them no real choice. There is a reason for that. Parties know that you will be involved in the political system only when there is a vote. They do not have to present you with an ideal option: they just need to present you with a more acceptable option than the other parties. Who they really need to please are the people who pay for their existence. And your choice not to contribute money to political parties not only reduces your relevance, but narrows the number of choices a party has for funding itself. If you study the contributions to political parties, you see three major categories of donors: the "oligarchs", companies involved in public procurement, and party officials. Each of those categories of donors create their own forms of corruption and economic distortion. If democracy and the free market are to be a success, citizens have to realize that their real choice of who they want to run the country does not occur in the ballot box; it comes from getting involved with a political party to help choose the names that go on the ballot. We need 20% of the population to be involved in political parties. This becomes a moment of looking in the mirror and asking yourself why someone else should do something to improve your political choices if you will not do so yourself.

So where are we exactly in this fight? You could argue that TI's results got it about right. The country's citizens have always considered its politicians the worst of the worst. In the World Economic Forum's annual surveys of public trust of politicians, the country has consistently ranked near the very, very bottom. Below Ukraine. Below Greece. Below all of South America. Below Asia. Below most of Africa. This was crazily out of perspective. This view now seems to have changed. TI's results put the Czech Republic at the top of the lower tier of countries in the EU (19th out of 28th, behind Spain, ahead of most of Central Europe, ahead of Greece). This is realistic.

If we want it to get any better, we need to stop waving flags and talking about grand schemes. Good government is hard work, perhaps the hardest work there is. It requires participation. It requires co-operation. It requires compromise. In the end, it requires us to believe that the good of society is bigger than our own self-interest, and to believe it so much we are willing to act on that belief.

16.3 billion

Amount awarded for extra work
2015
econlab

109.8%

Growth in Amount awarded for
extra work
2015
econlab

313

Single bid contracts awarded because of no tender in previous procedure
2015
econlab

563%

Increase in amount awarded in single bid tenders due to no tender in previous procedure
2015
econlab