

Foundations of the Modern Czech Republic



A Walker Clark Background Briefing

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Business Advisors and Counselors to the Legal Profession

Headnote

This briefing outlines the major political, economic, social, and cultural trends in the development of the modern Czech Republic.

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Medieval roots of a modern state

Although the Czech Republic is among the new states that have emerged since the collapse of communism between 1989 and 1991, its historical roots date to the middle ages.

The Czechs, a West Slavic nation, were part of Great Moravia, a ninth-century Slavic state that collapsed in the tenth century under pressure from the Magyars. Bohemia emerged from the ruins of Great Moravia as a dukedom within the Holy Roman Empire under the Přemyslid dynasty. One of its rulers was St. Václav or St. Wenceslas (c. 907-935) immortalized in the English Christmas carol. Bohemia's capital became Prague, where a few remaining Romanesque structures are testimony to the growing strength of the Czech state.

In 1212, Bohemia became a kingdom, with its component provinces of Bohemia, Moravia, and Silesia. Its continued close ties to the German cultural sphere resulted in German settlers inhabiting the kingdom's border regions, towns, and cities and contributing to the development of agriculture, trade, manufacture, and silver mining that made the country prosperous.

The Přemyslid became extinct in the early fourteenth century, and the Luxembourg dynasty came to rule Bohemia. Its greatest scion was Charles IV (1316-1378), who began his reign in 1346 and was simultaneously Holy Roman emperor. Charles IV invested in the expansion of Prague as the capital of the kingdom and the empire, establishing a university there in 1348, completing the Gothic St. Vít Cathedral in the castle, and building a new bridge across the Vltava River (German, Moldau). In view of his contribution to Czech culture and history, Czechs voted Charles IV in 2005 as the greatest Czech of all time.

Not long after Charles's death, Bohemia became embroiled in a religious controversy when the priest Jan Hus (c. 1372-1415) was burnt at the stake in 1415 for having advocated reforms in the Roman Catholic Church similar to those of John Wycliffe (c. 1320-1384). The resulting Hussite Wars of the fifteenth century, which produced the Czech's greatest military figure, Jan Žižka (c. 1360-1424), devastated Bohemia, but the Czechs managed to preserve a place for the Utraquist faith, a moderate form of the Hussitism, along side Catholicism, which tended to retain the loyalties of Germans.

The Habsburg takeover

In 1526, the Kingdom of Bohemia came under the rule of the Habsburg dynasty of Austria after the Bohemian king fell in battle against the Turks. In 1618, the Bohemian Estates rebelled against from the Habsburgs, partly because of Vienna's efforts to strengthen the central authority at the expense of Prague and because of Utraquist and now Lutheran complaints about Habsburg favoritism toward Catholics. The army of the Bohemian Estates met defeat at White Mountain outside Prague in 1620, and the Habsburgs treated Bohemia as a conquered province.

As a result of White Mountain and the Thirty Years' War (1618-1648), Bohemia was devastated. The Habsburgs sought to eliminate all forms of Protestantism through the Counter-Reformation, resulting not only in forced conversions but also the flight of thousands of Czech families, including the Bohemian Brethren bishop and educator Jan Amos Komenský or Comenius (1592-1670). Prague may have lost its political clout, but the construction during the Counter-Reformation and after a great fire in 1689 resulted in the city's Baroque character that Wolfgang Amadeus Mozart (1756-1791) loved to visit.

Nationalism and liberalism in the 19th century

The rise of Czech and German consciousness during the nineteenth century occurred simultaneously and resulted in the two ethnic groups competing for dominance of the historic kingdom. The Czechs codified their language, which had fallen from official use after 1620, and rediscovered their glorious past. Meanwhile, the Germans in Bohemia strengthened their association with the Germans in Austria and with the Habsburg dynasty.

In the revolutions of 1848 throughout Europe, the liberals attempted to advance the economic agenda of the middle class and gain political representation, but the revolts in the Habsburg Monarchy took on a nationalist tone. Afterward, the young emperor, Francis Joseph (1830-1916), who had ascended to the throne during the revolutions, ushered in dramatic changes through the economic concessions he made to the liberals.

The industrial revolution

The industrial revolution was particularly strong in the Kingdom of Bohemia, whose manufacturing base had expanded because of the mercantilist investments between 1711 and 1790 during the reigns of Charles VI (1685-1740), Maria Theresa (1717-1780), and Joseph II (1741-1790).

A textile industry developed in the northern part of Bohemia. Metallurgical industries emerged in the cities of Prague, Brno, and Plzeň, famous for its Škoda Works. Manufactured goods included iron, machines, armaments, transportation equipment, and at the end of the nineteenth century steel and electrical equipment, all of which found its way into domestic markets throughout the Monarchy and foreign markets.

Bohemia's agricultural base also was important, and it was one of the largest beet sugar production areas in Europe. It also was a major producer of hops and beer.

Cultural progress in the 19th century

The cultural progress of the Czechs continued in the latter half of the nineteenth century, with new trends in literature, history, and art. The Hussite faith reemerged after the edicts of toleration of Joseph II and helped intensify Czech nationalism. Prague became overwhelmingly Czech, the German population having declined from approximately half to around 10 percent near the end of the nineteenth century.

Jews in Prague also flourished—another benefit of religious toleration. With just under a quarter of the population of Prague around 1900, the Jews first had assimilated into German culture, but many adopted Czech culture in the second half of the nineteenth century, and at the end of the century Zionism became popular.

In 1867 the Ausgleich (German, Compromise) divided the internal administration of the Habsburg Monarchy into the Austrian Empire and the Kingdom of Hungary. The inhabitants of the Kingdom of Bohemia enjoyed the benefits of a developing democracy in the Austrian portion of Austria-Hungary that allow the Czechs today to boast of a democratic tradition that is over a century old. Czechs and Germans saw the growth of political parties and cultural institutions as they competed with each other for economic and political prominence.

Art and architecture reflected the achievements of the past, be it German or Czech. Even music reflected the spirit of the nation, as seen in the compositions of the Czech composers Bedřich Smetana (1824-1884) and his student, Antonín Dvořák (1841-1904). On the eve of the First World War, Prague was a vibrant multiethnic city where Czech, German, and Jewish culture and politics flourished, industry and

commerce thrived, and the young of Art Nouveau artists challenged the older generation steeped in nationalism, Romanticism, Impressionism, and Neoclassicism.

The emergence of Czechoslovakia (1918-1945)

After the First World War, Bohemia joined with Slovakia and Ruthenia, both from the Hungarian half of the Habsburg Monarchy, to form the Czechoslovak First Republic.

Cooperation and compromise

Interparty and multiethnic cooperation in governing coalitions, various shortcomings notwithstanding, characterized Czechoslovak democracy. President Tomáš G. Masaryk (1850-1937), a sociologist and politician whose intelligence and principles won him a great deal of respect even before the First World War, and his successor, Edvard Beneš (1884-1948), were highly respected in the West, but the guarantors of democracy also included the leaders and adherents of the major political parties, among them the Social Democrats, National Socialists (not related to the German Nazi party), Republicans (Agrarians), National Democrats, and Catholic parties.

Germans, who comprised approximately one-quarter of the population, participated in public life and increasingly appeared to be invested in the welfare of the state. They participated in the National Assembly, and beginning in 1926 there were always one or two German parties in the government.

Jews were in several major political parties, especially in the Social Democratic party, and in small parties, like the influential Business and Commerce party. Likewise, Hungarians, Poles, and Rusyns had political parties, many of which cooperated with the major parties.

Finally, most Slovaks gravitated toward the Catholic Slovak People's party, which had a strong autonomist wing but in the middle of the 1920s participated in a center-right government.

Prosperity and decline in the 1920s and 1930s

Culture in Czechoslovakia thrived between the two world wars. Architects experimented with Cubism, Rondocubism, and ultimately the International Movement, while artists represented the major schools, including Late Impressionism, Avant-garde, Surrealism, and Cubism. Czech literature celebrates *Good Soldier Švejk* by Jaroslav Hašek (1883-1923) and the work of Karel Čapek (1890-1938), while the German-Jewish tradition includes Franz Kafka (1883-1924), Egon Erwin Kisch (1885-1948), and Max Brod (1884-1968).

Throughout much of the 1920s and 1930s, the Czechoslovak economy prospered, exports were reasonably strong, and agriculture was productive. The Great Depression brought economic ruin to many Germans businesses and industries in the mountainous area along the western border of the country known as the Sudetenland, and the German population came under the sway of Nazi ideology, whose proponents benefitted from funding that originated in Berlin.

Nazi occupation (1939-1945)

In September 1938, in an effort to avoid war in Europe, Britain, and France joined with Italy and Germany at a conference in Munich to award Nazi Germany the Sudetenland.

The rump state restructured itself as the Czecho-Slovak Second Republic to grant autonomy to Slovakia and Ruthenia, long a goal of both ethnic groups. Czecho-Slovakia also lost territory with significant Hungarian minorities in

southern Slovakia and Ruthenia to Hungary, while Poland took a small amount of territory from Bohemia and Slovakia.

In March 1939, Nazi Germany incorporated the western part of the state into the Third Reich as the Protectorate of Bohemia and Moravia, compelled Slovakia to declare its independence, and awarded all of Ruthenia to Hungary. During the Second World War, the Holocaust (Shoa) decimated Czech Jews, and executions eliminated thousands of Czech intellectuals, civic activists, and average citizens.

Post-war Czechoslovakia (1946-1992)

After the Second World War, Czechoslovakia reemerged, although without Ruthenia, which Joseph Stalin (1878-1953) absorbed into the Soviet Union. The newly-reconstituted state expelled its 2.6 million Germans as well as a significant number of Hungarians.

The Stalinist era (1948-1968)

Three years of democratic development and capitalism ended in February 1948 when the Communist party took advantage of a political crisis to come to power legally. President Beneš, who had returned to Prague from exile when the war had ended, resigned after the coup and died a short time later. Jan Masaryk (1886-1948), the son of the first president and foreign minister in the exile government during the war and in all the governments afterward, was murdered.

The Communists adopted Stalin's totalitarian model, including a centrally-planned economy, the collectivization of agriculture, the control of information, and the use of terror. Literature, art, and architecture all reflected the socialist realism that had developed in the 1930s in the Soviet Union.

The Prague Spring and Soviet reaction (1968-1989)

The Communist party began to loosen its tight grip on society in the 1960s, and deepening economic stagnation later in the decade prompted calls for reform within the party. In early 1968, Alexander Dubček (1921-1992), a Slovak who had come to lead the party, began to restore freedom of speech and assembly and to introduce some market mechanisms in the economy, a package of reforms known as the Prague Spring or “socialism with a human face.” Conservative communist leaders in the Warsaw Pact became nervous about the reforms, and in the night of 20-21 August 1968, the Soviet Union, Poland, German Democratic Republic, Hungary, and Bulgaria invaded.

Gustav Husák (1913-1991), also a Slovak, became head of the party in 1969 with Soviet backing and undid Dubček’s reforms. The only one to remain was the transformation of the centralized state to a federation to recognize Slovak demands for a measure of self-governance. Husák introduced a period of so-called normalization that restored the primacy of the Communist party, removed market mechanisms from the economy, restricted freedom of speech, and purged the society of opposition.

The end of the Prague Spring brought about the emigration of more than a hundred thousand Czechs and Slovaks, including such figures as the film director Miloš Forman (born 1932) and the writer Milan Kundera (born 1929). Some stayed and openly resisted the regime, such as the playwright Václav Havel (born 1936) and the writer Jaroslav Seifert (1901-1986), both of whom signed the Charter 77 manifesto against the regime. A few regained the trust of the regime, such as the writer Bohumil Hrabal (1914-1997), and still others did their best to avoid politics, such as popular singer Karel Gott (born 1939).

The Velvet Revolution (1989-1992)

Throughout the Soviet sphere of influence, the reforms of Mikhail Gorbachev (born 1931) in the late 1980s undermined hard line regimes, and Czechoslovakia was no exception. The 1989 protests of Tiananmen Square, free elections in Hungary and Poland, opening of Hungary's border with Austria, and fall of the Berlin Wall emboldened dissidents and other citizens in Czechoslovakia to force the hardline Communists to resign. As a result of the Velvet Revolution of November-December 1989, Havel became president, and Dubček returned from obscurity to become the speaker of the Federal Assembly.

Czechoslovakia after 1989 blossomed with all sorts of cultural, social, and political movements, but the end of communism brought new concerns. The Slovaks sought a greater role in the state's decision-making process, so in April 1990, representatives of the state designed a loser federal structure and reconstituted the state as the Czech and Slovak Federated Republic.

Economic changes from the socialist planned system to a market economy generated a great deal of controversy. The country began privatizing socialist businesses and industry through a coupon or voucher program that was to benefit all citizens equally. Restitution returned certain business and property to their original owners or their heirs. Collective farms transformed into cooperatives. The pace of privatization was rapid, and Slovaks became concerned that they would lose a significant portion of their firms to foreign investors, including Germans. Furthermore, many politicians in both halves of the state were dissatisfied with the political arrangements.

After the Velvet Divorce (1993 to date)

In 1992 the Czech prime minister, Václav Klaus (born 1941), and the Slovak prime minister, Vladimír Mečiar (born 1942), negotiated the peaceful division of the country. Neither side put the question to a referendum, and when the so-called Velvet Divorce took place at midnight, 31 December 1992-1 January 1993, only about one-third of the population in each country supported the separation. Rather than preside over the dissolution of Czechoslovakia, Havel resigned the presidency.

The contemporary political party system

The Czech Republic that emerged on 1 January 1993 continued the multiparty parliamentary system that had evolved in 1989 with the collapse of communism. The Parliament reelected Havel as president in 1993, and he served two terms in office. In 2003 Klaus succeeded him as president and in 2008 was elected to a second term. Although two dozen parties may appear on the ballots in a given election, only a handful consistently gain enough votes to enter the Chamber of Deputies and Senate of the Czech Parliament (from left to right on the political spectrum): Communist party of Bohemia and Moravia (KSČM), Czech Social Democratic party (ČSSD), Green party (SZ), Civic Democratic Party (ODS), and Christian and Democratic Union–Czechoslovak People’s party (KDU–ČSL).

The Czech Republic had ten governments between 1993 and 2010, each with an average life span of less than two years—the shortest lasting only one month. Three governments were coalitions under the conservative Civic Democratic party; three were coalitions under the Czech Social Democratic party; and two were bureaucratic governments. The ODS and the Czech Social Democrats each formed a minority government on their own. The machinations of the political parties and the frequent cabinet changes may

lead an individual in a majoritarian political system, such as the US or UK, to view democracy in the Czech Republic as flawed, but such political complexities are typical in consociational democracies, a category to which the Czech Republic belongs along with such states as Belgium, Netherlands, and Austria.

Consociational democracies frequently appear in sharply divided multi-ethnic states, and the Czech Republic no longer belongs to that category, now that it no longer has an association with Slovakia and the German minority is gone. The Czechs form 94 percent of the state out of a population of 10.5 million, and the minorities each are small (in descending order): Slovaks, Poles, Germans, Ukrainians, Hungarians, Vietnamese, and Roma.

In that sense, the Czech Republic is like Austria, a consociational democracy without ethnic divisions but with deep ideological and social foundations. The political parties reflect the strong conviction of individual Czechs, who associate themselves with the communists, socialists, environmentalists, conservatives, or Catholics. The former foreign minister, Prince Karel Schwarzenberg (born 1937) is attempting to break the norm with a new party, Top 09, that hopes to attract voters from the socialists and the conservatives, but one of the party's biggest hurdles are the deep roots of the political culture.

A tradition of cynicism

Another strong current in the Czech political culture is cynicism, which maintains faith in democracy but doubts the ability of most politicians to rise above petty squabbles, scandals, and corruption, which is high in the Czech Republic by EU standards. Cynicism extends to the spiritual world—fewer than two-thirds of the Czechs identify themselves as religious; one-fourth claim to be Catholic.

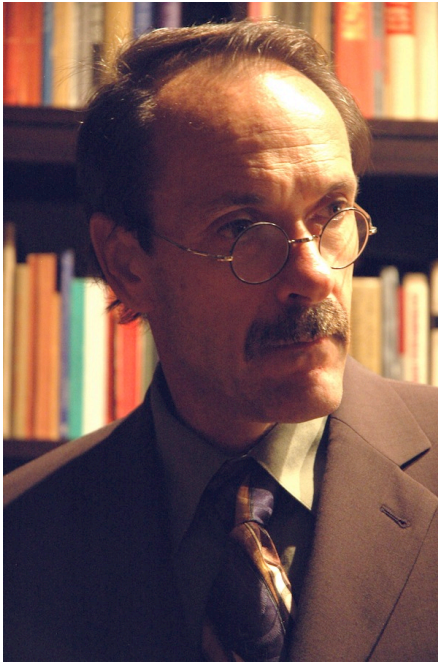
Frequently, Czechs attribute the cynicism to their past. The Counter-Reformation converted them to Catholicism, and communism made them atheists. In the realm of politics, the Czechs had to survive Nazism and then Communism, which they did so, as the popular saying went, by “keeping one’s mouth shut and keeping one’s step.” The ability of the factitious Good Soldier Švejk taught the Czechs to survive by muddling through any regime.

One last component of the Czech political culture relates to the nation’s size and their ability to resist foreign domination. The Czechs are proud of their accomplishments, but in the twentieth century the fact that they did not fight Nazi Germany instead of accepting the Munich Agreement, take a firmer stand against the Warsaw Pact invasion in 1968, as the Hungarians resisted the Soviets in 1956, or resist the Husák regime suggest a flaw in their national character to many Czechs while others see it as self-preservation. The Velvet Revolution and the admission to the EU and NATO have mitigated to some extent this feeling of inferiority.

One of the strongest post-communist economies

The Czech economy is among the strongest of those states to emerge from communism. It has a strong growth rate, with the service sector providing nearly 60 percent of the GDP, industry nearly 40 percent, and agriculture the remainder. Its largest exports, destined mostly to the EU, are machinery and transportation goods, including Škoda vehicles, among the most popular cars in Europe. It has moderate budget deficits and a reasonable amount of external debt. Since 1989 Czechs have become far more consumer oriented than they had been under socialism, although those of the older generation still shun the glitzy shopping centers and supermarkets in favor of small shops and local markets, many of which, they sometimes lament, are in the hands of ambitious, hard-working Vietnamese small traders.

About the author



Daniel E. Miller, Ph.D., is a senior consultant for Walker Clark, LLC, and specializes in business strategy and related economic, political, and cultural issues in the legal markets of Europe, with particular experience in expertise in the Central European countries of the Czech Republic, Hungary, Poland, Romania, and Slovakia. He is a member of the Walker Clark Central Europe Group.

As a professor of history at the University of West Florida in Pensacola, Florida, Dr. Miller teaches graduate and undergraduate courses in Central European history as well as other

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Dr. Miller's publications include *Forging Political Compromise: Antonín Švehla and the Czechoslovak Republican Party (1918-1933)*, which deals with agrarian politics and democracy in Czechoslovakia between the two world wars. It appears in Czech translation as *Antonín Švehla mistr kompromisu (Argo, 2001)*. He is the co-editor of

a volume in Czech dealing with the history of agrarian movement in the Czech Republic and Slovakia and the author of numerous chapters, articles, reviews, and other works related to Slovak and Czech agricultural politics and other topics both in Czech and English. He currently is working on a monograph dealing with the creation of new agricultural settlements on the great estates during the land reform between the world wars in Czechoslovakia. He also is researching the historic antecedents of consensual democracy in Slovakia and the Czech Republic.

Research and teaching frequently take Dr. Miller to over a dozen European countries, especially those in Central Europe.

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