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CZECHOSLOVAKIA IN 1989: CAUSES, RESULTS, AND CONCEPTUAL CHANGES[1]

Conceptual changes in the "miracle year"

The crucial events of the year 1989 were actively influenced by the Czechoslovak people. In November and December they rose up against the hegemony of the ruling Communist Party of Czechoslovakia (*Komunistická strana Československa*, KSČ) and, with their decisive actions, contributed to the fall of the communist dictatorship. The "Velvet Revolution" became the symbol of a peaceful takeover of power and the building of a democratic state on the basis of pragmatically conceived governmental and legal continuity. The grass-roots movement—represented in the Czech Republic by the Civic Forum (*Občanské fórum*, OF) and in the Slovak Republic by the Public Against Violence (*Verejnosť proti násiliu*, VPN)—reached an understanding with representatives of the communist elite to choose a conciliatory path toward a market economy and democracy. This model of historical compromise was different from that which occurred in Hungary and Poland, because the Czech communists were unwilling to engage in any sort of dialogue with the opposition until the last moment. In the end, their so-called normalizing regime collapsed due to the wide-spread protests in East Germany and the fall of the Berlin Wall on 9 November. The Czech compromise is quite significant if compared to the frightful example of the bloody drama that occurred in Romania in December 1989. While the emergence of latent anti-communism was nonetheless very energetic, the Czechs and Slovaks sobered up quickly from their revolutionary enthusiasm. The fact remains that they see their "peaceful," "velvet," or "gentle" revolution as a unique contribution to the history of modern revolutions since 1789—in the sense of stopping a chain of violence and endless revenge for the past wrongs. The world's ethos was represented by the dissident Václav Havel, who at the end of the "miracle year" was elected president of Czechoslovakia.

The fall of the communist dictatorships in the countries of Central and Eastern Europe has been perceived as a revolutionary change in the world order, but these revolutions (or coups), as such, have not been thought to have offered anything innovative or inspiring. Jürgen Habermas has called them the "catching up" revolutions, revolutions that merely copied the ideas and methods of the modern period.[2] In a similar line, François Furet has argued that not a single original idea was born in the upheavals which took place in Eastern Europe in 1989.[3] The source of these civil movements has been defined in different ways, including the awakening of citizens' values or the longing for lost freedom.[4] But most importantly, they have been considered motivated by materialistic or consumer factors. One of the first slogans of the OF and the VPN was a call for the "return to Europe." This symbolized their common effort to join the free and economically more developed West. This is the atmosphere in which Francis Fukuyama's paradigmatic theory, the "end of history" concerning the historical victory of the liberal democratic order (and capitalism), was born.[5] Another American political scholar, Samuel Huntington, has created an impressive global picture of the democratic phases in which authoritarian regimes from South America to Eastern Europe have given way to democracies.[6] The last phase was initiated in 1974 with Portugal's "Carnation Revolution," which was followed by the people of the Soviet bloc fifteen years later. In this ideological-theoretical context, the theory of transformation to democracy or transitology, which had already been around for a while, began to thrive and developed a functional leveling typology.[7] This is how, at the beginning of the 1990s, "paradigms of transformation" were conceived, which were the result of the attraction toward human rights policies, liberal democracy, and a capitalist market economy that followed the neoliberal model of the so-called Washington Consensus of democracy and prosperity. This paradigm has been reinforced in liberal political debates and in specialized discourses in the social sciences, also in Czechoslovakia of the 1990s, where the view was held that liberal democracy had defeated "red totalitarianism." After the transition period in Czechoslovakia, the prevailing concept was that of return: return not only to Europe, but also to an idealized form of the country's own democratic and economic traditions. This created a new wave of historical optimism, negating earlier viewpoints in which history was the centerpiece of communism. Czechoslovakia's democracy was seen as predestined for prosperity.

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A wide range of comparative analyses and approaches have explored theories regarding the end of history and the phases of democracy. In the 1990s, a number of comparative studies were undertaken that examined the fall of the dictatorships in the Soviet bloc countries.[8] For the most part, they have focused on the magnitude of the geo-political changes, the role of Gorbachev's perestroika, and the specific major economic and political shifts in the satellite states. Naturally, these studies did not provide an in-depth analysis of specific events and their history. It was only in the next decade that scholars began to deal with these topics. But in connecting the forms of these crucial events, they also changed the view of them accordingly. Priority was given to detailed examinations of the modalities of political change. It was seen that liberal and democratic processes are marked by the opposition not being prepared to take over power, and problems emerging regarding legalities in its continuity as well as the broad political consensus.[9] The French political scientist Magdaléna Hadjiisky has provided a detailed analysis of the conflicting pluralist political systems originating from engaged citizens within the OF.[10]

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[2] Jürgen Habermas, "Die nachholende Revolution," in *Kleine Politische Schriften VII* (Frankfurt am Main: Suhrkamp, 1990).

[3] Quoted in Ralf Dahrendorf, *Reflections on the Revolution in Europe* (New York: Time Books, 1990), 27.

[4] Timothy Garton Ash, *We the People: The Revolution of '89 Witnessed in Warsaw, Budapest, Berlin and Prague* (London: Granta, 1990).

[5] Francis Fukuyama, *The End of History and the Last Man* (New York: An Avon Book, 1993).

[6] Samuel Huntington, *The Third Wave: Democratization in the Late Twentieth Century* (Norman: University of Oklahoma Press, 1991).

[7] Vladimíra Dvořáková and Jiří Kunc, *O přechodech k demokracii* (Prague: Sociologické nakladatelství, 1994), 157.

The American historian James Krapfl has dealt with the civic dimension of change and revolution from below, rejecting thereby the statements of Habermas and Furet concerning the non-originality of the Eastern European revolutions. He states that the "Velvet Revolution" was a unique example of a disciplined and goal orientated collective action, based on a special combination of modern and traditional values. According to him, democratic revolutions prefer a balanced combination of direct and representative elements.[11] Padraic Kenney has examined the power of the people, presenting numerous examples of spontaneity and creativity. He has described revolution as a theater performance, as a jolly carnival.[12] The Czech philosopher, sociologist and law specialist Jiří Přibáň has revealed a postmodern dimension in the Eastern European revolutions—their movement toward pluralistic public forums, and their rejection of there being only one legitimate framework (as, for example, popular sovereignty) in favor of "diversity in living styles."[13] This diversity has often been connected to an identity anchored in the past. This identity sprang from historical memory and resulted in the dependence of the political actors on numerous personal, family and collective traditions of the past, traditions that had often been interrupted by the dramatic events of the twentieth century. The past, however, was not only a positive source of strength and identity; it was also a burden due to the legacy of the totalitarian regime.[14]

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[8] See, e.g., Roger East, *Revolution in Eastern Europe* (London, New York: Pinter Publishers, 1992); Ivo Banac, ed., *Eastern Europe in Revolution* (Ithaca, London: Cornell University Press, 1992); J. Elvert and M. Salewski, *Der Umbruch in Osteuropa* (Stuttgart: Franz Steiner Verlag, 1993); Jacques Lévesque, *The Enigma of 1989: The USSR and the Liberation of Eastern Europe* (Berkeley, Los Angeles, London: University of California Press, 1997); Vladimir Tismaneanu, ed., *The Revolutions of 1989* (London, New York: Routledge, 1999); Steven Saxonberg, *The Fall: A Comparative Study of the End of Communism in Czechoslovakia, East Germany, Hungary and Poland* (Uppsala, Virginia: Harwood Academic Publishers, 2001); Svetlana Savranskaya, Thomas Blanton, Vladislav Zubok, eds., *Masterpieces of History: The Peaceful End of the Cold War in Europe, 1989* (Budapest, New York: Central European University Press, 2010).

[9] Jiří Suk, *Labyrintem revoluce: Aktéři, zápletky a křižovatky jedné politické krize. Od listopadu 1989 do června 1990* (Prague: Prostor, 2003).

[10] Magdaléna Hadjiisky, *De la mobilisation citoyenne a la démocratie de partis: Participation et délégation politiques dans la nouvelle démocratie tcheque, 1989–1996* (Paris: Institut d´Etudes Politique de Paris, 2004).

[11] James Krapfl, *Revolúcia s ľudskou tvárou: Politika, kultúra a spoločenstvo v Československu po 17. novembri 1989* (Bratislava: Kalligram, 2009).

[12] Padraic Kenney, *A Carnival of Revolution: Central Europe 1989* (Princeton: Princeton University Press, 2002).

In the Czech Republic, the "transformation paradigm" disintegrated not only because of different views of understanding as such, but also due to a gradual sobering regarding the "Czech path toward capitalism"[15] and the "barbarizing of Czech politics,"[16] especially during the political and economic crisis of 1996–97. Nevertheless, it took another decade before it was rejected as an ideological construct that gave unprecedented power to the expansion of global capitalism, thus threatening the plurality of cultures and values.[17] Different age groups and programs expressed the need to criticize the foundations of the neoliberal paradigm and to formulate a new concept of democracy. At the same time, anti-communism was rejected as a political tool of the Czech right in its struggle with the liberal left as a political alternative. Renewed democratic and socialist traditions are closely connected to the above-mentioned plurality of memory.[18]

Part 1 of this chapter depicts the establishment of communism in Czechoslovakia and analyzes the reasons for its fall. Following the "Velvet Revolution" as delineated in Part 2, the interparty struggle, political and economic measures as well as lustration in 1990–98 are analyzed in Parts 3–5. At the end of the chapter, an attempt will be made to draw premlinary conclusions about the changes achieved in Czech society.

1. Reasons for the fall of the dictatorship in Czechoslovakia

The "Velvet Revolution," the unexpected outburst of widespread discontent, was primarily caused by external influences—it was one of the last pieces in the series of falling dominos of the regimes in Central Europe. A radical farewell to the past, it gave the impression of breaking continuity. However, while not evident on the surface, continuity with the "normalizing regime" was very deep. The key to understanding how the *ancien régime* fell is found in the character and the origins of the Czech communist dictatorship. Regretfully, not much research in this area has been done until now, and we thus can only draw a tentative and improvised picture.

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[13] Jiří Přibáň, *Disidenti práva: O revolucích roku 1989, fikcích legality a soudobé verzi společenské smlouvy* (Prague: Sociologické nakladatelství, 2001).

[14] Francoise Mayer, *Les Tcheques et leur communisme: Mémoire et identités politiques* (Paris: Éditions EHESS, 2003); Adéla Gjuričová, Michal Kopeček, Petr Roubal, Jiří Suk, Tomáš Zahradníček, *Rozděleni minulostí: Vytváření politických identit v České republice po roce 1989* (Prague: Knihovna Václava Havla, 2011).

[15] Martin Myant, *The Rise and the Fall of Czech Capitalism: Economic Development in the Czech Republic since 1989* (Cheltenham, Northampton: Edward Elgar Publishing, 2003).

[16] Lubomír Kopeček, *Éra nevinnosti: Česká politika 1989–1997* (Brno: Barrister a Principal, 2010), 324.

[17] Václav Bělohradský, *Společnost nevolnosti: Eseje z pozdější doby* (Prague: Sociologické nakladatelství, 2007).

[18] Pavel Barša, Václav Bělohradský, Michael Hauser, Václav Magid, Petr Schnur, Ondřej Slačálek, Tereza Stöckelová, Martin Škabraha, Mirek Vodrážka, *Kritika depolitizovaného rozumu: Úvahy (nejen) o nové normalizaci* (Prague: Grimmus, 2010).

After seizing power in February 1948, the Communist Party of Czechoslovakia became an overwhelming political force. It did away with its competitors, and until 1956 ruled with terror and triumphant propaganda. Thus, only limited opposition could take place within the party and state structures. From time to time after 1956, a certain amount of criticism appeared from the cultural and intellectual elite, who expressed the need for more artistic autonomy and creative freedom,[19] for a different approach to reading Marx (and Marxist revisionism),[20] as well as the need for economic reform. The party's leadership eliminated such rebellious elements, a policy that was used both during periods of thaw and of repression.

The most critical moment for the dictatorship took place in 1968–69.[21] The "Prague Spring" of 1968, which started in December of the previous year as a "palace revolution," turned into an attempt to reform and to create a more attractive "socialism with a human face" that was adapted to domestic needs. The aroused civic society succeeded in gaining complete freedom of speech, which in the course of a few weeks dismantled the authority and discourse of the KSČ. The terror of the 1950s was openly criticized in the media, a number of previously suppressed political "citizens' groups" came to life, as did a number of different identities and traditions. However, the socialist structure as such was left untouched and not challenged; people wanted socialism without dictatorship, a better, non-authoritarian communist party that would rule thanks to its inherent authority. The reformed party's leadership declared that this was their goal; in practice, however, the former structures and power aspirations remained.[22] With approaching external threats from the USSR, hundreds of thousands citizens demanded independence and state sovereignty. But the awakened civil society was not given a chance to articulate its various emerging interests in discussions and debates. These spontaneous citizens' movements, accompanied by the disintegration of communist power, were interrupted by the Soviet-led invasion of

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[19] Jan Mervart, *Naděje a iluze: Čeští a slovenští spisovatelé v reformním hnutí šedesátých let* (Brno: Host, 2010).

[20] Michal Kopeček, *Hledání ztraceného smyslu revoluce: Zrod a počátky marxistického revizionismu ve střední Evropě, 1953–1956* (Prague: Argo, 2009).

[21] Kieran Williams, *Prague Spring and its Aftermath: Czechoslovak Politics, 1968–1970* (Cambridge, New York, Melbourne: Cambridge University Press, 1997).

[22] Jiří Hoppe, *Opozice ´68: Sociální demokracie, Klub angažovaných nestraníků a K231– Sdružení bývalých politických vězňů* (Prague: Prostor, 2009).

Czechoslovakia.[23] The leading communists who had supported reforms capitulated, and the overall result was a gradual resignation in the society and the striving for "consolidation" and "normalization" of relationships.

The post-August dictatorship caused a political, mental and moral decline, because it buried hopes for change and democratic socialism. The reinstated dictatorship, without the freedom of expression, undertook a huge wave of "cleansing," and in the 1970s, more than half a million party members who had expressed disagreement with the invasion were expelled from the KSČ ranks. This was followed by an active persecution of the revolutionary youth movement and the circles of independent socialists. The regime of the "restored order" made it clear that it would not tolerate any open opposition. Charter 77, which was established in 1977 as part of the Helsinki movement to defend human rights, considered itself a moral opposition. But the approximately two thousand people who joined Charter 77 were spied on until the fall of the regime by the secret police, and the group was unable to evolve into a political opposition. The Czech population was again forced to adapt itself to an authoritarian regime leaning toward the Soviet Union, the superpower in the east.

Structural changes and unsolved problems under communism

After February 1948, the KSČ managed to destroy parliamentary democracy as well as the prewar economic order that, until World War II, had for centuries been developing in its own fashion. All private property was nationalized,[24] including the expropriation of small businesses from owners and farmers,[25] and the free market was replaced by a system of central planning and an economy focused on heavy industry. The society underwent a complete structural change. Severed were the traditional ties and social hierarchy of the rural and civic society. Communist egalitarianism veiled the real, or undeclared, inequality in economic status of the communist *nomenklatura*, which became a "new class" (Milovan Djilas). The citizens had to adapt themselves to the new conditions, make the best of the given situation, and find ways to realize their own vested interests.[26]

Parallel to the repeating crises of communist authority, the system also lived through economic crises, with the regime in the 1950s and 60s repeatedly reacting to attempts to implement reforms. The regime was faced with the dilemma of how to incorporate elements of free market and competition (which would increase work productivity and motivation) into the rigid precepts of a centralized economic system, while at the same time holding on to the socialist system.[27]

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[23] Jan Pauer, *Prag 1968: Der Einmarsch des Warschauer Paktes. Hintergründe, Planung, Durchführung* (Bremen: Edition Temmen, 1995).

[24] Jan Kuklík, *Znárodněné Československo: Od znárodnění k privatizaci—státní zásahy do vlastnických a dalších majetkových práv v Československu a jinde v Evropě* (Prague: Auditorium, 2010), 450.

[25] Karel Jech, *Kolektivizace a vyhánění sedláků z půdy* (Prague: Vyšehrad, 2008), 336.

[26] Jiří Kabele, *Z kapitalismu do socialismu a zpět: Teoretické vyšetřování přerodů Československa a České republiky* (Prague: Karolinum, 2005).

The socialist economy, in its consumer phase in the 1970s and 80s, was marked by persistent shortages of consumer goods. The saying circulated during this period that "in spite of the fact that you can buy nothing, you can get everything." One could get desired goods through unofficial distribution networks by providing favors or bribes. In practice, scarce goods were distributed at three levels. First at the state level; second, at regional warehouses accessible to the *nomenklatura* and their friends, namely, shop operators and those who gave them bribes. Third, what was left was distributed to sell in shops accessible to the public at large. Many citizens managed by doing extra work, including illegal activities and moonlighting without paying taxes. Small and large scale corruption reigned in this type of economy, with its shortage of goods. The folk proverb "he who does not steal is robbing his family" was an expression of the reality that stealing from the state was not unusual. The communist state was gradually populated by *nomenklatura* and family clans who owned social and cultural capital, as this compensated for their lack of financial capital and property ownership. This was one of the key reasons and motivational factors for the later property ownership transformation, which began immediately after the regime's fall, even before official restitution or privatization processes began in the spirit of a transformation law.[28]

In the second half of the 1980s, it became evident that the rigid system was failing, both economically and intellectually, and had to reform. The contrast to the effectiveness and prosperity of the capitalist system was overwhelming. Even communist leaders became aware of this fact. One of the most important reasons for the dictatorship's fall, as seen by the Czech sociologist Ivo Možný, was that the system it defended no longer satisfied anyone except the party *nomenklatura*. It appealed neither to the managers of government enterprises, nor to the general economic elite. And the general populace was dissatisfied because of the shortage of goods, sinking salaries, as well as the shortage or lack of available housing. But despite all this frustration, the situation was not critical and there was no threat of social unrest.[29] Furthermore, there was no realistic alternative to the existing system. The Czechs and Slovaks wanted to live in a more developed and freer consumers' society, but not necessarily in a capitalist system. While they had specific wishes, they had only a vague notion about what kind of regime would fulfill their desires.

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[27] Zdislav Šulc, *Stručné dějiny ekonomických reforem v Československu, České republice, 1945–1995* (Brno: Doplněk, 1998).

[28] Ivo Možný, *Proč tak snadno…: Některé rodinné důvody sametové revoluce* (Prague: Sociologické nakladatelství 1999).

[29] Otakar Turek, *Podíl ekonomiky na pádu komunismu v Československu* (Prague: Ústav pro soudobé dějiny, 1995).

Late communism

Soviet perestroika came too late; it was a futile attempt to make authoritarian communism an attractive alternative to liberal democratic capitalism.[30] In Czechoslovakia, any will to reform was inevitably associated with 1968. Post-occupation party leadership was right to fear a new crisis. It openly joined perestroika under the condition that the "reconstruction" would be carried out taking the local specificity into consideration. It made concessions, above all in the economic sphere ("reconstruction of economic mechanisms"),[31] and avoided political and cultural liberalization. The average citizen associated the "reconstruction" primarily with the idea of glasnost. However, the average citizen was still deprived of the freedom of speech. The communist authority waned, the Marxist-Leninist discourse of "real socialism" crumbled.[32] From 1987, the bureau of the KSČ Central Committee became increasingly more concerned about the development of the entire communist bloc due to glasnost in the Soviet Union.

The liberalization in the public and cultural domain did not satisfy the expectations and the demands of the citizens, especially the younger generation, which did not accept the official cultural conception and dogmatic socialist realism, which in the "restored order" or "normalization" period of 1969–89 had softened. Young people were no longer impressed by communist propaganda, and they were put off by censorship and the existence of forbidden books and "special films," which by the end of the 1980s had become an incomprehensible anachronism, not to mention the difficulties to travel to Western countries. They expressed their dissatisfaction at university meetings and elsewhere.[33] Another symptom of the decreasing authority of the KSČ manifested itself in an increase of violence among the people (football rowdies, bullying in student residences and the military, etc.).

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[30] Svetlana Savranskaya, "The Logic of 1989: The Soviet Peaceful Withdrawal from Eastern Europe," in Svetlana Savranskaya, Thomas Blanton, Vladislav Zubok, eds., *Masterpieces of History: The Peaceful End of the Cold War in Europe, 1989* (Budapest, New York: Central European University Press, 2010), 1–47.

[31] Šulc, *Stručné dějiny ekonomických reforem*, 62–70.

[32] Michal Pullmann, *Konec experimentu: Přestavba a pád komunismu v Československu* (Prague: Scriptorium, 2011), 145–72.

[33] Milan Otáhal and Miroslav Vaněk, eds., *Sto studentských revolucí. Studenti v období pádu komunismu—životopisná vyprávění* (Prague: Nakladatelství Lidové noviny,1999).

The imaginary divisions between the dissident ghetto and the rest of society became a "grey zone"; it was here that excluded artists and intellectuals met and had discussions with once conformist colleagues. Several independent initiatives were started that dealt with culture, pacifist movements, and politics. At the end of 1988, foreign radio broadcasts were no longer interrupted. Millions of Czechs and Slovaks began to listen to Radio Free Europe and Voice of America.[34] The diminishing of the authority of the KSČ and its rigid official policies gave way to the activities of charismatic individuals who represented various values and traditions. Already in July 1985, during the traditional procession in Velehrad, many of the faithful openly demonstrated their discontent regarding the status of religious freedom. The churches were frequented by more and more young people. The regime felt threatened: In March 1988, the police in Bratislava used water cannons to disperse a peaceful "candle demonstration." Cardinal František Tomášek was a symbol of defiance for believers who explicitly demanded the independence of the church from the state, respect for religious freedom, and more democracy.[35] The symbol of 1968 was Alexander Dubček, who had become the hope of those who aspired to "democratic socialism." It was hoped that Mikhail Gorbachev would appreciate Dubček's merits and enable him to return to politics. Artistic freedom and civic courage was represented by Václav Havel, seen as the leading authority of Charter 77. In January 1989, he was arrested again and sentenced to nine months of imprisonment. After a huge wave of international solidarity (and his being nominated for the Nobel Peace Prize), he was conditionally released mid-sentence. Several thousand until then conformist artists, scientists and other citizens gave Havel their unconditional support. However, there was no direct or simple connection between the first courageous acts of individual citizens and the massive collective act that would later shake the regime. A balance of fear ruled in the months before the unexpected fall of the regime: The population lived in terror of police violence, while at the same time the regime was afraid of compromises that would cause its downfall.

The above-mentioned individuals, Havel, Dubček and Tomášek, had a certain amount of influence as a moral example, but they did not stand for a political movement. They represented the different identities and traditions that had been suppressed or interrupted in critical years—1938–39, 1948, 1968–69—which all culminated in 1988–89, with the anti-regime student demonstrations on 17 November 1989 in Prague. During the "Velvet Revolution," the entire spectrum of national memory, with its emblems and symbols, flooded public spaces. Awakened was the memory of the prosperous democratic "first republic" (1918–38), of the citizens' spontaneity and unfulfilled dreams during the "Prague Spring," of modern humanistic and democratic values and human rights, as well as the memory of old religious and spiritual traditions.[36]

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[34] Vilém Prečan, "'Vás lidé berou jakou hlavní svobodný, nezávislý sdělovací prostředek': Václav Havel a RSE v červenci 1989," in Marek Junek, ed., *Svobodně! Rádio Svobodná Evropa 1951–2011* (Prague: Radioservis, 2011), 207–47, 256.

[35] Stanislav Balík and Jiří Hanuš, *Katolická církev v Československu 1945–1989* (Brno: Centrum pro demokracii a kulturu, 2007).

2. The "Velvet Revolution" (November and December 1989)

The brutal suppression by police forces of the peaceful student demonstrations on 17 November triggered an avalanche of developments. The university students contacted intellectuals, artists, and theater and film actors; together they created pockets of resistance. Strikes were declared. On 18 November almost all of the theaters in Prague went on strike; they were subsequently joined by artistic ensembles in other cities. The protest movement was accelerated by a false rumor of a student's death, Martin Šmíd.[37] Theaters across the country became forums for heated discussions. On Monday, 20 November, all the universities went on strike, joined by various organizations. In Prague and Bratislava, meetings took place at which hundreds of thousands of people participated. They were joined by thousands of other demonstrators in the major cities of Bohemia, Moravia and Slovakia.[38]

On Sunday, 19 November, the Civic Forum (OF) was born in the Prague Činoherni Club. The political movement was not only made up of dissident groups, but of disenchanted citizens, including some communists and members of the National Front.[39] At the same time, Václav Havel became a celebrity respected by large parts of society. In the Slovak capital of Bratislava, a similar movement was established, the Public Against Violence (VPN). The leaders of the VPN were the environmental activist Ján Budaj and the popular actor Milan Kňažko. The aim of both movements was to establish a dialogue with state authorities about liberalization and a process of democratization. The pressure of these citizens' movements culminated on 27 November, with a general strike that forced the communists, represented at that time by the federal prime minister, Ladislav Adamec, to initiate talks with the opposition.

Adamec launched discussions with the opposition on 26 November, one week after the revolution had started. As a result of these political negotiations, political prisoners were released, the constitutional articles giving the KSČ a leading role in society under the National Front political system were removed, and opposition groups were legalized and granted access to the media. Both the OF and VPN demanded fundamental changes in the composition and focus of the government, although they were not yet interested in participating in it. Both movements had only come into being after 17 November 1989 and needed time to organize themselves and formulate their programs. Prime Minister Adamec took advantage of this situation, and on 3 December he introduced a government dominated by communists, who kept fifteen positions of twenty.[40] This government was rejected by the people, but the renewed protests remained peaceful and did not become violent. After a few days, the OF (but not the VPN) realized that they would fail if they did not show their power and demand seats in the government. Prime Minister Adamec had resigned and the "government of national understanding," led by the communist Marián Čalfa, appointed seven ministers from the Civic Forum, excluding the minister of the interior and minister of defense, which were key positions. The VPN was not represented by any minister.[41]

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[36] Jiří Suk, "The Public—Space—Freedom", in Filip Blažek, ed., *Posters of Velvet Revolution: The Story of the Posters of November and December 1989* (Prague: XYZ, 2009), 105–28, 144.

[37] Vladimír Hanzel and Alena Müllerová, *Albertov 16:00: Příběhy sametové revoluce* (Prague: Nakladatelství Lidové noviny, 2009), 45–57.

[38] For a detailed overview of the political events surrounding the "Velvet Revolution" and the main related OF documents, see the website of the Institute of Contemporary History (www.89.usd.cas.cz). The archives of the Coordination Center of the Civic Forum (November 1989—February 1991) are stored at the institute and are accessible there.

[39] Ivana Koutská, Vojtěch Ripka, Pavel Žáček, eds., *Občanské fórum: den první. Vznik OF v dokumentech a fotografiích* (Prague: Ústav pro studium totalitních režimů, 2009), 25–83.

On 10 December, the new federal government was appointed and the president, Gustáv Husák, a communist, resigned. The objective of the OF and VPN was for Václav Havel to take over the presidency. The Federal Assembly—the supreme legislative body of the Czechoslovak federation—possessed a comfortable communist majority, and thus decided to call direct presidential elections, expecting the victory of its candidate, ex-Prime Minister Ladislav Adamec. The candidacy of Havel caused complications in Slovakia, where political parties and social organizations had nominated Alexander Dubček, a 1968 political symbol, for the presidency. The communists and most political forces except OF, VPN and the small Czech bloc parties demanded direct elections. However, direct elections would result in a competition between the Czech and Slovak candidates and could cause the separation between the two republics. Thus, the OF and VPN found themselves in a paradoxical situation. The revolutionaries insisted on observing the existing constitution and having the president elected by the Federal Assembly, which was dominated by the communists. In contrast, the KSČ put forward a constitutional amendment establishing a presidential system. Democrats wanted to prevent direct elections, but during the "round table" debates which had started on 8 December, they failed to convince their opponents. A club of communist deputies in the Federal Assembly insisted on direct elections and appealed to the opinion of the general public. As the OF and VPN had no deputies in parliament, they could only mobilize the public. They were concerned, however, that the massive pressure on the communist deputies to elect Havel as president would cause the disintegration of the highest legislative body, which would result in a constitutional crisis.[42]

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[40] Suk, *Labyrintem revoluce*, 37–64.

[41] Ibid., 110–54.

[42] Suk, *Labyrintem revoluce*, 188–211.

Čalfa offered a way out of the stalemate at a private meeting on 15 December in the office of the prime minister. Čalfa and Havel agreed on a coordinated process, aiming for Havel to be elected president. Čalfa intervened in parliament, and already at the next meeting of the Federal Assembly on 19 December, the communist deputies resigned their plans of having a direct election and supported Havel's candidacy.

At the time of the deputies' discussions, students were demonstrating in support of Havel's candidacy in front of the parliament building on a daily basis. The club of the KSČ was unable to resist the pressure from both sides, and gave up their fight to elect a president of their choice.[43] It was imperative that Czech–Slovak relations not break up during the presidential elections and thus, various measures were taken to lower the Czech and Slovak tensions regarding Havel and Dubček as candidates for the presidential post. The two men met a few times with this goal in mind. Complicated negotiations and subsequent round table meetings of the various political parties, organizations and movements culminated in an agreement on how to fill the highest state functions. On 29 December, Dubček was elected chairman of the Federal Assembly, and Václav Havel, a day later, became the president of Czechoslovakia. Both were unanimously elected. After the election ceremony at Prague Castle and a solemn *Te Deum* in St. Vitus' Cathedral, the university students, the moving force and symbol of the protest, ended their strike.[44]

The end of the "miracle year" culminated in a genuine democratic revolution, characterized by James Krapfl as a "saintly society" symbolizing human values and a combination of direct and representative democracy.[45] The fall of the communist dictatorships in Czechoslovakia was not preceded by political segregation, this having been hindered by the rigid Czechoslovak regime. In this sense it differed from the more liberal Polish and Hungarian regimes. The process of political and ideological differentiation began only in January 1990.

3. Division of power and political liberalization (December 1989–June 1990)

The elimination of the constitutional articles granting a leading role in the political system to the KSČ (29 November), the taking over of key ministries in the federal government by non-communists (10 December), and the election of Václav Havel as the president of the republic (29 December 1989) put an end to the KSČ's dominant position in the bodies of executive power. In January and February, the KSČ ceased to be the main power in the highest legal bodies (although it maintained its relatively strong position until the parliamentary elections on 8 and 9 June 1990). A concrete view of the new balance of power in the first half of 1990 is provided by the basic figures documenting the results of the co-optation of new members into the highest legislative bodies. The decisive political forces came to an agreement at a round table in January 1990.[46] Small political groups had a relatively large amount of influence, although this did not match their social weight. The OF and VPN were forced to accept some compromises (in the areas of legislation, election law, etc.), which caused disagreements in both movements and created potential political splits.

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[43] Ibid., 212–29.

[44] Ibid., 230–49.

[45] Krapfl, *Revolúcia s ľudskou tvárou*, 55–100.

Between late December 1989 and early February 1990 many of the 350 members of the Czechoslovakian Federal Assembly (FS) were removed or forced to resign. Of its 242 deputies, the KSČ was left with 136; the OF and VPN were given 129 seats (4 of them not occupied), non-party deputies were given 41 of their previous 64 seats, and the parties of the former National Front kept their previous number of mandates—the Czechoslovak People's Party and the Czechoslovak National Socialist Party each 18, and the Democratic Party and the Freedom Party each 4. In early February 1990, the parliaments of the republics—the Czech National Council (CNR) and the Slovak National Council (SNR)—were changed in the same fashion. A significant anomaly was that in the SNR, the VPN had only 21 co-opted members from the total number of 150, whereas the communists were left with 65 seats, despite the fact that one purpose of co-optation was to eliminate the absolute majority of the KSČ. In early February 1990, the political decision-making process shifted from round tables to reconstructed legal assemblies (and by the end of March, local and district councils were reinstated, as were national councils in the whole country). Thanks to these changes, parliamentary democracy was formally restored in Czechoslovakia. The dual state apparatus was based on three pillars, two republican and one federal, and represented democratic politics. These bodies, freshly liberated from an authoritarian system, formed a complicated matrix, since the Czechoslovak federal state, from its inception in 1968, had been governed by the centralized dictatorship of the KSČ.[47]

At the beginning of 1990, the government was represented by 50 ministries in three governments (Czech, Slovak and federal) and 700 deputies in the three legal councils (FS, CNR and SNR). The constitutional system didn't anticipate a systematic institutional cooperation between the national councils, or between the Czech, Slovak and federal governments. The status of the republics in the federation and the division of powers became a controversial issue. After twenty years of re-centralization, the historical demands of the Slovaks for national sovereignty gained momentum.[48]

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[46] Suk, *Labyrintem revoluce*, 155–66.

[47] Eric Stein, *Czecho/Slovakia: Ethnic Conflict—Constitutional Fissure—Negotiated Breakup* (Michigan: The University of Michigan Press, 1997).

[48] Jan Rychlík, *Rozpad Československa: Česko-slovenské vztahy 1989–1992* (Bratislava: Academic Elektronic Press, 2002), 91–130.

The beginning of political fragmentation and conflicts over the communist past

The latent conflicts manifested themselves in the "Hyphen War," which lasted from January to April 1990. The reason for this conflict between Czech and Slovak politicians and the public opinion in the two republics was the issue of the common state's name. On 23 January 1990, in the federal assembly, President Havel suggested omitting the word "Socialist" from the name. This would mean returning to the original name of Czechoslovak Republic. In Slovakia, this suggestion provoked a public uproar. Slovaks refused to accept any name that resembled the first republic's (1918–38) concept of a unified Czechoslovak nation. The Czech public considered the Hyphen War to be petty and minor. They were unable to understand that the Slovaks, after so many years of oppression, were looking for a name they considered appropriate, proposing names such as the Czech-Slovak's Republic, etc. The Hyphen War was the beginning of conflicts concerning patriotism, identity and distinct nationalism. After dramatic negotiations, which were often influenced and linked to passionate displays of public opinion, on 19 April 1990 the Federal Assembly accepted a compromise that resulted in a complicated name: the Czech and Slovak Federative Republic (CSFR).[49] The Hyphen War was a prelude to equally dramatic conflicts regarding competence in the second part of the year 1990, and subsequent discussions between representatives of the two nations about the meaning of federal legislation.[50]

The OF and VPN respected the KSČ as an equal political entity. However, from the beginning of 1990 the ideals of reconciliation and harmonious relationships were pushed aside, and somewhat belatedly, the latent anti-communism that permeated the OF became an important disruptive factor and a key topic within the liberated public opinion. Crucial was the experience of the local and regional OF with "communist mafias" and "*nomenklatura* brotherhoods," which had begun to transfer state property and financial assets to private businesses.[51] In March 1990, the OF presented a request to nationalize all property belonging to the KSČ. The legislative procedure, however, was slow and laws were adopted only at the end of the year. "Wild privatization" took place, not only of the property owned by the KSČ, but also of state enterprises, offices, and other organizations.[52]

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[49] Milan Šútovec, *Semióza ako politikum alebo „Pomlčková vojna": Niektoré historické, politické a iné súvislosti jedného sporu, ktorý bol na začiatku zániku česko-slovenského štátu* (Bratislava: Kalligram, 1999), 360.

[50] See below, page 157.

[51] Krapfl, *Revolúcia s ludskou tvárou*, 197–231; Jiří Suk, "Politické hry s nedokončenou revolucí: Účtování s komunismem v čase Občanského fóra a po jeho rozpadu," in Adéla Gjuričová, Michal Kopeček, Petr Roubal, Jiří Suk, Tomáš Zahradníček, *Rozdělení minulostí: Vytváření politických identit po roce 1989* (Prague: Knihovna Václava Havla, 2011), 17–60.

In mid-April 1990, the taboo of the "Velvet Revolution" was broken. Prague city prosecutor Tomáš Sokol (OF) contemplated the possibility of banning the KSČ. This idea provoked strong tensions between the national center of the OF, which represented the policy of compromise, and the radical regional OF, which adopted the idea as their leitmotiv. Even parties that for many decades had collaborated with the National Front demanded that the KSČ be banned.[53] Parallel to the demands of these parties, Czechoslovaks who had been political prisoners in the 1950s insisted on the KSČ being banned; they had not agreed with the policy of compromise from the beginning. On 22 April, the Federal Assembly adopted a law of extra-judiciary rehabilitation of these people, which resembled the spirit of 1968.[54] This law abolished, across the board, unfairly rendered judgments, and enabled compensation to be given to victims of judicial tyranny. However, the communist regime was not characterized as non-democratic and was not punished for its crimes. It was clear that this kind of "reconciliation with the communist past" would not suffice.

A problem closely related to the call for "decommunization" was the communist secret police or State Security. The OF and VPN did not control the Federal Ministry of the Interior. The new minister, Richard Sacher of the Czechoslovak People's Party, promoted the concept of gradual and cautious restructuring based on cooperation with certain ministers. This idea did not appeal to the OF, which demanded the immediate break up of "old structures" and the firing of all state secret agents.[55] Behind the doors of registries and archives, the links between ordinary citizens and State Security were examined. This process was limited by the fact that 15,000 files had been destroyed in December 1989. Certain powerful groups took advantage of their access to confidential files of the secret police. Fear spread of the vanished secret police and its network of 140,000 agents. This motivated an objective examination of political candidates and parties. The pre-election screening was nevertheless far from objective, as was revealed by scandals that were created by accusing, without conclusive evidence, two election leaders and candidates, Ján Budaj (VPN) and Josef Bartončik (People's Party), of having worked as informants and attempting to use their knowledge and networks for manipulating the political process. It satisfied no one, which is why pressure grew for further and deeper examination of public figures, resulting in the passage, in October 1991, of the screening law.[56]

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[52] Suk, *Labyrintem revoluce*, 386–89.

[53] Ibid., 389–400.

[54] Joint Czech and Slovak Digital Parliamentary Library, Joint Session, Stenographic Protocol, 24 April 1990, http://www.psp.cz/eknih/1986fs/slsn/stenprot/027schuz/s027051.htm (accessed 1 July 2013).

[55] Suk, *Labyrintem revoluce*, 355–80.

[56] Vladimír Ondruš, *Atentát na nežnú revolúciu* (Bratislava: Ikar, 2009), 87–186.

Political liberalization and the democratic process

On 23 January 1990, the Federal Assembly adopted laws regarding political parties in order to facilitate the pluralistic political system.[57] The established parties of the National Front that had existed before November (including the KSČ) found themselves in an advantageous position, because they became part of democratic politics. A new indefinite element was introduced, the fresh political parties, such as the Civic Forum and the Public Against Violence. Along with these parliamentary bodies, other political parties were forming. The Election Act, adopted on 27 February,[58] established a system of proportional representation in twelve constituencies, with limiting clauses of 5 percent (in the Slovak National Council, 3 percent); it also stipulated that the election term would be two years, and that the main task of politicians was to adopt a new constitution and initiate economic change.

The laws adopted by the parliament at the end of March 1990 cemented civil liberties, including the rights of association, assembly and freedom of speech.[59] In the second half of April, the basic conditions for the upcoming changes in the economy were created, including laws on the equality of all kinds of property, joint stock companies, individual entrepreneurship, and state companies.[60] In early May, the Federal Assembly abolished the death penalty, and adopted a new law on higher education, giving academic institutions extensive autonomy.[61]

Czechoslovak foreign policy declared a "return to Europe." President Havel was enthusiastically welcomed by the US Congress when he visited the United States on 19–23 February 1990. Three days later, on 26 February, a Czechoslovak delegation reached an agreement in Moscow between the government of Czechoslovakia and the Soviet Union on the withdrawal of Soviet troops (in June 1991, the last soldier left).[62] The foreign policy of Czechoslovakia ambitiously assumed that the two military blocs—NATO and the Warsaw Pact—would gradually disappear and be replaced by the system of collective security within the framework of the Conference of Security and Cooperation in Europe. In Moscow, at a meeting on 6 June of the Warsaw Pact states, it was agreed that a gradual dissolution of the Soviet military alliance would take place. From the turn of 1990–91, however, Czechoslovak diplomacy oriented itself toward Czechoslovakia joining NATO.[63]

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[57] Joint Czech and Slovak Digital Parliamentary Library, Joint Session, Stenographic Protocol, 23 January 1990, http://www.psp.cz/eknih/1986fs/slsn/stenprot/022schuz/s022001.htm (accessed 1 July 2013).

[58] Ibid., http://www.psp.cz/eknih/1986fs/slsn/stenprot/024schuz/ (accessed 6 July 2012).

[59] Ibid., http://www.psp.cz/eknih/1986fs/slsn/stenprot/026schuz/ (accessed 6 July 2012).

[60] Ibid., http://www.psp.cz/eknih/1986fs/slsn/stenprot/027schuz/ (accessed 6 July 2012).

[61] Ibid., http://www.psp.cz/eknih/1986fs/slsn/stenprot/028schuz/ (accessed 6 July 2012).

[62] Jindřich Pecka, *Odsun sovětských vojsk z Československa, 1989–1991* (Prague: Ústav pro soudobé dějiny AV ČR, 1996), 352.

[63] Petr Luňák, *Západ. Spojené státy a Západní Evropa ve studené válce* (Prague: Libri, 1997), 364–77; Jiří Vykoukal, ed., *Visegrád: Možnosti a meze středoevropské spolupráce* (Prague: Dokořán, 2003).

4. Democratic elections, anti-communism, and economic liberalization (June 1990–May 1992)

The electoral victory and the collapse of the OF and VPN

On 8 and 9 June 1990, 90 % of the Czechs and Slovaks participated in parliamentary elections. For the first time in more than half a century, they could vote freely from a large number of political parties and movements. The Civic Forum won 53 % in the Chamber of Deputies and 50 % in the House of Nations of the Federal Assembly and 49.5 % in the Czech National Council. The Public Against Violence won 32.5 % in the Chamber of Deputies and 37 % in the House of Nations of the Federal Assembly and 29.3 % in the Slovak National Council. The political movements that been spontaneously born in November 1989 in the squares of Czech and Slovak cities won convincingly, the OF with a spectacular triumph. Considering the pre-election wave of anti-communism, 14 % of votes in favor of the communists was for them a success; however, in comparison to the pre-election period, the KSČ had considerably fewer parliamentarians. This significant outcome was strengthened by the results of the municipal elections in November 1990, when 17% voted in favor of the KSČ. This meant that it was politically impossible to dissolve the party legally, as this would have put the principle of free elections into question. Legislature seats also went to the Christian Democratic Party (Czech, Slovak and Hungarian minorities in the Slovak Republic), the party representing the interests of Moravia, and the Slovak National Party.[64] The largest groups in the Federal Assembly of Czechoslovakia, the Czech National Council, and the Slovak National Council were politically not yet differentiated, but the potential differences that increased from the beginning of 1990, above all regarding the very principles of these movements, moved to a higher political level after the election. The main political dividing line remained anti-communism and the operations of State Security agents within state structures.

The OF, the election winner representing the politics of compromise, had managed to suppress the anti-communist position before the election. After the election, however, anti-communist sentiments grew stronger. In September 1990, the Federal Assembly and the Czech National Council formed a strong Inter-parliamentary Club of the Democratic Right, representing radical economic reforms and more energetic dealing with the communist past. The pressure for decommunization measures from regional Civic Forums became stronger. However, forced decommunization measures proved ineffective, as were the legal measures to get rid of the *nomenklatura* cadres in charge of enterprises and ministries which were adopted through the intermediary of the Assembly on 30 August, as well as the law on property restitution to the KSČ of November 1990. Property transfers—

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[64] Kopeček, *Éra nevinnosti*, 66–74.

both legal and illegal (according to the newly adopted laws on enterprises and business)—were occurring in great numbers. The goal was to get rich quickly, not through long-term business plans. In this atmosphere, on 21 August President Havel delivered a speech in which he stated that the November revolution "had not ended." From that moment, there was talk about the need of a "second revolution." The post-election anti-communist wave culminated in the autumn of 1990. District Civic Forums were under constant pressure, and so they supported the leadership of the OF who suggested the idea of a "moral tribunal" over the KSČ and its period, from which a systematic effort to punish specific crimes of communism was to follow. However, new conflicts arose at this time concerning the structure of the Civic Forum and related economic reforms. While the newly elected leader of the Civic Forum, Václav Klaus, had decided to transform the movement into a conservative party, the out-going collective leadership wanted to keep it a political activist movement. In the midst of the political battles, the will to deal systematically with the communist past was lost. In February 1991, the OF split into Klaus's right-of-center Civic Democratic Party (*Občanská demokratická strana*, ODS) and the Civic Movement (*Občanské Hnutí*) represented by the minister of foreign affairs, Jiří Dienstbier.[65] Shortly thereafter, the VPN also fell apart, becoming the liberal Civic Democratic Union (*Občianska demokratická únia*, ODÚ) and the populist Movement for a Democratic Slovakia (*Ľudová strana—Hnutie za demokratické Slovensko*, HZDS) under the leadership of Vladimír Mečiar. In Slovakia, the main dividing line was the status of the Slovak Republic vis-à-vis the federation; in the Czech Republic, the main question was decommunization.

Dealing with the communist past

After the election, the parliament's political forces regrouped and continued crystallizing their ideological platforms. In April 1992, the Federal Assembly consisted of eighteen political groups (from the original eight). In spite of the crumbling of the right (for example, while the necessity of radical economic reforms was shared by all, the concept of lustration was not), left-wing opposition was practically non-existent, because the KSČ was no longer considered a democratic opposition, and the revived social democrats failed in the election.[66] Following the breakup of the OF, anti-communism was roughly channeled into two strategies: (1) Since it was considered impossible to legally ban the KSČ and too complicated to forbid communist businesses and former state secret agents to participate in the privatization process, there was no other choice than for the party to purge its own ranks. This meant that pressure continued to increase to fire members of parliament, employees in government offices and institutions, as well as those people working for the State Security. (2) Economic transformation was seen as a way out of the political and economic chaos of the transition period, a means to end the critical interim "pre-privatization misery." Restitution (the return to the original owners or their descendants of tangible property nationalized by the communists after February 1948), public auctions of small businesses (shops, pubs and other enterprises), as well as the privatization of large companies and industrial conglomerates were seen as the most important methods of settling accounts with the communist past, both its ideology and its politics. Private owners for state assets were to be found as quickly as possible, the free market was to bring order concerning private ownership, and prosperous individuals were to be the foundation for the prosperity of all.

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[65] Suk, "Politické hry s nedokončenou revolucí: Účtování s komunismem v čase Občanského fóra a po jeho rozpadu," 30–48.

[66] Kopeček, *Éra nevinnosti*, 108–10.

Attempts at a straightforward condemnation of the entire communist era (1948–89) and the pressure of more thorough lustration processes formed the agenda of settling accounts with the communist past. By the autumn of 1990, the rhetoric of "national understanding" was definitely over. The relationship between the new right wing and the KSČ remained bitter and showed the verbal and symbolic mobilization against everything communist. However, outlawing the KSČ was desired only by marginal extra-parliamentary parties and organizations. The communists moved away from the social democratic parties, fuelling their traditional anti-capitalist identity.[67] Narrow-minded anti-communism was accompanied by attempts to implement as many decommunization elements as possible into the legal system inherited from the communist era.

The more difficult it became to ban the KSČ, the more pressure was applied from the right to rid governmental institutions of "the old structures." Lustration continued in March 1991, with an official list being released with the names of ten members of the Federal Assembly whose names were in the registers of the State Security.[68] In October, the Assembly adopted a controversial lustration law,[69] which stated that functionaries of the past regime (party cadres, secret police, or militia) would in the future be not allowed to hold the above-mentioned state offices. The law was disputed, however, due to conflicts regarding the role and impact of the 1968 reform communists in contemporary politics. Right-wing politicians defeated the politicians of the weak liberal center and the left. According to the law, lustration was not to be publically known. However, public pressure for reckoning with the past was overwhelming, and thus it was entirely logical in the post-November development when in June 1992 a list appeared in the radically anti-communist *Necenzurované noviny* (*Uncensored News*) of 140,000 names of informants and potential informants of the State Security (an official registry of 75,000 agents appeared in 2003). From that moment, attention was shifted to these agents, who became the scapegoats for the sins of communism. At the same time, publicly it was said that the so-called big fish (KSČ and State Security functionaries, economic counter-intelligence, socialist foreign trade enterprises, etc.) had shifted their interests to the privatization process and big business.

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[67] Kopeček, *Éra nevinnosti*, 83–88.

[68] Jiří Suk, "Prezident Václav Havel a břemeno (komunistické) minulosti. Lustrace jako politický a morální problém (1989–1992)," in Adéla Gjuričová, Michal Kopeček, Petr Roubal, Jiří Suk, Tomáš Zahradníček, *Rozděleni minulostí: Vytváření politických identit v České republice po roce 1989* (Prague: Knihovna Václava Havla, 2011), 176–81.

[69] Joint Czech and Slovak Digital Parliamentary Library, Joint Session, Stenographic Protocol, http://www.psp.cz/eknih/1990fs/slsn/stenprot/017schuz/ (accessed 6 July 2012).

The "Czech road to capitalism"

In September 1990, a "scenario of radical economic reform" was adopted by the federal minister of finance Václav Klaus.[70] The fact that Klaus was elected chairman of the OF (and in April 1991, of the party's successor, the ODS), shows the importance given in that political mobilization period to "radical economic reform." This reform was designed, according to the so-called Washington Consensus, as "shock therapy." Restrictive macroeconomic politics were introduced and the Czech market was opened to the world. The devaluation of the Czechoslovak crown took place in three steps, in January, October and December of 1990, wiping out the savings of the population and devaluing the costs of labor and material capital by 54 percent. Reducing the exchange rate relative to its purchasing power parity favored domestic exporters, but also severely penalized domestic investors while preparing for privatization. From 1 January 1991, prices were deregulated. After these measures, consumer prices increased sharply. The government dealt with this inflation by strictly regulating wages and subsidies. This stalled development above all in education, science and culture. The people accepted "belt tightening," because they were promised rapid and widespread prosperity.

The belief in quick prosperity was embodied by the project of "voucher privatization," which became a national hit. In the "first wave," beginning on 1 November 1991, the government offered shares in 998 companies based in the Czech Republic, totaling almost 350 billion crowns. Six million Czechs (77 percent of the population), influenced by government propaganda and advertizing, purchased a "voucher's booklet" for a thousand Czech crowns. Starting on 18 May 1992, everyone could invest their thousand coupons directly into privatized businesses, or entrust it to investment funds. Three-fourths of the participants, hoping to become rich fast in the atmosphere of "popular capitalism," entrusted their vouchers in funds. In the "second wave," shares of 676 enterprises were distributed. This voucher privatization functioned as a widely spread mobilization of Klaus's "Czech road to capitalism." By 1997, 47 percent of the country's assets had been privatized through vouchers, 13 percent had been transferred (especially through restitution), and 12 percent had been sold through privatization to specific persons. National property was left at 27 percent.[71]

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[70] Ibid., http://www.psp.cz/eknih/1990fs/slsn/stenprot/006schuz/ (accessed 6 July 2012).

5. The rise and fall of "Czech capitalism" (June 1992–98)

The parliamentary elections in June 1992 resulted in a center-right coalition headed by Klaus's ODS. In Slovakia, a populist-nationalist coalition was formed, led by Mečiar. The winners of both elections agreed to a quick and peaceful division of the state, which had existed (with a break from 1939 to 1945) since 1918. The Czech and Slovak Federal Republic ceased to exist on 31 December 1992.[72] For Czech politics, this meant relief and a confirmation of the course of "the Czech path to capitalism," supported by the widely held belief in the high level of Czech industry and its capability of being competitive on the global market. The coalition ruled until the elections of 1996, followed by a political and economic crisis which culminated in the fall of the Klaus's second government in December 1997.

The voucher privatization caused a confusing and unproductive ownership structure. The government was aware of this, and began to promote business privatization, transferring property to Czech citizens who had ideas for business projects. Despite the initial impression that competitive capitalism involving Czech proprietors was experiencing great success, in the long run it failed to develop. Four large banks were capitalized, these becoming the major owners of industrial enterprises either through their own funds or through privatization funds. At the same time, they provided loans to businesses. These complicated ownership relationships prevented the formation of a healthy competitive and solvent environment. The result of the Czech version of capitalism was a crash in the mid-1990s of many companies and private banks. The "Czech path" lost its perspective and the total loss due to privatization came to around 600 billion crowns. Politics that was closely linked to business was often based on corruption and "tunneling" practices. The public discourse was full of expressions such as "clientelism" and "mafia capitalism,"[73] which moved those healthy businesses that certainly existed to the background. Prosperous enterprises were mainly those that were foreign-owned, a model being Škoda in Mladá Boleslav, which was privatized and owned by the German Volkswagen concern.

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[71] Frank Fleischer, Kurt Hornschild, Martin Myant, Zdeněk Souček, Růžena Vintrová, Karel Zeman, *Successful Transformations? The Creation of Market Economies in Eastern Germany and the Czech Republic* (Cheltenham, Brookfield: Edward Elgar, 1997), 140–47.

[72] Rychlík, *Rozpad Československa*, 273–342.

[73] Quentin Reed, "Politická korupce v postkomunistické společnosti" and "Korupce v privatizaci českou cestou", in Pavol Frič, ed., *Korupce na český způsob* (Prague: G+G, 1999), 159–204, 304. Cf. idem, "Political Corruption, Privatisation and Control in the Czech Republic," PhD Thesis, Oxford University, 1996; idem, "Corruption in Czech Privatisation: The Dangers of 'Neo-liberal' Privatisation", in Steven Kotkin and András Sajó, eds., *Political Corruption in Transition: A Sceptic's Handbook* (Budapest, New York: CEU Press, 2002), 261–85, 493.

After early elections in 1998, the Czech Social Democratic Party formed a government and then embarked on the privatization of all the remaining large banks and enterprises, selling them to foreign capital. Despite the neoliberal embracing of privatization in the early 1990s, the social and legal framework protecting the employed and enabling collective bargaining remained in place. However, due to the increasing dependence on foreign ownership, such laws gradually began to lose their importance.[74]

A permanently unfinished revolution?

The question of "coming to terms" with the communist past maintained its ideological and political potential. The right made this its permanent mobilizing tool. In 1993, the Czech parliament passed a law making communism illegal and criminal, a confirmation of radical condemnation. However, the KSČ, which enjoyed the support of 10 percent or more of the voters, could not be outlawed. In 1995, an office for documenting and investigating communist crimes was created in order to document and investigate crimes that already at that time were considered crimes against humanity. However, the activities of this office did not meet original expectations; in the years from 1995 to 2008 thirty people were convicted, only eight of them unconditionally.[75]

In 1995 the validity of the lustration law was extended for another five years, and in 2000, for an indefinite period. So far, of nearly 460,000 requests, lustration certificates have been issued for over 10,000 persons who were found to be in the registry books of the State Security.[76] Some on the list, especially actors, singers and other celebrities, have denied their cooperation with State Security and the courts have usually believed their declarations. In connection with the corruption and patronage during the period of "wild privatization" and with "tunneling," however, discussions haven't stopped regarding the significant number of former communist cadres who created a corrupt business environment.

Since the year 2000, attention has focused on history and remembrance. The fight against communism has continued, particularly through rhetorical means.

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[74] Martin Myant, "The Czech Republic—From 'Czech' Capitalism to 'European' Capitalism," in David Lane and Martin Myant, eds., *Varieties of Capitalism in Post-Communist Countries* (Basingstoke: Palgrave, 2007), 105–23.

[75] For an overview, see the website of the Office of Documentation and Investigation of Communist Crimes: http://aplikace.mvcr.cz/archiv2008/policie/udv/pripady/index.html (accessed 6 July 2012).

[76] Data taken from Czech TV in October 2011. See: http://www.ceskatelevize.cz/ct24/domaci/138390-lustrace-revolucni-norma-na-pet-let-plati-dodnes/ (accessed 6 July 2012).

Communism has been presented as a continuing danger to a free, democratic society and something that must be faced through historical research and the memory of its victims. Interest has increasingly turned to archives as key sources for rhetorical and symbolic reconciliation. The archives of the State Security were completely opened in the years 2002–04, but this has not led to a deeper understanding of the context, and the specific examination of individual cases has reduced the communist past to its repressive aspects. This trend has resulted in the founding of the Institute for the Study of Totalitarian Regimes in 2007, which was supported by the political right.[77] In the second half of the decade, intellectuals of the younger generation have begun more actively to protest such treatment of the past. Their protest is related to opposition to global capitalism accompanied by searching for alternatives to the neoliberal status quo.[78] The dream of the "end of history" has evaporated. Twenty years after the fall of the socialist dictatorship, the Czech society, in a time of economic crisis, is marked by conflicts, resentments and fears.

The Czech Republic as part of the "global village"

The Czech society has undergone a great social change.[79] The geographic position of the Czech Republic in Central Europe holds undeniable benefits—it is not peripheral, but a transit country through which money, goods and labor pass. As a result it has become a postindustrial consumer country, despite the fact that the standard of living of an average Czech still lags behind that of an average German, Frenchman or Swede by a wide margin. It seems that this level will not be reached in the foreseeable future.[80] Psychological changes are mainly based on the country having opened, allowing possibilities to travel, study, or work abroad. These changes are also based on the technological and information revolution and the interconnection of the world.[81] Personal computers connected to the internet and mobile phones belong to the basic equipment of the average Czech. The banking revolution has also created changes: almost all Czechs have a personal bank account and many take out loans and mortgages. Living in debt has become a social reality.

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[77] See the official site at: http://www.ustrcr.cz.

[78] See, for example, the websites of the following left-wing think tanks: Socialist Circle, Association for Left-wing Theory (http://www.sok.bz); ProAlt: Initiative for criticism and reforms to promote alternatives (http://www.proalt.cz/); Internet Diary Referendum (http://www.denikreferendum.cz).

[79] See, for example, the pre-socialism balance in: Jiří Večerník and Petr Matějů, *Zpráva o vývoji české společnosti 1989–1998* (Prague: Academia, 1998), 365.

[80] Martin Myant, "Podoby kapitalismu v České republice", in Adéla Gjuričová and Michal Kopeček, eds., *Kapitoly z dějin české demokracie po roce 1989* (Prague, Litomyšl: Paseka, 2008), 265–87, 287.

[81] Libor Prudký, *Inventura hodnot: Výsledky sociologických výzkumů hodnot ve společnosti České republiky* (Prague: Academia, 2009), 340.

A revolutionary change has taken place in ownership structures. The state has ceased to have a decisive influence on ownership distribution or the control of property. There are large differences between the upper and the middle class; the situation of the latter is very unstable. The sectors of culture and education continue to be undervalued. The number of people educated at universities is increasing, but quantity has been won at the expense of quality. Corrupt practices include the purchasing of college degrees, which are still highly valued by many Czechs. There is a substantial pay gap between educated professionals, as for example, between teachers, economists, or lawyers. Among the most significant social changes has been the disappearance of the working class due to the influx of cheap labor from eastern countries. This trend has been accompanied by a decline in trades and apprenticeships, for which there is little interest. In times of global economic crisis, it seems that long-term social stability, which in principle is a constitutive element of the egalitarian Czech society, is threatened.

Translated from the Czech original by Michael Werbowski