the fleet sheet's final word friday edition

No. 70

Uncensored insight and analysis from Prague. Only for subscribers to the Fleet Sheet. Jan. 11, 2013

Klaus is a punk rocker. His first big hit is 'Anarchy in the CR.'



Young people used to look to rock bands as a model for a better society, just as adults used to look to politicians or the elite for this. The punk movement began as an antiauthoritarian response to the high unemployment and social unrest in the mid-1970s. When the Sex Pistols issued their first single in 1976, "Anarchy in the U.K.," it was called a "manifesto that heralds a new era."

Politically, punk is a left-wing message of egalitarianism, individual freedoms and nihilism. While the Sex Pistols were singing, "Don't know what I want, but I know how to get it," the Clash were urging the youth to "cheat, cheat," because the "rules are for the fools." Punk rockers put new anger into songs like Eddy Grant's "Police on My Back" and Sonny Curtis's "I Fought the Law and the Law Won."

In punk music, there's injustice everywhere, and it's the politicians, police and corporations who are doing it to the little people. In "Know Your Rights," the Clash rail that "Murder is a crime, unless it was done by a policeman or aristocrat."

My favorite band that didn't originate in the 60s or 70s is the gypsy-punk group Gogol Bordello. One of its latest songs is "General Amnesty." In the true punk spirit, the band declares, "Let's forgive everything to everybody." In their Slavictoned English, they demand: "Drop all the charges, and walk the earth, up in the spirit of their rebirth. Into the word, put back its meaning, and give the gift of the forgiving!"

Václav Klaus's general amnesty is in the very same spirit, but without the music or rhyming. He wants to correct injustices, forgive, and grant those who swayed from the straight & narrow another chance. He has been reborn as a punk rocker!

Except that those benefiting the most from his amnesty are the very ones the punk rockers are protesting against.

Enic But

Analysis for the week Jan. 4-11, 2013

The key question in Czech politics and business, at least in the short term, isn't who wins the presidential elections, but how Petr Nečas reacts to the beating he has been taking. Nečas's main ideology, if he has one at all, is the ideology of power. He will do nearly anything to remain in office. A key indicator of the next developments will be the first election polls after the amnesty. We expect a significant drop in ODS's approval rating, because voters will blame the amnesty on Nečas and his party. Unless Nečas does something to halt the slide, this could truly be the beginning of the end of ODS as a parliamentary party. This explains, in part, why TOP 09 was so negative about the amnesty. It sees this as a golden opportunity to reverse its own slide in the ratings and to replace ODS as the key party on the Right. Whether this happens will also depend on how well new parties (either existing or rumored) by Andrej Babiš, Jaromír Soukup, Karel Janeček and others react to the changing situation.

This is politics, you might say, but what does it have to do with business? Politics is business in the CR. For one thing, Nečas could try to make a strong break from the policies of Václav Klaus once Klaus leaves office. We could see a shift in his lukewarm approach to the EU and also an effort to reduce the influence of ministers deriving part of their political legitimacy from Klaus, which primarily means Industry Minister Martin Kuba. This could have an impact on energy

policy. Second, Nečas could react to the criticism of his part in the amnesty by going after the "non-tunnelers" who were not spared by Klaus. Part of this could be a renewed attack against what Nečas referred to last year as the oligarchization of Czech politics. He meant specifically Babiš, Kalousek/Háva, Schwarzenberg/Bakala and B. Sobotka/ČSOB. This could be especially attractive for Nečas if Schwarzenberg wins the presidential elections, because all of these are in one way or another linked to Schwarzenberg.

Third, Nečas could go after media magnate Jaromír Soukup, who has been one of the main propagators of rumors that Nečas is sleeping with his head of office, Jana Nagyová. If Jan Fischer loses the presidential elections, which is looking more and more likely, Soukup will momentarily be extremely vulnerable. The extent of his influence on the presidential elections will start to become known, and even MFD (which depends on him for much of the ads it runs) will have to step away from him. It has already started to do this somewhat, because of Fischer's failing chances and Soukup's new attack against the daily press. He launched a TV ad campaign this week telling people not to read daily newspapers and wrote in his Týden magazine that the era of serious dailies is coming to an end. Soukup offers the alternative of daily online news, evening news on TV Barrandov and weekly analysis and commentaries in Týden. This

negative campaign has caused an uproar among publishers and is perhaps the impetus the market needs for finally taking seriously the Soukup threat, which will eventually come back to haunt major advertisers as well. A Fischer defeat in the presidential elections would be an ideal time, and perhaps the last anyone would ever get, to break up Soukup's growing empire and to put an end to his political aspirations.

The risks to Nečas of having co-signed the amnesty are indeed great. Petr Mach, who is close to Klaus, is promoting the idea that the full blame should go on Nečas, and not Klaus. Rumors are also mounting that there were huge payoffs involved. It's not just the story about Miroslav Vlastník's well-timed return as a fugitive from justice, but also a **Twitter** feed by Miroslav Motejlek, who is usually well-informed. He hinted that close to Kč 1bn in bribes were paid, including Kč 200m by Tomáš Pitr. Klaus is of course exempt from criminal responsibility, but his aides, advisers and fixers are not. This is why such a lid is being kept on who was involved in planning the amnesty.

Chief Justice Pavel Rychetský jumped very quickly from criticizing the presidential elections to criticizing Nečas for the amnesty. Rychetský's behavior is a bit of a mystery. Our best guess is that he truly wanted to be president and is angry that things didn't work out. With Klaus leaving office, Rychetský will soon be the grumpiest old man in Czech politics.