Not all political entrepreneurs are created equal: The institutionalisation of entrepreneurial parties in Central Europe

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Not all political entrepreneurs are created equal: The institutionalisation of entrepreneurial parties in Central Europe. Political parties established by businessmen brought many new facets to the party systems of countries across Europe. They introduced fresh faces, PR-oriented campaigns, privately sponsored budgets, and anti-establishment issues, evading the traditional ideological cleavages. In this paper, I look closely at the institutionalisation process of six entrepreneurial political parties. These parties successfully entered parliaments in the Czech Republic, Poland and Slovakia. I suggest that although the entrepreneurial origin presents an advantageous organisational model for passing the electoral threshold and gaining seats in the parliament, in order to root more permanently in the party system, it is beneficial for the party to partially evolve beyond this formative state, including having stable or gradually increasing membership and a developed branch structure, while maintaining strong leadership and loyal elites. This argument is demonstrated on the cases of ANO 2011, the Public Affairs party, OĽaNO, Freedom and Solidarity, We Are Family – Boris Kollár and the Palikot Movement.

Keywords: Central Europe, entrepreneurial parties, institutionalisation, political entrepreneurs, the Czech Republic, party systems


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1. Introduction

Journalists and political scientists have long reached for metaphors to describe the unforeseen changes in the party systems in their countries. Political "hurricanes" and "earthquakes" were mentioned as political entrepreneurs stormed through Europe. When Adolfo Suaréz won with Unión de Centro Democrático in the general elections in Spain in 1977, and again when Silvio Berlusconi came to power in Italy after his party won the general elections in 1994, the attention of scholars turned to the new type of organisation of political parties. Political parties, originating as entrepreneurial parties, were successful in attracting enough votes to surpass the electoral threshold and gain seats the lower houses in the first general elections they participated in. Particularly in Central Europe, a number of parties led by political entrepreneurs thrived, and quite often also perished, since the 2010's.

These new parties introduced many novelties. With the aid of PR oriented campaigns with substantial budgets, introducing fresh faces and by addressing anti-establishment topics, these parties very successful in winning a significant number of seats in parliaments. One by one, political entrepreneurs contributed to significant changes of the party system in the Czech Republic, Slovakia, Poland. New political parties and movements in general, and entrepreneurial parties in particular, gained significant electoral support and changed and reestablished the equilibrium of the party systems.

In this article I pay attention to the process through which entrepreneurial parties in three countries of Central Europe attempted, and in some cases failed, to survive in the political system. I explore how selected cases of entrepreneurial parties in Central Europe dealt with the period after their initial breakthrough and how they succeeded (or did not for that matter) or failed to institutionalise – to become the value itself, with the survival of the institution becoming the goal of party supporters, allowing the party to overcome a political crisis associated with a particular person or party fraction (Panebianco 1988: 53).

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3 The phenomenon of entrepreneurial parties is not in any way constricted to the region of Central Europe. For example, the People's Party – Dan Diaconescu (Partidul Poporului Dan Diaconescu) entered the Romanian parliament with 21 senators and 47 deputies in 2012 and then shortly succumbed to party fractionalization and party switching; in 2013 it lost two senators and 16 deputies, and in 2015 the party merged National Union for the Progress of Romania.
2. Theoretical framework and the levels of analysis

This paper focuses on organizationally new political parties and draws from the typology that distinguishes political parties by their characteristics along four basic dimensions of genetic, organisational, electoral and ideological background. Entrepreneurial parties, which are the center of this article, are defined as new parties formed without the backing of an external ‘promoter organization’; not relying on already organized societal groups (Arter 2013: 1–3). In such parties, the political entrepreneur is the initiator of the political project. Wielding crucial formative influence over their project, they use the party as a personal vehicle to carry out their personal interests. The founders preferences are prioritized, with their message being crucial to ensure voter's and supporter's identification with the party (see e.g. Lucardie 2000; Arter 2016; Bolleyer and Bytzek 2013).

The business-firm party model, theorised by Hopkin and Paolucci (1999) and Krouwel (2006), represents a type of entrepreneurial party, where the party not only originates from the private initiative of a political entrepreneur, but also has the structures of a private company. The image of the party leaders, together with popular issues specific to the respective country and political situation, is marketed by a professional political organisation to an ever more volatile electorate. The primary source of income of most business-firm parties is the private sector. The party is not dependent on the financial support of interest groups or their members. Most business-firm parties have a lightweight organisation with the sole purpose of mobilising short-term electoral support. The “party on the ground” is typically limited to a minimum, so it does not hamper the leadership. Party bureaucracy is also limited, and technical tasks are contracted out to external experts with no ties to the party. Grassroots membership is also restricted; a high percentage of the party members will be office holders who see the party as a vehicle for acquiring a political position, rather than the value itself.

Since entrepreneurial parties often do not represent a specifically defined ideology based on the traditional cleavages, the party programme somewhat of a byproduct, marketed as essential social policies. The party seeks to attract support from a broad stratum of society. The program is developed as a product in response to demand-oriented “market research”, implementing focus groups and surveys, subsequently wrapped in an attractive package and aggressively put out to the electoral market. Personal popularity, access to media and professional expertise in mass communication with emphasis on the individual personality of the leader plays a crucial role, as well as

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4 For this reason, the extra-parliamentary party body is not crucial for the party's survival and does not need to be developed in a meaningful way in order to collect fees or provide campaign volunteers, where professional or registered supporters may perform the same role.
the high level of centralisation of power around the party's elite (see e.g. Hopkin and Paolucci 1999; Krouwel 2006; Krouwel 2012).

2.1. The institutionalisation of a political party

Established and well-functioning parties carry out their functions more effectively and have less motivation to violate democratic principles and conventions (see e.g. Tavits 2013; Randall and Svåsand 2002; Meleschevich 2007; McMenamin and Gwiazda 2011). But not every newcomer will necessarily become such a political party. The initial success in parliamentary elections is beneficial for a new political party, as it paves the way to new resources and sources of power. However, it is still only a short-time success. Organizationally new parties are naturally less consolidated. Only a repeated success in the following elections will prove if the political actor was able to cope with the first critical period of its life in the national-wide top tier of politics. New obligations, the pressure to perform and represent their voters, as well as the attention of media, can easily have an immediate disintegration effect, as proven by numerous parties which were not able to endure in the parliaments of Central Europe (see e.g. Bakke and Sitter 2013).

When exploring the institutionalisation in the post-communist area, scholars need to pay special attention to several specific characteristics of these newly formed democracies. Most importantly, it needs to be taken into consideration that their party systems were often not fully established, however stable they may seem for a short period. We cannot regard the institutionalisation of an individual political party as a finite one. De-institutionalisation may occur due to the loss of electoral support, as a result of political affairs, personnel changes, political failures or disintegration of formal structures (see Harmel, Svåsand and Mjelde 2016). The most suitable foundation for this line of exploration is the approach to the study of institutionalisation by Arter and Kestilä-Kekkonen from 2014, which is modified to allow for comparison of these,

5 Moreover, the institutionalisation does not co-occur on all levels of the party development - the party can be strongly institutionalised in some aspects, but successful institutionalisation may be prevented by weak institutionalisation in other dimensions.

6 Ultimately, complete institutionalization is not the goal of all entrepreneurial parties. The personal gain of their leaders, securing specific policies or enrichment originating in state subsidies for their private endeavours may be their aim, which causes the development of the party to be secondary to their other goals. However, stable and institutionalised parties are an essential part of any democratic and well-functioning state, and we do assume that being re-elected is the goal of most political actors, whether for the reason of representing the voters and implement policies or for the personal enrichment and achievement of their leaders.
relatively new parties (see below). The authors propose that institutionalisation occurs on three separate levels. Since the underlying assumption is that parties do not achieve the state of complete institutionalisation in all dimensions simultaneously, this allows for the depiction of the asynchronous nature of the institutionalisation process. Drawing on their approach, the following aspects will be analysed (for more details see Brunnerová 2018):

The **Electoral level of Party Institutionalisation** is based on the social rootedness dimension and also reflects the degree of value infusion. It attests to the way in which the party connects its representatives and voters, as well as the extent to which the voters and supporters of the party identify themselves with and are committed to the party. An institutionalised party has a relatively stable electorate base and a recognisable core of supporters and when it represents a valid political alternative for a stable or increasing number of voters. For parties that are not built on a strictly regional principle or do not represent a strongly regionally concentrated electorate, evenly distributed support across the territory is desirable. If the party is “rooted” in a certain social circle, it is easier to find a specific strategy for its electoral campaign and to adopt an overall image of a party to attract as many voters from the desired electorate group as possible. While the charisma of a leader of few elites is important for attracting voters, it is beneficial if the voters identify primarily with the party (and its programme) as a whole and do not vote “only” for several media-presented personalities. Moreover, parties that build and expand their affiliated organisations have think-tanks, educational programmes, community organisation or specific branches, or host social and cultural events, and have their own party press. They use these platforms to make others more aware of their values and better shape the identity of their party in voters’ minds.

On the **Internal level of party institutionalisation**, research focuses on the workings of the party itself. Although a party leader or a group of founders can rely purely on their charisma and avoid the primary need to build a strong party organisation, the stronger the internal party institutionalisation, the higher the prospect of party’s survival beyond its founders. For the institutionalisation process a stable membership base, which grows without significant fluctuations, is beneficial. A suddenly over-grown membership base that the leaders cannot manage and control or a sudden drop of the number of members are harmful to the party since they present a destabilising presence, pointing towards negative inner processes. Another feature supporting party institutionalisation is the power to nominate candidates. A lack of candidates or controversy when creating ballot lists can reflect negatively on the state of the party’s organisational base and can even

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7 Although disposing of a larger membership base does not need to be an objective of any political party, and especially of an entrepreneurial party, the stability of such core points out to the socialisation and establishment of inner party culture.
jeopardise the election results if unsuitable candidates are selected just in order to be able to run in particular districts. Distribution and regulation of power can increase institutionalisation in the sense of organisational stability. The frequent exchanges of senior management or the lack of rank member ability to influence party leadership hurt institutionalisation. Heterogeneous, diverse resources that are independent of external actors can also increase the degree of institutionalisation. Diversification of income strengthens party’s decisional autonomy and allows it to endure changes in the income. If the party is dependent on the financial support of an external actor, it can be forced to adjust its objectives in line with the will of its sponsor, whereas the ideals and policies become secondary to keeping the party alive.

The Legislative level party institutionalisation refers to the creation of a trusted body of elected representatives at the local or parliamentary level, and functional party clubs, which improve the party’s cohesion. Primarily if a political subject participates in the formation of a government (either on the local or national-wide level), the party should have an active and resilient caucus that enables it to enforce its policies and laws. This aspect helps the party to be perceived as a stable and predictable player by the public, its partners and the opposition. If representatives of the party are volatile, or frequent objects of political affairs, the public, as well as other political actors, can intentionally or unintentionally change their perception of this party, modifying their aspirations and expectations toward it. An institutionalized party, thus should have, in short, a stable electoral base or permanent core of supporters, a developed organizational structure, a membership base, a sufficient supply of candidates and a dispersion of roles and authority, as well as cohesive and coherent legislative body, who if needed will support the government of the party.

Drawing on the aforementioned literature on political party institutionalisation and entrepreneurial parties, research will be focused on the qualitative analysis of available data about party membership, finances and intra-party organisational structure, as well as on the analysis of the inner-party democracy, electoral results and the presence in the media, complemented with quantitative measurements. Not all entrepreneurial parties are alike, and particular characteristics of organization, leadership and electoral performance affect if and how is the party able to

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8 The diversification of income between various sources, based on the party's financial reports, is measured here with the Gini coefficient. It is assumed, that institutionalised party will have income dispersed across various sources (subsidies, gifts, membership fees, fundraising events etc). The Gini coefficient is most often used in economics to measure of statistical dispersion intended to represent the income or wealth distribution in population (see Gini 1921). It is defined mathematically based on the Lorenz curve (1905), which plots the proportion of the total income of the population (y-axis) that is cumulatively earned by the bottom x% of the population.
institutionalize (see e.g. Hopkin and Paolucci 1999; Arter and Kestilä-Kekkonen 2014; Krouwel 2006). Two hypotheses are stated:

**H1:** Although the entrepreneurial origin may facilitate success in the first elections the party participates in, parties that adhere to this organisational constellation after their initial breakthrough are more prone to suffer from electoral setbacks, affairs and scandals.

**H2:** It is beneficial for the institutionalisation of a entrepreneurial party if the party develops past this formative model of the organisation while maintaining the strong leadership with loyal party elites, in the period after the initial breakthrough.

### 2.2. Parties subjected to research

Six actors that can be considered entrepreneurial parties are the object of analysis. Special attention is given to two parties from the Czech Republic whose fate could not be more different. ANO 2011 and Public Affairs (VV), are two cases on opposite sides of the institutionalisation continuum between success and failure to establish themselves. The Public Affairs fell into fractionalization in just two years after entering the Lower House of the Parliament of the Czech Republic, and ANO 2011 was able to win only the second elections they contested in. The cases from Poland and Slovakia are no less important, as they provide for comparison and further exploration of the institutionalisation process. The following parties are explored in this article:

**Public Affairs** (*Věci veřejné*; Czech Republic) – although the party was established in 2001, until the elections in 2010 the party remained small and was active mainly on the regional level, focusing on local topics and promising positive changes in local municipalities, like noise regulations and environmental improvements. A crucial breakthrough came when political entrepreneur Vít Bárta gained the upper hand in the party before the elections of 2010 and started to use it for his own goals. VV gained the support of the electorate by fighting against political “dinosaurs” and the established political elite, which was perceived as corrupt and non-functioning by the public. After the initial breakthrough, the political newcomer that supplied several important ministers faced several major political affairs connected to its leadership and quickly designated, splitting while still holding important posts in the government.

**ANO 2011** (Czech Republic) – On May 11th of 2012 the political movement established by Andrej Babiš in connection to the initiative called the Action of dissatisfied citizens (*Akce nespokojených občanů*) was registered with the Czech Ministry of Interior. The goal of Babiš was to criticise the state of the Czech society and the levels
of (political) corruption. Despite being a political newcomer, Babiš quickly established a significant force, reinforcing his power through the subsequent elections on both local and national level. He focused on criticising former political elites, promising economic and social improvements. In 2017, the party won the elections, gaining 78 seats out of 200 lower house seats, but not having an easy time constructing a functional majority government.

**Palikot’s Movement** (*Ruch Palikota*; Poland) – Palikot’s Movement (RP) was founded by Janusz Palikot, a businessman who gained his wealth in the distilled beverages and international trade business, on June 1st 2011. In the following general elections in October of 2011, the party gained seats in the Sejm, becoming the third largest party in the chamber of deputies. The party stood for liberal, anti-clerical and pro-European values, promoting social democracy and liberal ideas, such as allowing same-sex marriage and legalisation of abortion. However, the party started to lose popular support fast after their breakthrough and was not able to react to this. After trying to re-brand and re-name the party and implement some changes to the leadership, the party lost its position in the party system quickly, becoming marginalised.

**Ordinary People and Independent Personalities** (*Obyčajní L’udia a nezávislé osobnosti*; Slovakia) – Ordinary People and Independent Personalities (OL’aNO) is a conservative party, that was established by Igor Matovič and three other businessmen on 28th October 2011. Initially, the four candidates ran for the Freedom and Solidarity (SaS) party in the 2010 elections and were elected to the parliament. During the 2012 elections, the candidates decided to establish their political party and run on a separate electoral list, coming up on the third place in the elections. In the 2016 elections, the party repeated its success and managed to gain even more electoral support for their alliance with the New majority party.

**Freedom and Solidarity** (*Sloboda a Solidarita*; Slovakia) – the Freedom and Solidarity party was established on 28th of February 2009, representing liberal and euro-sceptic values. SaS came third in the elections of 2010, becoming part of the four-party Centre-right coalition government, holding four cabinet positions. However, in the following elections, Freedom and Solidarity suffered a significant setback, losing half of their seats. In 2016 the party came second nevertheless, exceeding the public expectation and making it their most successful elections yet.

**We are Family – Boris Kollár** (*Some Rodina – Boris Kollár*; Slovakia) – initially, Kollár was not able to collect enough signatures to found a party. However, shortly before the 2016 elections, an offer came from Peter Mareček, whose party Strana občanov Slovenska (Party of Slovakia’s Citizens) was not able to gain any seats in the last elections. We are Family – Boris Kollár (SR–BK) thus was established by the act of renaming this already party on November 10th 2016. Kollár, who portrayed himself as a
non-standard politician and a non-standard man, was as a successful entrepreneur a known public figure. With a strongly family-oriented and conservative program aimed against immigration, corruption and the oligarchy, he was able to convince the voters to vote for him and to give support to the party he led.

3. The institutionalisation of political parties in Central Europe

3.1. Electoral level

By looking at the electoral results, it is clear that some parties are more successful than others. Eventually, the electoral results are what matters, since they allow the party to represent voters on the national-wide scale, gain an important source of income and create and employ policies. However, even though the initial breakthrough is essential, re-election proves that the party was able to overcome the pressures arising from parliamentary involvement and that they still have the trust of the electorate.

Table 1. Electoral gains of selected parties in percentage, source: electoral websites of respective countries

<table>
<thead>
<tr>
<th>Party</th>
<th>2010</th>
<th>2013</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>The Public Affairs</td>
<td>10.88%</td>
<td>x</td>
<td>x</td>
</tr>
<tr>
<td>ANO 2011</td>
<td>x</td>
<td>18.65%</td>
<td>29.64%</td>
</tr>
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<thead>
<tr>
<th>Party</th>
<th>2011</th>
<th>2015</th>
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<tbody>
<tr>
<td>Your Movement</td>
<td>10.02%</td>
<td>7.55%*</td>
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<table>
<thead>
<tr>
<th>Party</th>
<th>2010</th>
<th>2013</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Freedom and Solidarity</td>
<td>12.14%</td>
<td>5.88%</td>
<td>12.1%</td>
</tr>
<tr>
<td>OL’aNO</td>
<td>x</td>
<td>8.55%</td>
<td>11.2%</td>
</tr>
<tr>
<td>We Are Family – Boris Kollár</td>
<td>x</td>
<td>x</td>
<td>6.62%</td>
</tr>
</tbody>
</table>

Notes: * As Twój Ruch in coalition with Democratic Left Alliance, Polish Socialist Party, Labour United and the Greens.
Source: Author.

Slovakian SaS and OL’aNO are examples of parties that have gradually become more institutionalised on the electoral level when it comes to electoral outcomes. SaS has experienced a considerable decrease of support in the elections of 2012, which was caused by their previous activity in parliament as well as with the establishment of
OL’aNO, whose four establishing members seceded from SaS in November 2011 and gained more than 8.5% of the vote in March 2012. However, the subsequent growth of support for SaS in 2016 showed that the party was successfully able to deal with setbacks, differentiated itself from competing political newcomers and regained the trust of their voters. OL’aNO was able to increase their electoral gains slightly. However, exit polls show that only about a quarter of voters who supported the party in 2016 voted for it in 2012 as well, pointing towards volatile electorate of OL’aNO on both inter- and intra-party levels (see Řádek 2016: 399). SR–BK ran in only one elections, nevertheless – their support in preferences polls is stable or even increasing, being placed between 6–10% (see Teraz.sk 2019).

ANO 2011 placed second in the first general election where it competed, being only two mandates shy of the beating the Social Democrats. In 2017 they dominated the Chamber of Deputies elections, seizing victory in all 14 regions and winning the election with almost 30% of the vote share. In VV and RP, we can see examples of parties, that did not succeed in their first term in office. They lost supporters and became marginalised due to internal fractionalization, political scandals and political failures. In the case of Public Affairs, the party split in two in April 2012, just after two years in the government and de-institutionalised. In 2013, some of the remaining members of the Public affairs ran successfully on the candidate list of the Dawn of the Direct Democracy of Tomio Okamura (Úsvit přímé demokracie Tomio Okamury). However, they presented only these remnants of the party, which in 2015 transformed itself into an association. Similarly, RP suffered severe inner turmoil which eventually led to political marginalisation. In this case though an effort to rebrand the party (see below) was made. The party ran in a broad electoral coalition in 2015 elections, however, was not able to successfully past the electoral threshold. Although on the political periphery, the party remains active.
Most entrepreneurial parties aim at the very wide spectrum of the electorate and thus have strongly nationalised electoral gains, being supported homogeneously throughout all voting regions. This especially is true for Public Affairs and ANO; they were able to gain votes across the Czech Republic, with very even electoral support in all voting districts. In the election of 2017, ANO had even the highest electoral homogeneity from all the competing parties. On the other hand, SaS profiled itself more than other entrepreneurial parties in Central Europe. With strong appeals towards personal and financial freedoms and aiming at the electorate of largest cities (their support came mostly from the Bratislava region), they did not become a “party for everyone” in the same way as the Public Affairs of Vít Bárta or ANO 2011 of Andrej Babiš did (Vysledky Volieb 2018).

No party was created specifically in order to represent a particular, well-defined group of citizens, nor was established from a support group in order to represent its interest. This is especially true for ANO 2011. In 2013, more than three-fifths of its voters came from the disappointed voters of the former centre-right government coalition. In 2017 however, the most of ANO electorate came from the left side of the political spectrum, as the party shifted their agenda to suit the current political mood of the country. In 2013 the electorate of ANO was very evenly spread between age, profession and age groups, although leaning more towards the 60+, middle to lower education with manual labour or unemployed/retired occupation in 2017 (see Gregor 2014; Šoulová 2017; Holub 2013). Contrastingly, in the case RP although not set up to represent a particular well-defined group, attracted the attention of young and liberal voters in 2010. More than one-fifth of the voters were in the age group 25 or less, a
similar percentage of voters was non-religious, and 27% of the electorate was comprised of students (CBOS 2011). Another party with the more defined electorate is the SaS. The elitist character of the party was underlined by the fact, that 41% members came from the region of Bratislava and 79% had a university education (Marušiak 2017; Sloboda a Solidarita 2015).

Although in the cases of SR–BK, RP and ANO 2011, the leader is the most prominent subject of the campaign and the single face of the party, both OL’aNO and SaS decided to present local candidates and increase the identification with the party. Curiously, Public Affairs employed an untraditional approach. Vít Bárta chose not to portray himself as a puppet master controlling his party. Instead, Radek John, a famous investigative journalist and writer with a background in media became the face of the party, with Bárta and a small group of loyal elites acting as the brain.

It is apparent that even entrepreneurial parties, or more specifically their leaders, see the value in creating and expanding their affiliated organisation. Even SaS and SR-BK, which initially had little intentions to create affiliated organizations and expand the communication with electorate beyond electoral campaigns, are now establishing their youth organisations and produce magazines and newsletters in order to increase the public awareness about the party’s activities and policies and to communicate with the electorate beyond the period of electoral campaigns. ANO has the hitherto most extensive network of supporting organisations and mechanisms. On top of the youth organisation, active social media presence and campaign newsletters, ANO established a think-tank Institute for politics and society (Institut pro politiku a společnost), the goal of which is to create long-term strategies, raise new politicians and to formulate Czech national interest. Additionally, its goal is to cultivate the political and public space and define strategies and goals for the politics of the Czech Republic (see Šimánek 2014; IPPS 2018).

Additionally, Babiš has easy access to media, which can provide a valuable resource of publicity the Czech media group MAFRA belongs to his empire. Also, Public Affairs tried to launch an outreach project called Academia of Public Affairs (Akademie Věcí Veřejných) which was meant to educate and nurture politicians and public on politics and political processes. This institution, however, proved non-effective and had a little impact on the institutionalisation of the party, as it did not time nor resources to develop.

3.2. Internal level

Typical of entrepreneurial parties, their membership base is small compared to traditional, established parties. Each parties has a distinctive approached to
membership. Typically enlarging the base of so-called registered supporters is encouraged, whereas the actual membership is restricted and limited.

The highest membership base claimed was the one of RP, reaching over 6000 members right after their initial breakthrough. On the other hand, the parties in Slovakia were formed with extremely slow numbers of members. SaS had 100 members at their founding congress (Sloboda a Solidarita 2009), which later extended their membership base a little bit, currently has about 170 members. Richard Sulík repeatedly stated that it is not the goal of the party to have a large membership, but that he prefers to have a party of experts, that he knows personally. Accepting new members is not off the table as the party does not have a membership ceiling, and currently has about 6000 registered supporters called Friends of Freedom (Pálka 2016). OL’aNO started only with four founding members – entrepreneurs led by Igor Matovič, expanding the number to 13 in 2016. However, there are voices in the party stating that more openness towards new members would be beneficial (Aktuality 2017). A different case presents SR–BK. The party starting with only seven members now claims to have 1300 members (Dennik 2018), pointing to restricted grow.

ANO 2011 behaves similarly. The party started with 500 members and despite the minimal and exclusive membership, set up in order to discourage political tourists and careerists (Válková 2013) from joining the party, they now have over 3000 members. ANO does indeed have enough members to establish and maintain multi-level organisational structures in all regions of the Czech Republic, which is steadily growing.

Table 2. Number of members of selected parties, source: data collected by the author from journal articles, media and party websites

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<tbody>
<tr>
<td>VV</td>
<td>1700</td>
<td>1683</td>
<td>813</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
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<tr>
<td>ANO</td>
<td></td>
<td>545</td>
<td>1018</td>
<td>2278</td>
<td>2750</td>
<td>3000</td>
<td></td>
<td></td>
</tr>
<tr>
<td>RP</td>
<td>6103</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
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<tr>
<td>SaS</td>
<td>271</td>
<td>281</td>
<td>292</td>
<td>192</td>
<td>164</td>
<td>166</td>
<td>170</td>
<td>178</td>
</tr>
<tr>
<td>OĽaNO</td>
<td>4</td>
<td>4</td>
<td>4</td>
<td>4</td>
<td>4</td>
<td>13</td>
<td>13</td>
<td></td>
</tr>
<tr>
<td>SR–BK</td>
<td>7</td>
<td>700</td>
<td>1300</td>
<td></td>
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Source: Author.

9 Membership has grown steadily over the past years, especially leading up to local elections, where a partisanship candidate base was desirable. The party also possess an extensive supporter base, that is used to spread its values and root it within society.
Both RP and VV attracted a high number of supporters very quickly. These parties tried to expand the original minimal membership base rapidly, but shortly after the initial breakthrough, inside turmoil started to be apparent in both parties. In 2009 the Public affairs recorded a rapid influx of membership applicants – because of that, the party decided to increase the waiting-list period for membership to one year, since the increase in the number of members was exceeding the party's capacities (see Paták 2009). The party needed to establish local organisations, since, at that time, the branch structure in regions was not yet developed.

In its formative stages, RP did not possess the local structures to be able to find candidates for the elections. The leaders decided to open the processes of candidate selection to various political milieus and to the public. For one week, potential candidates could submit their application through e-mail in order to enter the selection process. The preliminary electoral rolls were announced by the Political Committee of the party sooner, but they were supposed to be supplemented by candidates suggested by citizens; the idea was to find young candidates and to consider the gender parity as well. Due to this unusual process, RP was able to eventually register lists of candidates in all 41 constituencies (gazeta.pl 2011; Kosowska-Gastoł and Sobolewska-Myślik 2016: 8).

In the early stages, the distribution of power within all the parties was strongly centralised and placed in the hands of the political entrepreneur, as is expected in an entrepreneurial party. However, differences can be found in the later process of adjusting the power balance in the party. Public Affairs initially established mechanisms for inter-party democracy with referenda that were used to advise the representatives of the party on which policies they should pursue. However, these referenda were quickly labelled only as “consultative” and the actual decisions were made by a small circle of party elites (known as gurus”) around the actual party leader, Vít Bárta (who called himself super guru). Bárta went so far that he tried to demand obedience from VV representatives in the Parliament through signed contract, ordering them to follow an imperative mandate based on the official party position (for more detail see e.g. Charvát and Just 2016: 96). In RP, the formal and informal workings of the party were also dissimilar. RP established a bottom-up organisational structure that even counted with possible citizen initiatives. RP structure was composed of three levels – national, constituencies and local clubs, however, in some, the constituencies party structures existed only on paper, as the party did not manage to complete their creation. The party was very centralised, with authority granted to the elites (for more details see e.g. Kosowska-Gastoł and Sobolewska-Myślik 2016).

SaS has an even more centralised structure. In its formative stage, the party did not even establish regional or local structures; only regional electoral assemblies were present on the regional level. The party was concentrated around the chairman, who
was the only person allowed to call the session of the Republican Council. Moreover, the leader's position was strengthened by the small number of members. SR–BK and OL’aNO went even further. The party leader has almost an absolute power, the regional structure was in the developmental phase practically non-existent (the states of OL’aNO mentioned only two party organisations - the Congress and the chairman), with little intra-party democracy and basic organisational structure.

On the other hand, both of these parties are slowly transforming. OL’aNO is building a network of regional contacts and coordinators on regional and local levels (OL’aNO 2018), and SR–BK already has local organisations and regional coordinators (SR–BK 2018). For the leaders to stay strong, the regional representation is improving, with the parties slowly introducing more traditional organisational structures (see aktuality.sk 2017; Teraz.sk 2019). ANO 2011 as well started with minimal organisational structure and Andrej Babiš kept firm control over the party through both formal and informal mechanisms, preventing substantial fluctuations in the party elite, and also preventing members from influence the party affairs to a more significant degree. The party quickly started to develop a more extensive organisation, although even now, in some of the regions they have stronger presences on the local level, than in others (see Ano Bude Lip 2018). Babiš's also strengthened his position within the party over time. After the 2013 quarrel between Babiš and the newly elected party co-chairmen, only trusted members are elected to top party positions, and the party congresses of 2015 and 2017 granted the chairman even more power. This authority made him irreplaceable during political negotiations and able to influence the candidate list, for example by changing, crossing off, adding candidates or changing the order of candidates, even after the lists have been accepted by the party organs (see Charvát and Just 2016).

All parties in the formative phase drew a large portion of their income from the personal finances of their entrepreneurs and their businesses. SaS and OL’aNO managed to keep their incomes disperse, not relying on a single source of income. ANO and SR–BK progressed towards a more heterogeneous income after they gained seats in the parliament. On the other hand, the income of RP and VV did not progress toward more diverse financing, and the parties kept relying on both electoral subsidies and personal financing from party leaders, which left them vulnerable and exposed to political and electoral failures. For RP, the decreasing number of financial gifts was problematic. In 2011 and 2012, gifts presented the most of the party’s income and their dramatic reduction after 2013 affected the party finances significantly. In 2012 the party also received more than 1,7M złoty (over 400K euro) from loans, putting a future strain on the party's finances. VV's situation was similar. The party relied on state subsidies and personal financial gifts, which shrank significantly after 2011. In 2014, towards the end of the Part’s existence, they took on a significant loan.
Figure 2. Gini coefficient values for the diversification of financial income measured

<table>
<thead>
<tr>
<th>Year</th>
<th>RF</th>
<th>ANO</th>
<th>SDS</th>
<th>ZLMD</th>
<th>VV</th>
</tr>
</thead>
<tbody>
<tr>
<td>2006</td>
<td>77.43</td>
<td>78.69</td>
<td>78.49</td>
<td>80.80</td>
<td>85.72</td>
</tr>
<tr>
<td>2007</td>
<td>77.32</td>
<td>78.50</td>
<td>78.49</td>
<td>80.75</td>
<td>84.90</td>
</tr>
<tr>
<td>2008</td>
<td>77.32</td>
<td>78.50</td>
<td>78.49</td>
<td>80.75</td>
<td>84.90</td>
</tr>
<tr>
<td>2009</td>
<td>77.32</td>
<td>78.50</td>
<td>78.49</td>
<td>80.75</td>
<td>84.90</td>
</tr>
<tr>
<td>2010</td>
<td>77.32</td>
<td>78.50</td>
<td>78.49</td>
<td>80.75</td>
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<tr>
<td>2011</td>
<td>77.32</td>
<td>78.50</td>
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<tr>
<td>2012</td>
<td>77.32</td>
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<tr>
<td>2013</td>
<td>77.32</td>
<td>78.50</td>
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<td>84.90</td>
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<tr>
<td>2014</td>
<td>77.32</td>
<td>78.50</td>
<td>78.49</td>
<td>80.75</td>
<td>84.90</td>
</tr>
<tr>
<td>2015</td>
<td>77.32</td>
<td>78.50</td>
<td>78.49</td>
<td>80.75</td>
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<tr>
<td>2016</td>
<td>77.32</td>
<td>78.50</td>
<td>78.49</td>
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</tr>
<tr>
<td>2017</td>
<td>77.32</td>
<td>78.50</td>
<td>78.49</td>
<td>80.75</td>
<td>84.90</td>
</tr>
</tbody>
</table>

Notes: data: financial reports of political parties in national currencies. Source: Author.

For the first years, ANO 2011’s primary source of income consisted of gifts as well. Money coming from Andrej Babiš himself and companies owned by his holding Agrofert represented about 88% of the party’s income. Although the income has become more heterogeneous in the recent year, the party still heavily relies on donations and subsidies, as well as on loans; this reduces the party’s decisional autonomy and financial stability. The large number of subsidies both from the state and from the EU that heads towards companies associated directly or indirectly through personal ties and personal with the elites of ANO can be problematic when they constitute a substantive conflict of interest in the future.

3.3. Legislative institutionalisation

Each of the researched parties had to, at some point or another, deal with defection of party members and with some degree of intra-party disobedience. The period after the initial breakthrough puts a strain on any political party, as it presents one of the most challenging times in the party’s history (Bolleyer and Bytzek 2013). Parties based on a strong leadership of one man, who figuratively owns the party, are exposed to internal turmoil between dissatisfied members and the party leadership more often. Dealing with friction and fractionalization inside of the party has proven to be quite challenging for some of the parties under research. A crucial feature influencing the institutionalisation of these parties has been the capability and readiness of party elites to deal with the dissatisfaction of both voters and party members.
For RP and VV, the lack of legislative institutionalisation heavily contributed to the party’s marginalisation. In the case of RP, the lack of internal democracy and the authoritarian leadership, as well disobedience to the original party program and ideals was stated most often as the reason why many of the politicians left RP after its initial breakthrough. The form was more important than the content for Janusz Palikot, many of the politicians leaving the party stated, and the former enthusiasm to achieve change disappeared from the party (tvn24.pl 2013). Massive defection from the party also happened after the unsuccessful local elections of 2014, after which several parliamentary representatives left the party, resulting in the party representatives in the Parliament losing their status as a parliamentary caucus in March of the next year. Several leaving representatives claimed to have significant ideological and opinion differences with the party leadership since Palikot did not stand for the original ideas anymore. The dissatisfied representatives thus wanted to establish their party, based on liberal values and secularisation. This situation was heavily commented on by the media, resulting in further damage to the party’s image (see Dzennik 2014).

For Public Affairs, several severe scandals contributed to the party’s de-institutionalisation. A material is discussing Bártas intentions with the party about the private security firm ABL that he used to own,10 published the media (ihned 2010) in April 2011. In this material, Bártas suggested a strategy to top-tier managers of ABL, aiming to increase the number of government procurements going to the company; the goal was to interconnect political and economic power through VV, a new political subject successful in local politics in Prague (for more detail see, e.g. Hloušek 2012; Charvát and Just 2016). After the materials were published, Bártas resigned from his post of the Minister for Transportation. The allegations of Jaroslav Šárka caused an even more severe affair.11 He claimed that the party holds together due to the authoritarian approach of Vít Bártas, who does not hesitate to buy the loyalty and cooperation of party members. Although Bártas immediately denied these allegations, Kristýna Kočí, the leader of the club of representatives in the Chamber of Deputies between July 2010 and April 2011 supported these claims, which resulted in a trial of Šárka and Bártas, who were accused from corruption. The accusations were not eventually confirmed and trial terminated, the financing of the party became the subject of interest of both the media and the Ministry of Finance, and the trial uncovered some questionable practices inside the party, ties to lobbyists, manipulations of the intra-party referendums and financing

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10 Bártas officially stepped down from his position in ABL before the elections in 2010 in order to avoid the conflict of interest. However, the fact that he sold his half of the firm to his brother raised some questions of the public, and Czech media.

11 Jaroslav Šárka was the 3rd chairman of the Public Affairs between 2005–2009 and a vice-chairman of the party from 2009 until 5th April 2011, when he was expelled from the party.
the politicians from private funds of Vít Bárta. The scandal resulted in a certain fraction of the party splitting into two separate actors, since some of the representatives of VV, led by Karolina Peak, decided to form a new political platform (see Hron 2012; Hloušek 2012; Charvát and Just 2016 for more details).

In the case of ANO 2011, exiting the party presents one of the few ways in which members can express their dissatisfaction since the party leader has a dominant position within the party and a group of loyal elites surrounds him. Moreover, the party elites dispose of firm control over the members and the caucus, with a mechanism for expelling members or removing them from party offices if they become undesirable. For that reason, an unusually high level of discipline is apparent in ANO’s caucus. On the other hand, on the local and regional level, disputes and rifts between party cubs in local governments are more common, occasionally leading to the dissolution of entire local organisations, removal of local elites from offices et cetera. ANO tries to deal with these issues proactively (see Charvát and Just 2016: 96). The gradual trickle of party members leaving ANO can also be problematic since the media quite often publicise it. Members frequently state very similar reasons for their decision to leave the party.

Similarly to RP, leaving members to complain about the lack of internal democracy, authoritarian leadership, shifting from the original policies and ideas and the inability to influence the decisions of the top tier of the party. At the very latest from 2014, there have been media mentions of nonconformist or burdensome members being expelled from the party and of organisations being dissolved in order to solve intra-party conflicts. The leaders of ANO then claim that these members acted against the party moral codex or the statues, or that they harmed the party by their actions. For SaS, the period of inner discord came especially between 2013–2014 when altogether nine deputies and 75 members left the party and then again in 2016 in connection to the (later withdrawn) candidature of the vice-chairman of the party, J. Mihál, for the post of the party leader. Eventually, Mihál decided to leave the party in 2017, partially due to his disagreements with the leadership and the party program, which according to Mihál become less and less liberal (Marušiak 2017: 191; Sme 2018). Even a minimal membership base does not avoid intra-party conflicts completely. Both in the case of SR–BK and OL’aNO, some degree of dissatisfaction was also apparent, due to disagreements on the elite level. In the party of Boris Kollár, three members were expelled in 2016. Kollár stated in this regard in the media that they did not attend party meetings, did not work hard enough and had no respect for the party activities (see case.sk 2016; topky.sk 2016). OL’aNO also lost three members of the parliamentary caucus; most prominently Richard Vašečka decided to leave in order to become part of the non-parliamentary Christian democratic movement. These exist though did not present more discussed topics in the media and went without significant disagreements in the party (Pravda 2018; Aktuality 2018).
Conclusion

For a political party, moving past the formative model of the organization, while maintaining the strong leadership with loyal party elites, in the period after the initial breakthrough can be difficult. Having a relatively stable electorate base and recognisable core, improving or at having least stable electoral results and disposing of affiliated organisations (i.e. think-tanks, youth organisations et cetera) is be beneficial for the legislative level of institutionalisation. On the internal level, having a stable or increasing membership base, developed organisational structure, not depending on a single or limited source of income and increasing stability with well distributed and regulated power is supportive. On the level of legislative institutionalisation, the creation of a trusted body of elected representatives is crucial, with a low level of internal fractionalization, the defection of party representatives and non-conformist behaviour within the party.

However, these institutionalisation-supporting features are clearly contradictory to the ideal model of party organisation of business-firm parties especially, and entrepreneurial parties in general. Key features of these parties, as their very low to non-existent membership base, influential leaders, limited party democracy and distribution of power, fluid programs created and marketed as products for the electorate, and lack of a stable and well-defined electoral core, may prove to hamper the institutionalisation process. In order to survive in the political system, in the sense of achieving a successful re-election and maintaining electoral support, digressing from this model in some characteristics, in a controlled and restrained way, is beneficial for party’s institutionalisation.

Between the research parties, various degrees electoral, internal and legislative institutionalisation can be observed. Parties that were not able to establish themselves in the electoral system and disintegrated shortly after their initial breakthrough (such VV and RP) suffered from extending their membership base in a rapid pace, without building sufficient mechanisms for value infusion and development of a deeper bond with their members. The enlarged membership base leads to inner turmoil and affairs since the members were attached to the party through strong loyalty or personal connections. Staying with a dying party did not hold any value for them. Their membership base was created by those who were swayed with the initially fastly growing success of these parties, rather than enlarging the extent of their membership in a restrained and purposeful matter, attracting loyal supporters, elites that were previously connected to the political entrepreneurs and their businesses and members that were able to hold offices required. RP and VV also encountered issues with the internal distribution of power and the inner party democracy. In VV, the power was
though held by a group of elites, the disparity between on-paper democratic party building and strong authoritative leadership, in reality, proving disastrous. Bártta and his elites were in charge of all the decision making in the party but were not able to prevent the scandals that brought the party down and contributed to the catastrophic course of the centre-right government of Petr Nečas from the Civic Democratic Party. Similarly, Janusz Palikot possessed a large number of authorities over his party. When the adverse second-order electoral outcomes and the outflow of members and representatives struck the party, he tried to reform the party, create a more democratic organization and broaden the leadership; this reform, however, came too late to save the party from a disastrous outcome in their second parliamentary elections.

ANO, SaS, OL’aNO and We Are Family preferred a different approach. First, these parties claimed that they did not wish to accept opportunists and political tourists into the party, and allowed only a slow trickle of new members to join, exercising still a firm hand of the leadership over the core body of the party. Due to a small, but stable membership base SaS, which suffered a massive defeat in the election of 2014, was able to react and come back to the level of support they had in the elections of their initial breakthrough. Especially in ANO, we can see an increase of members during the time of local and regional elections, where having partisan candidates was desirable. The party leadership also managed to keep a firm hold over the members, often choosing people from their previous businesses (Kopecký and Cirhan 2016), providing institutionalisation-strengthening stability.

An entrepreneurial party does not necessarily need a well-defined electorate. However, the ability to anticipate current political mood and define it within the campaign is crucial. OL’aNO aims towards the electorate in larger cities and with higher education to fill in a gap on the political market, resulting in the most heterogeneous in the sense of electoral gains across the voting districts. On the other hand, ANO 2011 aims for remarkably homogeneous electoral outcomes. In 2013 they succeeded by attracting the disappointed voters of the former centre-right coalition. After four years in the centre-to-left coalition government, they won the election the election in 2017, successfully targeting the other side of the political spectre and the unsatisfied voters of social democrats and communists. They shifted their program changes fluidly from

\[12\] SR–BK participated so far only in one election, according to current opinion polls though, their approval rates and electoral support are increased in comparison. In September 2018, their estimated electoral support was between 8–10% (Teraz 2019; AKO 2018).

\[13\] Although the party still has issues finding strong and well-known candidates for the elections to the Senate and on the municipality levels, in the elections to the chamber of deputies the large percentage of candidates who are members of ANO grew significantly between 2013 and 2017 where 92% were partisan candidates.
election to election, reacting flexibly to the demand of the voters; although their success is based on their ability to predict what the electorate will want to hear, as long as the party can address current issues and acute topics, they can gather votes across the spectrum, carefully walking alongside the ideological line, evading the traditional cleavage division. The highest number of affiliated organisations, promoting value infusion and rooting the party within the society beyond the electoral campaign then supports its institutionalisation. This observation supports the cases in Slovakia. For a long time, entrepreneurial parties in Slovakia did not aspire to extend their party activities and membership. However, now these parties are actively mentioning the intent to build organisations for youths and produce their printed materials to spread their values into the electorate even beyond the electoral campaigns, showing, that without the value infusion is needed in order to survive potential setbacks and failures. Even Boris Kollár, who started his party only with seven members and Igor Matovič, whose party had only four members when established, now proclaim the willingness to accept new members and extend the membership beyond the small circle of party founders and elites and are open to work towards a more extensive membership base (see i.e. Cas.Sk 2018; Kern 2017; webnoviny.sk 2017).

Within the party, the power distribution is closely linked with its inner stability and coherence. In SR-BK and even more so in ANO we encounter overt directive leadership, secure control over the inner workings of the party and the personnel. This prevents large fluctuations in the party elite and frequent alterations in the top tier party management, but it also keeps the ordinary members from influencing the party affairs. The approach, that the party elites took regarding the dissatisfaction of their voters and party members proved to be important in the process of the party survival. Babiš and his team did not hesitate to dismantle whole local organisations, dissolving them and then re-instating them under a new and loyal leadership, getting rid of problematic members or representatives in an effective and quick way.

Both initial hypotheses are supported by the qualitative analysis and the quantitative data presented in this paper. Although the entrepreneurial set-up proved to bring newcomer parties immediate success in the first elections they are contested in, the parties that did not manage to successfully evolve after their initial breakthrough suffered from the loss of electoral support, inner turmoil and setbacks. Neither abandoning the constellation arising from the entrepreneurial origin too quickly or too extensively, however, seems desirable. Maintaining strong leadership, and connecting the party elites through personal or professional loyalty to the leader, develops stability in the top of the party. A slow and steady increase of the membership base allows for value infusion and better candidate selection. Much of the survival though rests on the shoulders of the political leader, his ability to develop a program that reflects the current demand of the electorate, and the charisma to deal with personal disputes or fractions.
In the future, the questions regarding the survival and institutionalization of not only entrepreneurial parties, but newcomer parties in general should be raised, looking to a broader set of cases in broader sample of countries and also with more focus on the quantitative, rather then qualitative aspects of the research, allowing for more extensive understanding of how new political parties achieve or fail in the party systems of their countries.

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