

Corinne Deloy

Translated by Helen Levy

Analysis

The Social Democratic Opposition is favourite in the early general elections in the Czech Republic.

On 25th and 26th October next the Czechs are being called to ballot in early general elections. Many people protested against the date selected for the election: 28th October is a bank holiday (*VzNIK Československa*) which celebrates the creation of Czechoslovakia after the First World War. This might affect turnout, which is already low in the Czech Republic (64.7% in the elections date 28th and 29th May 2010).

This election follows the dissolution of the lower chamber of Parliament on 20th August last after the collapse of Jiri Rusnok's government as it failed to win the confidence of Parliament. It also followed the fall of the coalition led by Petr Necas on 10th July (Civic Democratic Party ODS). The coalition included the ODS, Tradition, Responsibility, Prosperity 09 (TOP09) and the Liberal/Democrats (LIDEM).

According to a poll by the institute Median more than half of the Czechs supported these early elections whilst 37% would have preferred that a new government end the present legislature; the election was initially planned for next spring!

24 political parties are running in the election, 17 of which are presenting candidates in 14 of the country's regions.

According to the polls the Social Democratic Party (CSSD), the main opposition party is due to win the election. It will probably not be in a position to govern alone however. The question is therefore whether the Social Democrats will decide to join forces with the Communist Party of Bohemia and Moravia (KSCM) – or with another party like the Citizens Rights Party (SPOZ) – or whether they will prefer to form a minority government. *"The situation is quite transparent as far as the left is concerned. Its supporters can choose between three parties. There is however a range of parties on the right and centre-right. Alongside those which have been established for a long time we have witnessed the emergence of several parties which have adopted the same orientation. Because of this dissemination on the political scale there is a danger of the right weakening significantly,"* writes the weekly *Respekt*.

The Political Crisis

"The main issue at stake in the general elections on 25th-26th October next will be to choose between two trends, one which supports Milos Zeman and the other which is against him. In other words between an authoritarian management style and parliamentary demo-

cracy (...). It will not comprise conflict between left and right but it means deciding whether Czech society wants to continue along the path it opened with Vaclav Havel or whether it wants to follow the road put forward by Milos Zeman," suggests the weekly *Respekt*.

Elected on 26th January last as head of State, the President of the Republic Milos Zeman has much more power than his predecessors, notably because of his election by direct universal suffrage. His co-habitation with the Prime Minister was difficult from the very start of his term in office. In opposition to Petr Necas, Milos Zeman even promised his electorate to bring his government down.

On 12th June Prime Minister Petr Necas was arrested after searches were undertaken by the anti-organised crime unit (UOOZ) at the government's HQ, the Defence Ministry and in several State organisations. Seven people including Petr Necas's cabinet director, Jana Nagyova (who was his mistress but his wife since mid-September), the head of military intelligence and three former ODS MPs were arrested.

Petr Necas has been accused of corruption (150 million crowns – 5.8 million € in cash were found during the search); his cabinet director is under suspicion of

having organised the resignation of three ODS MPs (Petr Tluchoj, former leader of the ODS parliamentary group; Ivan Fуска, former Agriculture Minister and Marek Snjder, former Deputy Minister for Healthcare) who were against the adoption of the government's so-called financial stabilisation bill in exchange for posts within the civil service and for having ensured that they were replaced by people loyal to the Prime Minister. Imprisoned for a time these MPs were freed, since the Supreme Court deemed that the affair was the realm of a political agreement and that it was not a criminal case. Jana Nagyova stands accused of having used military intelligence agents to monitor the Prime Minister's wife illegally (phone tapping).

On 10th July Jiri Rusnok was appointed Prime Minister by the head of State Milos Zeman. The Constitution stipulates that three attempts can be made for form a government, two on the part of the Head of State and one by the leader of the Lower Chamber of Parliament. However on 25th June Milos Zeman announced that he intended to appoint Jiri Rusnok against the will of most of the MPs.

Jiri Rusnok is a former banker and close to the head of State to whom he is economic advisor. His government, qualified as "presidential" comprised independent ministers close to Milos Zeman. The appointment of Jan Fischer as Finance Minister (and Deputy leader of the government) was the cause of a polemic. Indeed the former candidate in the presidential election (16.35% of the vote in the first round on 11th and 12th January last) and unable for the last six months to reimburse all of his electoral campaign costs "miraculously" received 5.3 million crowns – 206 500 € – (from David Sivora, member of the Czech-Israeli Chamber of Commerce and Daniel Pal'ka, lawyer) as soon as his appointment to government was contemplated.

The director of the University of New York in Prague, Jiri Pehe perceives in Milos Zeman's decision his desire to influence political life. "*Milos Zeman will take control of government – at least temporarily – to accomplish some of his projects which would be impossible if the government were of a political nature*" he said, adding, "*The cause of the problem lies in the President's personality and in the weakness of the political parties. If the*

post of head of State were occupied by someone who was less ambitious and not as eager to take revenge we would probably not ask all of these questions about the nature of our political system. However this should enable the control of the excesses of an expansionary president like Milos Zeman (...) The political parties do not act in their interest in this stand-off with the president of the republic. They are growing weak to the benefit of a head of State who is becoming ever stronger."

"*It is a paradox set in the Czech political system. The aura which the President enjoys means that strong politicians aspire more to posts in order represent the country and as moderators rather than that of Prime Minister. Formally however the head of government is the most powerful player in the system. But because of this Czech paradox this post is occupied by weak politicians,*" maintained Jan Kudrna, professor of Constitutional Law at the Charles of Prague University.

On 7th August Jiri Rusnok was rejected by the Chamber of Deputies where he only won 93 votes (out of 193 MPs present). His government resigned eight days later. One week after that on 20th August 140 MPs i.e. 20 more in comparison with the 3/5ths majority vital for action like this voted in support of the dissolution of the lower chamber, a first since the independence of the Czech Republic in 1993. Four parties voted in support of the dissolution (CSSD, KSCM, Top 09 and Public Affairs (VV)), and the ODS did not take part in the vote. "*I welcome this unequivocal decision taken by the lower chamber which offers our citizens an opportunity to decide on the country's future,*" declared Bohuslav Sobotka (CSSD), the opposition leader.

President Milos Zeman was against the organization of early elections. He wanted the Czech election to take place on the same days as the European election planned for 23rd and 24th May next. He stressed the thoughtless expense which the election would lead to (500 million crowns – 19.4 million €).

Towards a reshuffle on the right?

The ODS in total confusion

Since the beginning of the 1990's the ODS has been the main party on the right – a status which it might lose

during the next general election. Worn down by scandals it has also been undermined by many of internal disputes. It is divided over a possible return on the part of its former leader, Vaclav Klaus. The former President of the Republic (2003-2013) enjoys little popularity and his return to forefront of the political stage does not seem enough to be able to improve the party's electoral performance.

Since the departure of Petr Necas, Martin Kuba has been the interim leader of the party which is still firmly established locally. "If the ODS is brought down we may see the left led by Milos Zeman take absolute control of the country," warns Jiri Pospisil, the party's deputy leader. The leader of the outgoing Chamber of Deputies, Miroslava Nemcova, who is leading the party to the general elections, is standing in Prague. Bohuslav Svoboda, the former mayor of the capital who was forced to resign on 23rd May 2013 after a vote of no-confidence against him and his two deputies, will be number 2 on her list.

The Czech Republic has been in recession since 2011. Its economy that is driven by exports and notably by the car industry has been affected by the international economic crisis. The outgoing government of Petr Necas implemented an austerity policy to reduce the country's budgetary deficit by reducing public spending and by increasing taxes which has reduced domestic consumption and destabilized external demand. GDP growth contracted in 2012 (- 1.2%), it is due to be negative again this year (- 1.5% forecast by the Central Bank) and unemployment has risen (7.3% in July last). In all 551 000 people are unemployed. The public debt decreased by 37.5 billion crowns (1.5 billion €) in the second quarter of this year. In June last it totalled 1,678 billion crowns (67.2 billion €). The ratings agency Standard and Poor's confirmed the Czech debt rating long term in July: AA-. The minimum salary increased from 800 to 840 crowns (320 to 340€) for the first time in six years, a rise which involved 120,000 employees i.e. 3% in all.

TOP 09, future leader of the opposition?

TOP 09 would like to replace the ODS as the leader of the right. The party which is led in the general elections by the Healthcare Minister of Petr Necas's government,

Leos Hegeris is pleased that the elections are finally being organized just months only after the Presidential election of 11th-12th January 2013 in which his candidate, the party's leader Karel Schwarzenberg reached the 2nd round with 45.2% of the vote (he was beaten by Milos Zeman who won 54.8% of the vote). Karel Schwarzenberg is standing in Prague.

"The collapse of the government coalition has led to the elections. TOP 09 stands as the only party which can guarantee the parliamentary system. It maintains that the election is a battle between a more or less united left under Milos Zeman, who is an authoritarian threat, and the rest of the politicians," analyses Jiri Pehe. The former Finance Minister in Petr Necas's government, Miroslav Kalousek is holding a similar discourse: he maintains that Milos Zeman wants to transform the political system into an autocratic model.

TOP 09's programme is focused on social issues, education and culture. The party is defending a pro-European policy: hence it supports Prague's ratification of the European Budgetary Pact, the so-called Treaty on Stability, Coordination and Governance (TSCG) signed on 2nd March 2012 in Brussels by the heads of State and government of 25 Member States (every Member State at the time except for the UK and the Czech Republic). It targets budgetary balance and hopes to set the maximum deficit at 0.5% of the GDP. TOP 09 indicated that it would not govern with the CSSD.

Amongst the other parties on the right the Liberal Democrats have chosen not to take part in the elections. Some of its members might however feature on the lists of other parties. The Liberal Democrats, created on 3rd May 2012 by 8 MPs from Public Affairs (VV) led by Dagmar Navratilova, replaced VV within the outgoing government coalition.

Ano 2011 (Yes 2011), a party founded on 11th May 2012 by Andrej Babis, owner of Mafra, the biggest Czech press group (*Mlada fronta Dnes, Lidove noviny, etc.*), will be standing in the general election. Andrej Babis maintains that he wants to govern the country as he manages his businesses (without however giving any more details) and put an end to a political class that is no longer credible. The party has made a break-through

General elections in Czech republic 25th and 26th October 2013

over the last few weeks in the polls which confirm the extremely attractive nature of the new parties; a feature that already comprised a striking element in the previous elements on 28th and 29th May 2010. These parties which often have no real programme appear to be the supporters' clubs of a particular individual.

A poll by Herzmann with the institute PPM Factum published mid-September revealed that 2/3 of the Czechs (65%) want to see new political parties enter the Chamber of Deputies. In all six new parties are running in these general elections.

A context favourable to the left

The return by the CSSD

Bohuslav Sobotka was re-elected as the CSSD's head during the party's 37th congress on 15th and 16th March last.

He won 85 of the 151 possible votes, in other words a mitigated result. During this congress Jiri Dienstbier, a CSSD candidate in the most recent presidential election (he won 16.21% of the vote in the first round on 11th and 12th January) was pushed out by the executive and replaced by Milan Chovanec, governor of the region of Pilsen.

Bohuslav Sobotka has spoken in support of a minority social democratic government supported by the KSCM in the event of victory by the left on 25th and 26th October. He has refused a priori the idea of any government coalition with the KSCM in line with the 1995 Bohumin resolution whereby the CSSD promised not to cooperate in coalition with the KSCM on a national level. "We shall build a State that works," maintains the CSSD's electoral slogan. The programme is strongly oriented to the left: tax increases for the wealthiest and development of aid for the poorest, a return of a progressive income tax the maximum rate of which lies at 15% at present (with a maximum band of 38%), increases in company taxes (from 19% to 21% and 30% on banks, energy companies and telephone operators), a 40% increase in the minimum wage (that would rise from 8,500 to 12,000 crowns – from 340€ to 480€). The CSSD is promising to annul the retirement reform, to guarantee healthcare access for all and to improve the quality of education. It maintains that it will launch immediate negotiations with the church to reduce the compensation granted to

it due to the confiscation of property under the communist regime. In January last parliament approved a bill to give back land and properties (to a total of 75 billion crowns) confiscated from the church and granted it financial compensation of 59 billion crowns. The KSCM would like to organise a referendum on the issue.

Which partners for the CSSD?

The Communist Party for Bohemia and Moravia (KSCM) is led by Vojtech Filip. The party is the only one in Central and Eastern Europe never to have rejected the repression of the communist regime. It has never participated in a Czech government. It has however modified its image and succeeded in attracting a growing number of young people. It governs in 9 of the country's 14 regions in coalition with the CSSD.

The CSSD might however work with the Citizens' Rights Party, created in October 2009 by the present head of State Milos Zeman as he returned to the political arena (from which he retired in 2003 after he failed to be elected in the presidential election on 24th January when he was beaten by Vaclav Klaus). The Citizens' Rights party is in favour of obliging people and business to declare the origin of their finances in the purchase of properties if there is a large discrepancy between income and the value of property in question. Three of Jiri Rusnok's government ministers are standing on the Citizens' Rights Party list: Agriculture Minister Miroslav Toman, Interior Minister Martin Pecina and Labour and Social Affairs Minister Frantisek Konicek. Jiri Rusnok is refusing to stand declaring that he did not want a political career.

The Czech Political System

The Czech Parliament is bicameral comprising the Chamber of Deputies and the Senate. The Chamber of Deputies comprises 200 members elected for four years in a multi-nominal constituency election (there are 14 of them) in which the distribution of votes is undertaken according to the d'Hondt method. All parties have to win a minimum of 5% of the votes cast to be able to be represented in parliament (10% for coalitions comprising two parties, 15% for coalitions with three parties and 20% for coalitions with four parties and over). Can-

didates must be aged at least 21.

The Senate comprises 81 members elected for six years on a single majority list in two rounds and which is renewable by thirds. This election mode was selected by those who wrote the Constitution, notably former President of the Republic (1993-2003), Vaclav Havel, who wanted to facilitate the election of independent personalities who were firmly established within the constituencies.

5 political parties are represented in the Chamber of Deputies at present:

- The Social Democratic Party (CSSD), founded in 1878 and since 2011 led by former Finance Minister (2002-2006) Bohuslav Sobotka, with 56 seats;

- The Civic Democratic Party (ODS), created in 1991 and by Martin Kuba (interim). In office since 2006 (with a gap in between 2009 and 2010), it has 53 seats;

- Tradition, Responsibility, Prosperity 09 (TOP 09), a centre-right party, a member of the outgoing government, founded in 2009 and chaired by Karel Schwarzenberg with 41 seats;

- The Communist Party of Bohemia and Moravia (KSCM) – created in 1989 it is the last non-reformed Communist party in Central Europe is led by Vojtech Filip - has 26 MPs;

- Public Affairs (VV), centre-right founded in 2011 and led by former journalist Radek John, a member of the outgoing government between 2010 and 2012, it has 24 seats.

General election results on 28th and 29th May 2010 in the Czech Republic

Turnout: 64.47%

Political Parties	No. of votes won	% of votes won	No. of seats
Social Democratic Party (CSSD)	1 155 267	22,08	56
Democratic Civic Party (ODS)	1 057 792	20,22	53
Tradition, Responsibility, Prosperity 09 (TOP 09)	873 833	16,70	41
Communist Party of Bohemia and Moravia (KSCM)	589 765	11,27	26
Public Affairs (VV)	569 127	10,88	24
Christian Democratic Union –People’s Party (KDU-CSL)	229 717	4,39	0
Citizens’ Rights Party (SPO)	226 527	4,33	0
Others	514 687	10,02	0

Source : Election internet site (<http://www.volby.cz/pls/ps2010/ps?xjazyk=EN>)

The most recent poll by the institute CVVM, published on 24th September credits the CSSD with 30.5% of the vote; The KSCM is due to win 19.5%; Ano 2011 14% and TOP 09 12.5%. The ODS is due to win 7% and the Citizens’ Rights Party 5%.

Around half of the Czechs say they will go to vote (52.7%).

President of the Republic Milos Zeman announced that he would appoint a representative of the party which came out ahead in the election to the post of Prime Minister.

Narrow victory for the Social Democrats and breakthrough by the populists in the Czech general elections

Results

The Czech political arena has been thrown into turbulence by the election results of 25th and 26th October. The Social Democratic Party (CSSD) led by former Finance Minister (2002-2006) Bohuslav Sobotka did indeed come out ahead in the election but with only 20.45% of the vote and 50 seats (-6 in comparison with the general elections on 28th and 29th May 2010). ANO 2011, a movement led by businessman Andrej Babis, managed to make an exceptional breakthrough winning 18.65% of the vote and 47 seats. The Communist Party of Bohemia and Moravia (KSCM) led by Vojtech Filip came third with 14.91% of the vote and 33 seats (+7). Tradition, Responsibility and Prosperity 09 (TOP 09), a centre-right party chaired by former Foreign Minister (2010-2013), Karel Schwarzenberg won 11.99% and 26 seats, (-15), the Democratic Civic Party (ODS) led by Martin Kuba, 7.72% and 16 seats, (-37), Usvit (Direct Democratic Dawn) led by Senator Tomio Okamura 6.88% and 14 seats, finally the Christian Democratic Union-People's Party (KDU-CSL) led by Pavel Belobradek will return to Parliament after a three year absence with 6.78% and 14 seats.

Although TOP 09 managed to win through as the country's party on the right, the rightwing did in fact collapse during this election winning slightly more than a quarter of the vote (26.49%), i.e. 14.8 points less in comparison with May 2010.

The Citizens' Rights Party (SPOZ), of President Milos Zeman won 1.51% of the vote i.e. below the vital 5% threshold necessary to enter parliament. The outgoing head of State therefore emerges weakened from the general elections when in all four voters in 10 (40.44%)

chose to give their votes to the populists.

Turnout totalled 59.48% i.e. - 5 points in comparison with the general election on 28th and 29th May 2010.

The general election came early after the self-dissolution of the chamber of deputies on 20th August, a first since the Czech Republic's independence in 1993. This followed the failure of Jiri Rusnok's government to gain parliament's confidence and also after the fall of the government coalition (TOP09 and the Liberal Democrats LIDEM) led by Petr Necas (ODS) on 10th July.

Election results of 25th and 26th October in the Czech Republic

Turn out: 59.48%

Political Parties	No. of votes	% of votes	No. of seats
Social Democratic Party (CSSD)	1 016 829	20.45	50
Ano 2011 (Yes 2011)	927 240	18.65	47
Communist Party of Bohemia and Moravia (KSCM)	741 044	14.91	33
Tradition, Responsibility, Prosperity 09 (Top 09)	596 357	11.99	26
Democratic Civic Party (ODS)	384 174	7.72	16
Usvit (Direct Democratic Dawn)	342 339	6.88	14
Christian Democratic Union-People's Party (KDU-CSL)	336 970	6.78	14
Others	662 259	12.62	0

Source : <http://www.volby.cz/pls/ps2013/ps?xjazyk=CZ>

Jacques Rupnik, Researcher Director at CERIS Sciences Po, qualifies Czech democracy as being "exhausted" adding, "the political system and the parties are disintegrating due to a lack of political content and the population's disgust at the incestuous links between politicians and businessmen, between the parties and the State."

"I believe that the ODS was expecting better results. It is the most pessimistic variant which prevailed. It is difficult to justify this result with certain failures or certain defeats. The party is experiencing major collapse right now," declared Martin Kuba.

The Social Democratic Party and the Communist Party only won 83 of the 200 seats in the Chamber of Deputies, i.e. below the minimum required if Bohuslav Sobotka's projects are to become a reality. "As the Social Democratic Party cannot form a coalition with the Communist Party it will be forced to come to an agreement with ANO 2011 (together the two parties have 97 seats)," said Josef Mlejnek, a political scientist and journalist, adding "the most probable variant is a coalition bringing together the CSSD and the KDU-CSL, with the support of the ANO 2011." Together the three parties have 111 MPs.

"A possible coalition with the CSSD and ANO 2011, which is extremely critical about the traditional parties, would be highly unstable," stressed Jiri Pehe, Director of the University of New York in Prague. Pavel Saradin, a political scientist from the University of Olomuc indicated that if ANO entered government "it would not hold until the end of its four year term." "No government will be possible without the active or passive support of ANO 2011" stressed Tomas Lebeda, a political scientist from the Charles University of Prague. The CSSD is ruling out any government alliance with TOP09 and the ODS.

"We are not going to make the same mistake as in 2010 (the party came out ahead without being able to put a government coalition together) when changes in leadership led to parties which did not win in the elections agreeing on the formation of a government without the CSSD. I suppose that the CSSD will be the strongest political party and within the new government it should have the greatest influence. If it remains in the opposition an exceptional congress would have to be organized and a new leadership would have to be elected," declared Bohuslav Sobotka.

"We do not want to enter government, we mainly want to have new laws approved by parliament," repeats Andrej Babis, ANO's leader who said he was pleased that he had "prevented the left from returning to power," adding "it is incredible how many people voted for us. We never hoped for such a high result." "I cannot imagine cooperating with the CSSD, given its programme. We need stability, low taxation and foreign investor confidence," he declared excluding cooperation with TOP09 and the ODS, which to his mind are synonymous with "corruption and mismanagement".

ANO 2011 was created on 11th May 2012 by Andrej Babis based on the Action Society for Discontented Citizens. Mr Babis, owner of the Agrofert group – the country's leading agrofood business and number 2 in the chemical industry, - as well as of Mafra, the biggest Czech press group (*Mlada fronta Dnes, Lidove noviny, Metro*, etc.), has a fortune estimated at 1.5 billion € (Andrej Babis was ranked as the 736th richest man in the world by American magazine *Forbes* in 2013). The party is promising to reduce unemployment (which is affecting 7.3% of the working population), to have a strict control over the political classes and to fight against corruption without saying however how it would succeed in achieving its goals. Andrej Babis, who in many ways recalls former President of the Italian Council, Silvio Berlusconi (he believes that "only those who have succeeded in life should be able to do politics" and maintains that he wants "to manage the country like a business"), maintains a populist discourse attacking politicians "who only worry about themselves" and whom he accuses of not doing any work. He believes that the Czech Republic "needs fundamental change and also a change in system" because the country is experiencing « pseudo-democracy ».

The issue of negotiations in view of forming a government will depend on the President of the Republic Milos Zeman. The head of State declared during the electoral campaign that he would appoint a representative of the party that came out ahead to the position of Prime Minister but not necessarily the leader of that party. Relations between Milos Zeman and Bohuslav Sobotka have been tense for the last ten years. In 2003, the present CSSD leader was, along with others against Milos Zeman's

General elections in Czech republic 25th and 26th October 2013

candidature for the post of President of the Republic. *"It is an almost accepted fact that the head of State will try to appoint someone to his taste as Prime Minister,"* indicated Jiri Pehe. This might be Michal Hasek, who was just beaten by Bohuslav Sobotka during the vote for the party's leader on 15th and 16th March last. *"I want to make good the gap between Milos Zeman and the CSSD. Our country needs a leftwing government that will not go to war with a leftwing president over stupid issues of ego,"* indicated Michal Hasek.

The early general elections on 25th and 26th October therefore failed to settle the political crisis in the Czech Republic, which has been ongoing for several months now. *"The Czech Republic will inevitably have to hold*

further elections in one or two years' time," maintains Karel Schwarzenberg leader of TOP09. *"I fear that another early election is just around the corner because it will be particularly difficult to form a coalition in this parliament comprising seven parties,"* stressed Miroslava Némecová (ODS), former leader of the Chamber of Deputies.

President of the Republic Milos Zeman qualified the organization of new general elections to be *"worst solution"*. *"All politicians, including myself, must assume their responsibilities and act to support of the establishment of a stable government,"* he said the day after the election. He said that he would appoint the future Prime Minister after the first session of Parliament that will take place on 25th November next.

You can read all of our publications on our site:
www.robert-schuman.eu

Publishing Director: Pascale JOANNIN

THE FONDATION ROBERT SCHUMAN, created in 1991 and acknowledged by State decree in 1992, is the main French research centre on Europe. It develops research on the European Union and its policies and promotes the content of these in France, Europe and abroad. It encourages, enriches and stimulates European debate thanks to its research, publications and the organisation of conferences. The Foundation is presided over by Mr. Jean-Dominique Giuliani.