

Czech Republic: disappointment with the right wing strengthens the Communists

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In October regional elections were held in the Czech Republic and one third of the seats for the Senate were also voted on. These turned out to be a disaster for the ruling right-wing parties and confirmed the strong position of Social Democrats as well as growing support for the Communist party. In nearly all 13 regions the most likely configuration will be joint rule by the Social Democrats and the Communists. The Social Democrats won a majority in the Senate and this will enable them to veto draft laws on their own. With the Communists furthermore they have a constitutional majority in the Senate. Waning support for the ruling Civic Democratic Party (ODS) is strengthening internal criticism within the party aimed at Prime Minister Petr Necas. The group of rebel ODS MPs linked with President Vaclav Klaus may topple the government or lead to Necas being dismissed from the position party leader. It cannot be ruled out that the increasingly strong attacks against the party leadership are linked with Vaclav Klaus harbouring ambitions of exercising stronger influence on the ODS leadership after he completes his term as president at the beginning of next year.

The sources of discontent with the government

The right wing's substantial drop in popularity stems from growing discontent with the economic policy of the Necas government whose priority is to bring the public finance deficit down to below 3% of GDP next year. This strategy helps maintain the low costs of servicing external debt. It is, however, linked with further increases in taxes and curbing the country's spending, including salaries in state budget-paid jobs and investments. Since the end of 2009 the lower VAT threshold rose from 9% to 14%. The government's present proposals include a further increase in both VAT thresholds by one percentage point and additional taxes to be imposed on the richest. Rising taxes have provoked a heated dispute between the cabinet and trade unions linked with the Social Democratic opposition. It has also sparked criticism from the president who had earlier been favourable to the government's measures. These unfavourable feelings have been further exacerbated by the government's draft law relating to the restitution of Church assets. Under this draft law assets worth about 3 billion euro would be restituted to the Church and damages would be paid equivalent to almost 2.4 billion euro over the next 30 years. In exchange for this the state would stop paying salaries to the clergy. Objection to the restitution was one of the main election slogans of the Social Democrats, which is not surprising if one takes into

account that two thirds of Czechs are opposed to it (also including the majority of Catholics).

Infamous corruption scandals involving politicians from the right-wing coalition have also significantly contributed to the long-term decline in support for the government. Since July 2010 five politicians have left the government under the cloud of scandal, and a further four have left due to internal tensions within the coalition parties. Furthermore, the press has linked several government ministers to other corruption scandals. The ODS leadership has emerged from the recent elections seriously weakened. For instance, Defence Minister Alexandr Vondra lost his seat in the senate (he did not even make it into the run off), whereas the former justice minister Jiri Pospisil, who was in conflict with the prime minister, was successfully elected.

Disputes in the right wing. The role of Vaclav Klaus

The main contention between the ODS leadership and the six rebel MPs concerns the increase in taxes. The MPs hold the view that the right-wing programme should be based on reducing the state apparatus and on privatisation and not on “punishing those with entrepreneurial spirit”. This internal conflict within ODS deprives the Necas government of its majority in parliament. The prime minister's decision about combining the vote on the increases in VAT and the motion of confidence for the government may therefore lead to the collapse of the Petr Necas cabinet.

In their criticism of the government's economic programme and their demands to draw conclusions from the electoral disaster, the group of the rebel MPs are appealing to the authority of the president. President Klaus, who has recently been involved in a dispute with the prime minister held in the forum of the press, has over recent weeks vetoed a series of laws voted for by the coalition majority. It cannot therefore be ruled out that the conflict in ODS is linked to his plans for when his term in office ends at the beginning of next year. It is quite unlikely that President Klaus will return to the party politics but it should be assumed that he will have ambitions of exercising real influence on decisions made by the ODS leadership. Some of the ODS MPs, along with the president's entourage, believes that Prime Minister Necas is not bold enough with the coalition party TOP 09. The likely aim of the pro-Klaus fraction in ODS may be to replace the prime minister with a person who would be more assertive towards the coalition partner and at the same time more loyal to the president. Attempts to push through such a candidate or at least to weaken the present party leadership should be expected during the election congress planned for the beginning of November.

The left wing is heading for power

Although the Czech Social Democratic Party (CSSD) has defended its position in regional elections and has since autumn 2009 been leading in pre-election polls, its leadership cannot speak in terms of a complete success. This party's electorate has been gradually shrinking and it largely owes the results in the election to the growing disappointment of the Czech people with the right wing. Only 30% of those who voted for ODS in 2010 in the parliamentary election supported it in the regional election. The majority of the remaining voters stayed at home. In this situation, with a low turnout in the regional election the Communists gained more votes than ODS and TOP 09 combined as their electorate was the most loyal and disciplined. These trends see the Communist Party of Bohemia and Moravia (KSCM) come in second in pre-election polls and the party is increasing its leading position over ODS. The success of the Communists, who have consistently been isolated in parliament, legitimises this party for voters. Thus KSCM is becoming an increasingly important rival of CSSD in the battle for the votes of those most averse to the government.

From the point of view of the Social Democrats the strong position of the Communists may be a problem. Both parties are targeting a similar section of voters. On the one hand, strong Communists bring about the possibility of negotiations in a situation where the only alternative is the necessity to share power with ODS. On the other hand, excessive rapprochement with the Communists facilitates the mobilisation of those voting for the right wing which represents co-operation between CSSD and KSCM as a return of the communist regime. The Christian and Democratic Union – Czechoslovak People's Party (KDU-CSL) is a much more comfortable coalition partner for Social Democrats but the party's popularity oscillates around the election threshold.

The trend of the growing aversion in the Czech Republic to traditional political parties is reflected in the popularity ranking lists of candidates in the first universal presidential election scheduled for January 2013. According to surveys, only the former prime minister of the government of specialists Jan Fischer (formerly a member of the communist party) and Milos Zeman, the former CSSD leader and currently in conflict with the leadership of this party, stand any real chance of winning. The ODS candidate – the deputy chairman of the Senate Premysl Sobotka – can rely on less than 10% of the vote, as can the CSSD candidate – Jiri Dienstbier, the deputy president of the party, the son of a popular dissident – and the deputy prime minister and foreign minister Karel Schwarzenberg (TOP 09).

Outlook

In the coming weeks several votes in the Chamber of Deputies are expected to be held and they may result in the collapse of the Petr Necas government. The most important vote will be related to increases in tax thresholds and the motion of confidence for the Necas government will be linked to it. The vote on the presidential veto to one of the laws reforming the pension system will be another challenge. The rejection of the law relating to

the restitution of Church assets would present a slightly less important threat to the government's stability. The slim chances of holding on to power following a possible snap parliamentary election will mobilise coalition MPs to seek consensus despite clear frictions within ODS. It is quite likely that the internal opposition in the party will therefore try to replace or weaken the party leadership during the November ODS congress, which would make it possible to replace the prime minister while maintaining the current composition of the coalition. The lack of a strong counter-candidate among the party members to compete with Prime Minister Necas suggests that his potential successor would not be a fully autonomous politician.

According to another likely scenario the government will collapse due to votes from the coalition as was the case with the Mirek Topolánek government, even though there was no alternative political scenario. Such a situation would result in an impasse on the political scene lasting several months, during which the government would not be able to push through any key decisions in parliament. Such a period of crisis sooner or later would end in a snap election followed by the Social Democrats ascending to power in a coalition with KDU-CSL (assuming this party enters parliament) or in an alliance with the Communists. In the latter scenario CSSD would probably prefer to form an informal co-operation with KSCM in parliament (for example in exchange for important positions in the Chamber of Deputies) to a formal government coalition. Opinion polls indicate that ODS and TOP 09 have little chance of taking power again. Only a grand coalition with CSSD would give ODS the opportunity to preserve ascendancy in the state.

Irrespective of which government is established after the next election, it is most likely that its core will be formed by CSSD. When one takes into account the fact that the leadership of the Social Democrats is closely following the steps taken by the Slovak left wing led by Prime Minister Robert Fico, it may be expected that CSSD's ascent to power will bring about similar reforms. This would mean the strengthening of the role of the state in the healthcare and pension systems and shifting the tax burden to entrepreneurs. In European policy one may expect more openness to German-French ideas on the EU integration and a withdrawal from the assertive approach of the present government, which led to the Czech Republic remaining outside the Fiscal Compact.