Analyses OSW

CENTRE FOR EASTERN STUDIES 25.04.2012 www.osw.waw.pl

The Czech Republic: the government is weakened as the coalition breaks up

Jakub Groszkowski

On 22 April, the leaders of the three parties which formed the government coalition decided to put an end to their collaboration. The dissolution of the coalition was preceded by a break-up of the parliamentary club of the smallest of the coalition members, the Public Affairs party (VV), whose informal leader, Vit Barta, had been sentenced in court on 13 April for corrupting members of his party. The Civic Democratic Party (ODS) led by Prime Minister Petr Necas and the conservative party, TOP 09, declared their will to co-operate with a group of former VV members led by Deputy Prime Minister Karolina Peake. All cabinet members nominated by VV also joined this group. The other MPs from VV announced they would go into opposition. The vote of confidence in the government was scheduled for 27 April.

The crisis in the coalition has been accompanied by a clear drop in support levels for the Necas cabinet. Around 100,000 people critical of the government took to the streets in Prague on 21 April. The Czech Social Democratic Party (CSSD) is the clear leader in the pre-election polls conducted this April, with support at 37%. The Communist Party of Bohemia and Moravia (KSCM), which declares its loyalty to the communist party's ideals from before 1989, has the second highest approval rating (20%).

Commentary

- Public dissatisfaction is an effect of increasing prices of consumer goods and services (especially food and utility charges in their households) and vast cuts in social expenditure, which have been undergoing a gradual introduction since late 2009. They were initiated by the previous cabinet led by Jan Fischer. The government's position has also been adversely affected by corruption scandals. However, the mass demonstrations do not have a direct impact on the stability of the centre-right cabinet. The reason for the political crisis is the desire of the coalition members to dissociate themselves from the disreputable leadership of VV and to collect a new group of MPs to ensure a majority in parliament.

- If the vote of confidence is won owing to support from former VV members, the cabinet led by Petr Necas will be able to continue the liberal changes (the introduction of university tuition fees, another VAT and income tax raise and slowing down the indexation of pensions) aimed at consolidating public finances. However, there is a risk

that the MPs who form a loose group led by Karolina Peake and are only now planning to establish a political party may destabilise the government's work. The Necas cabinet will also face additional challenges issued by its former coalition partner, VV, which will be very active in opposition. Part of the members may leave this party to join the CSSD.

- It is rather unlikely that the vote on 27 April will lead to a snap election, but the unstable majority of a few of the two hundred votes in the Chamber of Deputies poses the risk that the government could collapse in the coming months. However, the unity of the centre-right cabinet will be reinforced owing to the perspective that the Social Democrats would co-operate with the Communists if elections were held. Although internal regulations of CSSD forbid political co-operation with KSCM, which however does not exclude a situation where a minority Social Democratic government is formed and is supported by the Communists. If the political left takes over power, liberal reforms would be abandoned (for example the system of additional charges in healthcare) and complex social benefits will be, at least partly, reinstated.