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BULLETIN

A Tight Race: Czechia Readies for Elections to the Chamber of Deputies

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After the elections to the lower house of the Czech parliament on 8-9 October, the biggest political forces will be the ruling Action of the Dissatisfied Citizens (ANO) led by Prime Minister Andrej Babiš, as well as two coalitions—the right-wing liberal Together and centrist-liberal PirStan. The limited coalition capabilities of ANO, the further fragmentation of the parliament, and President Miloš Zeman's stance to favour Babiš may make the appointment of a government more difficult. After the elections, Czechia will face long coalition negotiations, which may affect the efficiency of its foreign policy.

ANO an Uncertain Favourite. Babiš's party leads in pre-election surveys. Several opinion polls conducted at the turn of September and October give it 24.5-27.5% support. Together, the coalition formed by the Civic Democratic Party (ODS), Christian and Democratic Union–Czechoslovak People's Party (KDU-ČSL), and the liberal TOP 09 can count on 21-23.5% of the vote. The second opposition bloc, consisting of the Czech Pirate Party and Mayors and Independent States (STAN), has 17.5-20.5% support. The right-wing Freedom and Direct Democracy (SPD) should also enter parliament with around 11% of the vote. The current coalition partners ANO and the Czech Social Democratic Party (ČSSD, polling at about 5%) is uncertain of the number of seats it will win. The Communist Party of Bohemia and Moravia (KSČM, around 5%), which supported Babiš's minority government [in the 2018 vote of confidence](#), is in a similar situation, as well is the new centrist party Oath (about 4%).

ANO has led the polls since the last elections to the Chamber of Deputies in 2017, except in the first half of this year when it was overtaken by the newly formed PirSTAN coalition. Babiš's party, however, rebuilt its lead thanks to the return of the migration issue to the public debate and Babiš's image as the most effective Czech politician. Meanwhile, ANO's ability to maintain this support up to the elections may be affected not only by the PM's weak appearances in debates but also by the

international investigation by journalists—the “Pandora Papers”—which have revealed, among other things, that Babiš did not disclose that he owned two villas in France, worth around €15 million euros.

President Zeman will be a Babiš ally in forming the post-elections coalition. He announced that the mission of creating a new government would be entrusted to the leader of the party that obtains the most votes, but not to a coalition. This would give the current prime minister priority in forming a parliamentary majority, even if ANO does not win.

Unification of the Opposition. The main opposition parties formed two electoral coalitions to increase their chances of defeating ANO. A judgment by the Constitutional Court in February established a more favourable election threshold for them of 5% instead of the previous 10%, or 15% for a coalition of 2-3 parties, as well as a method of converting votes into seats. At the same time, the Together and PirStan blocs hope that the limited coalition capabilities of ANO will prevent Babiš from building a parliamentary majority. In turn, these joint parties could form a broad coalition, but entrusting the mission of forming a government to one of its leaders will depend on Zeman.

The pandemic has had a limited impact on the government's public support. Babiš announced success in the fight against

COVID-19 [after the first wave of the pandemic last year](#). However, that abated as Czechia [in the fall](#) of last year moved to the forefront of the EU in terms of cases and deaths from COVID-19. By the end of September this year, about 30,000 people had died from the virus, which is the third worst result per capita in the EU after Hungary and Bulgaria. At the same time, the percentage of fully vaccinated people (around 55%) places Czechia below the EU average. Nevertheless, the government this past summer, when there were fewer infections, managed to rebuild its support. According to a Kantar CZ study from September, half of Czechs have mixed views on the government's fight against the pandemic or have no opinion (14% assess it positively, and 36% negatively).

In addition to health issues, the ANO-ČSSD government is particularly criticised by the main opposition parties as having overly generous budgetary policy. The budget proposal for next year adopted by the government (although over ČSSD's objection) assumes a deficit of around €15 billion. This comes from increases in public sector wages, which has also led to an increase in inflation, which in August reached 4.1%, year on year—the highest since 2008. However, Babiš defends this policy, citing Czechia's stable economic growth and the accompanying lowest unemployment rate in the EU (2.9% in August). According to Eurostat forecasts, growth will come in at 3.2% of GDP, a drop on last year's 5.8%. ANO also aims to gain voter support by freezing politicians' wages.

European and Foreign Policy in the Campaign. ANO was burdened with the proceedings of the European Commission (EC) concerning Babiš and conflicts of interest on the accusation that he used his government function to obtain EU subsidies for his former company Agrofert. In addition, the EC has announced that some funds will be withheld if Czechia does not introduce systemic changes to counteract conflicts of interest. The implementation of the changes are to ensure transparency in spending EU funds and are a condition for the EC's approval of the pandemic recovery plan. Although the first payment from the Recovery and Resilience Facility in the amount of €915 million was paid to Czechia on 28 September, the EC is still reviewing the Czech government's response to the reform demands before the transfer of further tranches.

In the current campaign, climate and ecological issues are also playing a greater role than ever before. This is due in part to public discussion on the "Fit for 55" package of ways to reduce greenhouse gas emissions. Despite its approval by the Czech government, Babiš criticises EU climate policy, which he argues poses a threat to the Czech automotive industry. At the same time, he has emphasised that thanks to his involvement Czechia is the next largest beneficiary after Poland of EU support from the Just Transition Fund for changes in the energy sector. However, the contamination of the Bečva River by one of Agrofert's companies in the fall of last year has

become—thanks to a parliamentary inquiry committee—the main campaign theme in the field of environmental protection. The dispute over the Polish coal mine in Turów has so far played a marginal role in the campaign.

ANO, along with SPD, are citing the Taliban takeover of Afghanistan to again raise the perspective of another migration-management crisis. The summit of the heads of government of the Slavkov Triangle, who met in Lednice in September as convened by the Czech presidency, served to emphasise the need to avoid a repeat of the 2015 case and to coordinate regional policies towards managing migration. The presence and support of Hungarian Prime Minister Viktor Orbán at the ANO election rally in the Ústecký Region, where the Czech PM is running, contributed to strengthening Babiš's anti-immigration message. The decision of 15 October to send 50 police to guard the Hungarian-Serbian border, which both leaders visited together ahead of the elections, served to build credibility for their active policy of preventing migration to the EU.

Conclusions and Perspectives. ANO has rebuilt its lead in the polls, but it is not stable. Moreover, a possible victory will not translate into the efficient creation of a stable government under Babiš due to the strong constraints on a potential coalition resulting from the polarisation of the electorate. With the ČSSD and KSČM weakening and possibly finding themselves outside the Chamber of Deputies, Babiš could gain support from the SPD or the Oath party, whose leader, however, excludes co-governing with the current prime minister. If ANO's potential partners achieve a poor election result, though, Babiš will have to persuade one of the parties from the two opposition blocs to cooperate with him, which would mean tedious negotiations.

The scenario of the creation of a Together–PirStan cabinet would result in a parliamentary majority but depends on the readiness of both blocs to cooperate in removing ANO from power. However, the creation of a joint coalition of five parties in total would require far-reaching compromises on the agenda, including in foreign policy. The entrance of the Pirates to the Chamber would complicate the functioning of the Visegrad Group even more, as they criticise the grouping as having a deteriorating image in the EU. In turn, the formation of a government by the ODS, which emphasises the importance of regional cooperation in its programme, could strengthen the Czech involvement in the V4. Meanwhile, the dispute over the coal mine in Turów has an impact on the functioning of the V4's operation at the level of prime ministers, and not only in Czech-Polish relations. However, while this issue has not played a visible role in the Czech election campaign, it does not indicate that there will be a significant change in the position of the next Czech government on this matter, regardless of its composition.