

European Parties Elections and Referendums Network

ELECTION BRIEFING No 27 EUROPE AND THE CZECH PARLIAMENTARY ELECTIONS OF 2-3 JUNE 2006

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Key points:

- Since the 2002 election all five parliamentary parties had replaced their leaders, some more than once, and a new President had taken office.
- Issues of tax reform and corruption dominated an acrimonious campaign. Unlike in the previous 2002 election, European issues played little role.
- The opposition centre-right Civic Democrats won the election with dramatically increased support.
- The incumbent Social Democrats also polled strongly and gained support.
- Smaller parties such the Communists and Christian Democrats lost ground
- The Czech Greens entered parliament independently for the first time. After the election they allied themselves with the centre-right.
- After the election, left and right were exactly balanced in parliament with no viable majority coalition other than a Grand Coalition.
- Successive negotiations to agree a minority government 'tolerated' by other parties have failed.
- The Civic Democrats downplayed their party's Euroscepticism. Whatever government finally takes office, Czech European policy is unlikely to change radically.

Background

The fall and rise of the Social Democrats

The June 2002 parliamentary election in the Czech Republic was won by the centre-left Social Democrats under Vladimír ?pidla, who formed a coalition with two smaller parties, the Christian Democrats (KDU-ČSL) and the liberal Freedom Union-Democratic

Union (US-DEU).¹ The three parties were united by a shared commitment to rapid integration with the EU, marking them out from the Eurosceptic Communists (KSČM) and the centre-right Civic Democrats (ODS) of former Prime Minister Václav Klaus. However, the Social Democrats quickly encountered difficulties of internal party management and relations with coalition partners, aggravated by the aloof style of Prime Minister ?pidla, who rapidly became unpopular. Freedom Union deputies in particular, were split over Social Democrat spending policies, depriving the coalition of a functioning majority on key issues. The disunity of the Social Democrats and the coalition was thrown into sharp relief in February 2003 when Václav Klaus was elected President by the Czech parliament with the support of Communist deputies and dissident Social Democrats.² By May 2003, Social Democrat support had fallen to 15%, half the party's level of support in June 2002. Although the 2003 EU accession referendum passed off smoothly,³ the Social Democrats performed disastrously in the 2004 Euroelections - coming fifth with 8.78%.⁴ This prompted Vladimír ?pidla to resign as Prime Minister and Social Democrat leader.⁵

As anticipated, ?pidla was succeeded by the 36 year old Interior Minister Stanislav Gross. The change of leadership slightly increased Social Democrat support in opinion polls. However, the party suffered further crushing defeats in the November 2004 regional and Senate elections. In early 2005 Gross's premiership was itself dramatically terminated when he was engulfed by financial scandal. Press reports highlighted a large loan Gross had obtained to buy a flat, whose source was difficult to establish. More damningly, journalists uncovered business links between Gross's wife and the operator of one of Prague's large brothels, which was suspected of laundering the proceeds of organized crime. Gross's initial refusal to admit an error of judgement, incomplete explanations and unwillingness to contemplate stepping down prompted Christian Democrat ministers to offer their resignations from the government. In April 2005 Gross finally resigned as Prime Minister, stepping down as party leader shortly thereafter. In the wake of the Gross affair, the Social Democrats' poll rating fell to 10.5%.

Gross was replaced as Prime Minister by the Minister of Local Development, Jiří Paroubek, a relatively unknown figure whose competence and lack of an internal power base made him an acceptable caretaker to all factions in the party.⁶ Paroubek took a more

¹ For more on the 2002 election, see: Sean Hanley, 'Europe and Czech Parliamentary Elections of June 2002', *Opposing Europe Research Network Election Briefing No* 5 at <u>http://www.sussex.ac.uk/sei/documents/oern20czech.pdf</u>.

² For the background to Klaus's election see: Jan Urban, 'The Making of a President', *East European Perspectives*, 16 April 2003, <u>http://www.rferl.org/reports/eepreport/2003/04/8-160403.asp</u>

³ See: Sean Hanley, 'The Czech EU accession referendum, 13-14 June 2003', *Opposing Europe Research Network Referendum Briefing No 6* at <u>http://www.sussex.ac.uk/sei/documents/oernbczechref.pdf</u>.

⁴ For more on the 2004 EP election in the Czech Republic, see: Marketa Rulikova, 'The European Parliament Election in the Czech Republic, June 11-12 2004,' *European Parties Elections and Referendums Network* 2004 European Parliament Election Briefing No 9 at http://www.sussex.ac.uk/sei/documents/epernep2004czechrep.pdf.

⁵ He was later nominated as the Czech Republic's European Commissioner receiving the Employment, Social Affairs and Equal Opportunities portfolio.

⁶ An enterprise director and member of the satellite Czechoslovak Socialist Party (ČSS - 1970-1986) under communism, Paroubek joined the revived Social Democrats in December 1989 when they was a minor

confrontational stance towards the opposition Civic Democrats and President Klaus, and co-operated more freely with the Communists in parliament to pass legislation opposed by the Social Democrats' two more right-wing coalition partners. Under Paroubek's leadership voter perceptions of the Social Democrats'effectiveness and credibility recovered. The Social Democrats' poll ratings gradually increased and Paroubek personally established himself as a credible leader. He was formally elected Social Democrat Chairman at an extraordinary party congress on 13 May 2006.

The Civic Democrats: 'a blitzkrieg of reform'

In December 2002 Václav Klaus stepped down as leader of the Civic Democratic Party to stand as President. His unexpected successor was Senator Miroslav Topolánek, a politician, whose narrow mandate, regional background and unpolished style led many to see him as a weak transitional leader. However, the Civic Democrats' success in the 2004 European, regional and local elections and the party's large poll ratings shored up his leadership. Under Topolánek the Civic Democrats' team of shadow ministers formulated a detailed policy package, the 'Blue Chance' programme, whose centrepiece was a proposed 15% flat tax combined with a form of basic income which was to replace most existing welfare benefits. For much of the 2002-6 parliamentary term, a clear right-wing victory in 2006 seemed certain. Civic Democrat leaders spoke of implementing a 'blitzkrieg' of economic and social reforms in coalition with the Christian Democrats. Topolánek set an ambitious target of 35-36% of the vote and stressed that the Civic Democrats would only enter government as part of a majority coalition, ruling out any resumption of the power-sharing agreements with the Social Democrats that had characterised the late 1990s.

The Christian Democrats

After the 2002 election, the Christian Democrats abandoned their previous alliances with liberal groups, the Quad-Coalition (4K) and the subsequent 'Coalition' grouping). Nevertheless, under the leadership of Foreign Minister Cyril Svoboda, the Christian Democrats remained among the most energetically pro-European parties in Czech politics. However, for many Christian Democrats the success of the 2003 EU accession referendum undermined the rationale for further co-operation with the Social Democrats. Moreover, Svoboda's focus on European affairs at the expense of more traditional Christian Democrat concerns with social and regional policy weakened his position as party leader. In November 2003 he failed to win re-election at his party's congress and was replaced by Miroslav Kalousek, a pragmatic politician more acceptable to conservative and right-wing groupings in the party. Although Svoboda retained his post as Foreign Minister, Kalousek began to distance his party from the Social Democrats, making clear his interest in working with the Civic Democrats in the future.

party led by elderly former émigrés, rising to become General Secretary. In 1993 he stood unsuccessfully for the party leadership. Displaced from the party executive in 1996, he re-established himself in Prague municipal politics, serving as deputy mayor responsible for finance in 1998-2002 in a grand coalition between the Civic and Social Democrats. He was appointed a minister in August 2004.

The liberal centre

The smallest coalition party, the liberal Freedom Union?Democratic Union (US-DEU) was in a state of permanent crisis almost from its entry into the Social Democrat-led coalition in July 2002. Despite its pro-Europeanism, many of its members and supporters found it difficult to support the fiscal and social policies of the Social Democrat-led government. The Union's opinion poll ratings thus fell precipitately to 1-2% and its social support and (limited) grassroots organization quickly eroded. The party's decline was confirmed by its failure ? in alliance with other liberal groups ? to gain a single MEP in June 2004 European Elections. The Freedom Union-Democratic Union approached the 2006 election with no clear strategy beyond an expectation of allying with other small liberal groups. When the chimera of such a 'European Liberal Party' proved illusory, the party decided to contest the elections alone, promising an election campaign based on the 'usual elements'. However, its chances of re-entering parliament were almost universally written off.

A more credible contender for the pro-European liberal centrist vote was the Association of Independent Lists?European Democrats (SNK-ED) headed by the former Civic Democrat mayor of Prague Jan Kasl and former Foreign Minister Josef Zieleniec. This grouping proved successful in the 2004 Euro elections, polling 11% of the vote and, despite tension between the Prague-based European Democrats and the regionally-based Independent Lists, the two groupings formally merged in January 2006. Polls suggested that the merged party enjoyed the support of up to 3% of voters.

The Communists

For much of the 2002?2006 parliamentary term, the hardline Communists seemed well placed to consolidate the significant gains they made in the 2002 parliamentary election and June 2004 Euro-elections, continuing a gradual increase in influence, which had begun to erode the party's pariah status. The crisis of the Gross premiership in 2005 even appeared to offer opportunities to displace the Social Democrats as the largest party of the Czech left. However, despite expectations of some degree of political opening to capitalise on this trend, the party's Sixth Congress in May 2004 confirmed its hardline 'neo-communist' stance, overwhelmingly re-electing long serving leader Miroslav Grebeníček and further marginalizing the party's small modernizing faction. In October 2005, however, Grebeníček unexpectedly resigned his post, apparently in frustration at challenges over policy and strategy in the party executive. His replacement, Vojtěch Filip, was a more avuncular and tactically flexible politician. However, Filip's background, views and statements as leader suggested that no fundamental realignment of the party was going to take place.

The emergence of the Greens

Although represented in the Czech parliament by three deputies elected on the Liberal Social Union (LSU) ticket in 1992-6, the Czech Greens had never won parliamentary representation independently. For much of 1990s the party was a moribund extra-

parliamentary grouping with a mix of ill-defined centrist and populist policies that paid lip service to ecological concerns. However, in 2002 activists from Czech environmental movements and NGOs entered and took control of the party, shifting its programme to a recognisably ecological and libertarian agenda. In the 2002 election, the party failed to enter parliament but polled sufficient votes to gain low levels of state funding. It increased its vote share slightly in the June 2004 Euro-elections and had a Senator elected in November 2004. After a period of in-fighting, in September 2005 the Greens elected Martin Bursík, an experienced nationally known politician with strong ecological credentials, as leader. Under Bursík, the Greens: abandoned the party's earlier strategy of seeking alliances with small liberal groups; adopted more conventional techniques of party management and campaigning;dropped ideological commitments to a radical vision of 'ecological democracy'; and started to emphasize liberal themes such equal opportunities, civil society and minority protection, as well as environmental issues.

The campaign

A 'Blue Chance'?

The centrepiece of the Civic Democrats' election programme and campaign were the flat tax and benefit proposals developed in the 'Blue Chance' programme. The Civic Democrats argued that the measures would spur economic growth and reduce unemployment by lowing the tax burden, improving tax collection; eliminating bureaucracy; and creating incentives for the unemployed to enter work. Both the structure of the proposals and their presentation in the campaign themselves were designed to allay public concerns that the reforms would benefit only small groups of high earners The party's election posters depicted a range of ordinary people and families, stressing how much they would gain financially. The Civic Democrats' programme also included mildly interventionist 'Blairite' proposals to support families with children achieve and promote work-life balance. The party's campaign also targeted the self-employed, promising them reduced regulation and tax breaks. The Social Democrats, the party claimed, had favoured large foreign owned firms at the expense of Czech small business.

However, as the Civic Democrats' commanding opinion poll lead eroded in late 2005 the party began an aggressively anti-communist advertising campaign warning of a tacit alliance between the Social Democrats and the Communists. Slickly made Civic Democrat campaign commercials shown in Czech cinemas parodied the Indiana Jones films, showing a Harrison Ford figure finding his way out of a shadowy cave of Communist-Socialist 'horrors' by following the blue arrows used by the party as its election logo.

The Social Democrats: 'Security and Prosperity'

The Social Democrats fought an essentially defensive campaign. Jiří Paroubek declared that his goal was to win at least the 30% support the Social Democrats had gained in 2002. The party's campaign strategy, neatly summed up in its election slogan 'Security and Prosperity' (*Jistota a prosperita*), appealed to voters' economic self-interest,

moderation and fear of change. The Social Democrat election programme contained few eye-catching or radical proposals, essentially promising a continuation of the government's policies of: cautious economic modernization, selective interventionism and the gradual reform of the welfare state and public sector.⁷

In the campaign, Paroubek stressed that his party stood at the centre of Czech politics between the economically damaging extremes represented by the Communists on one hand and the Civic Democrats on the other. Communist promises for high social spending, he claimed, would led to economic crisis, while the Civic Democrats' free market policies would generate short-term efficiency gains rapidly offset by the 'erosion of values' and the development of a 'selfish society' wracked by social divisions. The Social Democrats used negative advertising, some mimicking the Civic Democrats' election campaign colours and logo, to reinforce its message that the latter's flat tax plans were an experiment, which would make the Czech Republic 'a laboratory with ten million guinea pigs' and have devastating social consequences for ordinary people.

The Social Democrat campaign also focused on the perceived weaknesses of the Civic Democrat leader, Miroslav Topolánek. In a characteristically pugnacious gesture, Paroubek responded to Topolánek's refusal's to meet him in a head-to-head TV debate by sending a mock challenge to a duel to the Civic Democrats' headquarters delivered in a horse drawn coach. Topolánek then accepted the 'challenge', agreeing to four head-to-head televised debates.

This 'centrist' image of the Social Democrats was also stressed in Paroubek's assurances that there would be no post-election co-operation between his party and the Communists both because of their unrealistic social spending demands and their 'moral unacceptability'. The commitment was underlined by the passing of a resolution at the Social Democrats' Extraordinary Party Congress in May re-affirming their policy of ruling out entering any national coalition with the Communists. However, Paroubek argued, the experimental nature of right-wing flat tax and welfare proposals made the Civic Democrats a greater threat to prosperity and social cohesion than the Communists.

Kompromat Czech-style?

Towards the end of the campaign, the two major parties began to trade increasingly hyperbolic accusations of corruption and criminality. In their first TV encounter Topolánek made remarks which seemed to accuse the Social Democrats, and perhaps Paroubek himself, of links with organized crime. Shortly after the broadcast Paroubek responded by issuing a writ for slander, a tactic often used by Czech politicians against political opponents and media critics, but rarely resulting in a conviction.

On 26 May extracts of police surveillance recordings of conversations between Topolánek and an aide were leaked to the Czech media. The recordings had been made

⁷ Recent examples included the healthcare reforms removing large hospitals from the control of regional authorities (dominated by the centre-right) - leaving the regions to run smaller, local hospitals, which would be forced to charge patients for some services due to cuts in payments from health insurance funds.

during investigations into allegations that the Civic Democrats had attempted to bride a Freedom Union deputy in 2004 into defecting from the governing coalition, which was later dropped due to lack of evidence. The leaked recordings contained little new information. However, the timing of their release suggested an attempt to influence the election campaign. The Social Democrats denied any connection with the leak.

Further accusations of corruption were aired in testimony to a parliamentary committee by the director of the Czech police's Organized Crime Detection Unit, Jan Kubice. Kubice claimed that organized crime had penetrated Czech public administration and accused the Ministry of the Interior's Inspectorate of interfering in police investigations at the behest of senior government members including the Prime Minister and Interior Minister.⁸

The accusations provoked a furious reaction from Prime Minister Paroubek, who accused the Civic Democrats of 'political gangsterism' and 'putschist inclinations' by using sympathetic elements in the police to blacken political opponents. Topolánek responded with a similarly intemperate declaration, claiming that the Social Democrat-led government had become enmeshed with organized crime. The Czech Republic, he claimed, was facing the gravest threat to its democracy and security since November 1989.

The Christian Democrats - 'A Quiet Force'

The Christian Democrats again presented themselves as the 'Quiet Force' of Czech politics, a centrist 'Voice for Reason' standing between 'socialism' and the Blue Chance programme of the right. The party echoed the Civic Democrat argument that a vote for the Social Democrats was in effect a vote for the Communists because an unstated understanding that the two parties of the left would co-operate , but also criticised the 'selfish neo-liberalism' of Civic Democrats and opposed flat taxation. The Christian Democrat programme focused on tax concessions and enhanced benefits for families with children. However, despite the 'social' emphasis of its campaign, the party also proposed some market-oriented reforms such as a shift towards private and occupational pensions (including compulsory saving), a unified VAT rate (18%); phased reductions in corporation taxes; charges for prescriptions and visits to family doctors; and, uniquely among the five major Czech parties, the full deregulation of rents (with social compensation).

The Communists ? 'Different Solutions'

The Communist party's election campaign stressed traditional themes of: fighting social inequality, expanding welfare and public services and defending the Czech Republic against US and German influence. As in previous elections, the Communist campaign

⁸ The accusations centred on three cases where tendering processes for licenses or privatization projects were allegedly rigged in exchange for kickbacks. All the cases were linked to Franti?ek Mrázek, a businessman with connections in both politics and the underworld, recently murdered in a suspected contract killing.

relied heavily on meetings and other forms of traditional mobilization. In 2006, however, it did make use of a professionally commissioned campaign of billboard advertising, which targeted young and middle aged voters by raising issues of housing costs, unemployment and the cost of studying at university.

'Time to Vote Green'?

From February 2006, the Green Party's opinion poll ratings jumped from 2-4% to 5-10%. The Greens were thus able to mount an effective national advertising campaign by borrowing against future state funding. The campaign emphasized the party's freshness and stressed that its growing support meant that it was no longer represented a 'wasted vote'. The Green programme opposed nuclear power, coal heating and proposed university tuition fees. It also advocated: varying rates of VAT by environmental impact; increased spending on culture; the lowering of the voting age to 16; and direct election of the President. However, the Greens also favoured some market-oriented policies such as charging for prescriptions and the 'hotel' element of hospital care. Green leader Bursík stated that, while closest to Social Democracy, the Greens could work with any party other than the Communists, although they would not enter any minority government dependent on Communist parliamentary support.

Late in the campaign factional tensions erupted in the party. In mid-May, 17 Green members signed an open letter criticizing poor elite-grassroots communication and opaque finances in the party. Other discontented Greens formed a left-wing faction, criticizing the party's ecological taxation proposals as socially insensitive. The faction argued that the Social Democrats and 'other left-wing parties and forces, especially trade unions, were the Greens' natural allies, and its leading representative, Eva Holubová, successfully requested a meeting with Prime Minister Paroubek. Green leaders claimed that the faction was a ploy engineered by the Social Democrats through sympathetic journalists. Faction supporters were removed from Green electoral lists and later expelled from the party.

The liberal centre - 'legal to be a loser'

In April, the Freedom Union launched an 'anarchist' campaign re-branding itself with a purple and white pentangle logo and a range of cryptic English language slogans with libertarian messages such as 'It's legal to live', 'It's legal to be different' and (more appropriately) 'It's legal to be a loser'. However, polling suggested that few Czech voters were aware of the campaign and that it made no impact on the younger voters targeted. The party's election programme was a more conventional, if brief, document promising tax cuts, de-regulation and greater e-government; as well as socially liberal reforms such as the legalization of euthanasia and soft drugs.

The Association of Independent Lists ? European Democrats had a more substantive programme, whose European sections clearly reflected its foreign policy and European Parliament experience. However, the party was handicapped both by limited resources ? partly stemming from unresolved legal dispute over state funding - and the loss of

political momentum since the 2004 European elections Its campaign thus made little impact on public consciousness and received little media coverage.

The (non-) issue of Europe

Party political disagreements over the EU played an important role in both the 2002 election and 2003 EU accession referendum campaign. While the Civic Democrats and Communists offered contrasting pro-market and anti-capitalist Eurosceptic positions, the governing Social Democrats, Christian Democrats and Freedom Union strongly favoured integration. The prospect of a Czech referendum on the EU constitutional treaty in 2006 suggested that these conflicts would continue to be prominent election themes. However, the successful completion of Czech EU accession in 2004 and postponement of a Czech referendum as part of the EU's 'pause for reflection' following French and Dutch referendum votes against the treaty in May and June 2005, effectively rendered Europe a non-issue in this campaign. The most prominent 'European' issue raised was the question of abolishing entry visa requirements for Czechs to the US, Canada and Australia, which Christian Democrat Foreign Minister Cyril Svoboda publicly and energetically lobbied for.

With the exception of the Civic Democrats, all parties' election programmes briefly addressed European issues. The Social Democrat programme discussed the EU at length, arguing that accession had realised the ideals of Czechoslovakia's founder Tomá? Masaryk, bringing security and economic growth at minimal social cost. The party endorsed all aspects of integration, advocating a new process to adopt an EU Constitution; a Scandinavian-style European social model linked to the Lisbon Agenda; a strengthened role for national parliaments and the European Parliament; the further development of CFSP; and the adoption of the EU in 2009. The Christian Democrats and Greens also broadly endorsed current integration patterns. The Greens favoured CAP reform and a new EU constitutional process based on popular consultation, culminating in simultaneous EU-wide referendums. The Christian Democrats too regarded integration as a 'shared project', but stressed the need for clear Czech strategies to obtain and use structural funds and to locate the headquarters of new EU agencies in the Czech Republic.

The Civic Democrats chose not to emphasize its views on the EU in the election campaign after private polling, showed the party's 'Euro-realism' was off-putting to some potential right-wing voters. However, its 'Blue Chance' programme of December 2004, while welcoming enhanced post-accession Czech influence in the EU and full participation in the Single Market, saw EU policies as a patchwork in urgent need of liberalizing reform. The party argued against the adoption of the EU constitutional treaty ? seen as serving tool for larger countries' interests because of new voting mechanisms and extensions of QMV ? and welcomed the halting of the ratification process as an opportunity for re-thinking. The 'Blue Chance' programme favoured a multi-speed Europe with different groupings of states voluntarily integrating in different areas. The

Civic Democrats also stressed the need for Czechs to focus on building coalitions with like-minded EU states to seek a more market-oriented, less federal Union.

President Klaus continued to develop his Eurosceptic ideas both before and during the election campaign. In 2005 he called for the transformation of the EU into a loose-knit Organization of European States and condemned 'Europe-ism' as new 'meta-ideology' threatening free markets, individual freedom and nation states. However, although Prime Minister Paroubek and President Klaus clashed over the appropriate extent of presidential foreign policy pronouncements, in 2006 Klaus's ongoing reflections were not widely interpreted as interventions in the election campaign.

The Communists' programme mainly stressed broad international security issues. As regards the EU, it repeated earlier formulas about resisting bureaucratization, preventing Sudeten German interference in Czech affairs, and ensuring equal status for large and small EU members. All major parties supported the removal of transitional restrictions on CEE citizens in the old EU15 and further EU enlargement, although the Christian Democrats opposed Turkish entry because of Turkey's non-European culture.

Results

| | 2006 | | | 2002 | | |
|--------------------------------------|-----------|-------|-----------|-----------|-------|--------|
| | No. of | % of | No. of | No. of | % of | No. of |
| | votes | vote | seats/200 | votes | vote | seats |
| | | | | | | /200 |
| Civic Democratic Party (ODS) | 1 892 475 | 35.38 | 81 | 1 166 464 | 24.47 | 58 |
| Czech Social Democratic Party (ČSSD) | 1 728 827 | 32.32 | 74 | 1 439 797 | 30.20 | 70 |
| Communist Party of Bohemia and | 685 328 | 12.81 | 26 | 882 477 | 18.51 | 41 |
| Moravia (KSČM) | | | | | | |
| 'Coalition'* | n/a | n/a | n/a | 680 420 | 14.27 | n/a |
| | | | | | | |
| Christian Democratic Union- | 386 706 | 7.22 | 13 | n/a | | 21 |
| Czechoslovak People's Party | | | | | | |
| (KDU-ČSL) | | | | | | |
| | | | | | | |
| Freedom Union-Democratic Union | 16 457 | 0.03 | 0 | n/a | | 10** |
| (US-DEU) | | | | | | |
| | | | | | | |
| Green Party (SZ) | 336 487 | 6.29 | 6 | 112 929 | 2.36 | 0 |
| Association of Independent Lists - | 111 724 | 2.08 | 0 | 132 699 | 2.78 | 0 |
| European Democrats (SNK-ED)*** | | | | | | |

Table 1: Results of Czech parliamentary elections 2006

Source <u>www.volby.cz</u>

Turnout 64.47%

* Joint list of KDU-ČSL, US-DEU and some independents.

**Includes two independents who later joined US-DEU parliamentary group.

** Figures for 2002 for Association of Independent Lists (SNK).

As Table 1 shows, the elections were won by the Civic Democrats with a vote of 35.38%, the highest level of support for the party in its history. However, this fell far short of the 101 seats required for an absolute majority. The Social Democrats also polled very strongly, receiving 32.22%, an increase in votes compared to 2002 and also the highest share of the vote in its history.⁹ The two main parties jointly commanded a higher share of votes and seats than at any time since 1990 - a degree of bi-polarization many observers link to their aggressive campaigning against each other and media coverage of the election as a 'presidential' clash between Paroubek and Topolánek. Subsequent analysis of polling data suggests that although campaign and campaign events made little impact on voting intentions, while higher than expected turnout benefited the Social Democrats (and to a lesser extent the Greens) at the expense of the Civic Democrats, Communists and Christian Democrats.

Smaller parties performed poorly. The Communists' share fell by more than 5%, the first decline in its support since 1996, and the party lost some 200,000 votes. Although their loss of support was not as marked, the Christian Democrats polled their lowest share of the vote since 1990 and in absolute terms received the lowest number of votes in any parliamentary election since the fall of communism. Both the Communists and Christian Democrats saw their parliamentary representation approximately halved. The Greens narrowly exceeded the 5% threshold for parliamentary representation. The Association of Independent Lists ? European Democrats polled 2.08% and failed to cross the 5% threshold of votes required to enter parliament. All other lists polled less than 1%.

The relatively small size of the electoral districts and the use of the d'Hondt method for seat allocation also favoured larger parties at the expense of smaller parties, disproportionately the Greens and the Christian Democrats. The Greens were particularly affected, failing to gain representation in several districts by only a few hundred votes, including Liberec, where they received their highest vote (9.6%). The Czech press also reported that the random allocation of 6674 expatriate votes to the South Bohemia district had an important impact. A large majority of these votes (50.17%) were cast for the Civic Democrats, reportedly gaining the party an additional deputy at the expense Social Democrats, thus preventing the latter and the Communists gaining the 101 seats needed to sustain a minority Social Democratic administration.

As Table 2 shows, exit polling confirmed the well-established socio-demographics of Czech party support. Younger, better educated urban voters inclined disproportionately towards the Civic Democrats, while left-wing parties had greater support among older, the less well educated voter and residents of small towns and rural areas.

This trend was particularly marked for the Communists, whose electorate is very heavily concentrated among older voters. Consistent with pre-election polling showing Green support as coming from younger voters with pro-market views, who identified themselves with the centre (60%) or the centre-right. (42, the Green electorate emerges as young, well educated and urban with peaks of support amongst students and among non-

⁹ The Social Democrats' absolute vote was higher in 1998, when turnout was higher.

Christian believers suggesting an appeal to voters with non-material values and less conventional lifestyles.

| Party | Civic Democrats (ODS) | Soc Democrats ČSSD | Communist(KSČM) | Christian Democrat (KDU- ČSL) | Green (SZ) |
|-------------------------|-----------------------------|--------------------------|-----------------|--|---------------|
| By gender | | | · | | |
| Men | 35.0 | 32.8 | 14.0 | 6.4 | 6.0 |
| Women | 35.5 | 31.9 | 11.7 | 8.0 | 6.5 |
| By age | | | · | | |
| First time voters | 38.4 | 22.6 | 7.1 | 16.2 | 5.0 |
| Age 18-29 | 39 | 35 | 6 | 6 | 12 |
| Age 30-44 | 42 | 39 | 8 | 7 | 7 |
| Age 45 -59 | 33 | 31 | 16 | 7 | 4 |
| Age 60 or over | 24 | 24 | 23 | 9 | 2 |
| By place of residence | | | | | • |
| Urban | 40.2 | 31.9 | 11.7 | 5.4 | 7.3 |
| Rural | 31.5 | 32.5 | 15.1 | 10.4 | 4.7 |
| By education | | | | | • |
| Primary | 22 | 35 | 25 | 8 | 5 |
| Vocational | 27 | 39 | 17 | 7 | 4 |
| High School Diploma | 39 | 31 | 10 | 6 | 7 |
| (maturita) | | | | | |
| Higher | 45 | 24 | 8 | 9 | 8 |
| By economic activity | | | | | |
| Employee | 33.0 | 35.0 | 11.0 | 8.0 | 7.0 |
| Businessperson | 65.0 | 13.0 | 6.0 | 6.0 | 6.0 |
| Students | 42.3 | 23.9 | 3.8 | 6.6 | 17.5 |
| Pensioners | 24.8 | 38.3 | 23.0 | 8.3 | 2.6 |
| Unemployed | 27 | 35 | 21 | 5 | 7 |
| By religious belief | | | | | |
| Catholics | 26 | 34 | 11 | 17 | 5 |
| Other Christians | 36 | 31 | 11 | 9 | 7 |
| Non-Christian religions | 38 | 20 | 7 | 6 | 21 |
| No religion | 39 | 32 | 14 | 2 | 7 |

Source: SC&C Exit Poll 2006 as reported at <u>http://www.ceskatelevize.cz/</u>, <u>http://www.scac.cz/</u> and *Lidové noviny*, 5 June 2006, election supplement.

Figures weighed and recalculated on the basis of election result and rounded up to nearest whole number for some categories.

As Figure 1 shows, in regional terms, the election saw contrasting results in the country's two principal historic lands, Bohemia and Moravia. The Civic Democrats emerged as the largest party in all electoral districts in Bohemia (in the Western part of the country),

losing (narrowly) only in Ústí nad Lábem. By contrast, the Social Democrats won in all five electoral districts in Moravia. However, more detailed breakdowns showed a more familiar pattern of socio-economic divisions overlaid by pockets of traditional support for 'historic' parties, rather than a resurgence of regionalism. Christian Democrats polled strongly in rural Catholic regions in South Moravia and East Bohemia, as did the Communists in deprived former Sudeten German regions in Bohemia and South Moravia. Civic Democrat support was higher in prosperous regions, urban centres (such as Prague, Brno and Zlín), and areas where competition from the Christian Democrats was weaker. The Green vote was relatively evenly spread, but significantly higher in Prague and in Liberec where the party has traditionally been well organized at local level.





Source: <u>www.aktualne.cz</u>

Post-election developments

The election results produced political deadlock. Given the Communists' unacceptability to all other parties as a coalition partner, the only viable majority government was a Grand Coalition of Civic and Social Democrats, possibly joined by other parties. The widely predicted outcome of a coalition comprising the Civic Democrats, Christian Democrats and Greens fell one short of a majority commanding only 100 seats. Similarly, a minority Social Democrat administration supported by the Communists could also only command 100 parliamentary votes.

Initial post-election developments continued the acrimony of the campaign. In an emotional post-election speech, Paroubek refused to concede the Civic Democrats' victory. Accusing the party of 'unprecedented manipulation', he stated that he would appeal to the Supreme Administrative Court to annul the election result on the grounds that the Civic Democrats had violated provisions in the election law by spreading false information about candidates. Czech democracy, Paroubek claimed, had suffered a blow

comparable only with February 1948 (the date of the Communist takeover), with the only difference being 'that now it is blue totalitarianism that is threatened'. However, when commentators, lawyers, President Klaus and even leaders of Social Democrat regional organizations questioned Paroubek's rhetoric and argument, the Prime Minister quickly backtracked,¹⁰ accepted his party's move to opposition and later apologised for the outburst.

Politicians then moved to more substantive negotiations. Both the Civic Democrat and Social Democrat leaders rejected the option of a Grand Coalition as unworkable and redolent of the discredited Opposition Agreement pact of 1998-2002. Instead, the Social Democrats advocated a non-political administration of technocrats supported by both major parties with a limited (two-year) mandate. However, this was rejected by the Civic Democrats, who entered coalition negotiations with the Greens and Christian Democrats after President Klaus formally requested Topolánek to attempt to form a government. A minority Green/centre-right coalition controlling 100 of the 200 seats in the lower house was formally agreed on 26 June 2006. Its draft programme stressed tax and fiscal reform, including a flat rate income tax and simplified VAT banding with variations for essential good and products with ecological impacts.

It was widely expected that the Social Democrats and Green/centre-right coalition would negotiate an agreement enabling the 'toleration' of the minority administration in exchange for political concessions to the Social Democrats. However, despite a range of concessions, including at one point an invitation from Topolánek to the Social Democrats to join the coalition, several weeks of negotiation failed to produce agreement on even preliminary issues such as the election of a parliamentary Speaker. Two apparent major stumbling blocks were the Social Democrats' insistence on a 'semi-political' administration including both technocrats and party politicians and a wish to reach agreement with the Civic Democrats, rather than with the coalition as a whole. The political agenda then shifted towards the possibility of agreeing a single party minority Civic Democrat government, which would hold power for 1-2 years before early parliamentary elections. This would allow for (unspecified) electoral reform, the completion of the Czech Presidency of the EU in 2009, and agreement over how to dissolve the lower house before the end of its full term; which is complex in the Czech political system and could entail passing a special constitutional law requiring an enhanced majority. Despite speculation over a Civic Democrat government with 'rainbow' support from all non-communist parties, the Civic Democrat-Social Democrat dynamic quickly came to dominate the negotiations prompting the Greens to terminate the three-party coalition agreement. After a further period of deadlock, President Klaus successfully brokered an agreement to elect a Social Democrat as parliamentary speaker enabling the lower house to session and formally asked Topolánek to form a government. However, subsequent Civic Democrat-Social Democrat talks over a possible minority Civic Democrat government broke down without agreement, reportedly because of Social Democrat objections to certain ministerial candidates and demands concerning appointments in the police and other public bodies.

¹⁰ Lawyers noted that only the legality of individual candidates' elections could be legally challenged, not the overall conduct of elections.

In an unexpected development, the Social Democrats then entered talks with the Christian Democrats regarding a minority coalition government, which would take office with the tacit support of the Communists. Paroubek and Christian Democrat leader Kalousek quickly reached an outline agreement, which made important policy concessions to the Christian Democrats and the Catholic Church. However, when news of the agreement emerged, regional Christian Democrat leaders angrily rejected their party's *volte face* over co-operation with the Communists, forcing Kalousek's overnight resignation. Despite the absence of political agreement, Topolánek announced that he intended to press ahead with the plan to form a temporary Civic Democrat minority government with a third of the portfolios held by independent technocrats. Topolánek's government was thus appointed to office by President Klaus on 4 September. Topolánek announced that he would use the full 30 day interval allowed by the Czech Constitution before seeking the required vote of confidence. The vote is likely to take place on 4 October 2006.

Conclusions

The nature of Czech political deadlock

The situation produced by the 2006 election continues a pattern political deadlock characteristic of Czech politics since 1996, which has seen a succession of minority or weak majority governments sustained by unstable left-right co-operation. The current impasse is, nevertheless, unprecedented, making both long-term and short-term Czech political developments highly uncertain. If, as seems likely, the Topolánek government fails to win a parliamentary vote of confidence in October, two further parliamentary attempts at government formation can take place before the automatic dissolution of the lower house. In this case, the President would again designate a prospective Prime Minister. On the third attempt, however, this right passes to the Speaker of the lower house (currently a Social Democrat). However, there is no constitutionally prescribed period within which the President must choose a second Prime Minister designate. This raises the possibility that the Topolánek government might continue in office on a longterm caretaker basis despite having lost a vote of confidence. A further source of uncertainty are forthcoming Senate elections (21-22 October and 28-29 October), which may affect the passage of future electoral and constitutional reforms. Local elections are also scheduled for 21-22 October.

In the longer term, the election result raises the question of the two largest parties collaborating to reform the (constitutionally entrenched) system of proportional representation. However, political scientists and politicians, especially on the right, are divided as to whether the lesson of the 2006 election is that the Czech electoral system needs to be more proportional or more majoritarian.¹¹ The currently tense relationship between the two main parties and the legal and constitutional difficulties encountered

¹¹ Moreover, some argued, lack of proportionally favoured the left. In 2006 Social Democrats and Communists gained 50% of the seats with fewer votes than the Green/right-wing coalition (45.1% to 49%). The right thus loses out because of its dependence on small under-represented parties.

during their previous joint attempt to change the electoral system in 1999-2000 suggest that reform would be less than straightforward.

A Pyrrhic victory for the Civic Democrats

Despite their record share of the vote, for the Civic Democrats the election outcome represents at best a Pyrrhic victory and at worst a political defeat. The party's current attempts to form a temporary minority government with non-party technocrats contrast with its confident expectations in 2004-5 of leading a strong pro-reform coalition government. The unravelling of the party's position reflects a number of factors.

Independent polling experts agreed that the Civic Democrats' campaign was disorganized and poorly timed. It had only started to communicate the benefits of its planned tax reforms in early March, four months after its campaign launch. The party's decision to hire small Czech advertising and polling firms was also critically contrasted with the Social Democrats' use of an internationally established consultancy to co-ordinate strategy, polling and campaigning. At a more fundamental level, the result suggests that the large, but limited, Czech right-wing electorate cannot generate a centre-right majority government. In this respect the Civic Democrats' failure once again to win over the 4-5% electorate of well educated, urban voters with both pro-market views and quality of life concerns ? who gravitated to the Greens in 2006 - seems a key challenge. Having defeated the left and met his optimistic vote forecast, Topolánek's position as leader initially seemed secure. However, post-election developments have weakened him. The collapse of the Green/centre-right alliance and gradual acceptance of the project of an Civic Democrat/technocrat administration ? a scenario close to Social Democrats' initial negotiating position - have infuriated some Civic Democrats, seeking a more consistently confrontational stance towards the left.

The real winners of the election may be the Social Democrats, who built on their recovery under Paroubek in 2005 to mount a highly effective negative campaign. The party successfully called into question the Civic Democrats' role as a force for change, raising doubts about flat taxation, which Topolánek's party failed to counter effectively. The Social Democrat campaign also succeeded in moving public debate away from socio-economic issues highlighted by the Civic Democrats to the less clear cut issues of corruption and personal integrity, where neither party had a distinct advantage. Paroubek's intransigent negotiating style in the post-election period also seems to have proved effective: splitting the Green/centre-right coalition, gaining his party the constitutionally important position of parliamentary Speaker, and even (briefly)coming close to securing a return to office.

However, although Paroubek's position is secure, in the longer term the Social Democrats too face strategic dilemmas. Despite the large left-wing electorate, majority centre-left coalitions have also proved elusive due to the impossibility of allying with the Communists. The Social Democrats thus need to both to make further inroads into the sizeable Communist electorate, whilst finding routes to pragmatic co-operation with the

Communists, which will not preclude making alliances on the centre or liberal-left. In this respect, Paroubek's alienation of the Greens may prove costly.

Other parties ? out with the old??

The election results were a significant blow for both the Communists and the Christian Democrats. The emergence of the Greens challenged the Christian Democrats' role as the main pivotal party in Czech politics, able to work with both centre-left and centre-right. Communist losses have also significantly reduced the party's political leverage, as on its own it can no longer provide the Social Democrats with enough parliamentary support to win key votes. The election results thus seem likely to re-open conflicts between modernizers and conservatives in both parties, which face similar strategic problems of reaching beyond small loyal core electorates to uncommitted voters or risking a slow decline into marginality. These issues are particularly acute for the Communists given the age profile of their supporters, although given the displacement of Kalousek, likely to be played out more quickly and openly in the Christian Democrats.

?. and in with the new?

Prospects for the Greens seem brighter. The party survived splits and a bruising campaign to become the first extra-parliamentary party to enter the Czech parliament since 1992. The Greens benefited from a newly effective leadership and strategy; the weakness of the liberal centre; the poor ecological record of the Social Democratic governments since 1998; and public disenchantment with established parties. Recent debate on the new Civic Partnership law and debates over the violent dispersal by police of illegal raves in 2005, also suggest the growing politicisation of 'lifestyle' questions at the expense of socio-economic issues. Some have speculated that as one of the more prosperous and secular societies in East-Central Europe the Czech Republic may be seeing the rise of 'post-materialist' electorate. However, the small size of the Czech Greens' vote and the party's eco-liberal rather left-libertarian profile suggest that, if it exists, such a trend is still embryonic.

Europe and the Czechs

Despite the electoral gains of the Eurosceptic Civic Democrats, Czech European policy is unlikely to undergo significant change in any governmental permutation emerging from the current political imbroglio. Under Topolánek's leadership, the Civic Democrats downplayed their ideological Euroscepticism as of limited relevance to domestic politics and a factor complicating relations with potential coalition partners such as the pro-European Greens and Christian Democrats. These considerations have been carried over into the current untested minority Topolánek government, where - as in the projected Green/centre-right coalition - the Foreign Affairs portfolio has been taken by the former diplomat Alexandr Vondra, rather than Jan Zahradil, the party's long-serving and highly Eurosceptic foreign affairs spokesperson. This is the latest in a series of election and referendum briefings produced by the European Parties Elections and Referendums Network (EPERN). Based in the Sussex European Institute, EPERN is an international network of scholars that was originally established as the Opposing Europe Research Network (OERN) in June 2000 to chart the divisions over Europe that exist within party systems. In August 2003 it was re-launched as EPERN to reflect a widening of its objectives to consider the broader impact of the European issue on the domestic politics of EU member and candidate states. The Network retains an independent stance on the issues under consideration. For more information and copies of all our publications visit our website at http://www.sussex.ac.uk/sei/1-4-2.html.