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Policy Brief on the Upcoming Czech Parliamentary
Elections 2021. Possible Scenarios and the Effects
of the COVID-19 Pandemic on the Results of the Election

Cseh belpolitikai körkép a 2021-es parlamenti választásra készülve. A koronavírus-járvány hatásai a választás alakulására és a lehetséges forgatókönyvek

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Abstract: The next parliamentary elections of the Czech Republic, which will be held on 8 and 9 October 2021, is a key political event for the Hungarian foreign policy expert community to watch this year because a possible new government without the participation of ANO 2011 can engage in a new European and neighbourhood policy of the Czech Republic. This analysis lists the key social and political factors that can shape the results of the election, outlines three possible scenarios of the election outcome, and highlights the implications of a possible government change on Czech-Hungarian relations.

Keywords: Czech Republic, election, COVID, Central Europe

Összefoglalás: A 2021. október 8-9-én megrendezésre kerülő cseh parlamenti választás a magyar külpolitikai szakértői közösség számára kulcsfontosságú politikai eseménynek számít, ugyanis egy esetleges új kormány megválasztása az ANO 2011 részvétele nélkül új irányt eredményezhet a cseh külpolitikában. Az elemzés felsorolja azokat a kulcsfontosságú társadalmi és politikai tényezőket, amelyek nagymértékben alakíthatják a választás eredményét, felvázolja a választás kimenetelének három lehetséges forgatókönyvét, valamint rávilágít egy esetleges kormányváltás következményeire a cseh-magyar kapcsolatok tekintetében.

Kulcsszavak: Csehország, választás, COVID, Közép-Európa

EXECUTIVE SUMMARY

- The next parliamentary elections of the Czech Republic will be held on 8 and 9 October 2021 which is a key political event for the Hungarian foreign policy expert community to watch this year.
- Because of the recent emergence of two new political formations (SPOLU and the coalition of Pirates and STAN) in the Czech political landscape, changes in the government will result in a new European and neighbourhood policy of the Czech Republic as they refuse to cooperate with members of the current government. This could alter the bilateral relations between the Czech Republic and Hungary, and can have ramifications on the cohesion of the Visegrad Group as well since the Czech Republic will hold the V4 rotating presidency in 2022.
- At this point, three possible scenarios are likely to happen considering that pandemic related factors will have the biggest impacts on the election. These factors are detailed in the policy brief.
- If the Pirates and STAN enters the government, which are generally more critical towards Hungarian domestic political developments, bilateral relations can deteriorate.

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Introduction

he next parliamentary elections of the Czech Republic will be held on 8 and 9 October 2021. Voters will elect the 200 members of the Chamber of Deputies, which is the lower house of the Czech Parliament. The most popular political party that receives most of the votes will have the chance to form a government and to nominate the prime minister. The COVID-19 pandemic altered the domestic political scene of the Czech Republic to a great extent and will be probably the most important factor that will shape the outcome of the next elections. The current coalition government of ANO 2011 and the Czech Social Democratic Party (ČSSD), which according to the coalition agreement is backed externally by the Communist Party of Bohemia and Moravia (KSČM), faced an unprecedented health and economic crisis which challenged the popularity of Prime Minister Andrej Babiš and parties of the coalition. Protests against pandemic related restrictions and the government's management of the second wave continued in 2021 as well in Prague. ANO 2011 still tops the latest opinion polls conducted in December 2020, however, newly established opposition blocks may challenge Babiš in the upcoming nine months.

The stakes of the next elections are very high from a foreign policy point of view because the new government will have the chance to lead the Czech Republic through the rotating EU presidency of the Council of the European Union and the presidency of the Visegrad Group at the same time in 2022. If managed correctly, a significant level of public trust can be achieved domestically and internationally as well.

Any changes in the new Czech government's European policy and neighbourhood policy, could alter the bilateral relations between the Czech Republic and Hungary, and can have ramifications on the cohesion of the Visegrad Group as well. Therefore, the Czech parliamentary election is a key political event to watch in 2021 for the Hungarian foreign policy expert community.

This policy brief summarises the key factors that can affect the outcome of the parliamentary elections and forecasts the most likely scenarios as well. As political actors haven't published their election programmes yet, only a limited number of conclusions can be made regarding the future of Hungarian-Czech bilateral relations.

Overview of the Czech Electoral System

he Czech Parliament has a bicameral structure. The legislative power is jointly exercised by the Chamber of Deputies (lower house) and the Senate (upper house). Elections of the Chamber of Deputies takes place in every



four years, while one-third of the 81 members of the Senate is elected every other year in single-seat constituencies (one senator per constituency). In case of the election to the Chamber of Deputies, citizens can vote for a party list and can also cast preferential votes for individual candidates. There are 14 electoral districts in the country and the electoral threshold is 5 % for single parties. For two-party coalitions parliamentary representation should be at least 10%, while for three-party coalitions the threshold is 15%.

Considering the nature of the Czech electoral system, it is very likely that because of the principle of proportional representation, a coalition government will be formed again. The proportional electoral system is characterized by the fact that parliamentary seats are distributed in proportion to the number of votes casted in national elections. This means that the political division of the society is reflected in the fragmentation of seats in parliament. Because of this feature, the parliament is highly polarised, usually no party obtains a majority, which leads to the formation of coalition governments. Members of the coalition government often have very different political ideologies and policy priorities. Therefore, governments tend to be less stable.

CURRENT POLITICAL ENVIRONMENT

he anti-establishment, centre-right, populist ANO 2011 led by Andrei Babiš won the last general elections in 2017 with 29,64 % of the votes. The election was followed by a 9 months-long political crisis because Babiš struggled to find coalition partners, therefore, he established a minority government which had to resign in January 2018 after losing a vote of confidence. The coalition potential of ANO 2011 was very low because Babis, a former businessman with shares in agri-food and chemical companies worth multi-million dollars, faced allegations of EU subsidy fraud which damaged his reputation. Furthermore, his party had an aggressive anti-establishment tone during the election campaign which was condemned by other political parties. In June 2018, ANO 2011 managed to conclude a coalition agreement with ČSSD after a very long negotiation process. Nevertheless, majority in the Chamber of Deputies was still not achieved. The new coalition, therefore, concluded a tolerance agreement with KSČM, which meant that the communists supported the coalition externally in exchange of influence in certain policy areas. This move was widely condemned by other political parties and voters of the ČSSD.

Despite the hard beginning, popularity of ANO 2011 was steady in the last 4 years. It fluctuated between 28-33 % — way ahead of the two strongest opposition parties, the Civic Democratic Party (ODS) and the Czech Pirate Party. The former scored between 9 and 15 %, the latter between 10 and 17% in the last 4 years.

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KEY FACTORS THAT WILL SHAPE THE OUTCOME OF THE ELECTION

here are several issues and factors that can shape the outcome of the election in 2021. In the following section, the most important social and political factors are listed. Economic factors are not included in the analysis because of the limited scope of this policy brief.

PANDEMIC RELATED SOCIAL FACTORS

Social unrest

A ccording to the Global Geostrategic Outlook 2021 published by Ersnt and Young, the escalation of social unrest will be a key political trend in 2021. Special attention should be paid to the links between public confidence in governments, institutions, vaccine companies and social tensions. The escalation of social unrest has become a systemic risk for many countries as a result of the pandemic. EY estimates that the level of social tension has been highest in 2020 since the outbreak of the Arab Spring in 2011. This trend will continue in 2021.

The pandemic exacerbated social discontent and inequality in the Czech Republic as well. While the former manifested itself in the form of restrictions, mask-wearing or anti-vaccination protests in Prague and in many cities, the latter manifested itself in rising unemployment and a deterioration in the living standards of those working in the economic sectors most affected by the epidemic. The management and coordination of the first and second wave of pandemic will be a major issue that will affect voters' decisions. Voters are likely to favour politicians and political parties that they perceive as in control of the management of the pandemic and the economic crisis and punish those seen as mishandling of the situation. Another important factor will be the success rate of inoculation once the vaccines will be available for the wider public and overall public opinion and assessment of the government communication of the pandemic measures. A possible emergence of a third wave of COVID-19 is a further risk that can alter the outcome of the election in autumn.

When assessing the performance of the Babiš-led coalition government during the two waves of the pandemic, it should be noted that there is a huge difference in the handling of the first and the second wave. During the first wave the Czech Republic recorded a low number of COVID-19 cases, the government reacted very quickly and stringent to the health crisis. They developed the "smart quarantine system" which was an innovative digital solution to monitor the spread of the disease and to help people in quarantine. Communication regarding the pandemic and economic recovery measures was relatively clear. However,



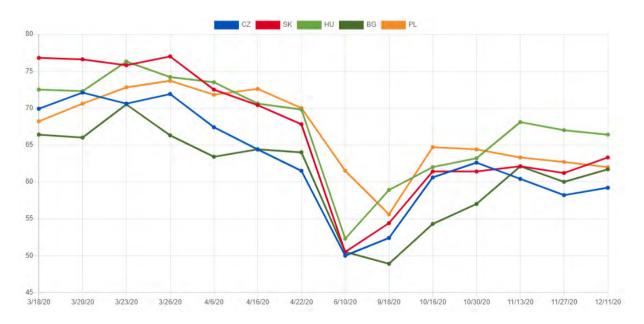
several local outbreaks appeared during the summer and the smart quarantine system appeared to be inefficient. Problems in pandemic management and communication emerged in late summer, when <u>numbers of COVID-19 cases and deaths increased</u>. The government was reluctant to entertain strict quarantine measures as municipal elections were held in early October. As numbers surged very quickly after the elections, the government introduced very strict measures which was followed by several protests in the following months. <u>Opinion polls suggest that the popularity of ANO 2011 fell around 4% since August 2020</u>.

PUBLIC DISTRUST

nother key factor is public trust in the government. Panic index shows how concerned people are about the health effects of the disease and the level of preventive measures taken by the respondents. It is visible in Chart 1 that people are less concerned about the pandemic during the second wave than during the first. This, in turn, has an effect on the trust in the state apparatus regarding COVID-19 restrictions because people feel that certain measures are unnecessary.

Chart 1.

Pandemic index in Central Europe between March and December 2020



Government confidence index shows the degree to which citizens trust the state in relation to COVID-19 disease and the effectiveness of government measures. Chart 2 shows that from March to December 2020, confidence in government fell from around 65% to 41,7%. In the meantime, the majority of people (55,8%) feel that



measures have extraordinarily affected their lives which they perceive as rather negative. All these aspects tend to play to the favour of the opposition parties at the next elections.

A related challenge is that in the Czech Republic public trust is very low regarding the effectives of the vaccines and regarding vaccination programs as well. The administration of Babiš had to initiate a publicity campaign to tackle widespread vaccine scepticism. According to a recent poll by STEM, only 40% of Czechs citizens would willingly be inoculated. This represents one of the lowest rates across Europe. National vaccination programs and future regulation in connection with restrictions for citizens who are not vaccinated could be a further issue which can increase social unrest and decrease the chances of the current government to win a second term.



<u>Chart 2</u>.

Government confidence index in Central Europe

EMERGENCE OF NEW POLITICAL ACTORS

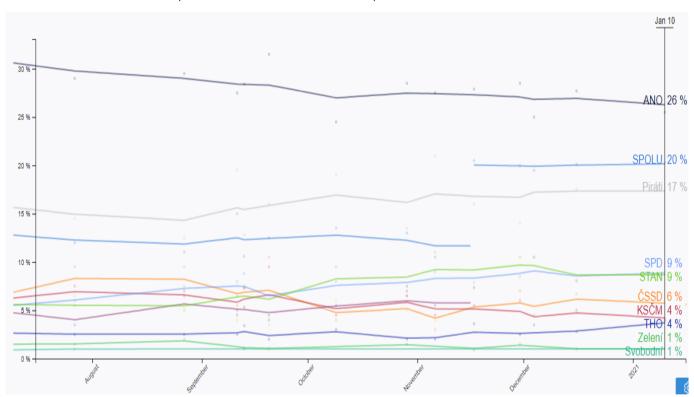
Two major opposition forces have emerged recently. As it was already mentioned earlier, in the last 4 years it seemed that ANO 2011 is unchallenged. However, the COVID-19 pandemic challenged all political actors, providing a window of opportunity for opposition parties to ride the wave of public discontent. On possible challenger is the centre-right coalition of ODS, TOP09 and the Christian-Democratic Party (KDU-ČSL). They will run together under the name SPOLU. They were polled around 20% in December 2020. Their election programme is not officially available yet, however, socially conservative voters who in turn are pro-Europeans might favour this political block.



Another interesting development is the announcement made by the Pirates and Mayors and Independents Movement (STAN) that they will run together. This decision was based on the results of the success of the municipal elections that took place in October 2020. They have already taken away votes from ANO 2011 at that time. There is a chance that disappointed protest and antiestablishment voters, who casted their vote for ANO 2011 in 2017, will rather vote for this formation. Opinion polls have not been conducted yet on the popularity of this joint endeavour, however, the Pirates were polled at 17%, while STAN on 9% in December 2020. If the popularity of ANO 2011 decreases due to the pandemic related factors, this political block might have a chance to win the next elections.

Chart 3.

Voter preferences in the Czech Republic in the last 6 months



Possible Scenarios of the Election Outcomes

s it was outlined in the previous section, pandemic related factors like the public's perception towards the management of the first and second wave of COVID-19, the success rate of the vaccination strategy of the government, the pace of the economic recovery and rearrangement of the political

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landscape by the establishment of new political actors will have a huge impact on the elections. Considering the current state of affairs, the following scenarios are likely to happen ranked according to their likelihood to happen:

- 1st scenario: If economic recovery is fast, current lockdowns won't be prolonged, vaccination programs are successful and there will be no major lockdowns in case of a possible third wave, similarly to the 2017 elections, ANO 2011 wins the election but struggles to find coalition partners. However, with the support of President Miloš Zeman, eventually a similar formation will emerge as today (ANO 2011, CSSD, KSČM).
- 2rd scenario: If economic recovery is slow, second wave lockdowns will be prolonged and a possible third wave emerged, ANO 2011 popularity falls and the coalition of Pirates and STAN or SPLOU wins the election. One of them will be given the right to form a government. They can be possible coalition partners of each other. This scenario envisages a rainbow coalition as 5 ideologically different parties will work together.
- 3rd scenario: ANO 2011 survives the pandemic related factors and wins the election but cannot find coalition partners because KSČM or CSSD won't be able to pass the 5% threshold, therefore, the second most popular party will form a government without ANO.

The likelihood of scenarios can change and new scenarios can emerge in case of "wild card" events which cannot be forecasted (e.g. another virus, new crisis situation, political scandals etc.).

IMPLICATIONS OF A POSSIBLE GOVERNMENT CHANGE ON CZECH-HUNGARIAN RELATIONS

n case of the 1st scenario, no major changes can be anticipated in the direction and values of the Czech foreign policy. In case of the 2nd and 3rd scenario, Hungarian government officials have to prepare themselves for changes in the Czech Republic's neighbourhood and EU policies.

A government change will most probably result in a change of attitude towards Hungary and the Visegrad Group and decrease the cohesion of the block on the EU level regarding key political issues like migration and rule of law. A more pro-EU stance could be anticipated especially if TOP09 manages to enter the government. If the Pirates and STAN enters the government, which are generally more critical towards Hungarian and Polish domestic political developments, bilateral relations can deteriorate.

The next government's priority will be to successfully carry out the EU rotating presidency, therefore, it can be also anticipated that regardless of who wins the election, pro-EU sentiments will be strengthened. On one hand,



preparations for the <u>Czech EU presidency have already started in 2018</u>. On the other hand, EU presidencies are always carried out in a trio, which means that coordination of priorities are consulted by three countries that follow each other in the presidency position. Relations with the other two countries will be strengthened as a result. The next trio's composition is the following:

- France (January 2022 June 2022)
- Czech Republic (July 2022 December 2022)
- Sweden (January 2023 June 2023).