



# BULLETIN

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## The End of Euroscepticism? The Czech Republic after its Presidential Elections

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*The first-ever direct presidential elections in the Czech Republic will likely be decided between two candidates: the non-affiliated Jan Fischer and socialist Miloš Zeman. Although the president's constitutional powers are quite limited, the elections may significantly influence the country's domestic and foreign policies, including its sceptical attitude towards European integration. This can be used as an opportunity for Poland to deepen cooperation with the Czech Republic on EU affairs.*

In preparation for the end of the second term of Václav Klaus's presidency (2008–2013), the presidential elections in the Czech Republic have been called for 11–12 January (first round) and 25–26 January (second round). Nine candidates have been confirmed by the Ministry of Interior, including those supported by the three biggest parliamentary parties: the social democratic ČSSD (Jiří Dienstbier Jr.) as well as the conservative ODS (Přemysl Sobotka) and TOP 09 (Karel Schwarzenberg). However, the most likely winner will be one of two former prime ministers without support from any of the mainstream movements: Jan Fischer, who was the head of the temporary technical government in 2009–2010, or Miloš Zeman, the former long-term leader of ČSSD and the prime minister between 1998–2002. During the last few years, both have been on the margins of Czech politics: the non-affiliated Fischer was vice president of the European Bank for Reconstruction and Development, while Zeman, after breaking with ČSSD in 2009, failed to cross the threshold in the 2010 parliamentary elections with his newly-established party.

**Political and Economic Context.** The support for the two candidates at the margins of current Czech politics is explained by the long-term tradition in the country of a distant and deal-brokering presidency. It can also be seen, however, as an expression of the public's disappointment with the political elites. This is witnessed not only by a dramatic drop in support for all three of the parties forming the centre-right government of Prime Minister Petr Nečas (including the largest, ODS, which has been in power since 2006) but also in the growing popularity of anti-mainstream movements (Communists), populist politicians (Tomio Okamura) as well as other non-affiliated candidates (Vladimír Franz).

One of the reasons for this is the instability of the Nečas government, which has long been undermined by its coalition partners' political agendas and personal conflicts. Widespread corruption scandals across the political spectrum also contribute to popular disaffection. In 2012 alone, bribery affairs were revealed in the ministries of Defence and Health as well as at Prague city hall. Meanwhile, similar problems with the expenditure of European money saw the temporary suspension of cohesion policy funds for the Czech Republic.

Another important factor is the country's weakening economy. Although in comparison to the rest of the EU the Czech public debt (40.8% GDP in 2011), inflation (3.3% in November 2012) and unemployment (8.7% in November 2012) are relatively low, all these macroeconomic indicators have been gradually worsening. This may be additionally bothersome as the Czech economy—with no significant growth since 2010—is locked in stagnation. The drop in support for the government has accelerated in the wake of strict anti-crisis strategy. The so called "solidarity 7 percent tax" planned to be added to the existing flat tax, the increase in VAT rates (from 14% to 15% and 20%

to 21% until 2015) and minor pension reform may in the long run be beneficial for the economy but currently are damaging to the coalition parties' popularity.

**Possible Implications for Czech Domestic Policy.** For the first time in Czech history, a president will not be elected by parliament but by the people in direct elections. This direct public mandate will strengthen the president's position. Yet, there will be no concomitant increase in his constitutional competences; indeed his powers—already limited—will be additionally weakened (his powers of clemency will be restricted, immunity will protect him only during his term in office, and it will be easier for parliament to dismiss him). This discrepancy between his legitimacy and real power may spark a discussion about the president's tasks and even provoke the new head of state to push for a greater role. Although neither Fischer nor Zeman would have sufficient parliamentary support for such a change, they would likely use their strengthened mandate as leverage in possible conflicts with the government.

January's presidential elections should thus be seen in the context of the parliamentary election, still officially planned for 2014, but due to the increasing instability of the Nečas government, quite likely to be held in 2013. According to all polls, the most likely winner would be the social democratic ČSSD, which may form a government either alone or with a smaller party (Communists or Christian Democrats). A smooth cohabitation with a left-wing cabinet would be especially challenging for Zeman, the former ČSSD leader, who left the party because of a conflict with its management. But it would be no better if a government of the current make-up were created, due to their different ideological and economic perspectives. Fischer, as a non-party, technocratic candidate, forming his political entourage from officials, diplomats and former collaborators of President Václav Havel, seems less prone to ideological and personal temptations, and as a president would probably be a more low-key player than more charismatic Zeman.

**Possible Implications for Czech Foreign Policy.** Václav Klaus's exit will influence Czech foreign policy, especially towards the European Union. Although the EU was not a dominant topic during the campaign, both of the main candidates distanced themselves from Klaus' euroscepticism, which in recent years has been one of the crucial indicators contributing to the government's foreign policy.<sup>1</sup> Zeman, who declares himself a "Eurofederalist," is expected to pursue a more pragmatic policy in the EU, highlighting mainly the need to strengthen common economic and security strategies. The same is true for Fischer, although he has given much less weight to his European agenda. However, even if some elements of European policy would be modified (especially rhetorically), others will remain unchanged, for instance the country's distrust towards the euro—there is very moderate popular support for the common currency (22% in January 2011).

As for other vectors of the country's foreign policy, none of the candidates revealed any coherent vision. It is quite likely, though, that Zeman, who reportedly received campaign donations from Lukoil, will seek to maintain Klaus' policy of openness towards Russia, which according to him should in the long run be permitted to accede to the EU. Generally speaking, Zeman is expected to be more assertive and independent in foreign policy than Fischer, who would probably maintain a certain distance from his country's activities abroad and—apart from a conventional pro-European attitude—would likely follow the government's line. Both candidates agree on the need to maintain good connections with the U.S. as well as to build economic relations with non-EU countries, especially the BRICS group.

**Conclusions and Recommendations.** The change of president in the Czech Republic will impose no switch in the Polish–Czech relationship. Neither Fischer nor Zeman has any real personal experience with Poland. Moreover, bilateral interests are currently pursued in three main areas—economy, energy and infrastructure<sup>2</sup>—all of which are long-term issues and lie in the responsibility of the governments not the presidents. Nevertheless, it is still crucial to maintain diplomatic dialogue between the two neighbours, and here the role of the president may be important.

Although regional cooperation was not a subject during the campaign, Poland, which holds the presidency of the Visegrad Group, should use this juncture to discuss the V4 format with its Czech partners. Quickly establishing good official and personal relations with the new president and his entourage may be beneficial for regional cooperation with the U.S. and the East, where a more unified and coordinated position by Central European countries is needed.

Above all, since both Fischer and Zeman distance themselves from Klaus' euroscepticism, Poland now has the chance to gain a closer partner in the EU field, especially should the expected change of government in the Czech Republic actually occur. The V4 still lack a common position on the EU's future, particularly on economic integration. A Czech Republic under new leadership would probably not exclude the possibility of joining the fiscal compact. Thus, with a more pragmatic Czech attitude towards the EU, Poland, along with eurozone member Slovakia and a Hungary that is rational despite its rhetoric, can significantly improve both the region's image and its real influence.

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<sup>1</sup> D. Kałan, "European Policy of the Czech Republic," *PISM Bulletin*, no. 37 (370), 5 April 2012, [www.pism.pl/files/?id\\_plik=9976](http://www.pism.pl/files/?id_plik=9976).

<sup>2</sup> D. Kałan, "Towards a New North-South Axis: Poland's Cooperation with Czech Republic and Slovakia," *PISM Bulletin*, no. 79 (412), 23 August 2012, [www.pism.pl/files/?id\\_plik=11284](http://www.pism.pl/files/?id_plik=11284).