

Czech government in crisis following election debacles

Markus Salzmann
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Just a few weeks before the Czech Republic is due to take over the rotating presidency of the European Union Council, the conservative Civic Democratic Party (ODS) of Prime Minister Mirek Topolánek is in a deep crisis following a succession of electoral defeats. A premature end of the conservative government is now increasingly likely. The ODS's setback in regional elections held two weeks ago has now been followed by a severe reverse for the party in the latest Senate election.

In the Senate vote, the ODS lost 12 of its 13 regional governors. Instead of an absolute majority, the conservatives in future will have only 35 of the total of 81 senators. This serves to further weaken the government coalition of the ODS, Christian Democrats (KDU-CSL) and the Greens, which, with the aid of a number of Social Democratic defectors possesses a razor-thin majority in parliament.

In the meantime, Topolánek confronts not only demands for his resignation from opposition parties, which failed a few days ago to bring down the government in a fourth no confidence vote, but also increasing opposition from within his own party.

President Vaclav Klaus, a conservative, has publicly called for a change of leadership in the ODS. "These elections were a sort of referendum on Mirek Topolánek," Klaus said during a TV debate. "Voters made clear that they want a change in political style and less arrogance."

After Topolánek then explained he would no longer seek to stand as a candidate for the party presidency, Pavel Bem, the mayor of Prague, raised his own claim on the post. Bem is regarded to be one of a handful of ODS politicians who is not hated by the entire population.

The crisis in Prague has led to growing concern in the European Union that with the financial crisis intensifying, the unstable Czech government will be unable to provide effective leadership when it takes over the European Union presidency in January.

French President Nicolas Sarkozy, who currently holds the EU presidency, recently indicated he could simply ignore the Czech takeover of the post. The issue was taken up by German Christian Social Union deputy Ingo Friedrich (Bavaria), who argued that the political leadership in Prague should overcome their national disputes to concentrate on the forthcoming EU presidency. Otherwise, he said, Prague should step down and hand over the presidency to the next country in rotation—Sweden.

The massive election defeats that have led to the crisis of the Czech government are a direct result of its extreme right-wing and anti-social policies.

In the past few years the ODS, KDU-CSL and the Greens have implemented attacks on broad layers of the population in the form of harsh cuts in the country's health and education system. The level of attacks is unprecedented in the history of the country since the reintroduction of capitalism in 1989-90.

At the start of this year the government introduced a fixed fee for visits to the doctor or hospital. The new fees must be paid in the case of emergencies, as well as by pregnant women and children. Formerly, the Czech Republic had a system of free basic medical care. Following the complete rationalization of the health insurance companies via cuts and higher fees for patients, the government now plans to fully de-privatize the system and launch the health insurance companies on the stock exchange.

Pensions are also under attack. At the beginning of the 1990s the average pension constituted 54 percent of a retiree's previous wage. This level has now sunk to around 40 percent and the government is also seeking to extend the number of working years before retirement.

At the same time, the cost of living has exploded. Food prices alone have risen 20 to 40 percent. Inflation has been exacerbated by an increase in VAT (Value Added

Tax) for food and public transport from 5 percent to 9 percent.

Rents have also risen rapidly in recent years. According to one enquiry the Czech capital is currently one of the most expensive cities in Europe. Housing costs in Prague are comparable to large German cities such as Frankfurt or Munich.

Against a background of rising unemployment, high prices and continuous social attacks, the number and extent of social protests has also increased. This year, tens of thousands have openly protested, with civil servants, teachers, truck drivers, pensioners, doctors and nurses taking to the streets against the government's policies and to oppose increasingly deteriorating social conditions. In June, 800,000 took part in strike action across the country.

Mass redundancies

Like other states in central and Eastern Europe, political tensions in the Czech Republic have grown as a result of the worldwide financial crisis and developing recession.

As is the case in Western Europe, the first casualty of the economic crisis has been the auto industry. According to the online service *Novinky.cz*, the Czech automobile sector plans to dismiss up to 10,000 workers by the end of 2009. Just a few months ago, industry officials estimated that just 3,000 jobs were at risk. The Czech auto industry currently employs around 120,000 workers.

Last Thursday the biggest Czech-based automaker, Volkswagen subsidiary Skoda, published its figures for the first nine months of this year. The company's profits had fallen by 25 percent compared to the previous year, despite a 15 percent increase in output. As is the case all over the world, the crisis of auto manufacturers will be followed by a massive crisis for the industry's subsidiary suppliers. Bosch Diesel in Jihlava has already announced the sacking of 300 workers.

Other sections of industry are also carrying out redundancies. Glass manufacturer Sklo Bohemia recently closed its works in Světlá and Sázavou with the loss of approximately 1,000 jobs. Textile manufacturer Slezan will cease production by the end of the year in Eastern Moravia, one of the poorest regions of the country. Around 150 workers will lose their jobs.

Social Democrats prepare new coalition

The opposition Social Democrats (CSSD), which never posed a serious challenge to the fragile ODS government during its entire period in office, are now making their own preparations in the event that the current regime collapses.

In order to more effectively suppress the increasing radicalization of the population, the CSSD is seeking to work more closely with the Communist Party (KSCM). Increased cooperation between the organizations is planned after the local elections. CSSD leader Jiří Paroubek told the Czech daily paper *Mladá fronta Dnes* that efforts are under way to cooperate with the KSCM at a regional level wherever "reasonable."

Until now, collaboration with the KSCM has been taboo for all of the established Czech parties. In 1995 a CSSD party congress adopted a resolution excluding any sort of cooperation with the KSCM. In the 1990s, the CSSD repeatedly preferred cooperation with the conservatives to a coalition with the KSCM. That the political élite now contemplate bringing the Stalinists on board is an indication of the extent of their crisis.

Both the CSSD and KSCM emerged from the former Stalinist state ruling party of Czechoslovakia. The leaders of the CSD (predecessor of the social-democratic CSSD) were the most fervent advocates of capitalism and were eager to bury their past as rapidly as possible. The KSCM, on the other hand, served as a depository for those Stalinist hard-liners who, while having no objections to the free market, had come away empty handed when it came to assigning posts and privileges.

The Stalinists are now needed. Despite its current leftist rhetoric, the KSCM has a long tradition of suppressing the working class—a history that the Czech ruling elite increasingly feels the need to call upon as it confronts growing popular anger and protests.



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