

Czech government resigns amidst intensifying political crisis

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The Czech prime minister, Bohuslav Sobotka, announced the resignation of his government a full half year before scheduled parliamentary elections. The surprise announcement is aimed at preventing a complete meltdown of the Social-Democratic Party, which is widely despised for its anti-working-class policies.

President Milos Zeman has a free hand in deciding how to proceed. The constitution does not set a deadline for the acceptance of the resignation request. Zeman can commission Sobotka to continue official business until the scheduled election dates on October 20 and 21, call an earlier election, or appoint another government.

There are speculations that Zeman could name Finance Minister Andrej Babis as the new prime minister. For his part, Sobotka has said he will only continue to lead the previous coalition government if Babis is removed from his post.

Corruption and accusations of tax evasion against Babis sparked the current government crisis. The anti-fraud authorities of the EU accuse him of pocketing €160 million funding between 2004 and 2013 for his network of companies. In addition, he is alleged to have used a tax loophole at the end of 2012 to save millions, shortly before the entry into force of a new law.

Babis, who was a member of the Communist Party before the introduction of the capitalist free market, owns a business empire consisting of more than 250 agricultural, food and chemical companies at home and abroad. His holdings include daily newspapers and a radio station. He is often referred to as the Czech Berlusconi or Trump. The business magazine *Forbes* estimates his fortune at \$2.7 billion.

Babis first entered politics in 2011, the year he founded the political movement ANO, an acronym for

“Action of Dissatisfied Citizens” as well as the Czech word for “yes.” Babis posed as a hard-working entrepreneur who would “clean out” the corrupt political establishment. In 2013, the conservative government led by Petr Necas collapsed as a consequence of its own corruption scandal and ANO became the second-strongest party, winning 20 percent in the election in the same year.

Babis took over the Finance Ministry in the government formed in January 2014. In addition to the Social Democrats (CSSD) of Prime Minister Sobotka and ANO, the coalition also included the Christian Democrats (KDU-CSL). The relationship between the Social Democrats and ANO remained tense. Although a member of the government, Babis continued to pose as the enemy of all other politicians whom he stated “had never learnt anything decent in order to make a career.” His slogan was “We are not politicians, but we work hard.”

The Social Democrats responded by accusing Babis of combining his business and political interests. At the end of last year, parliament passed a law against conflicts of interests on the part of politicians, a measure explicitly aimed at Babis. The latter then handed over his companies to a trustee fund. His wife sits on the board.

While ANO rose in the polls, the Social Democrats sagged. With about 28 percent, ANO is currently the strongest party and could nominate the next head of government, while the Social Democrats hover around 17 percent. Forecasts for the regular election date in October predict 10 percent for Sobotka’s party, even less than the estimated level of support for the Communist Party (KSCM).

ANO won the regional elections held last year. The CSSD lost seven of the nine regions it had won in 2012

while the Communist Party suffered even more massive losses.

The declining influence of the Social Democrats is also reflected in the drastic fall in membership. In early April, *Pravo* reported that in just two months more than 800 members had left the party, and this trend is continuing. The KSCM, the biggest party in the country, is shrinking dramatically. The successor party to the former Stalinist state party had around 50,000 members four years ago. Now it has fewer than 40,000.

With the resignation of the entire government, Sobotka is seeking to stop the decline of the Social Democrats. He refused to dismiss Babis, declaring that he did not want to make him a martyr.

The government coalition had agreed on a right-wing, neo-liberal programme in 2014, centred on rigorous austerity and rearmament both at home and abroad. This programme has since been put into practice.

In mid-April, in addition to the regular police forces, the government deployed 500 police armed with machine guns in pedestrian zones, airports and railway stations. The pretext was an obscure “terrorist threat.” Interior Minister Milan Chovanec called it “a preventive measure.” According to the Social Democrats, there is no concrete indication of a threat, but if necessary, up to 600 soldiers could also be deployed, he announced.

The Czech government rejects the EU’s quota system for the distribution of refugees across the continent and took in just 71 asylum seekers permanently last year. Nevertheless, Sobotka has blamed refugees for the terror alert.

Sobotka has also repeatedly called for a European military alliance against “the influx of migrants” and “Russian aggression.” Defence Minister Martin Stropnický (ANO) plans to increase the budget of his department to 1.4 percent of gross domestic product by 2020 and to 2 percent by 2025. The government plans to increase the army by 5,000 and massively rearm it. In addition to the purchase of reconnaissance and combat drones, negotiations are taking place for acquiring 12 military helicopters. The government plans to invest a minimum of CZK1.5 billion in the modernisation of combat equipment.

On Tuesday, Stropnický confirmed the plans for higher armament spending after talks with American Defence Secretary Mattis. US President Donald Trump

has repeatedly demanded that NATO members increase their defensive budget to 2 percent of GDP as soon as possible. The cost of the rearmament is to be paid for by the population in the form of fresh cuts in social welfare.

In recent years, there have been strikes and protests. In April, drivers for the regional bus lines seeking increased wages joined the strikes. The strikers have found broad support from layers of the population who face similar conditions.

The minimum wage in this sector is currently 98 kroner (€3.62) for one hour driving and 88 kroner (€3.25) for turnaround breaks, plus additional allowances of around 6 kroner (22 cents). The bus drivers demanded 130 kroner (€4.80) and better working conditions. According to the Czech transport union, some bus drivers work more than 300 hours a month.

Sobotka and his government strongly condemned the strike by bus drivers. Sobotka said it was “superfluous,” and the billionaire Babis declared there were no funds available for the drivers. Pavel Bř?lobrádek, the leader of the Christian Democrats, declared that the government would not yield to demands that the minimum wage be increased to €460 per month.



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