



# Populist party ANO led by Andrej Babis favourite in the Czech general elections

On 6th April last Milos Zeman, President of the Czech Republic announced that on 20th and 21st October next, the Czechs would be called to renew the 200 members of the House of Deputies, the lower house of Parliament. 7,539 people (of whom 29% are women) from 31 political parties are running in this general election, i.e. an average of 38 candidates for one MP's seat. This sets a record in the Czech Republic.

The country has been led since 2013 by a government coalition comprising the Social Democratic Party (CSSD), led by outgoing Home Affairs Minister Milan Chovanec, ANO, led by Andrej Babis, and the Christian Democratic Union-People's Party (KDU-CSL), a centrist party led by Pavel Belobradek.

Andrej Babis and Lubomir Zaoralek, Foreign Affairs Minister and lead candidate for the CSSD in the general election have accepted to meet and debate on TV Nova on 19th October. "Decent and honest, man to man, I accept," declared Andrej Babis, who in the past has always refused any debate of this kind.

Czechs living abroad will be able to fulfil their civic duty in 109 ballot boxes around the world. During the previous general election on 25th and 26th October 2013, 10,500 of them voted. The official campaign officially starts on 4th October next.

ANO won in the regional elections that took place on 7th and 8th October 2016 with 21.05% of the vote. The party drew ahead of the Social Democratic Party (CSSD), which won 15.5% of the vote, the Communist Party of Bohemia and Moravia (KSCM), 10.54% and the Democratic-Civic Party (ODS) 9.47%.

The most recent poll by CVVM credits ANO with 30.9% of the vote on 21st October next, far ahead of the Social Democratic Party (13.1%), the Communist Party of Bohemia and Moravia (11.1%), the Civic-Democratic Party (9.1%), Freedom and Direct Democracy (SPD), the populist right-wing party led by Tomio Okamura (7.3%), the Pirate

Party (6.2%) and the Christian Democratic Party- People's Party (6.2%). According to the polls most voters will decide on their choice in the week prior to the election.

The end of a tumultuous legislature

At the beginning of last May Prime Minister Bohuslav Sobotka (CSSD) asked his Finance Minister and deputy Prime Minister Andrej Babis to explain some financial transactions, notably the origin of a sum of 1.5 billion crowns (55 million €), and also regarding an accusation of tax fraud and many incidences of conflict of interest. Deeming that he could not get a satisfactory answer from his minister, Bohuslav Sobotka announced the resignation of his government in order to oust Andrej Babis from office. The President of the Republic, Milos Zeman then rejected the government's collective resignation. Andrej Babis denied all knowledge of any financial wrongdoing and stressed that by trying to get rid of him, the Prime Minister was not respecting the government coalition agreement that he had signed with him. The Finance Minister finally quit office on 24th May. He was replaced by Ivan Pilny.

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On 6th September last, the House of Deputies approved by 123 votes (4 against and 7 abstentions) the removal of Andrej Babis's parliamentary immunity together with that of Jaroslav Faltýnek, ANO's Deputy Chair and former member of the executive of Agrofert, an agro-food and chemical holding owned by Andrej Babis.

The two men are suspected of having illegally favoured Capi Hnizdo (Stork's Nest), a conference centre to the south east of Prague providing it with 50 million crowns (1.85 million €) in European subsidies in 2009 that were given in support of SMEs and tourism. In 2008, Andrej Babis is said to have removed Capi Hnizdo from his holding Agrofert, giving this company to anonymous shareholders, thereby hiding the names of its owners, a practice that is now banned but allowed at the time. After a five year period that features in this bill, Andrej Babis took back the company within his agro-food and chemical holding, which incidentally, is the most important employer in the Czech private sector (a workforce of 30,000).

The European Anti-Fraud Office (OLAF) also launched an inquiry regarding the financing of Capi Hnizdo.

Andrej Babis asked MPs to vote in support of the lifting of his parliamentary immunity. "I want you to vote in support of lifting my parliamentary immunity so that the truth can be revealed," he said, maintaining that he wanted to "clear his name". He says that the leaders of the traditional parties want to destroy ANO and eject it from the political arena. "It is a desperate gesture on the part of those who want drive me from the political scene," he stressed.

In spite of all these problems and the obstacles he faces, Andrej Babis is still popular. "It seems that the campaign undertaken against Andrej Babis by nearly all of the Czech political parties over the last few weeks have rather more helped his popularity to rise. Stepping up the campaign with the government's resignation has therefore proved counter-productive," declared Veronika Bilková, professor of international policy at the Charles University, Prague. ANO is still the favourite in the general elections, even though the party might encounter difficulties in finding allies

with whom to form a coalition and therefore in fine be prevented from putting the next government together. Andrej Babis has always said that the political parties were all corrupt and incompetent; this has helped him attract a great many voters who have been disappointed by the traditional parties, but it has also reduced quite significantly the number of possible alliances.

It is also hard to see what will happen (and what the law allows) if the general elections are won by a man who is under investigation.

President of the Republic Miloš Zeman has said that he would appoint the leader of the party which comes out ahead in the election as prime minister. The head of State should however be careful, since a government led by Andrej Babis might not win the MPs' confidence, which would trigger a political crisis which Miloš Zeman does not need just months before the next presidential election in which he is standing. The head of State has said that he prefers a coalition that would bring together ANO and the Social Democratic Party (ČSSD).

Andrej Babis likes to recall that he is a self-made man and hopes to manage the State as he manages his businesses. A man of action he believes, like Silvio Berlusconi or Donald Trump, that his qualities as a business man qualify him perfectly for the leadership of the Czech Republic. His personal fortune is estimated at 2.2 billion €.

In his party's programme we find that all tax increases are rejected and the aim is to reduce the number of ministers from 16 to 13 (suppression of the Human Rights Ministry and merger of the Ministry for Agriculture with that of the Environment). Andrej Babis also hopes that the EU will open reception centres for migrants in Tunisia and Turkey, according to New York's Ellis Island model and that NATO will control the EU's external borders to prevent migrants entering the Union.

### The Electoral Campaign

The outgoing government coalition has been one of the most stable in the Czech Republic's recent history.

It has also honoured several of its electoral promises. Wages in the civil service have increased five times since 2013. They will be increased again for the sixth time by 11% (+ 1,200 crowns, i.e. 46.18 €) before the elections. The minimum wage that 132,000 people receive, i.e. 3.6% of the working population, will be brought up to 12,200 crowns (469.50 €/month), which represents 40% of the country's average wage. We might also note that the Czech Republic is an EU Member State in which the unemployment rate is the lowest (2.9% in August last).

The Social Democratic Party, whose leader for these elections is Lubomir Zaoralek, Foreign Affairs minister, and which chose the election credo "a country where life is good" is presenting an extremely left-wing programme, which traditionally promises more redistribution, an increase in social aid (covered by an increase in taxes on banks and international companies) and the minimum wage. The CSSD hopes to see the latter rise to 16,000 crowns (615.80 €) by 2022 and the average wage to increase to around 40,000 crowns (1,539 €). Finally the Social Democrats would like to reintroduce a progressive tax and relinquish the flat tax (a set tax rate of 15% on households and 19% on businesses) – a programme that tends to frighten the markets. Miroslav Korecky, a journalist for the daily *Mlada Fronta Dnes*, notes that the programmes of the social democrats and the communists are very close. The latter also want to reintroduce socialism, the Czech Republic's exit of NATO and the nationalisation of the energy, telecommunications and transport sectors. The Communist Party of Bohemia and Moravia, the only party never to have participated in government in the Czech Republic, has chosen the electoral credo "Peace in the world, justice and security at home."

The Civic Democratic Party (ODS) led by Petr Fiala is undertaking a right-wing campaign promising tax reductions and cuts in public spending. The Eurosceptic ODS is against the euro and is rejecting the European approved programme of re-distribution of refugees from the Middle East (Syria and Iraq) and Africa (Ethiopia, Libya) within the Member States.

The Christian-Democratic Union-People's Party (KDU-CSL) led by the outgoing Agriculture Minister Marian Jurecka, originally joined forces with the Mayors and Independents (STAN), a party led by Petr Gazdik, for the general election before renouncing this alliance in July because it was afraid of not being able to achieve the 10% threshold of votes cast that is vital to be represented in the House of Deputies for a coalition rallying two political parties. The KDU-CSL programme focuses on the family, education and innovation. The credo chosen by the party is just one word: "Responsibility".

#### The Czech Political System

The Czech Parliament, which is bi-cameral – comprises the Senate and the House of Deputies. The latter comprises 200 MPs elected for four years under a multi-member system in 14 constituencies in which the distribution of votes is undertaken using the d'Hondt method. Every party has to win a minimum of 5% of the votes cast (10% for coalitions rallying two parties, 15% for coalitions rallying three parties and 20% for coalitions with four parties and more) to be represented in the lower house of parliament. Candidates must be aged at least 21.

Voters can express their preference for four candidates registered on the list. Candidates winning more than 5% of the preferential votes regionally are then placed at the top of their party's list. When several candidates win more than 5% of the preferential votes they are then ranked in decreasing order, according to the total number of preferential votes they have collated.

For the first time this year spending allowed during the electoral campaign has been capped at 90 million crowns (3.3 million €) for each party.

Voting takes place over two days (Friday and Saturday mornings). During the night the ballot boxes remain inside the voting stations, generally set up in public buildings, but also sometimes in private buildings, such as for example in the hotels of some villages. However, no election result has ever been challenged since the then Czechoslovakia returned to democracy.

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The Czech Senate comprises 81 members elected for six years according to a majority two round single list system – with a third being renewable every two years. The choice of this type of election expresses the will of those who wrote the Constitution and notably that of former President of the Republic (1993-2003), Vaclav Havel; the idea was to make it easier to elect independent personalities who are soundly established within their constituencies.

Finally since 2013 the Czechs elect the president of the Republic by universal suffrage. The first election of this type took place on 11th and 12th January (1st round) and 25th and 26th January 2013 (2nd round). It was won in the second round by Milos Zeman (Civic Rights Party, SPO) with 54.8% of the vote against Karel Schwarzenberg (TOP 09, who won 45.2% of the vote.

7 political parties entered the House of Deputies after the last general elections on 25th and 26th October 2013:

– the Social Democratic Party (CSSD), founded in 1878 and led by Milan Chovanec, member of

the outgoing government coalition, is the party of outgoing Prime Minister Bohuslav Sobotka. It has 50 seats;

– ANO, whose acronym means both “yes” and Dissatisfied Citizens Action, is a populist party founded in 2012 by Andrej Babis, who still leads the movement. A member of the outgoing government, it has 47 seats;

– the Communist Party of Bohemia and Moravia (KSCM), created in 1989, the last unreformed communist part in Central Europe, is led by Vojtech Filip, with 33 seats;

– Tradition, Responsibility, Prosperity 09 (TOP 09), a centre-right party, founded in 2009 and chaired by Miroslav Kalusek, has 26 MPs;

– the Civic Democratic Party (ODS), a Eurosceptic right-wing party created in 1991 and led by Petr Fiala with 16 seats;

– Usvit (Dawn of Direct Democracy), a populist party founded by Tomio Okamura led by Miroslav Lidinsky, with 14 seats;

– the Christian-Democratic Union-People’s Party (KDU-CSL), the centrist party by Pavel Belobradek, has 14 seats.

Reminder of general elections on 25th & 26th October 2013 in the Czech Republic

Turnout 59.48%

Political Parties	No of votes won	% of votes won	No of seats
Social Democratic Party (CSSD)	1 016 829	20,46	50
ANO	927 240	18,66	47
Communist Party of Bohemia and Moravia (KSCM)	741044	14,91	33
Tradition, responsibility, prosperity 09 (TOP 09)	596357	12	26
Civic Democratic Party (ODS)	384 174	7,73	16
Usvit (Dawn of Direct Democracy)	342 339	6,89	14
Christian Democratic Union-People's Party (KDU-CSL)	336 970	6,78	14
Green Party (SZ)	159 025	3,20	0
Pirate Party (P)	132 417	2,66	0
Free Citizens Party (SVOBODNI)	122 564	2,47	0
Others	1 566 668	4,24	0

Source : Site interne <https://www.volby.cz/pls/ps2013/ps2?xjazyk=CZ>

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## Andrej Babis's party ANO wins the Czech elections

### RESULTS

ANO, whose acronym means both "yes" and "Action of Dissatisfied Citizens", a populist party, member of the outgoing government party led by billionaire Andrej Babis easily won the general election that took place in the Czech Republic on 20th and 21st October with 29.64% of the vote and 78 seats (+ 31 in comparison with the previous general election on 25th and 26th October 2013).

The Democratic Civic Party (ODS), a eurosceptic right-wing party led by Petr Fiala came second with 11.32% of the vote and 25 seats (+ 9). It is followed by the Pirate Party (P), which won 10.79% of the vote and 22 seats (+ 22). The Pirates are making their entry into parliament for the first time in their history. *"I believe that we succeeded in mobilising all of those who are voting for the first time as well as those who have not voted over the last 10 to 15 years"* stressed their leader Ivan Bartos.

The nationalist party, Freedom and Direct Democracy (SPD) a populist right-wing movement led by Tomio Okamura, took fourth place with 10.64% of the vote and 22 seats (+ 22). *"I am happy that our ideas and our programme which aim to introduce direct democracy, to give power to the citizens, to end the Islamisation of the Czech Republic and to stop the reception of migrants enjoyed such wide support"* declared the leader of the party on the announcement of the results.

The Communist Party of Bohemia and Moravia (KSCM), the last unreformed communist party in Central Europe, led by Vojtech Filip, won 7.76% of the vote and 15 seats (- 18). It took the lead over the Social Democratic Party (CSSD) of outgoing Prime Minister Bohuslav Sobotka,

who suffered a major defeat and won only 7.27% of the vote and 15 seats (- 35), its weakest result ever.

Three other parties will be represented in the House of Deputies, the lower house of parliament. These will be the Christian Democratic Union-People's Party (KDU-CSL) a centrist party led by Pavel Belobradek, which won 5.80% of the vote and 11 seats (- 3); Tradition, Responsibility, Prosperity, a centre right party led by Miroslav Kalousek, which won 5.31% of the vote and 6 seats (- 20) and finally the Mayors and Independents (STAN), a party led by Petr Gazdik, which won 5.18% of the vote and 6 seats (+ 6).

Turnout was almost the same as that recorded in the previous general elections on 25th and 26th October 2013, totalling 60.84%, +1.36 points more.

In all 9 parties will be represented in the House of Deputies that will be extremely fragmented. After the election the Czech political landscape is in total disruption. *"We face an earthquake, a total revolt against the traditional parties and orthodoxy. Since 1990 I have no memory of elections that upset the Czech political landscape so much,"* stressed Milan Nic, an analyst for the German Council for External Relations (DGAP).

General elections results on 20th and 21st October 2017 in the Czech Republic

Turnout: 60.84%

Political parties	No. of votes won	% of votes won	No. of seats
<b>ANO</b>	1 500 113	29.64	78
<b>Civic Democratic Party (ODS)</b>	572 962	11.32	25
<b>Pirate Party (P)</b>	546 393	10.79	22
<b>Freedom and Direct Democracy (SPD)</b>	538 547	10.64	22
<b>Communist Party of Bohemia and Moravia (KSCM)</b>	393 100	7.76	15
<b>Social Democratic Party (CSSD)</b>	368 347	7.27	15
<b>People's Christian Democratic Union (KDU- CSL)</b>	293 643	5.80	11
<b>Tradition, responsibility, prosperity 09 (TOP 09)</b>	268 811	5.31	6
<b>Mayors and independents (STAN)</b>	262 157	5.18	6
<b>Others</b>	346 992	6.29	0

Source: <https://www.volby.cz/pls/ps2013/ps2?xjazyk=CZ>

Andrej Babis is therefore about to become the next head of the Czech government. The president of the Republic Milos Zeman said during the electoral campaign that he would appoint the leader of the party which came out ahead in the general election as Prime Minister. Each of the political parties announced that it would not govern with Andrej Babis. However, as Michal Klima of the University of Prague says, "If ANO wins the general elections with a real lead it will become an extremely wealthy partner, which will be able to choose between four or five other parties and will even be able to form a coalition with just one partner."

Lukas Macek, Director of Sciences Po Dijon said, "In the negotiations it will be impossible to avoid ANO. Although some think that there might be an anti-Babis coalition formed with all of the small parties allied against ANO, this scenario is almost impossible. ANO's lead is so overwhelming and the diversity so great between the parties entering parliament for

this to be a possibility. ANO will be in the government and will lead the dance," he indicated. Andrej Babis did however say that he ruled out working with any of the extremes, both with the Communist Party of Bohemia and Moravia and with Freedom and Direct Democracy.

"Andrej Babis is a populist par excellence, an unpredictable oligarch who wants to govern the country as he would a family business – he is an autocrat who is not too fond of democracy and who ultimately resembles Donald Trump a great deal," maintains Jiri Pehe, Director of the New York University of Prague. Jacques Rupnik, a researcher at Sciences Po, qualifies the victor in the general election as "an entrepreneurial populist", "an entrepreneur who has succeeded in business and who, in a way, wants to extend his success or transform the try by entering the political arena and he is doing it by breaking up the existing partisan structure. Generally, he concentrates on one theme: the fight to counter corruption and efficacy" he notes.

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*"Andrej Babis stands as the only person who can maintain order in the country. Many voters are convinced that he will be a good manager, notably because he is a millionaire and therefore he will not need to steal from the State,"* analyses Josef Mlejnek, a political expert of the Charles of Prague University.

Aged 63, Andrej Babis was born in Bratislava. The son of a diplomat, he has lived in France and Switzerland and is a graduate in economy from the University of Bratislava. He started his career in international trade, and was leader of the Czechoslovakian trade delegation in Morocco for six years. In 1993, he founded Agrofert, which is a group of businesses in the agro-food, chemical and lumber industries. More than 50, 000 people work for this holding which is the leading employer in the Czech Republic. Andrej Babis's fortune is estimated at 3 billion €. He also owns the media group Mafra, which notably publishes Mlada fronta Dnes and Lidove noviny, two of the country's most read daily papers.

On 11th May 2011 Andrej Babis founded ANO, a party of which he is still the chairman. He won 18.66% of the vote in the general elections on 25th and 26th October 2013 and entered the government led by the Social Democrat Bohuslav Sobotka. Babis then was appointed

Finance Minister in 2014, a post he occupied until he was ousted on 24th May last.

On 6th September the House of Deputies approved, 123 votes in support, (4 against and 7 abstentions) the lifting of his parliamentary immunity and that of Jaroslav Faltýnek, ANO's Deputy Chairman and former member of Agrofert's management. In 2009 the two men are suspected of having illegally helped Capi hnizdo (Stork's Nest), a conference centre that lies to the south east of Prague, with 50 million crowns (1.85 million €) in European subsidies given in to SMEs and tourism. On 9th October, Andrej Babis was indicted, a decision against which he immediately appealed.

On 21st October Andrej Babis therefore won his wager by making his party the leading political force in the Czech Republic, which should enable him to reach his goal and govern the country for the next four years. *"I succeeded what I wanted to do in my life. This is why today I have the impression that I have put my strength and experience to the service of the citizens of our country,"* declared the ANO leader, whose ideology is as vague as his programme fluctuates. It is difficult to predict exactly what the next Czech legislature will be like.

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