

Czech Republic: No confidence but no catastrophe

Czech Prime Minister Andrej Babis has lost a confidence vote in parliament. But this was an expected outcome, and partially Babis's strategy, so it does not mean catastrophe for his ANO movement



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More a strategy than failure

As expected, the Czech minority government led by ANO leader Andrej Babis failed to win a vote of confidence in parliament on Thursday. As a result, Babis announced his intention to resign today. The news has been interpreted as a failure but could be considered a strategic move by his party to secure power more quickly.

All 'democratic' parties were strongly against any cooperation with Babis following parliamentary elections in October due to conflicting campaign promises and accusations of fraud. Forging a successful coalition would have meant difficult, long-lasting negotiations with many compromises. Only two potential parties were willing to cooperate with ANO; the anti-immigrant party SPD (Freedom and Direct Democracy) and KSCM (Communist Party). This was clearly not the preferred

option for ANO, which feared a combination could undermine its credibility with voters.

Minority government enabled Babis to get to power quickly

With long-term negotiations ahead and the former leadership still in charge, Babis chose to form a minority government, backed by President Zeman, who nominated him PM without the guarantee of a majority in parliament. Other parties also enabled this strategy by their resolute rejection of ANO. As a result, Babis was able to come to power as soon as possible after the elections. This enabled him to make changes and decisions without the backing of parliament.

After resignation, Babis remains in power

Even after the resignation announced today, ANO and Babis will be governing until the president nominates a new PM. As President Zeman noted, he will give Babis a second chance and provide him enough time to negotiate. Presidential elections ahead might complicate this deal, but even if Zeman does not win at the end of January, his mandate doesn't end until 8 March. This means he still has some time to nominate Babis as PM again for a second confidence vote and Babis will have at least six weeks to negotiate with other parties.

Other parties might be more open for cooperation with ANO now

As such, Babis is still in a reasonable position and some parties are becoming more willing to cooperate, as early elections are not the optimal outcome. With financial constraints for new election campaigns for most of the other parties, ANO would most likely gain even more in fresh elections. Some parties close to the 5% threshold may not reach this level again. So few players would be willing to risk early elections. As such, there is an increasing chance that the previous coalition will be renewed (ANO+CSSD+KDU-CSL) with 103 seats. Still, negotiations could be complicated if ANO leader Babis is charged over EU subsidy funds. The worst possible outcome would be that ANO names a new PM instead of Babis, though this would be an 'optical' change, as Babis would remain the main political driver of the party.

There are many uncertainties in the weeks ahead, President Zeman might revoke his pledges after the Presidential Elections, some parties might change their attitude towards ANO and accusations of fraud targeted at Babis might bring a shift in the negotiations. Still, the most likely outcome is that ANO will have a second chance to form a government and possibly even a third one. While negotiations could last longer than expected, it's unlikely to change the outcome that ANO will be the main political power in the years ahead.

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