

Donath-Burson-Marsteller
The Fleet Sheet's Final Word

Election expectations of influentials

Final Survey Report

Prague, May 2010

Content

| | |
|--|----|
| About the survey | 3 |
| Main findings | 4 |
| Which party's program best reacts to the current needs of the Czech economy? | 6 |
| Which political campaign do you deem the most effective in terms of how it addresses the target audience?..... | 7 |
| Which of the following areas should be the primary concerns of the next government? | 8 |
| Who do you expect to form the next government?..... | 9 |
| Which party will be the top election choice of entrepreneurs and managers in midsize and large companies?...10 | |
| Who, in your opinion, would be the best candidate for prime minister? | 11 |
| The outcome of the elections will have a significant impact on the future development of the Czech economy. | 12 |
| Do you expect the total tax burden in the Czech Republic in the coming years to: | 14 |
| Do you expect the corporate tax burden in the Czech Republic in the coming years to: | 15 |
| Respondents..... | 16 |
| The authors | 17 |

About the survey

Our motivation for performing a “quick and dirty” pre-election research poll was the desire to map the opinions of the readers of the prestigious “Final Word” internet bulletin in terms of the expected developments after the May parliamentary elections and to compare the survey outcome with research already published by leading agencies operating on the Czech market. The “Final Word” is published in English by the Fleet Sheet (E.S. Best s.r.o.).

This research is different from other polls, mainly due to the professional composition of the respondents. Of those who responded (when independent consultants and entrepreneurs are included), 78% have middle and higher-level decision-making powers and considerable influence over their immediate environment. The state administration employs 11.4% of all respondents, the financial sector 16.9%, the corporate sector 33.1% and other areas 38.6%. In terms of the age distribution of respondents, 74.7% are older than 35.

For each of the questions, we compared the attitudes of all respondents with the attitudes of select subgroups. We divided them into “Young respondents” and “Experienced respondents” (under 35, 35 and over). For some questions, we then prepared a view of the group’s opinions defined by their attitudes to one of the other questions.

The survey focused primarily on the possible economic consequences of the election outcome, including the expected make-up of the post-election government coalition and the selection of the most suitable prime minister. The questioning took place from May 4 to May 7, 2010, using an electronic questioning system run by Donath-Burson-Marsteller. An e-mail invitation to participate in the research was sent to 6,512 “Final Word” readers. A total of 1,295 respondents, or 19.9% of those asked, participated.

We have presented the results in the form of graphs showing the frequency of responses to the various questions or statements. We have supplemented the graphs with short descriptions of the main findings or other circumstances that we regard as interesting. We would like to point out that these other circumstances may not also always be statistically significant with regard to the specific professional composition of the respondents. You can find detailed information about the research at the end of this report.

Main findings

In the opinion of 58.5% of respondents, the political agenda of TOP 09 responds best to the Czech economy's current needs. In this regard, respondents rated the ODS agenda positively, although at 21.2%, it received half as many votes as TOP 09. Of the remaining parties, the Greens (4.8%) fared best in terms of their election program. Two other parties, Věci veřejné and ČSSD, each had a rating of about 3.5%. None of the other parties broke the 2% barrier.

In terms of effectiveness of the election campaigns, respondents rated the ČSSD campaign as the most effective (52.1%) at addressing the target audience, followed by that of TOP 09 (21.5%), Věci veřejné (11.7%), ODS (6.6%) and the Green Party (2.2%). None of the other parties passed the 2% barrier.

One question focused on the two areas the new government should treat as priorities, and 65.7% of respondents opted for corruption, 64.6% for public finance, 26.9% for pensions, 10.4% for education, 9.9% for unemployment and 7.7% for health care. The low degree of priority attributed by respondents to protecting the Czech Republic's national interests in the EU (4.4%), adopting the euro (4.0%) and the environment (3.0%) is interesting.

In terms of how managers of midsize and large companies and entrepreneurs will likely vote, a large majority of respondents chose ODS (61.5%). Another large group of respondents (35.3%) thought these managers and entrepreneurs would most likely cast their votes for TOP 09. Of the other parties, according to respondents, ČSSD would likely obtain 1.0% of the votes of managers and entrepreneurs, whereas the other parties would win support from these voters ranging from 0.1% (KSČM) to just under 1.0% (VV).

In the view of survey respondents, the most suitable candidate for the position of prime minister is Petr Nečas (31.3%), followed by "somebody like Jan Fischer" (23.3%) and Karel Schwarzenberg (21.0%).

A total of 83.5% of respondents expect the election outcome to have a marked influence on the economy, while 15.5% of respondents are of the opposite opinion. The number of people who don't know is negligible (1.0%).

When asked whether the Czech Republic could expect a similar fiscal crisis over the next four years to the one currently in Greece, respondents were mostly optimistic, and a total of 55.5% of respondents ruled this scenario out. On the contrary, 40.0% of respondents were pessimist and expect such a crisis. Only 4.5% of the respondents did not express an opinion in this respect.

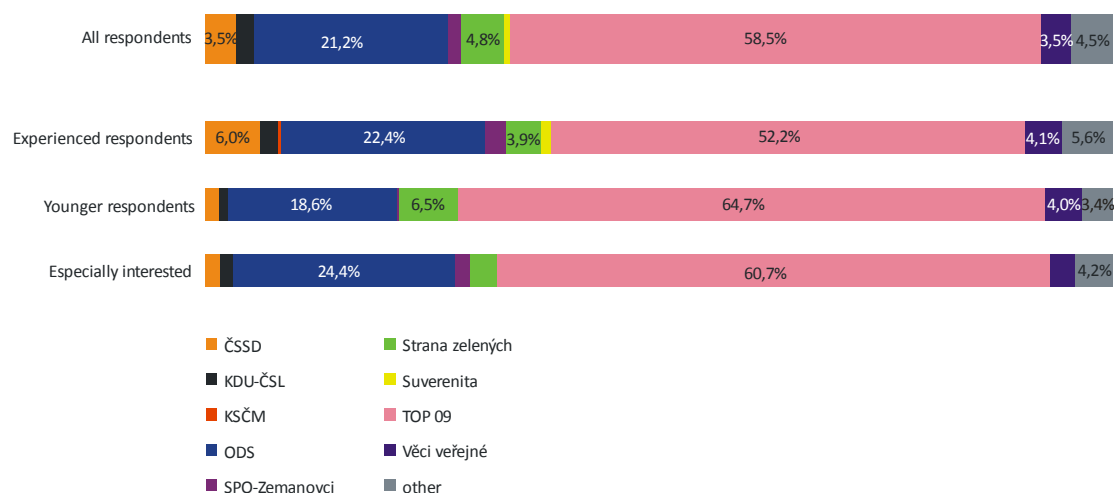
A full 94.1% of respondents expect an increase in the total tax burden in the Czech Republic in the future. Only 1.9% of respondents do not hold this opinion, whereas 4.0% did not share their thoughts on this.

An increase in the future in the tax burden on companies is expected by a large majority of respondents (87.9%). Only 5.3% were of the opposite opinion. There were 6.7% of respondents who did not express an opinion.

Cumulatively, the results of the research show a marked right-wing orientation of “Final Word” readers as well as a realistic assessment of the future economic situation. From this viewpoint, the respondents’ forecast that left-wing parties will receive a minimum number of votes from entrepreneurs and managers of midsize and large companies in the elections is not surprising. Surprisingly, the survey results show that, with the exception of TOP 09, the smaller parties attracted no significant support, including the Green Party.

Question No. 1:

Which party's program best reacts to the current needs of the Czech economy?



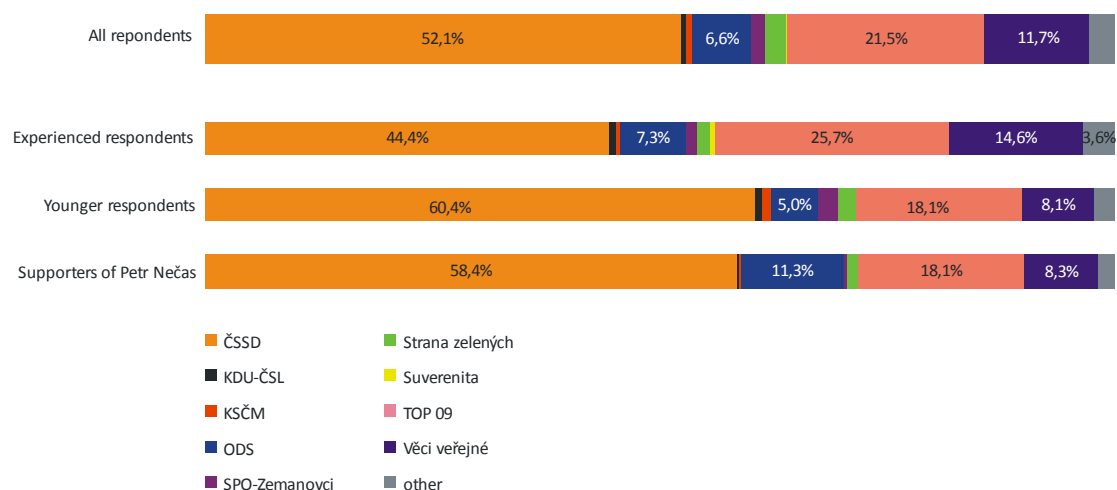
The clear winner in terms of the parties' economic agenda is TOP 09, which even obtained more votes than all the other parties combined. The respondents evidently appreciated that the "Economic Policy" chapter of TOP 09's "Program Declaration of the Government 2010-2014" is the first and also most comprehensive part of the document. The party also positions itself as having an obligation not to enter a government that is unwilling to eliminate the public budget deficit and aggressively reduce government spending.

The opinions of those who believe that the forthcoming elections "will have a significant impact on the future development of the Czech economy" are worth noting. For purposes of this report, we have given the subgroup of 432 respondents who answered "Strongly agree" to Question No. 7 the working name "especially interested" (in the parties' economic plans). Politically, we found that the "especially interested" subgroup differed from the group of all respondents only through a small shift in favor of ODS and against ČSSD.

In terms of the division of respondents by age, TOP 09's economic program scores even more points among younger respondents, at the expense of both of the large parties.

Question No. 2:

Which political campaign do you deem the most effective in terms of how it addresses the target audience?

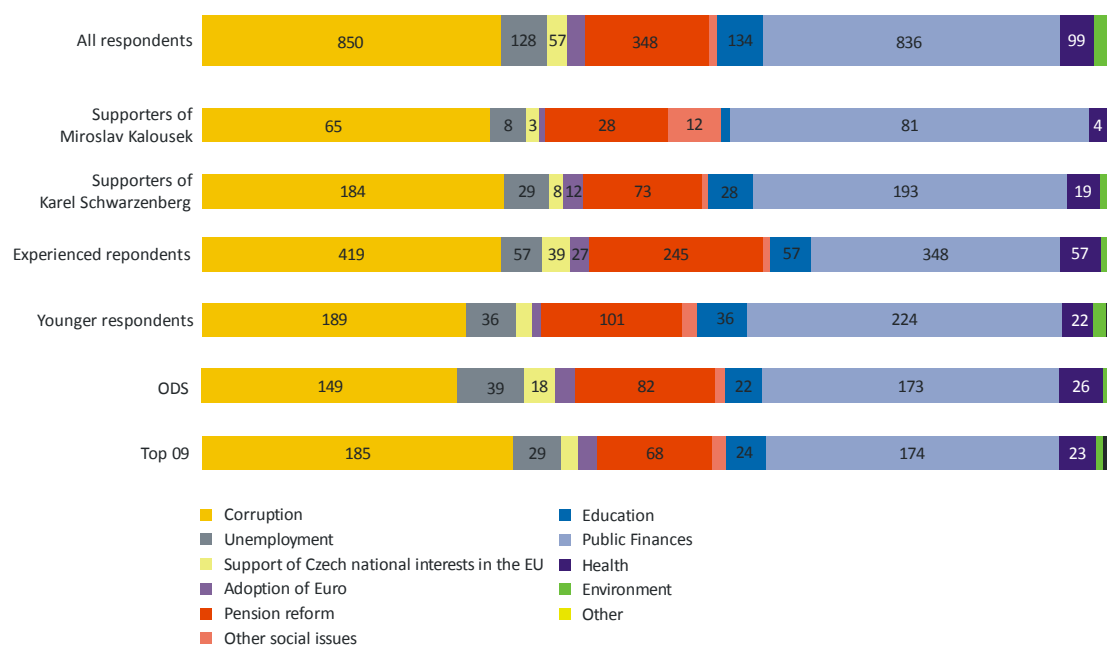


A majority of all respondents (52.1%) regard ČSSD's campaign to be the most effective. It is interesting to compare this outcome with the same respondents' attitudes to other questions. They do not regard ČSSD's economic program to be among the best (Question No. 1), nor do they see Jiří Paroubek as the most suitable candidate for prime minister by a long shot (Question No. 6); despite this, according to these respondents, a ČSSD-led government is the second most probable election result.

It is interesting that the supporters of Petr Nečas (Question No. 6) view the effectiveness of ČSSD's campaign even more favorably than do other respondents.

Question No. 3:

Which of the following areas should be the primary concerns of the next government?



Respondents were asked to recommend two priorities for the next government and replied that corruption and public finance should clearly be the biggest priorities.* Both received approximately 850 votes, and 498 respondents marked both areas as their two priorities.

It is interesting to compare the positions of “Final Word” readers with the general public’s attitude, as mapped in research by CVVM in January and February. Unemployment, which is the most pressing issue in the Czech Republic according to CVVM, only received 128 votes in the DBM/FW poll. This is only one-sixth of the votes received for “public finances,” which finished in second place in terms of importance to the Czech Republic in our survey. The attitudes of managers toward corruption, on the other hand, match the results of the CVVM research. For example, a full 40% of CVVM’s respondents think that most public officials are involved in corruption and in taking bribes.

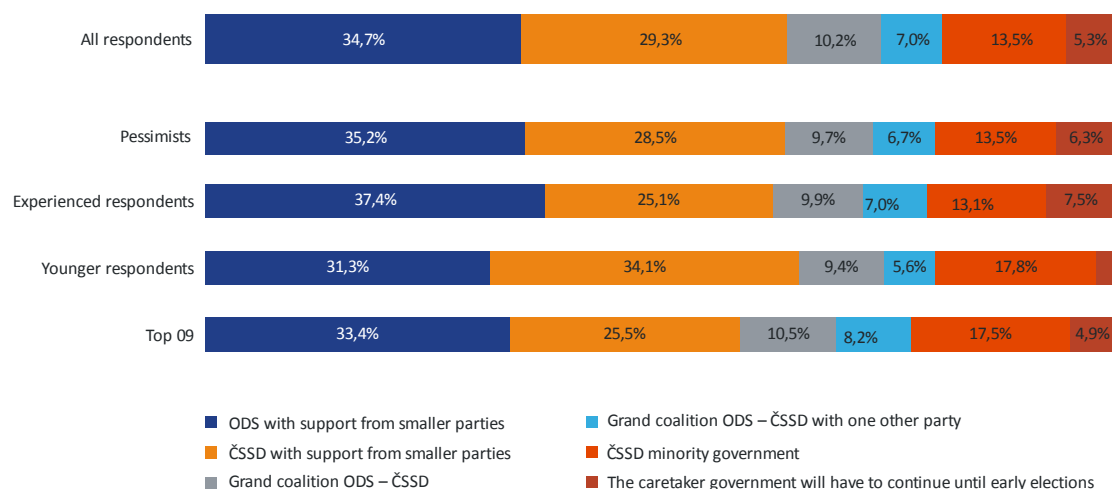
A comparison of the respondents’ priorities in terms of which party, in their opinion, has the best economic program (Question No. 1) shows that supporters of the economic programs of TOP 09 and ODS recommend very similar priorities for the next government. They differ mostly in a greater emphasis by TOP 09’s supporters on corruption and, on the contrary, a greater emphasis on pensions, unemployment and support for the Czech Republic’s national interest in the EU, in the case of supporters of ODS. The economic programs of the other parties obtained such small support that the responses do not form a sufficiently significant group for a more detailed analysis.

A comparison of the opinions of the younger managers and the more experienced ones indicates that the more experienced ones would prefer that corruption and pensions be dealt with, whereas public finances are an even bigger priority for the younger ones.

* The survey took place before the threat of a downgrade of the Czech Republic’s credit rating was discussed in the media.

Question No. 4:

Who do you expect to form the next government?



The largest number of respondents (34.7%) expect an ODS government with support from smaller parties. The second most-popular option (29.3%) is a government of ČSSD with the support of smaller parties. However, 772 respondents expect one of the four outcomes that include ČSSD's participation in the next government, whereas only 668 respondents expect ODS's participation in the next government in some form.

The expectations of supporters of TOP 09's economic program are worth noting. Their expectations are not markedly different from those of all respondents, but the main difference for this group is the lower representation of the option of a government led by ČSSD and greater representation of the option with a ČSSD minority government.

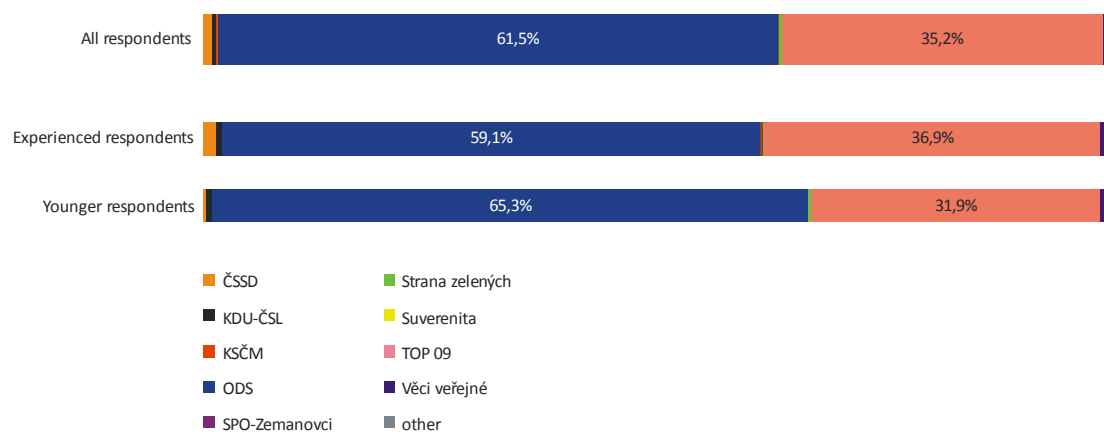
Younger respondents more frequently expect a government led by the ČSSD (according to this group, this option is even more probable than a government led by the ODS). According to this group, the chances of a caretaker government continuing after the elections are quite marginal. The more experienced respondents show opposite attitudes in the previous two regards: According to them, a government led by ODS and the continuation of a caretaker government are even more probable than the creation of a grand coalition between ČSSD and ODS.

Interestingly, opinion polls in March and April by STEM found that a coalition of ODS and smaller parties would very probably not have a majority of seats in Parliament, whereas all the other options would.

For comparison, we also selected a group of fiscal pessimists who are worried about a dramatic budget crisis (Question No. 8, answers "Strongly agree" or "Agree"). The results show that this group's forecast for the post-election arrangement only differed slightly from other respondents' estimates.

Question No. 5:

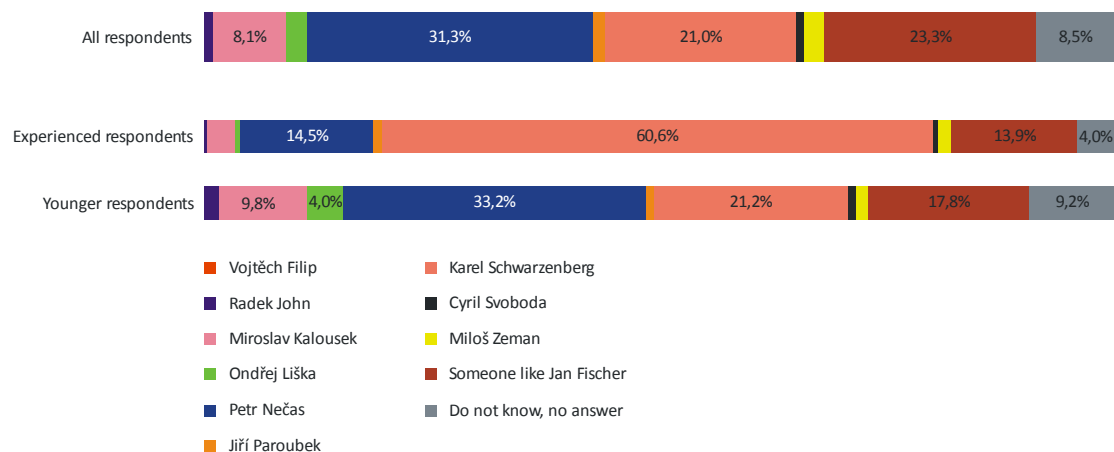
Which party will be the top election choice of entrepreneurs and managers in midsize and large companies?



According to respondents in the survey by DBM/FW, ODS enjoys by far the most support from entrepreneurs and managers of midsize and large companies. Among young respondents, there is even the opinion that if only entrepreneurs and managers voted, ODS would receive 65% of the votes in the elections. If only entrepreneurs and managers voted in the elections, according to the estimate of young respondents, an ODS-TOP 09 coalition would get more than 96% of all votes.

Question No. 6:

Who, in your opinion, would be the best candidate for prime minister?



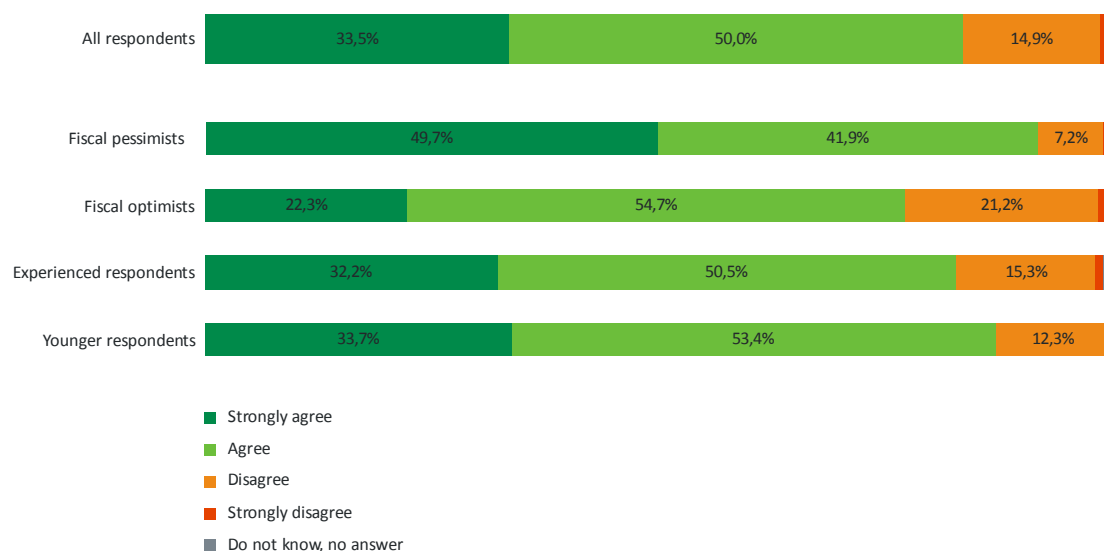
Petr Nečas is regarded by respondents as the best candidate for prime minister. He is evidently considered a significant plus for ODS, in the sense that he scores points with respondents despite the fact that the ODS economic program has only about a third of the supporters of TOP 09's.

It is worth noting that the winners of the Factum Invenio and Sanep opinion survey for the position of prime minister, Jiří Paroubek and Radek John respectively, did not fare well among managers, whereas the pair of Petr Nečas and Karel Schwarzenberg did. It is also interesting that Miloš Zeman got more votes than Jiří Paroubek (just as in a poll by Sanep, which was also performed online).

Given that two TOP 09 leaders (Karel Schwarzenberg and Miroslav Kalousek) received significant support, the differences in their supporters' priorities for the next government are quite interesting. Whereas the emphasis on corruption is comparable, supporters of Kalousek for prime minister place even more importance on public finances. According to Schwarzenberg's supporters, the "Other social policy" priority is quite marginal, whereas for Kalousek's supporters, it is even more important than employment.

Question No. 7:

The outcome of the elections will have a significant impact on the future development of the Czech economy.

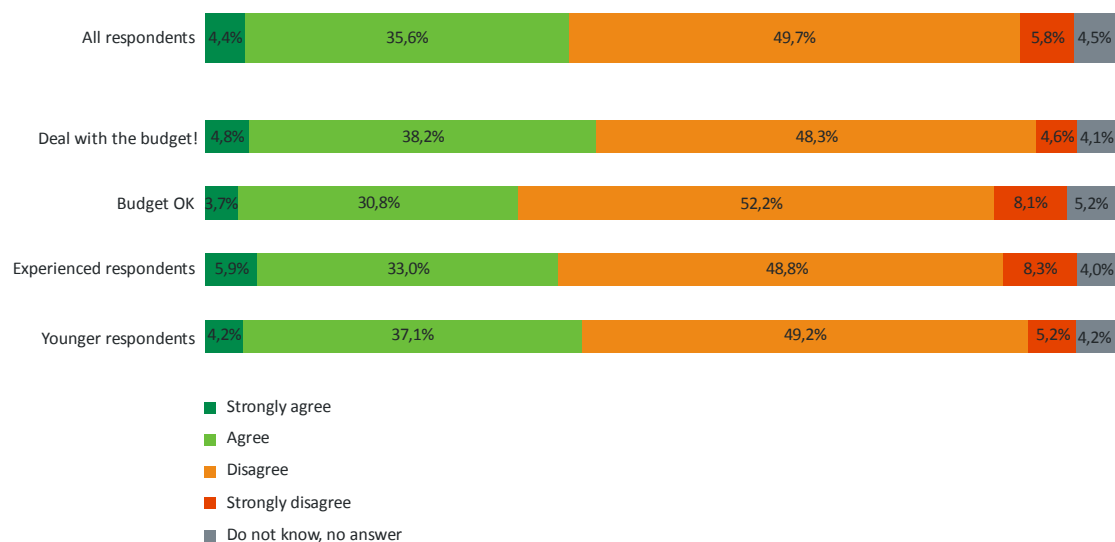


More than 80% of respondents believe (“Strongly agree” or “Agree”) that the outcome of the elections will influence future trends in the Czech economy. Their attitudes toward this question change only negligibly with age. However, the issue of the threat of a budget crisis (Question No. 8) divides respondents more in terms of the impact of the elections on the future development of the Czech economy.

Fiscal optimists (those who answered Question No. 8 with “Strongly agree” or “Agree” that the Czech Republic will not face a Greek-like financial crisis) see the elections as key for the further development of the economy to a significantly lesser extent. A fifth of them disagree with the statement that the elections will have a significant impact on the economy’s development.

Question No. 8:

In your opinion, does the Czech Republic risk facing a Greek-like financial crisis within the next four years?

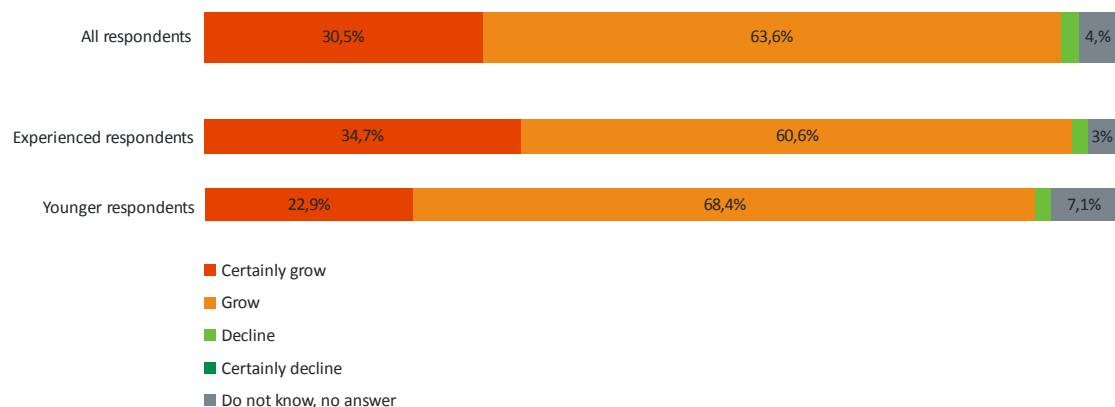


All respondents, as well as the younger and more experienced subgroups, see the possibility of a dramatic fiscal crisis over the next four years in a similar manner: Around 5% “Strongly agree” with the opinion that the country is facing such a crisis, while approximately 35% “Agree.”

It is worth mentioning the group of 458 respondents who, in Question No. 3, did not identify public finance as one of the priorities for the next government. The subgroup with the working name “Budget OK” sees the risk of a dramatic financial crisis very similarly to the group of 832 respondents from the “Deal with the budget!” subgroup (i.e. those who identified public finances as a government priority).

Question No. 9:

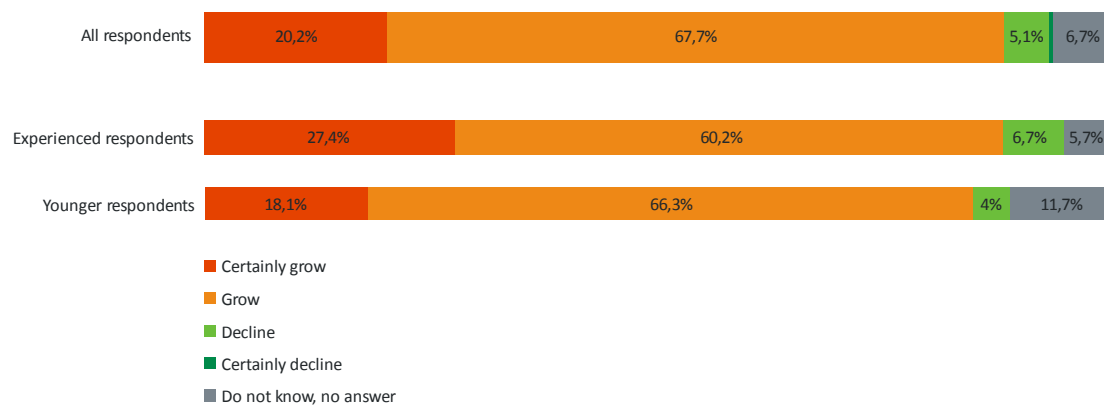
Do you expect the total tax burden in the Czech Republic in the coming years to:



Of respondents, 65% regard the question of public finances to be a necessary priority for the next government. This is related to the idea of where the next government will find the money to stabilize the state treasury. An increase in the total tax burden in the future is expected by 94% of respondents. This attitude is not influenced by the expectations of respondents regarding the makeup of the post-election government. All governments will have to increase the tax burden, according to respondents. For example, 92% of those who expect a victory of a center-right coalition believe this.

Question No. 10:

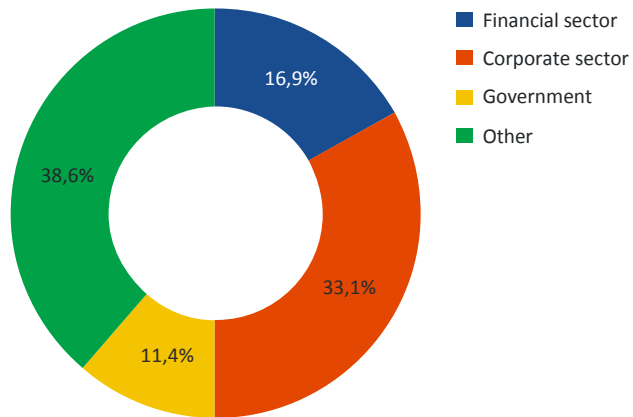
Do you expect the corporate tax burden in the Czech Republic in the coming years to:



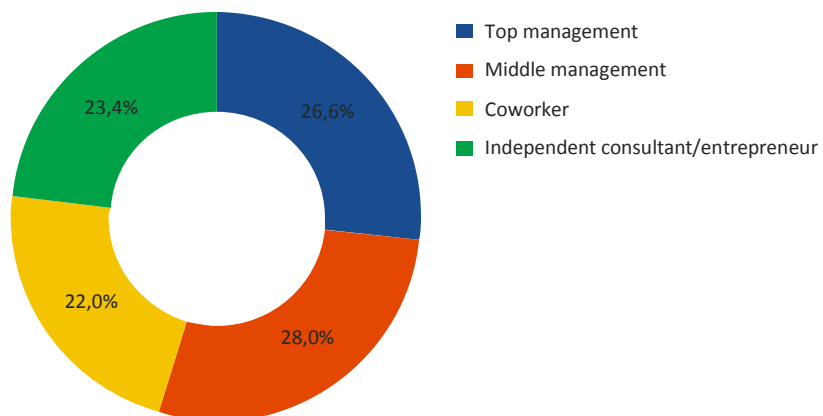
If taxes rise, who will pay them? According to 88% of respondents, the increase in the tax burden will affect companies. A full 95% of respondents think this will be the case if a minority ČSSD government is victorious; for a ČSSD government with support from smaller parties, the number is 88%, while, for a coalition of the ODS and smaller parties, it is 85%.

Respondents

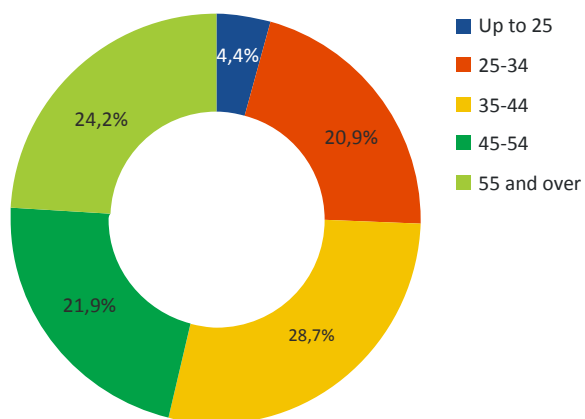
I work in:



My position within the company:



My age:



The authors

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the fleet sheet's final word

Fleet Sheet's Final Word

is a daily e-mail bulletin targeting political and economic issues in the Czech Republic. For more information see www.fsfinalword.com.

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