

CZECH POINT:

28

A MID-TERM EVALUATION OF AN ON-GOING SMALL STATE PRESIDENCY

Tiia Lehtonen

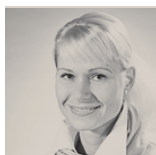
BRIEFING PAPER 28, 18 March 2009



ULKOPOLIITTINEN INSTITUUTTI
UTRIKESPOLITISKA INSTITUTET
THE FINNISH INSTITUTE OF INTERNATIONAL AFFAIRS

CZECH POINT:

A MID-TERM EVALUATION OF AN ON-GOING SMALL STATE PRESIDENCY



Tiia Lehtonen
Researcher
The Finnish Institute of International Affairs

Briefing Paper 28
18 March 2009

Summary

- The Czech EU Presidency has now reached its mid-term. It can be reasonably argued that the change of Presidency came at a challenging time for both the EU and the Czech Republic itself.
- The initial priorities of the Czech Presidency, the ‘three Es’, were ambitious to say the least, and the provisional results in implementing them are consequently modest at best.
- The internal disorder of the Czech administration has had a visible and rather negative impact on its competence to run a successful Presidency. The lack of a genuine consensus on various EU issues within the Czech political elite and the autonomy of President Klaus have resulted in problems in terms of satisfactorily driving forward the individual priorities and the Union as a whole.
- As calls for protectionism have increased in the light of the recession, it has become ever more difficult for the Czech Republic to take a leading position in the EU within the realm of the economic crisis and to find common grounds for all member states.
- The first European Council meeting under the Czech Presidency will be held on 19th and 20th March in Brussels. Another significant opportunity for the Czechs to exert an influence will be during the G20 Summit in early April.

The Finnish Institute of International Affairs
The European Union Research Programme



Photo: EU2009.cz

By choosing ‘Europe without Barriers’ as its motto, the Czech Republic explicitly indicated its aim to remove the obstacles – especially those of the internal market – between EU member states. The barriers to be dismantled also include various regulatory burdens, discrimination, external trade restrictions, as well as constraints on openness and a lack of cooperation in Justice and Home Affairs. The Czechs pointed out that these barriers make it impossible to make full use of the potential of individual countries and the European Union as a whole, or to appropriately advance free movement of people, goods, services and ideas. The key priorities were initially spelled out in the form of three Es: ‘Economy, Energy and Europe in the world’, although within its first hours, the Presidency was confronted with ‘two Gs’: Gaza and Gas.

It is now time to ask whether the Czech Presidency has, to date, raised its profile in the wake of the heavyweight French Presidency. Has it been able to address its agendas and will we witness its crucial actions in any quarter? Regarding the motto, we may ask whether the Czechs have been able to remove the barriers or whether they have simply increased, both in number and size? After all, it would be unfair to state that the Czech Republic has so far failed to live up to expectations, given that the expectations were all rather modest and even dubious from the outset. It is the aim of this paper to assess the role of these determinants and to evaluate the overall state of play now that the first European Council under the Czech Presidency is set to take place.

Internal dynamics of the Czech administration

The Czech political elite have been in disarray since Klaus became President in 2003, and are split on almost all major issues. The political leaders are also divided on various EU topics and this domestic factor certainly plays a role in explaining the major gear-changes in its EU Presidency. In the Czech Republic, the national front can be distinguished in Eurosceptic and pro-European parties probably more clearly than in any other European countries. The Czech Government, which is ultimately responsible for the EU Presidency, is led by the Civic Democratic Party (ODS), whereas the Social Democrats (ČSSD) sit in opposition. Even the ruling ODS is far from united vis-à-vis European matters and the rift has only deepened since 2008. The key figures in the power struggle within the party were President Václav Klaus on the Eurosceptic and nonconformist side, and the Prime Minister (and the incumbent President of the European Council), Mirek Topolánek, together with the Deputy Prime Minister, Alexandr Vondra, in the pro-European stream. The similarities between these two camps ostensibly prevail in their orientation towards two key issues that they both wish to promote: the liberalization of the market and low taxation.

As a consequence of this internal party tension, the long battle for leadership and ever-increasing disagreements, President Klaus resigned from the ODS in December 2008 and renounced his honorary chairmanship. A new Eurosceptic anti-Lisbon Treaty party, (The Party of Free Citizens, SSO) was established in Prague as recently as January 2009,

obviously in close association with President Klaus. It has been claimed that the primary aim of this party was to get itself recognized in Czech politics as a rival to the ruling ODS on the one hand, and to stand as a contender in the upcoming EP elections on the other.

Ironically enough, the very notion of 'Europe without Barriers' is often seen as rather inconsistent with the de facto acts and ideology of President Václav Klaus who – as one of the leading Eurosceptics not only in Europe but also in the world – has been driving forward somewhat contradictory objectives. On top of that, he has tended to interpret the EU to his people from a very personal perspective. Arguably, as far as the president is concerned, a Europe without barriers is not synonymous with a Europe without borders. His Europe is one of nation states. He has also stated that the European unification process is a threatening phenomenon for someone who spent most of his life in a very authoritarian and oppressive communist regime.

Cooperation with Mr Klaus in running the Presidency was deemed to be one of the most challenging tasks from the outset, and his autonomy has indeed proved to be a source of increasing political tension. While the Czech Constitution does not formally indicate the roles performed by the President and the Government in European issues, President Klaus has been clever enough to intervene at the most decisive moments. His passionate and arrogant speech at the European Parliament in February 2009 made a number of MEPs walk out of the chamber, even if it was by his own reckoning only designed to express "some critical remarks on the situation in Europe". When the greater part of the political elite in the Czech Republic has come to the conclusion that the EU would act better as a united and coherent entity, it is discouraging to see Mr Klaus systematically pulling in the opposite direction.

Assessing the status of the three Es

The three priority areas introduced by the Czech EU Presidency are still waiting to be seriously addressed. As for the economic downturn, it was anticipated that it would bottom out during the Czech term. For this reason, the battle against economic recession justifiably became one of the

major tasks of the Presidency, although the proposal was initially adopted on the agenda with a certain amount of unease. It was stated in early March by Prime Minister Topolánek that protectionism and breaking the rules of fair competition may, in the longer run, inflict more economic and political harm than the crisis itself. The Minister of Finance, Miroslav Kalousek, has similarly pointed out that the long-term risks of protectionism would be much more far-reaching than those of a short-term slump. Excessive regulation of the market should, however, be avoided and, in Topolánek's view, it would be of paramount importance for all member states to be able to act in concert when implementing the Economic Recovery Plan. Czech-French relations in particular have suffered from the alleged growth in French protectionism resulting from problems within its badly hit car industry.

Simply put, it is hardly surprising that no major inroads have been made by the Czechs when it comes to the economic crisis. Further liberalization of the internal market and improving European competitiveness by bringing down the barriers were the main goals of a country that does not even participate in the eurozone itself. The introduction of massive regulation or harmonization from above has never been a Czech vested interest. In order to exercise as clever a leadership as possible, the Czechs could have, for example, attempted to influence the eventual agenda-setting of the upcoming European Commission to incorporate objectives such as increasing the global competitiveness of the EU economy, simplifying the European legislation and figuring out feasible ways to guarantee the resuscitation of the European economy.

After all, one may argue that in this regard the Czech hope still lies in advancing appropriate policy debates, developing dialogues, and generating proper discussion and communication, rather than in taking substantial or more clearly measurable steps in any of the potential directions. The member states' reliance on the EU's competence to work as a broker has, in any case, seriously decreased since the start of the downturn. It is now a question of whether, in the new situation and within the given time frame, the Czech Presidency can once again forge a greater consensus or assume responsibility for re-building the member states' overall confidence in the EU. This may prove difficult, as President Klaus has just



Photo: Gamillos

declared that all financial problems, in fact, stem from the very ‘rigid and demotivating’ European economic and social system, into which the Czechs decided to integrate, for some reason. The crunch will come in April when the Czechs represent the EU in the G20 Summit in London. It is intriguing to see whether a discerning consensus will be achieved prior to it.

Beyond the economic issues – whose inclusion was an imperative rather than a free choice – it was somewhat sarcastic that the Czech Republic decided to select the environment as an area of immediate concern, not least because it was a well-known fact, even at the outset, that the head of state, President Klaus, has a rather sceptical attitude towards any green affairs and has vigorously denied the existence of climate change in his anti-global-warming treatises. His position on environmental issues has certainly had an influence on the means by which the Czechs have (not) tackled the question of climate protection. As a child of the communist regime, Mr Klaus recognized an issue-linkage and regarded it as his duty to address the resemblance between the infringements that were once made in the name of communism and the ones that are now being made in the name of saving the planet. Thus, he was seriously suggesting that a comparison could be drawn between communist propaganda and the information being propagated to promote climate protection – an analogy that was no doubt lost on many.

It is obvious enough that this further internal disarray has not paved the way for a broad European-wide

consensus at the Copenhagen climate summit, nor advanced the battle against climate change and global warming. However, it was also the aim of the Czech Presidency to focus on energy supply security through energy savings and to make an effort to finalize the fulfilment of the Kyoto obligations. In fact, the range of its ‘environmental priorities’ turned out to be most comprehensive and has covered all areas from human health to social stability, protection of biodiversity and sustainable consumption and production. Yet, the measures taken and the number of summits organized on environmental concerns by the Czechs are underwhelming. Given that the Copenhagen summit will be held just five months after the end of the Czech Presidency, it is hard to imagine that the Czechs would have been able to take adequate measures or make major constructivist contributions to advance a successful outcome. An ideological division between the President and the Czech Government is again perceptible in this issue.

The implementation of the last priority – strengthening Europe’s role in the world and its external relations – has arguably been the least challenging aspect for the Czech Presidency. Within this issue area, cooperation between Prime Minister Topolánek, Vice-Premier Vondra and Foreign Minister Schwarzenberg has been firm and highly visible. The strong Atlanticist orientation of the Czech administration and its imposing relationship with its US counterpart has further facilitated the Czech Republic in advancing issues under its third priority. Given that it has also been both an interest and an aim of the Obama administration to create a solid relationship with the EU, it can be argued that



Photo: Daniel Antal

the Czech Presidency has been offered a particular niche to provide fresh impetus to the transatlantic partnership, which it has managed to fill.

The aftermath of the crisis between Russia and Georgia on the one hand, and that of Russia and Ukraine on the other, has added to the workload of the Presidency in terms of external relations. Regarding the latter, it was the Czechs' aim as part of their environmental priority to guarantee the reliability of energy delivery and they certainly reacted cautiously to the problems which emerged. As it turned out, the necessary progress was achieved in the talks. However, it is questionable whether the Czechs profited themselves as decisive brokers or strengthened the image of the EU as a significant global player. In fact, before the summit took place, President Klaus declared that the dispute between Russia and Ukraine over the gas supply is not a European affair at all – regardless of the fact that some schools and factories had been forced to close and the heating had been shut down in some Eastern European countries as a result of the gas shortage. In the light of the recent developments, it seems that the Czechs, while leading the EU external relations, do not, however, regard some crucial events in the neighbourhood as EU affairs at all. To all intents and purposes, they have not performed in such a way as to appropriately push forward the implementation of the Eastern Partnership as part of their third priority.

A number of urgent issues appearing on the agenda ever since the start of the Presidency have also proved

to be practical obstacles for the accomplishment of the planned objectives in the realm of the third priority. The process of enlargement and its development, particularly in the Western Balkans – on which the Czech focus apparently lies – has not progressed as planned during its term of Presidency. Yet, the Czechs have constantly underlined the importance of continuing accession talks especially with Croatia, which became an EU candidate country in 2004, starting its accession negotiations in the following year. These negotiations have been put in jeopardy and all too often suspended due to an ongoing border dispute between Slovenia and Croatia, where the Czechs have not gained sufficient leverage for mutual conflict resolution. The Czech Presidency is also considering the postponement of an intergovernmental EU accession conference for Croatia scheduled for 27 March. The recently mounting tensions are seemingly delaying Croatia's envisaged timeline for accession, and it remains to be seen how much influence can be exerted by the Czechs.

Final pieces of the puzzle and prospects for success

A number of important variables have further determined the development of the Czech Presidency thus far. In addition to its main agenda – managing the three Es and bringing down the barriers – the Czech Republic was supposed to help Ireland in its struggle to ratify the Lisbon Treaty after a negative outcome in the referendum in June 2008. Given their

own domestic difficulties and still further delays in ratifying the Treaty, it is no wonder that the Czechs have not been able to provide neutral guidance or sound advice for Ireland when it comes to finding a solution. Furthermore, in December 2008 the Czech ratification of the Treaty was unjustifiably linked domestically with the US plans to base a missile defence system on their soil, temporarily increasing even more pointless debate.

In the Czech Republic, ratification of the Lisbon Treaty was approved by the lower House of Parliament in February 2009, but it still has to be ratified by the Senate. For the time being, the ratification by the Senate is expected to take place some time in April. Ultimately, the Treaty still has to be signed by President Václav Klaus, for whom it 'paves the way to a postdemocratic Europe'. Luckily, it is unlikely that the President will use his power of veto over the Treaty, although he may attempt to procrastinate by, for example, once again referring the Treaty to Constitutional Court examination. With respect to the internal organization of the Czech administration, it is of crucial importance for them to develop adequate methods and means by which to deal with their most anti-European bodies and personalities.

Last but not least, leading the EU smoothly to the forthcoming elections for the European Parliament in early June could bolster the reputation of the Czechs. To its credit, it must be acknowledged that the Czech Republic took up its first six-month term as the second post-communist newcomer under extremely challenging circumstances. Notwithstanding the comments above, a good Presidency should extend far beyond dealing solely with the substantive priorities set at the beginning of the process. An effective Presidency is not determined exclusively by the number of meetings or acts taken, but includes elements such as sensitivity regarding day-to-day politics both at the European and global level, careful preparation, and true commitment to European integration. If all these elements could be combined with the requisite ability to have a positive impact on the overall atmosphere of the Union and to keep the EU on the world map, it would add to the credibility of the outcomes.

Tiia Lehtonen
Researcher
The Finnish Institute of International Affairs
ISBN 978-951-769-219-9
ISSN 1795-8059
Cover photo: Ilya Schurov
Layout: Niina Sarkonen
The Finnish Institute of International Affairs 2009
www.upi-fiia.fi