

EU-27 WATCH



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On the project

Due to the new treaty provisions of the Lisbon Treaty and the economic crises the enlarged EU of 27 member states is on the search for a new *modus operandi* while also continuing membership talks with candidate countries. The EU-27 Watch project is mapping out discourses on these and more issues in European policies all over Europe. Research institutes from all 27 member states and the four candidate countries give overviews on the discourses in their respective countries.

The reports focus on a **reporting period from December 2009 until May 2010**. This survey was conducted on the basis of a questionnaire that has been elaborated in March and April 2010. Most of the 31 reports were delivered in May 2010. This issue and all previous issues are available on the EU-27 Watch website: www.EU-27Watch.org.

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Czech Republic**The Czech Republic – a satisfied spectator**

Mats Braun*

The Czech Republic has yet to introduce the Euro as the country's currency. However, so far there has been a lack of political will to fulfil the EU membership commitments on this point. The current crisis has strengthened the position of Euro reluctant voices in the country. Even if none of the established political parties are directly against the introduction of the Euro, primarily the Civic Democrats (the major rightist party – ODS) and the Communists have made it clear that early access to the Eurozone is not in their interest. The otherwise Europhile Social Democratic Party (ČSSD) is, on the other hand, not willing to accept the necessary economic reforms for the Czech membership in the third phase of the European Monetary Union (EMU).¹ The most prominent and also the most outspoken EMU sceptic in the country, President Václav Klaus, has used the crisis as an opportunity to state that his long-term criticism of the project has been proven correct. Klaus has, among others, blamed the current crisis in Greece on the country's choice to introduce the Euro.²

The country's position on the rescue package for Greece has been influenced mainly by three factors: the country's position as a non-member in the third phase of the EMU, the weak political mandate of the current caretaker cabinet and the ongoing national election campaign. The country's involvement in the rescue package is, due to the country's non-membership in the Eurozone, rather limited and only through the EU rescue fund. It is also important to mention that the current Czech government is largely a caretaker cabinet with an unclear political mandate and that it does not consider itself in the position to make any more long-term commitments on behalf of the Czech Republic; at the same time, the more prominent representatives of the political parties were more interested in the domestic election race than in saving the Euro. The upcoming elections to the Chamber of Deputies led to a situation where politicians, especially on the right side of the political spectrum, tended to use the crisis to win political points by warning the electorate that this is what would happen if the Socialists were to win the elections. If we look at the comments on the rescue package in the media, they, to a large degree, tend to reflect what is written in the European media as a whole, such as in *The Economist*. An often-stated point is that the agreement was reached too late, and that Germany is primarily to blame for this failure.³

The Czech reactions regarding what can be learned from the Greek crisis are mixed. During the Czech Council Presidency in the first half of 2009, the Czech message regarding the financial crisis was that the member states should maintain budgetary discipline and keep their commitments to the Stability and Growth Pact.⁴ Simultaneously, the country has had difficulties in mastering its own budgetary situation. The Czech reactions regarding the future of the Stability and Growth Pact are generally positive towards stricter budgetary discipline, but simultaneously hesitant towards any step that could be interpreted as increasing the supranational aspects of the European integration project. This is in particular the view of the parties on the right side of the political spectrum. The initial Czech responses to the discussions on a special bank tax as well as regulation of hedge funds (especially concerning the points regarding third countries) have been reluctant and the government has sided with the United Kingdom on most of these issues.⁵ However, the first comments regarding the possibility of some kind of EU surveillance of national budgets were rather positive.⁶

From the Czech perspective, the Europe 2020 Strategy was criticised in its original version for including too many numbers without any clear content. It was also criticised for lacking vision regarding competitiveness, a better climate for entrepreneurs and work productivity, which are viewed by central Czech actors as the key components for economic growth. The Minister for European Affairs has, among other things, stated that the intended goal of reduced energy dependency in the Czech Republic is unrealistic.⁷ The Strategy has also been criticised by both the organised trade unions and business interests. Both Jaroslav Šulc from the Czech-Moravian Confederation of Trade Unions and Radek Špicar from Škoda cars have criticised the Strategy for failing to reflect why the Lisbon Strategy failed, and both have also questioned the lack of consequences for failing to fulfil the targets of the Strategy. However, there is a general agreement on the point that the EU member states need to invest more in research and science. The Czech Republic has also started working on a

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national road map to the Europe 2020 Strategy. Among the first steps in this direction was a conference held in the chamber of deputies in May 2010.⁸

¹ Parížek, Michael: Euro ano, nebo ne? Český diskurz o euru [Euro, yes or no? The Czech discourse on the euro], in: Drulák, Petr/Handl, Vladimír (eds.): Hledání českých zájmů – Vnitřní rozmanitost a vnější akceschopnost, Prague 2010.

² See, e.g., Klaus.cz: F.A.Z.-Gespräch mit dem tschechischen Präsidenten, available at: <http://www.klaus.cz/clanky/2577> (last access: 22 June 2010); Klaus.cz: Rozhovor prezidenta republiky pro časopis Týden o volbách do Poslanecké sněmovny a problémech eurozóny [Interview with the president for the weekly Týden about the elections to the Chamber of Deputies and the problems of the Euro-zone], available at: <http://www.klaus.cz/clanky/2591> (last access: 22 June 2010).

³ See, e.g., Niedermayer, Luděk: Evropa se otáčí správným směrem [Europe is turning in the right direction], 19 May 2010, available at: <http://hn.ihned.cz/c1-43631920-evropa-se-otaci-spravnym-smerem> (last access: 22 June 2010).

⁴ See, e.g., Braun, Mats: Předsednictví za ekonomické recese [The Presidency during the Economic Crisis], Mezinárodní politika, no. 7, 2009.

⁵ Hospodářské Noviny: Zákrok unie proti velkým fondům provážeji spory [The Union's measures against big funds are followed by controversies], 19 May 2010, available at: <http://hn.ihned.cz/c1-43631570-zakrok-unie-proti-velkym-fondum-provazeji-spory> (last access: 22 June 2010).

⁶ Hospodářské Noviny: Brusel: Rozpočtová pravidla se budou řešit až na podzim [Brussels: The budgetary rules will be dealt with in the autumn], 19 May 2010, available at: <http://hn.ihned.cz/c1-43631560-brusel-rozpocetova-pravidla-se-budou-resit-az-na-podzim> (last access: 29 June 2010).

⁷ Chmiel, Juraj: EU by měla být více „user friendly“ [EU should be more user friendly], 12 April 2010, available at: <http://www.euractiv.cz/cr-v-evropske-unii/analyza/juraj-chmiel-eu-by-mela-byt-vice-user-friendly-007353> (last access: 29 June 2010).

⁸ Euroskop.cz: Shrnutí konference ke strategii „Evropa 2020“ [A summary of the conference “Europe 2020”], 7 May 2010, available at: <http://www.euroskop.cz/44/16288/clanek/shrnuti-konference-ke-strategii-evropa-2020/> (last access: 29 June 2010).

Questionnaire for EU-27 Watch, No. 9

Reporting period December 2009 until May 2010 – Deadline for country reports 21 May

All questions refer to the position/assessment of your country's government, opposition, political parties, civil society organisations, pressure groups, press/media, and public opinion. Please name sources wherever possible!

1. Implementation of the Lisbon Treaty

On the 1 December 2009 the EU-reform ended with the entering into force of the Lisbon Treaty. However, the new treaty provisions still have to be implemented. Some procedures and conditions have to be determined. In other cases, procedures, power relations, and decision-making mechanisms will change due to the new provisions.

- How is the work of the new President of the European Council, Herman Van Rompuy, assessed in your country? Which changes to the role of the rotating council presidency are expected?
- How is the work of the new High Representative of the Union for Foreign Affairs and Security Policy, Catherine Ashton, assessed in your country? Please take into particular consideration both her role within the European Commission and her relationship to the Council of the European Union.
- On 25 March 2010 a "Proposal for a Council Decision establishing the organisation and functioning of the European External Action Service" was presented. How is this concept perceived in your country? Which alternatives are discussed?
- On 31 March 2010 the European Commission presented a proposal defining the rules and procedures for the European Citizens' Initiative (ECI). What are the expectations for the ECI in your country? What are the various positions concerning the rules and procedures?

2. Enlargement and European Neighbourhood Policy

The European Commission has given its opinion on Iceland's application for EU-membership and a decision from the Council is expected before the end of June. Croatia seems to have settled its border dispute with Slovenia. Against this background:

- Which countries does your country expect to become members of the European Union in the next enlargement round? What are the opinions in your country on the membership of these countries?
- How are the membership perspectives of those countries discussed, which are not expected to become a member in the next enlargement round?

The Eastern Partnership and the Union for the Mediterranean were the last major projects dealing with the European neighbourhood:

- How are these projects assessed in your country?

3. European economic policy and the financial and economic crisis

The European Council agreed on 25/26 March on the key elements of the Europe 2020 strategy, the successor of the Lisbon strategy. While not being on the formal agenda the economic and financial situation in Greece was discussed. The European Council agreed on a finance package combining bilateral loans from the eurozone and financing through the International Monetary Fund.

- How is the finance package for Greece assessed in your country? Are there any opinions on the process, how the agreement on the package was reached?
- Which lessons should be drawn from the Greek case for a reform of the Stability and Growth Pact?
- How is the idea of "a strong coordination of economic policies in Europe" perceived in your country? What concepts of an European economic governance are discussed in your country and which role do they assign to the Euro group?
- How is the Europe 2020 strategy discussed in your country? What are the priorities for the Europe 2020 strategy from your country's perspective?

4. Climate and energy policy

The climate conference in Copenhagen took note of the Copenhagen Accord but did not reach a binding agreement. The next conference of the parties (COP 16 & CMP 6) will take place at the end of November 2010.

- How is the Copenhagen conference assessed in your country? Please take into consideration the negotiation strategy of European Union and the results of the conference.
- Does the European Union need to change its own energy and climate policy in order to give a new impulse to the international negotiations?
- Is a global agreement within the UNFCCC the best strategy to fight climate change? If not, which alternative strategy should the European Union follow?
- What is your country's position on financing mitigation and adaptation efforts in developing countries?

5. Current issues and discourses in your country

Which other topics and discourses are highly salient in your country but not covered by this questionnaire?