

The Czech multi-track European policy after the rejection of the fiscal compact

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The Czech Republic, which on 30 January at the summit of the European Council refused to sign the fiscal compact along with the UK, is becoming more active in the EU. Together with the group of 11, mostly new EU member states, on 17 February it called for an “independent and strong” cohesion policy within the EU Multiannual Financial Framework 2014-2020. Furthermore, since 18 January, the Czech Republic has become a member of the “like-minded group” founded by the net contributors which is demanding the introduction of vast savings to the next EU financial framework.

The Czech prime minister, Petr Nečas also signed A plan for growth in Europe, which was signed on 20 February by 12 EU member states (including i.a. Poland, Italy and the UK but not by France and Germany). The authors of the letter called on the Council of the EU and the European Commission to intensify their efforts to further liberalise the common market. The signatories of the letter champion the reduction in the barriers and regulations which hamper trade exchanges in the EU, the finalisation of the liberalization of the energy market, the establishment of the common digital market and a wider opening of the EU to trade with third countries. The Czech media and governmental websites present this letter as the Czech-British initiative.

Commentary

- Prime Minister Nečas, criticised for not having signed the fiscal compact by both the left-wing opposition and part of the centre-right remains sceptical of the common currency and the EU anti-crisis mechanisms. The head of the Czech government is however trying to pursue an active European policy in other areas such as the liberalisation of the common market and the establishment of EU multiannual financial framework. This strategy contributes to the improvement of the Czech Republic's position in the EU. However disputes within the coalition and Vaclav Klaus' views, which are unpopular in the EU, remain the challenges for Czech European policy.
- In recent weeks Prague has been seeking to pursue a multi-track European policy by maintaining close co-operation with both the UK and Germany and the Visegrad Group countries. The proximity of views between the Civic Democratic Party, led by Nečas, and the Conservative Party in the UK, which has been confirmed by the presence of both parties in the same group of the European Parliament, makes it easier to co-operate with

London. The platform for co-operation with Germany and other net contributors is set to be the demands for cuts in the EU budget. At the same time the Czech Republic is not abandoning the collaboration with countries from Central Europe in efforts to secure more funds for the cohesion policy but also co-operation in other areas (e.g. security policy). However, the strategy for negotiations at several tables exposes Prague to accusations of split loyalty.

- The contents of A plan for growth in Europe are in line with the Czech demands which were put forward by Prague during the Czech presidency in the Council of the EU in 2009 and in the earlier initiatives in which the Czech Republic co-operated with the UK (e.g. the case of *better regulation*). The new formula of these demands and the presence of twelve countries in the alliance for the strengthening of the European market enables the Czech Republic to play a constructive role of a country which is rejecting fiscal integration on one side, but is promoting economic growth on the other as a way out of the crisis.