

Cautious changes in the Czech Republic's European policy

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Prime Minister Bohuslav Sobotka presented the new guidelines of Czech policy at the EU forum during his visit to Brussels on 20 February. Sobotka's visit had two primary goals: to improve the image the Czech Republic has in the European institutions and to build a positive atmosphere ahead of the difficult talks on the use of EU funds in the Czech Republic. It may be concluded from Sobotka's declaration that the Czech Republic, which has thus far been sceptical about projects aimed at extending European integration, will be more favourably disposed to co-operation in the EU being enhanced, assuming this would not have an adverse effect on the Czech economy. Sobotka announced that the Czech Republic would join the Fiscal Pact and relinquish its efforts aimed at ratifying the Czech clause to the Charter of Fundamental Rights of the European Union. However, the change in the Czech Republic's stance in both cases has primarily a symbolic meaning. When it comes to issues which are much more important to the Czech Republic (such as the energy and climate policy or the banking union), the new cabinet has to a great extent stuck to the standpoint formulated by the previous right-wing government. As regards the introduction of the euro, the new government will emulate its predecessors by adjusting public finances to the convergence criteria without taking any binding decisions regarding joining the eurozone. A greater change can be seen in the new cabinet's approach to European funds. While in the past few years the political right in the Czech Republic would often claim that EU money "too easily gained" adversely affected the economy, the present government is moving swiftly in its efforts to use all the funds granted as part of the EU's financial perspective 2007–2013, which is about to end. The effectiveness of the Czech efforts to use EU funds made available as part of the present and future financial perspective of the EU (2014–2020) will depend to a great extent on the state's co-operation with the European Commission.

The context of change

The centre-left cabinet took power in the Czech Republic in January after eight years of power changing hands between the centre-right and technical governments. The European policy of the centre-right cabinet led by Mirek Topolánek and Petr Nečas, in which the then president, Václav Klaus, also played a certain role, was characterised by a sceptical approach to projects aimed at enhancing European integration. This approach resulted in problems ratifying the Treaty of Lisbon in the Czech Republic and Prague's withdrawal from participation in the Euro Plus pact and the fiscal compact. Furthermore, the attitude towards European integration was a subject of regular clashes between the members of the coalition

governments led by Topolánek and Nečas. As a consequence of this, two secretaries of state for European affairs were appointed in the Nečas government: one at the Ministry of Foreign Affairs controlled by TOP 09, and the other at the Government Chancellery controlled by the Civic Democratic Party (ODS). Due to this duet, Czech European policy would often seem chaotic. The interim governments, which took power after the collapse of the cabinets of Topolánek (2009) and Nečas (2013), restricted the Czech Republic's activity at the EU forum to a necessary minimum.

A new beginning?

The steps taken by the Czech government to mark a new beginning in Czech European policy are currently at the stage of promises, and their significance is primarily symbolic. Although Prime Minister Sobotka has declared that the Czech Republic will most likely ratify the fiscal pact within two months, lawyers are in disagreement as to whether parliament should ratify it by a simple or constitutional majority of votes and the new government does not have enough seats for the latter. Furthermore, the economic policy commitments under the fiscal pact concern only members of the eurozone. These commitments will thus not apply to the Czech Republic, which is not planning to introduce the euro within the next few years. The declaration that the government has relinquished its efforts to ratify the Czech protocol to the Charter of Fundamental Rights is also of little practical meaning. The protocol, which was pushed through in 2009 by President Klaus as a precondition to him signing the Treaty of Lisbon, was accepted by the European Council, but has not been formally ratified by EU member states. Subsequent Czech governments were making efforts with various intensity to ensure that the protocol was ratified (most recently on the occasion of Croatia's accession treaty), but the chances of the Czech protocol being formally adopted in the short term were low.

There are many signs indicating that the new beginning in Czech European policy will be rather limited in practical terms, and the stance taken by the Sobotka cabinet in many essential areas will be similar to those represented by the previous centre-right cabinets. This concerns, for example, the EU's climate and energy policy. In the present discussion, the Czech Republic opposes the EU's new commitments to increase the share of renewable energy sources in the energy mix and warns of what it sees as overly ambitious goals to reduce carbon emissions. It also wants the impact of these policies on the competitiveness of the European economy to be considered. No radical change in the stance on the banking union need be expected, either. The new government does not rule out the Czech Republic participating in this project. However, it will most likely restrict its moves to political support for the idea of bank supervision in the eurozone, without in fact subjecting the Czech banking system to the supervision of EU institutions and without the Czech Republic's participation in bailout mechanisms designed for European banks which could go bankrupt.

The fact that the three parties which form the government coalition are associated with the largest European political blocs – Socialists (ČSSD) and Christian Democrats (KDU-ČSL), and especially the good relations between the Czech Social Democratic Party and Germany's SPD – will make conducting European policy much easier for the present Czech government. While the Czech political right clearly wanted to establish closer co-operation with the United Kingdom, the Sobotka cabinet has announced a strategic alliance with

Berlin, and emphasises the important role of co-operation in Central Europe. However, the Czech-British co-operation is likely to be continued in such areas as climate and energy policy and strengthening the EU's single market.

Improved coordination

Czech European policy may become more streamlined and better coordinated since functions have been divided among particular Czech foreign policy makers. In the new government, Tomas Prouza, an nonpartisan economist, was nominated Secretary of State for European Affairs at the Government Chancellery and will be in charge of the European agenda. Lubomir Zaoralek, the deputy president of CSSD, is the new Minister of Foreign Affairs, and Petr Drulak, the former head of Prague's Institute of International Relations, is the new deputy minister in charge of European issues, who will also be responsible for the Common Foreign and Security Policy in the EU. The stance represented by Andrej Babis, the deputy prime minister and minister of finance, the leader of ANO 2011, could pose a challenge to the unity of the Czech Republic's European policy. This is his debut in politics, and his views on European issues are still being crystallised. It should be expected that, since a great part of the Czech public, are sceptical about the EU, he may back the integration processes with the EU to a lesser degree than the Social Democrats. President Milos Zeman declares himself a Euro-Federalist, and wants the Czech Republic to enter the eurozone; and this is important, given the fact that it is the president who nominates members of the boards of the Czech National Bank. In foreign policy, however, the president focuses primarily on relations with non-EU member states and economic co-operation.

Since the Sobotka cabinet has decided to shift the accents in European policy, it must take into account public sentiment. According to public opinion polls conducted last year in the Visegrad Group countries, the Czech public gave the lowest evaluation of their EU membership. Only 43% of respondents were of the opinion that the Czech Republic had benefited from accession (41% saw no benefit). The Czech public is also the least ready in the V4 to accept the euro as their currency (76% are against and 18% are for). There is no doubt that the attitude Czech citizens have towards European funds is one of the reasons for this. The positive effects of EU investments in the Czech Republic are less noticeable than in the other countries in this region, since the needs to invest in infrastructure before accession to the EU were smaller here. In turn, corruption scandals linked to using EU funds have been given much publicity in the media.

The European funds

The Czech Republic was granted less funds for the new financial framework for 2014–2020 than it had under the 2007–2013 framework, which is about to end (around 20 billion euros as compared to 26.5 billion euros). The Czech Republic's determination and success in applying for the EU funds have been partly affected by problems with using the funds granted within the present financial framework. In 2007, the Czech Republic adopted a complex system for the distribution of EU funds; this covered eighteen operational programmes and offered great powers to the regions. As a consequence of improper supervision over the process of distribution of EU funds, the funds have been blocked on many occasions by the European Commission. This has also given rise to several scandals.

The former deputy president of the Czech Social Democratic Party and the Minister for Health was among those involved. In effect, according to estimates from the Ministry of Regional Development, the Czech Republic lost European funds worth almost 0.4 billion euros last year, and could lose a further 0.9 billion euros this year. The new government wants the mechanisms for the distribution of EU funds to be changed in order to minimise losses. At the same time, the Sobotka cabinet is about to end work on a system for using funds as part of the new financial perspective which envisages a greater centralisation of the operational programmes and will limit their number to eight. The government wants the EU funds above all to support economic growth, employment levels and the competitiveness of the Czech economy. This will entail greater investment in infrastructure and support for the poorest regions and those most severely affected by the economic crisis (in many cases these are regions bordering on Poland, where the political left has traditionally had high support).