

# THE CZECH EU POLICY: DOMESTIC POLITICAL CONTEXT AND KEY PRIORITIES<sup>1</sup>

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Since the Czech Republic's accession to the EU, the European integration process has had a big impact on the political agenda of the Czech Republic. The Czech Council Presidency in 2009 provided the country with an administrative challenge as well as an opportunity to make the country visible within the EU. The presidency had an impact on the way European policy is handled within the Czech administration and was also a topic that attracted public interest to European affairs.

The Lisbon Treaty, the Czech EU presidency and the eurozone crisis were the biggest issues that dominated both the political and the public debate on the EU as well as the actual agenda in the past years. Traditionally, there is a more pro-European camp consisting of the Czech Social Democratic Party (ČSSD), the Christian Democrats (KDU-ČSL) and the Green Party (SZ), and a more euro-sceptic camp consisting of the Civic Democrats

(ODS) and the Communist Party (KSČM). Gradually, however, and primarily as a consequence of the ODS becoming more pragmatic, this clear division has become blurred. The political dispute over Lisbon complicated the ratification process of the treaty and also had some impact on the overall reputation of the Czech presidency. Even if the actual outcomes of the presidency were rather positive in many respects –the Eastern Partnership, the way the presidency solved the gas crisis and the legal guarantees for Ireland– it will probably be remembered mainly for speculations about the impact of Czech euro-scepticism and the media turmoil after the fall of the government in the middle of the presidency.

The euro has been on the political agenda of Czech decision-makers for some time. The Czech Republic is not a eurozone member and the economic aspects of the euro adoption have been discussed since the Czech Republic entered EU in

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2004. Nevertheless, in recent months the issue has gained new importance due to the ongoing eurozone crisis. The political and institutional aspects of the eurozone membership came to the fore of the Czech debate. The opposition towards the euro adoption gained new ground and for the time being, the Czech Republic remains in a “splendid isolation” outside of the eurozone – the integration core of the contemporary EU.

While Czech politicians of all colours (both Euroenthusiasts and Eurosceptics) acknowledge the salience of European politics for the future of the Czech Republic, the institutional and conceptual basis of the Czech EU policy has been rather weak and vague. Since 2003, when the then government formulated the Concept of Foreign Policy of the Czech Republic 2003-2006,<sup>2</sup> the Czech Republic lacked a strategic document outlining a long-term direction of the Czech EU policy. Only in 2011 the Czech government adopted (after a protracted debate) the document entitled *Conceptual Basis of the Foreign Policy of the Czech Republic*.<sup>3</sup> This short overview of the Czech EU policy thus relies on policy statements of individual governments,<sup>4</sup> party programmes and long-term positions (governmental mandates) adopted towards particular EU policies and issues, such as the Europe 2020 strategy, EU budget reform, reforms of the common agricultural policy, etc.

This article summarizes the points of departure, the political context and the most important and contentious topics of the European dimension of the Czech Foreign Policy. This paper does not provide a theory-informed and methodology-driven analysis of the Czech foreign policy. Our aim is to provide the reader with an accessible overview of the European Dimension of Czech Foreign Policy useful for the students of the Czech foreign policy and interested professionals and practitioners. The article focuses on the 2007-2010 period. Our goal is to highlight not only the position of the Czech political elite towards the process

of European integration and contemporary topics, but also the long-term trends and the political context of these positions.

The paper has the following structure. The first part summarizes the main points of departure and the political context of the Czech elite’s visions about the EU and about the role of the Czech Republic in the EU. The second part summarizes the position of the Czech government towards some of the key topics and agendas of the European Union. The first part summarizes the political discussion among relevant Czech political actors. The second part focuses on the official position of the Czech government.

## 1. THE EUROPEAN DIMENSION OF CZECH FOREIGN POLICY: POINTS OF DEPARTURE AND POLITICAL CONTEXT

The ideological bases of the political parties clearly affect their positions on European integration. In the following we will first look at how Czech politicians have discussed the future direction of the EU during the last three years and thereafter we will turn to how they view the future of the Czech Republic within the Union.

### 1.1. The Future of the EU

The discussion on the future of the European Union during the period mainly focused on the Lisbon Treaty. This debate consists of three parts: 1] visions about the future institutional organisation of the EU, 2] views on what should be the main tasks of the EU in Europe and 3] visions about the EU in the world.

As we already mentioned above and as various studies testify, Czech political elites remain divided in their positions towards political integration. On one side we have small centrist parties like the Christian Democrats and the Greens, who strongly favour the deepening of the integration and support the institutional reform (a more powerful

<sup>2</sup> “Concept of Foreign Policy of the Czech Republic 2003-2006”, Ministry of Foreign Affairs of the Czech Republic, 18/04/2003, available at <[http://www.mzv.cz/public/32/2a/ac/14172\\_14945\\_ForeignPolicyII.doc](http://www.mzv.cz/public/32/2a/ac/14172_14945_ForeignPolicyII.doc)>.

<sup>3</sup> “Conceptual Basis of the Foreign Policy of the Czech Republic”, Ministry of Foreign Affairs of the Czech Republic, 26/07/2011, unofficial translation available at <[http://www.businessinfo.cz/files/dokumenty/foreign\\_policy\\_concept\\_2011.pdf](http://www.businessinfo.cz/files/dokumenty/foreign_policy_concept_2011.pdf)>.

<sup>4</sup> For example the “Policy Statement from the Government of the Czech Republic”, Government of the Czech Republic, 10/08/2010, available at <<http://www.vlada.cz/assets/media-centrum/dulezite-dokumenty/Policy-Statement-from-the-Government-of-the-Czech-Republic.pdf>>.

European Parliament, qualified majority voting in the Council, etc.). The Social Democrats support the deepening of European integration and the institutional reform streamlining the decision-making process. They strongly advocated the ratification of the Lisbon treaty. But even if the ČSSD party programme<sup>5</sup> includes parts which could be described as 'federalist', the party is not too visionary about the future of the EU, and its positive view on institutional reforms can be credited to a successful Europeanisation of the party (within the Party of European Socialists). The party has a rather EU-reluctant electorate which puts limits on how far the party can agree with a deepening of the European integration project. Both the Social Democrats and the Christian Democrats refer to the EU as a solution to problems caused by globalisation in their party programmes - especially in regard to the European welfare states.

On the other side of the spectrum are the Civic Democrats, who opposed the deepening of European integration and most of the institutional innovations introduced by the Treaty Establishing a Constitution for Europe (TCE). They link the EU with a superficial intervention into the market and simultaneously with an unwanted intervention of a supranational authority into the national domain. They reject any strengthening of the European Parliament and they are also negative to increased use of qualified majority voting in the Council of the EU. Nevertheless, their electorate traditionally supports European integration, including the institutional reforms with pragmatic reasons. Even though the party continues to prefer the intergovernmental model of the EU, in 2009 we have witnessed a pragmatic adjustment in the official position of the party which reluctantly supported the ratification of the Lisbon Treaty (LT). In 2009 the government led by the Civic Democrat Mirek Topolánek openly clashed with the Czech president Václav Klaus (founder of the Civic Democratic Party), who remains faithful to his ideological conviction that the institutional

reforms are heading in an absolutely wrong direction for both the EU and the Czech Republic.<sup>6</sup> The relationship between ODS and Václav Klaus has been restored in 2010 when Petr Nečas took over as a ODS leader and after May 2010 elections as a prime minister. The current centre-right government led by Nečas (ODS) focuses on the "competitiveness of the EU" as the main headline of their EU policy, promotes liberal agenda (such as further liberalisation of services), development of a unified European energy policy. The ODS party and its government maintains a softly eurosceptical position, remains sceptical about further deepening of the European integration (with some notable exceptions like energy policy) and strongly defends the principle of subsidiarity.<sup>7</sup> At the same time, ODS does not support the European Citizens' Initiative – the party is sceptical about the introduction of the principles of a direct democracy on the EU level.

The Communists provide for an alternative understanding of the EU as a neo-liberal project, and for that reason the party was the only one to reject EU membership in accordance with the 2004 membership conditions. Since then, however, the Communists also came to accept the Czech EU membership but they were, for instance, still against the Lisbon Treaty (LT).

During 2009 a number of smaller political subjects were also newly created. A few of them primarily devoted their attention to European issues and aimed at gaining seats in the European Parliament after the elections in 2009. Some of these subjects were eurosceptical, such as the Free Citizens' Party, Liberstas.cz and Sovereignty, or pro-European like the European Democratic Party. These parties, however, have so far had a rather limited influence on the broader debate on the Czech Republic in the EU. For the future other almost new political subjects might be of greater relevance, such as TOP 09 and the Public Issues Party, even if they are parties that are not primarily oriented towards European policies.

<sup>5</sup> "Dlouhodobý program ČSSD [Long Term Programme of ČSSD]", Czech Social Democratic Party (ČSSD), 2005, available at <[http://www.cssd.cz/soubory/ke-stazeni/dlouhodoby\\_program\\_cssd\\_2005\\_otevrenost\\_novym\\_vyzvam.pdf](http://www.cssd.cz/soubory/ke-stazeni/dlouhodoby_program_cssd_2005_otevrenost_novym_vyzvam.pdf)>.

<sup>6</sup> For the opinion of Václav Klaus see, e.g., "Projev Václava Klause v Evropském parlamentu", Euroskop.cz, 19/02/2009, available at <<http://www.euroskop.cz/47/10874/clanek/projev-vaclava-klause-v-evropskem-parlamentu>>; for the opinion of the ODS and the KSČM, see, e.g., "Stenografický zápis 46. schůze Poslanecké sněmovny", Parliament of the Czech Republic, Chamber of Deputies, 17/02/2009, available at <<http://www.psp.cz/eknih/2006ps/stenprot/046schuz/s046057.htm>>.

<sup>7</sup> "Policy Statement from the Government of the Czech Republic", op. cit., 13.

If we turn to the second dimension and the question of what should be the EU's primary tasks, we find the following differences in broad terms. Whereas ODS emphasise their support for the idea of a single European market and the four freedoms of movement, the Social Democrats and the Christian Democrats describe the EU in terms of a possible way to protect the social welfare state from the pressures of economic globalisation. A fraction of the Communists would also accept the EU as a potential instrument to protect the country from the negative consequences of globalisation, but the mainstream view in the party is rather that the EU as it looks today is rather a part of the problem than of the solution.

Only regarding the third dimension we find something close to a consensus among the Czech political elite. Especially regarding the issue of future enlargement of the EU, all Czech political parties are in principle positive to such a process. The Christian Democrats are an exception in the sense that they reject a potential enlargement to Turkey, which the other parties accept.<sup>8</sup> Also if we look at the more general role of the EU in the world, there is a near consensus on the need of a strong EU - for instance, in negotiations with Russia (especially regarding the question of energy security). In the yearbook on Czech foreign policy in 2007 a distinction was made between Atlanticism, Europeanism (continentalism), internationalism, and autonomism.<sup>9</sup> These categories show that the Atlanticists, primarily the ODS, stress the importance of NATO and are sceptical to the EU as an alternative to this alliance. The Europeanists, the Social Democrats, emphasise the EU as the most important organisation, even if they would not be NATO-critics by any means. The internationalists, represented by the Christian Democrats and the Greens, are clear supporters of both organisations. Finally, the autonomists (the Communists) are anti-NATO and Eurosceptic.<sup>10</sup>

## 1.2. The Role of the Czech Republic in the EU

There are at least two competing understandings of what should be the role of the Czech Republic in the EU on the more general level. The crucial question seems to be whether the Czech Republic should at all times protect its formal decision making power or whether the reduction of its own voting weight can be in the national interest of the country. To a large degree this division corresponds with the general support for a more inter-governmental or supranational EU, as discussed above, but with one difference. At this level it is not crucial what visions of the EU the different actors have, but whether it is acceptable or not that the Czech Republic can be outvoted by the other members of the EU.

The Civic Democrats see the EU as a tilt-yard of interests<sup>11</sup> where all EU member states being primarily concerned with protecting their own interests. For this reason the Civic Democrats prefer to speak of their view on the EU as 'eurorealist' which they view as a part of a 'realist' concern for the promotion of the Czech national interest. This is where the ODS draws the conclusion that it is always necessary to seek to maximise the Czech Republic's own national sovereignty and voting powers (*vis-à-vis* European great powers). Quotations such as the following were quite common in the debate on the Lisbon Treaty: "...it will not take long before we will be outvoted in a regular and democratic way based on the LT and in the name of the European interest".<sup>12</sup> This quotation indicates that opponents of the LT doubt the possibility of a European interest; they are sceptical about the intentions of the European great powers. The most radical interpretation of the Lisbon Treaty's impact on the Czech Republic was the view of President Klaus that the treaty means the end of

<sup>8</sup> See, e.g., Beneš, Vít, "Rozšiřování [Enlargement]", in Jan Karlas (ed.), *Jak předseda Evropské unii? Návrh priorit předsednictví ČR v Radě EU v roce 2009* [How to Chair the European Union? A proposal of the Czech Republic Priorities in EU Council in 2009]. Praha: Ústav mezinárodních vztahů, 2008, 49-67; Král, David, *Česká debata o perspektivách členství Turecka a Ukrajiny v EU*. Praha: Institut pro evropskou politiku EUROPEUM, 2006.

<sup>9</sup> See Drulák, Petr, "Česká zahraniční politika mezi internacionalismem a atlantismem", in Michal Kořan (ed.), *Česká zahraniční politika v roce 2007 – Analýza ÚMV*. Praha: Ústav mezinárodních vztahů, 2008, 395-402.

<sup>10</sup> Drulák, Petr, "Česká zahraniční politika mezi internacionalismem a atlantismem", op. cit., 396.

<sup>11</sup> Zahradil, Jan, Petr Plečický, Petr Adrián, and Miloslav Bednář, "Czech Eurorealism: a Manifesto", *The European Journal*, vol. 9, 1, (2001), 24-30, available at <<http://www.europeanfoundation.org/docs/ej0901.pdf>>.

<sup>12</sup> see the speech in the Chamber of Deputies by Vlastimil Tlustý in "Stenografický zápis 46. schůze Poslanecké sněmovny", op. cit.

the country as a sovereign state.<sup>13</sup> At the same time, Václav Klaus and ODS do not believe it is necessary for the Czech Republic to take part in all dimensions of the European integration. In 2010 Václav Klaus proposed a permanent Czech opt-out from the euro.<sup>14</sup> In a similar vein, the Czech Prime Minister Nečas does not share “the slightly artificial fears of a two-speed Europe” and Czech marginalization, arguing that Europe already is two-speed.<sup>15</sup>

Other parties might agree or disagree with the general description of the EU. Christian Democrats (KDU-ČSL) see the EU as an embodiment of a European civilisation rooted in Christianity. Social Democrats (ČSSD) support the European integration because it represents a European social model based on solidarity, because it provides a bulwark against unwanted effects of globalisation, they advocate the ratification of the LT and the social dimension of the integration project. But irrespective of their particular visions of Europe, ČSSD, KDU-ČSL, TOP 09, the Greens and other small pro-European parties are optimistic of the possibility of EU institutions serving all European interests and thus also the Czech interest. These parties criticize Václav Klaus and the ODS for marginalizing the country within the EU. ČSSD, TOP 09 and the Public Issues Party formally support the adoption of euro (the Czech entrance into the eurozone), though none of them actively supports this motion.

Thus, on the general level we have a conflict between those who believe that the Czech government should also in a narrow sense protect the Czech influence and those who believe in the possibility of realising Czech interests through the EU. It should also be mentioned that EU related topics receive rather little attention in the Czech political debate. In the parliament if we exclude the work in

the committees on European affairs in the Senate and the in the Chamber of Deputies there is very little debate on these issues. In plenum European issues are discussed rather rarely. And when they are, for instance in relation to the ratification of the Lisbon Treaty, the discussion gives the impression of being partly uninformed and a lot of space is devoted to accusations between governing and opposition parties regarding who is to be blamed for delayed voting etc. In general European affairs are viewed as secondary to domestic politics. A clear proof of this was how the Chamber of Deputies voted the government out of office in the middle of the Czech Presidency in 2009.

## 2. THE EUROPEAN DIMENSION OF CZECH FOREIGN POLICY: AGENDA AND EVENTS

### 2.1. Institutional reforms and the protracted Lisbon Treaty ratification

The reform process, which took the rejected Constitutional Treaty as a base for negotiations, intensified during the German presidency in the first half of 2007. The Czech government adopted an official position towards the institutional reforms on 25 April 2007<sup>16</sup>, anticipating tough negotiations. Even though the then government of Mirek Topolánek was no keen advocate of the reform process, it (for pragmatic reasons) wanted the whole debate to be over so that the EU could focus on substantive issues, including the enlargement agenda.<sup>17</sup>

The government was very sensitive to the possible weakening of voting power of the Czech Republic within the Council. Thus, it advocated “the balance between the principle of the equal representation of citizens and the principle of equal representation of states”<sup>18</sup>. The government strong-

<sup>13</sup> Klaus, Václav, “Prohlášení Klause k rozhodnutí ÚS a ratifikaci lisabonské smlouvy”, 03/11/2009, available at <<http://www.klaus.cz/clanky/560>>.

<sup>14</sup> see also “President Klaus wants permanent exemption from euro for CR”, *Czech News Agency*, 30/08/2011, available at <<http://www.financniny.cz/english/zpravy/president-klaus-wants-permanent-exemption-from-euro-for-cr/681189>>.

<sup>15</sup> “Czech PM Nečas does not fear two-speed Europe”, *Czech News Agency*, 25/03/2011.

<sup>16</sup> “Pozice vlády České republiky v rámci jednání o institucionální reformě Evropské Unie [Position of the government of the Czech Republic within the negotiations of the institutional reform of the European Union]”, Government of the Czech Republic, 25/04/2007, available at <[http://www.vlada.cz/assets/evropske-zalezitosti/dokumenty/Pozice\\_vlady\\_CR-final\\_25.4..pdf](http://www.vlada.cz/assets/evropske-zalezitosti/dokumenty/Pozice_vlady_CR-final_25.4..pdf)>.

<sup>17</sup> Interview with an employee of the Ministry of Foreign Affairs, EU General Affairs Department, 07/02/2008.

<sup>18</sup> “Pozice vlády České republiky v rámci jednání o institucionální reformě Evropské Unie [Position of the government of the Czech Republic within the negotiations of the institutional reform of the European Union]”, op. cit.

ly opposed the state-like symbolic dimension of the institutional reform (such as the terms “minister of foreign affairs” and “constitution”). Secondly, the government rejected the stand-alone Charter of Fundamental Rights and proposed that the EU sign the European Convention on Human Rights. The Czech government proposed an innovation: the so-called “two-way flexibility” allowing not only shifts of competences from the national to the European level, but also the return of certain competences back to the national level.

The reform process culminated in the adoption of the LT, which was negotiated during an Intergovernmental Conference that commenced on 23 July 2007 and signed on 13 December 2007 in Lisbon. In line with the initial Czech position, the treaty refrained from the state-like symbolism. The provision for the “two-way flexibility” eventually made it into the text, but in a watered down (non-obligatory) version.

The ratification of the LT dominated the agenda for the years 2008 and 2009 and the issue significantly affected both the internal politics of the Czech Republic and its image in Europe. In 2008, the ratification of the LT was the centrepiece of the Czech discussion about European integration. Prime Minister Topolánek only very reluctantly backed the treaty, balancing between pressure from the pro-European opposition (ČSSD) and the coalition partners (KDU-ČSL and the Green Party) on one side and the Eurosceptical dissidents within his own party (loyal to President Klaus) on the other.

The parliamentary debate began in March 2008. Shortly after that, the Senate referred the treaty to the Constitutional Court. The court was asked to review the constitutionality of six specific points of the EU’s reform treaty. The Czech debate about the fate of the LT became even more heated after the negative Irish referendum (13.6.2008). Pro-European politicians described the referendum as a negative step threatening further development of the EU. On the other side, President Klaus

expressed his gratitude and argued that “Europe should thank the Irish people for slowing down the current erroneous processes towards more unification”. The government as a whole did not call for the suspension of the ratification process in the Czech Republic.

On 26 November 2008 the Constitutional Court ruled that the ratification of the LT did not violate the Czech constitutional order<sup>19</sup>. The treaty was not ratified after the ruling and the parliamentary debate was postponed until February 2009. Nevertheless, the positive ruling of the Constitutional Court in the end convinced and silenced some of the Eurosceptics in the Senate and paved the way for the approval of the Treaty.

In February 2009 the parliamentary debate resumed with a new compromise proposal on the table: the so-called “binding mandate”. The binding mandate prevents the Czech government from approving any transfer of powers to the EU without the parliament’s agreement (see the section dedicated to actors). The political agreement on the “binding mandate” cleared the way for the approval of the treaty in both houses of the Parliament. The Chamber of Deputies approved the treaty on 18 February 2009 and the Senate added its stamp in a closely observed vote on 6 May 2009.

In the second half of 2009 the ratification process has been delayed due to a second submission to the Constitutional Court by a group of 17 Senators,<sup>20</sup> which was quickly dismissed by it. On the other side, the determined opposition of President Klaus posed a more serious challenge. President Klaus delayed his decision on the LT and eventually requested the Czech opt-out from the Charter of Fundamental Rights. After achieving this goal and after the Constitutional Court’s rejection of the Senators’ complaint, President Klaus ratified the Lisbon Treaty.<sup>21</sup>

To sum up, the ratification of the LT was (together with the Czech presidency of the

<sup>19</sup> See the abstract of the “Decision of the Constitutional Court on the Treaty of Lisbon amending the Treaty on European Union and the Treaty establishing the European Community”, The Constitutional Court of the Czech Republic, 26/11/2008, available at <[http://angl.concourt.cz/angl\\_verze/doc/pl-19-08.php](http://angl.concourt.cz/angl_verze/doc/pl-19-08.php)>.

<sup>20</sup> See also Šlosarčík, Ivo, “The Treaty of Lisbon & the Czech Constitutional Court: Act II”, *CEPS Policy Brief*, n. 197, (27/10/2009), available at <<http://www.ceps.eu/ceps/download/2275>>.

<sup>21</sup> Klaus, Václav, “Prohlášení Klause k rozhodnutí ÚS a ratifikaci lisabonské smlouvy”, 03/11/2009, available at <<http://www.klaus.cz/clanky/560>>.

Council) a key item on Czech Republic's European agenda. The debate surrounding the process exposed the basic assumptions and ideological preferences of the political parties and individual politicians in regard to European integration (see the corresponding section of this chapter). During the observed period, the Czech debate about European institutions shifted from substantial issues (Czech Republic's position within the EU and the EU's institutional setup) towards fundamental disputes about the interpretation of the Constitution and the roles of individual institutions in the foreign policy decision-making process. While the compromising proposal for the "binding mandate" moderately strengthened the Parliament and clarified its relationship with the executive<sup>22</sup>, the row over the ratification and the inaction of the president sparked a constitutional tug-of-war between individual institutions. The ratification process in the Czech Republic received wide coverage by the European media and probably influenced the long-term image of the Czech Republic within the EU.

The LT introduced several innovations which required further negotiations and legislation in order to be implemented. Two of them are worth mentioning: the European External Action Service (EEAS) and the European Citizens' Initiative (ECI). The establishment of the EEAS was an uncontroversial issue on the Czech political scene. The ECI met some opposition from the Czech political parties (mainly from the Civic Democrats) who criticize the introduction of the direct democracy on the European level. But still, the debate was muted and low-profile compared to the uproar during the LT ratification.

The only left-over from the LT ratification is the so called "Czech opt-out" from the Charter of

Fundamental Rights. After brief but intense talks in October 2009 the Czech Republic gained a political formula in which Protocol 30 of the Treaty would apply not only to the United Kingdom and Poland but also to the Czech Republic. Even though the media and the politicians repeatedly described the deal as an "exemption" or an "opt-out" from the Charter of Fundamental Rights,<sup>23</sup> Protocol 30 in fact represents a mere "interpretation clause"<sup>24</sup>. According to the political agreement from 2009, the so-called "opt-out" will be appended to the next treaty that enlarges the EU. Even though the "opt-out" is a mere interpretation clause to the Charter of Fundamental Rights, it is still hotly debated in the Czech Republic. While the ČSSD sees the opt-out as a counterproductive "deterioration of the protection of Czech citizens' social rights",<sup>25</sup> Václav Klaus advocates the opt-out in order to allegedly protect Czechs from possible property claims by Sudeten Germans, the liberal-conservative ODS sees the provision as a bulwark against "large-scale social rights".<sup>26</sup>

## 2.2. The Czech EU Presidency – a general perspective

During years 2007 – 2009 the Czech political scene and the administrative apparatus were busy preparing and executing the Czech Presidency of the EU Council (CZ PRES). The preparations started as early as late 2006, when the Ministry of Foreign Affairs was headed by A. Vondra, the future Deputy-Prime Minister for European Affairs. In the anticipation of the presidency, the position of the Vice-Prime Minister for European Affairs was established, and it was endowed with the coordination task not only during the planning phase but also in the course of the Presidency term itself.

<sup>22</sup> "Těsнопisecká zpráva z 6. schůze Senátu [Stenography from the 6th Senate session]", The Senate, 06/05/2009, available at <[www.senat.cz/xqw/xervlet/pssenat/original/6384/6384](http://www.senat.cz/xqw/xervlet/pssenat/original/6384/6384)>.

<sup>23</sup> "Czech politicians appreciate EU agreement on opt-out", *Czech News Agency*, 30/10/2009; "Klaus gets opt-out", *EuropeanVoice.com*, 29/10/2009, available at <<http://www.europeanvoice.com/article/2009/10/klaus-gets-opt-out/66305.aspx>>.

<sup>24</sup> Chmel, Marek and Jindřiška Syllová, "Listina základních práv Evropské unie a česká "výjimka" z Listiny' [The Charter of Fundamental Rights of the European Union and the Czech "exemption" from the Charter]", Parliamentary Institute, November 2009; Bončková, Helena and Hubert Smekal, *Česká republika a výjimka z Listiny základních práv Evropské unie*, Centrum pro lidská práva a demokratizaci, Mezinárodní politologický ústav Masarykovy univerzity, 2010, available at <[http://www.iips.cz/data/files/Centrum%20LP/papers/Vyjimka\\_EU.pdf](http://www.iips.cz/data/files/Centrum%20LP/papers/Vyjimka_EU.pdf)>.

<sup>25</sup> "Klaus, Sobotka also discuss Czech Lisbon Treaty opt-out", *Czech News Agency*, 19/07/2011.

<sup>26</sup> "Czech PM wants to link Croatian EU entry with opt-out", *Czech News Agency*, 22/06/2011.

During the preparatory phase, most of the time and energy was concentrated on the formulation of Czech priorities for the Presidency and training for the staff in the various ministries and country representations. The first tentative document outlining the political priorities of the Czech government was approved by the government on 28 February 2007. The document testifies that even though the government had been dominated by the Eurosceptical ODS, it approached the challenge with great enthusiasm and ambitions. The government was aware that the management of the presidency would affect the image of the state for many years to come and planned to act as a critical but constructive and reliable partner. The presidency was seen as a unique opportunity to shape EU policies and “leave a national footprint” in the EU<sup>27</sup>. The government decided to combine Czech national interests with EU’s goals and formulate “ambitious but feasible” program priorities.

The government chose a motto for the Presidency (“A Europe without Barriers”) overarching a set of (initially six) general priorities. The motto and the overall direction of the proposal clearly reflected the ideological background of the centre-right government. While the Prime Minister and the Deputy Prime Minister for European Affairs retained a coordinating role, the sectoral ministries (the administrative apparatus of the state) played the key role in further elaboration of the priorities. Some feedback has also been received from the academia and NGOs.

During 2007 and 2008 the political priorities were reduced and reformulated into what has

become known as “the three Es”: Economy, Energy and European Union in the world. The administrative apparatus (diplomats and bureaucrats) produced a detailed but equally ambitious Work Programme of the Presidency.<sup>28</sup> In late 2008 the government held political talks with the main opposition party (ČSSD) about a possible “cease-fire” during the presidency but these negotiations reached a dead end – the opposition felt left out from the formulation of political priorities, and key political partners (ODS and ČSSD) accused each other of not being interested in the conciliatory agreement. This failure had serious consequences during the presidency itself.

The presidency started amid fears among the European politicians and media of the small and supposedly Eurosceptical Czech Republic’s lack of willingness and ability to fulfil all the duties of the presidency at the time of the gathering financial crisis and other challenges.<sup>29</sup> Right at the beginning, the Czech government faced three serious crises (“three Gs”: Gas, Gaza and the Global financial and economy crisis) and was forced to modify her initial priorities (for the assessment of individual program priorities see the following sections in this chapter).

On one side, the Czech Republic was able to deliver important substantive contributions in some of the policy areas (such as energy security). In line with the Central European tradition, the Czech Republic disposed of a capable administrative and diplomatic apparatus, and the organisational and logistic aspects of the Presidency were appreciated.<sup>30</sup> In most policy areas, the expertise and the effective management of the agenda by Czech bureaucrats and diplomats have been assessed positively.<sup>31</sup>

<sup>27</sup> “Priority Areas of the Czech Republic’s Presidency of the Council of the European Union in the first half of the year 2009”, Government of the Czech Republic, 30/10/2007, available at <[http://www.vlada.cz/assets/evropske-zalezitosti/-dokumenty/priority-area-of-the-cr\\_1.pdf](http://www.vlada.cz/assets/evropske-zalezitosti/-dokumenty/priority-area-of-the-cr_1.pdf)>.

<sup>28</sup> “Work Programme of the Czech Presidency”, The Czech Presidency of the Council of the EU, January 2009, available at <[http://www.eu2009.cz/assets/news-and-documents/news/cz-pres\\_programme\\_en.pdf](http://www.eu2009.cz/assets/news-and-documents/news/cz-pres_programme_en.pdf)>.

<sup>29</sup> “An unnerving Czech EU presidency”, *Financial Times*, 30/10/2008, available at <<http://blogs.ft.com/brussels-blog/2008/10/an-unnerving-czech-eu-presidency/>>.

<sup>30</sup> Karlas, Jan, “The executive co-ordination of the Czech presidency: unexpectedly effective”, in Petr Drulák and Zlatko Šabič (eds.), *The Czech and Slovenian EU presidencies in a comparative perspective*. Dordrecht: Republic of Letters, 2010, 91-110.

<sup>31</sup> “Switch-off ends Czech’s life support presidency”, *Financial Times*, 16/06/2009; see also “Some wins, but Czech EU presidency seen as chaotic failure”, *EarthTimes*, 28/06/2009; Fuksiewicz, Aleksander and Agnieszka Łada, *The Czech Presidency in the Council of the European Union – the view from Poland*. Warsaw: The Institute of Public Affairs, 2009, available at <[http://www.boell.cz/downloads/A\\_Fuksiewicz\\_A\\_Lada\\_The\\_Czech\\_Presidency.pdf](http://www.boell.cz/downloads/A_Fuksiewicz_A_Lada_The_Czech_Presidency.pdf)>.



On the other side, Czech political elites (as a whole) received a scathing assessment. Before the start of the presidency, the attention focused on President Klaus as a symbol of radical Euroscepticism.<sup>32</sup> In the first half of the term, the innovative and active style of the Czech political leadership (such as the shuttle diplomacy during the gas crisis – see below) has been welcomed. But on other occasions, the activism and courage of Czech political representatives transmuted into gaffes and harangue. Apart from individual excesses, the overall image of the Czech Presidency was severely shaken by the vote of non-confidence on 24 March 2009 and the fall of Topolánek's government.<sup>33</sup> The fall of the government received unequivocally negative assessments in both the European and the Czech press and apparently confirmed some of Europe's fears and prejudices about the Euroscepticism and unpredictability of the Czech political scene. The botched Czech Presidency played into the hands of the supporters of the permanent EU presidency<sup>34</sup> and did not make things easier for the subsequent "new" member states' Presidencies.<sup>35</sup>

### 2.3. Focusing on further liberalisation of the single market

Traditionally, the Czech government promotes liberalisation in many areas, including the internal market (services liberalisation), budget reform and the streamlining of the European regulation. Czech centre-right governments also highlighted the need to preserve and strengthen the external competitiveness of the EU. As a small, export-oriented state, the Czech Republic has always nurtured the idea of "four freedoms". Czech

intentions to remove the remaining barrier hindering the full potential of both the Single Market and the External Trade Policy were eventually expressed in the slogan of the Czech EU presidency: "A Europe without barriers".

Generally speaking, the Czech Republic has been a keen supporter of further services liberalisation. Czech politicians closely followed the heated European debate about services liberalisation in 2006. In the early stages of the preparations for the Czech EU presidency, the central-right government considered restarting the formal debate on services liberalisation during the presidency<sup>36</sup> but this plan was largely watered down due to external factors. The gathering global financial crisis forced the Czech Republic into playing the role of a defender of the existing status quo rather than the role of a promoter of further liberalisation. As Zemanová and Abrahám noted, "the Czech struggle for removing barriers turned rather into a struggle for preventing new barriers from occurring".<sup>37</sup> During the Czech Presidency, the Czech government continued with the defence of the liberal principles underpinning the Single Market against protectionist anti-crisis measures in an attempt to avert large scale interventions and subventions. The fight against protectionism transformed into an open Czech – French row after President Sarkozy's suggestion that French car makers should repatriate their Central European investments and jobs back to France. The Czech EU Presidency (first half of 2009) has been largely successful in achieving the goal of fighting protectionist measures. On the other side, thanks to its

<sup>32</sup> "Vaclav Klaus, trouble-fête de l'Europe", *Le Figaro*, 01/01/2009, available at <<http://www.lefigaro.fr/international/2009/01/02/01003-20090102ARTFIG00001-vaclav-klaus-trouble-fete-de-l-europe-.php>>; "Fears as Czech Republic takes over helm of EU", *The Guardian*, 01/01/2009, available at <http://www.guardian.co.uk/world/2009/jan/01/czech-republic-eu-presidency-helm>; "Grumpy Uncle Vaclav", *The Economist*, 04/12/2008, available at <[http://www.economist.com/PrinterFriendly.cfm?story\\_id=12724780](http://www.economist.com/PrinterFriendly.cfm?story_id=12724780)>.

<sup>33</sup> "Czech government falls, putting EU presidency at risk", *EUobserver.com*, 24/03/2009, available at <<http://euobserver.com/9/27844>>.

<sup>34</sup> "EU Council president must manage national leaders, says Barroso", *EUobserver.com*, 09/10/2009, available at <http://euobserver.com/9/28807>.

<sup>35</sup> Fuksiewicz, Aleksander and Agnieszka Łada, *The Czech Presidency in the Council of the European Union – the view from Poland*, op.cit., 30.

<sup>36</sup> "Priority Areas of the Czech Republic's Presidency of the Council of the European Union in the first half of the year 2009", op.cit.

<sup>37</sup> Zemanová, Štěpánka and Abrahám, Josef. "Achieving unachievable goals? Impartiality, effectiveness, crisis and economic priorities of the Czech Presidency", in Petr Drulák and Zlatko Šabič (eds.), *The Czech and Slovenian EU presidencies in a comparative perspective*. Dordrecht: Republic of Letters, 2010, 127-144.

neoliberal, non-interventionist approach, the Czech presidency has been criticised for taking little initiative regarding further anti-crisis measures.<sup>38</sup>

The Czech Republic's European policy in 2010 and 2011 continued to follow the liberal and business-oriented course. The caretaker government of Jan Fischer and the centre-right government of Petr Nečas vigorously opposed the financial market regulation and the bank levy proposal (the governmental position was strongly influenced by the Czech National Bank). Even though the European Council agreed to push ahead with a system of national bank levies, the Czech Republic managed to negotiate the right not to introduce these measures.<sup>39</sup> The (neo)liberal ideological background of the Fischer's and Nečas' governments also explains their reluctance towards the Europe 2020 strategy.<sup>40</sup> 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.<sup>41</sup>

#### 2.4. Energy comes before environment

The Czech government's approach to the issues of energy, environment and climate change reflects the priorities of the pro-business and nuclear-energy-friendly ODS which has been the main coalition partner since September 2006. The governmental representatives from the ODS openly supported further development of nuclear energy<sup>42</sup> (promoting the idea of "low-carbon energy"

rather than "renewable energy") and prioritised competitiveness (of European and Czech business) over environmental issues and the fight against climate change.

In 2008 the government showed strong interest in the negotiations of the so-called "climate and energy package" that aims to combat climate change and increase the EU's energy security. It raised critical objections under the banner of keeping European countries (i.e. their energy companies) competitive. The government sharply criticised the Commission's plan to start a full auctioning of pollution allowances in the power sector as early as 2013. In line with the position of Czech energy giant ČEZ, the Czech Republic (and other new member states) sought an exemption which would allow poorer EU countries (those who get more than 30 percent of their energy from coal and with a GDP per head lower than 50 percent of the EU average) to hand out a part of the allowances for free even in the third trading period, 2013-2020.<sup>43</sup>

During the examined period we have recorded an ever intensifying debate about the energy security of the EU (and the Czech Republic), which eventually culminated during the Czech Presidency. In contrast to other issues on the European agenda (such as institutional reform), the idea of energy security (including the support for nuclear energy) is rather consensual in the Czech Republic, at least when the two biggest parties are concerned. Secondly, within the rich agenda of energy-related issues, the Czech government put political emphasis on the security and geopolitical aspects of the energy policy, while the environmental aspects and the fight against climate change have been delibe-

<sup>38</sup> Kratochvíl, Petr and Vít Beneš, "(Tschechischer) Stolz und (bestätigte) Vorurteile. Eine Bilanz der tschechischen EU-Ratspräsidentschaft", *Integration*, Vol. 2009, N. 4, (2009), 361-371; Král, David, Vladimír Bartovic and Věra Řiháčková, *The 2009 Czech EU Presidency: Contested Leadership at a Time of Crisis*. Stockholm: Swedish Institute for European Policy Studies, 2009, available at <<http://www.europeum.org/doc/pdf/904.pdf>>.

<sup>39</sup> "Europe to take bank levy proposal to G20", *EUobserver.com*, 17/06/2010, available at <http://euobserver.com/19/30315>; "European Council Conclusions (EUCO 13/10)", European Council, 17/06/2010, available at <[http://ec.europa.eu/eu2020/pdf/council\\_conclusion\\_17\\_june\\_en.pdf](http://ec.europa.eu/eu2020/pdf/council_conclusion_17_june_en.pdf)>.

<sup>40</sup> See Braun, Mats, "The Czech Republic – a satisfied spectator", cit. op.

<sup>41</sup> Chmiel, Juraj, "EU by měla být více "user friendly" [EU should be more user friendly]", *Euractiv.cz*, 12/04/2010, available at <<http://www.euractiv.cz/cr-v-evropske-unii/analyza/juraj-chmiel-eu-by-mela-byt-vice-user-friendly-007353>>.

<sup>42</sup> *Esko hájí v Unii jadernou energii [Czech Republic advocates nuclear energy in the EU]*. *Hospodářské noviny*, 23. 5. 2008. On-line: <<http://hn.ihned.cz/c1-24894350-cesko-haji-v-unii-jadernou-energii>>.

<sup>43</sup> *Evropský summit skončil úspěchem [The European summit ended with a success]*, Czech news agency, 13. 12. 2008. On-line: <<http://www.euroskop.cz/38/9838/clanek/evropsky-summit-skonicil-uspechem/>>.

rately sidelined by key political leaders.<sup>44</sup> Thirdly, the geopolitical priorities of Czech Atlanticists and their traditional fear of Russia largely influenced the Czech definition of EU's energy security. Since the first gas row between Ukraine and Russia (in early 2006), Russia has been accused of using her "energy weapon" as a tool in her "neoimperial foreign policy" aimed at restoring Russia's sphere of influence in Central and Eastern Europe. The dependence on energy supplies delivered from and through Russia was perceived not only as an economic issue, but as a direct threat to EU's security, (geo)political independence and core values.<sup>45</sup>

Right at the very beginning of its tenure, the Czech Presidency had to face the interruption of gas supplies from Russia, which severely affected customers in East European and Balkan countries, including several EU member states. Despite the above mentioned aversion towards Russia, Prime Minister Topolánek, acting on behalf of the EU and in tandem with the Commission, was able to launch a cool-headed and highly effective shuttle diplomacy between Russia and Ukraine. The Czech mediating efforts were eventually successful. After protracted wrangling between Ukraine and Russia, both parties reached an agreement about the gas metering stations between Russia and Ukraine and, on 18 January, an agreement about the resumption of gas supplies.<sup>46</sup>

The Czech Presidency promoted some long-term measures for strengthening EU's energy security. Firstly, it pushed forward the establishment of a common energy policy, i.e. by concluding discussions on the 2nd Strategic Energy Review and pro-

moting the preparation of the 2010-2014 Energy Action Plan. Secondly, it advocated a common EU position towards Russia on energy issues and successfully promoted concrete measures for the diversification of the gas supply routes. The revitalisation of the withering Nabucco project became a tangible contribution of the Czech Presidency to the EU's "pipeline geopolitics". The Nabucco project has been formally endorsed on 8 May 2009 at the Southern Corridor Summit with the poetic epithet "New Silk Road". The Czech presidency also successfully concluded negotiations between the member states and the European Parliament on the so-called third energy liberalisation package aimed at liberalisation of the EU's electricity and gas sector.<sup>47</sup>

To sum up, despite the "eurorealist" rhetoric and repute of the main coalition party (ODS), her governments self-confidently promote the deepening of the European integration in the energy area. By advocating a common position towards Russia, by securitising the threat of energy dependence and by engaging the EU in pipeline geopolitics, the Czech "eurorealists" in fact contributed to the establishment of the EU as a global political actor.<sup>48</sup>

In general, the climate policy is much less salient than, for example, the issues of the EU's energy security or the global economic downturn.<sup>49</sup> Czech elites embraced the topic of energy security; they treat it as a unique contribution of the Czech Republic to Europe. The EU's external energy security continues to attract the attention of politicians, state officials, commentators and academics.<sup>50</sup> Most Czech experts and politicians favour a boost in domestic energy production, mainly through nuclear power plants.<sup>51</sup>

<sup>44</sup> *Light or dark? Freedom or dependence?* Speech by Mirek Topolánek at the Bled Strategic Forum: Strategic Challenges of Climate Change and Energy Security, 31 August 2008. On-line: <<http://www.vlada.cz/en/za-premierem-a-vladou/speech-of-the-prime-minister-mirek-topolaneck-on-the-blede-forum—strategic-challenges-of-climate-change-and-energy-security-31—8—2008-40767/>>.

<sup>45</sup> Ibid.

<sup>46</sup> 'Gas to flow' after Moscow deal. BBC, 18.1.2009. On-line: <<http://news.bbc.co.uk/2/hi/europe/7834796.stm>>.

<sup>47</sup> EU strikes deal on energy market liberalisation. Euractiv.com, 25.3.2009. On-line: <<http://www.euractiv.com/en/energy/eu-strikes-deal-energy-market-liberalisation/article-180603>>.

<sup>48</sup> Cf. Beneš, Vít (2009). The Czech discourse on the EU's external activities. In Avery, Graham; Faber, Anne and Schmidt, Anne. (eds.) *Enlarging the European Union: Effects on the new member states and the EU*. Brussels: Trans European Policy Studies Association, 47-50.

<sup>49</sup> "Eurobarometer 72.1. - Results for the Czech Republic", European Commission, October 2009, available at: <[http://ec.europa.eu/public\\_opinion/archives/ebs/ebs\\_322\\_fact\\_cz\\_en.pdf](http://ec.europa.eu/public_opinion/archives/ebs/ebs_322_fact_cz_en.pdf)>.

<sup>50</sup> Beneš, Vít, "The Czech Republic – an inward-looking critic", op. cit.

<sup>51</sup> "Odborníci: Energetickou bezpečnost nelze zúžit pouze na otázku zdrojů [Experts: Energy security can not be narrowed down to the issue of resources]", *Euractiv.cz*, 28/04/2010, available at: <<http://www.euractiv.cz/energetika/clanek/odbornici-energetickou-bezpecnost-nelze-zuzit-pouze-na-otazku-zdroju-007425>>.

## 2.5. EU's external relations

Further EU enlargement has been a long-term priority of the Czech Republic and a steady ingredient of Czech European policy. In the past years, Czech diplomacy invested a good deal of political capital in the enlargement cause, trying to repulse the so called "enlargement fatigue". On the domestic level, most major political parties continuously express their support for the EU enlargement.<sup>52</sup> The EU enlargement is accepted by all major political forces as beneficial for both the EU and the candidate (neighbouring) countries.

The Czech support focuses first and foremost on the Balkan countries. Due to the Czechs' long-term historical and cultural bonds to the region and due to contemporary attractiveness of the territory for both Czech tourists and businesses, the entry of the Balkan states made it to the top of the list of Czech Presidency Priorities. In the priorities for the 2009 Czech EU Presidency, the government envisioned the conclusion of negotiations with Croatia.<sup>53</sup> The potential membership of Turkey causes some controversy (the Christian and Democratic Union – Czechoslovak People's Party opposes the Turkish EU membership).<sup>54</sup>

At the beginning of 2009 the Czech Presidency was caught by surprise by the escalation of the border dispute between Croatia and Slovenia and the subsequent Slovenian blockage of the Croatian accession negotiations. The Presidency got its hands off the issue, relegating the conflict to the status of a bilateral issue, and let Commissioner Rehn play the role of a mediator. During the Czech

EU Presidency, the enlargement agenda was hardly visible<sup>55</sup> and gave way to the Energy Security, the Eastern Partnership and other agenda highlighted by Czech politicians.

The ideological background of all Czech governments since September 2006 was definitely "Atlanticist". The Czech government planned to strengthen transatlantic ties during the Czech Presidency, presuming that the continuing engagement of the USA in Europe is indispensable for both Czech and European security. At the same time, the Czech Republic is a staunch ally of Israel. In reaction to the escalation of violence in Gaza in late December 2008, the Czech EU Presidency tried to mediate a ceasefire and establish a "humanitarian corridor" by sending a mission headed by Minister Schwarzenberg, which was accompanied by key EU officials. Nevertheless, these brokering efforts were accompanied by several pro-Israeli statements of Czech political representatives and officials. Well ahead of the presidency, Czech political representatives stressed that the deepening of the EU-Israel integration was to become one of the Czech Presidency priorities.<sup>56</sup> The Czech government adhered to this priority even in the aftermath of the Gaza crisis and does not hesitate to clash with the Commission or other EU member states over Israel.<sup>57</sup>

Concerning the Eastern neighbourhood of the enlarged EU, the Czech diplomacy supported the Swedish-Polish plan (released in May 2008) for the development of the Eastern dimension of the European Neighbourhood Policy (i.e. the strengthening of the cooperation between the EU and six

<sup>52</sup> Beneš, Vít, "Rozšiřování [Enlargement]", in Jan Karlas (ed.), *Jak předsedat Evropské unii? Návrh priorit předsednictví ČR v Radě EU v roce 2009 [How to Chair the European Union? A proposal of the Czech Republic's Priorities in the EU Council in 2009]*, 49-67, Praha: Institute of International Relations, 2008; Sychra, Zdeněk, "Perspektivy dalšího rozšiřování EU z hlediska zájmů ČR: dopady extenze počtu členů EU na pozici ČR v EU [Perspectives of further EU enlargement in the light of the interests of the Czech Republic]", in Vít Dočkal, Petr Fiala, Petr Kaniok, Markéta Pitrová (eds.), *Česká politika v Evropské unii: Evropský integrační proces a zájmy České republiky [Czech republic in the EU: the European integration process and the interests of the Czech Republic]*. Brno: Masarykova univerzita, Mezinárodní politologický ústav, 2006.

<sup>53</sup> "Priority Areas of the Czech Republic's Presidency of the Council of the European Union in the first half of the year 2009", op.cit.

<sup>54</sup> Král, David, *Česká debata o perspektivách členství Turecka a Ukrajiny v EU*. op. cit.

<sup>55</sup> Beneš, Vít, "A cherished child left out in the cold: the Czech Republic and her enlargement priority", in Petr Drulák and Zlatko Šabič (eds.), *The Czech and Slovenian EU presidencies in a comparative perspective*. Dordrecht: Republic of Letters, 2010, 201-216.

<sup>56</sup> "Praha chce uspořádat první summit EU-Izrael [Prague wants to hold the first EU-Israel summit]", *Euroskop.cz*, 17/06/2008, available at <<http://www.euroskop.cz/38/1151/clanek/praha-chce-usporadat-prvni-summit-eu-izrael/>>.

<sup>57</sup> Sere also Král, David, Vladimír Bartovic and Věra Řiháčková, *The 2009 Czech EU Presidency: Contested Leadership at a Time of Crisis*. op. cit.

Eastern European and Southern Caucasus countries). The initiative was hailed for strengthening ties with the East and welcomed as a tool to balance French plans for the Union for the Mediterranean.<sup>58</sup> The Eastern Partnership became the most visible success and identification mark of the Presidency, in spite of the fact that the summit to launch the initiative (7 May 2009) was struck by low attendance on the part of the leaders of the biggest EU member states.

## 2.6. Entry into the Schengen zone and the ad infinitum postponement of the euro adoption

One of the most important items of the Czech EU policy in 2006 and 2007 has been the entrance of the Czech Republic into the *Schengen zone*. The Schengen entry was a consensual and highly depoliticised issue. In fact, the ODS-led government picked up the Schengen entry as a showcase illustrating the benefits of the EU for ordinary citizens.<sup>59</sup> During 2007, the final stages of the evaluation of the country's readiness took place. The Czech Republic joined the Schengen zone at midnight between 20 and 21 December 2007 when the passport checks at its land borders were abolished. The passport checks on the flights to and from the Schengen zone disappeared on 30 March 2008.<sup>60</sup>

In contrast to the consensual entry into the Schengen zone, Czech politicians, experts and

other involved actors remain divided on the issue of the *Euro zone*. The Social Democrats, the TOP 09 party and the small centrist parties (Christian Democrats, the Greens) and the business partners formally support the idea of an early euro adoption. On the other side, the Civic Democrats and president Václav Klaus continue to raise objections to the idea of the euro adoption and employ the strategy of procrastination.

On joining the EU on 1 May 2004 the Czech Republic became an EMU member with a "temporary" derogation as regards the introduction of the euro.<sup>61</sup> Even before the current eurozone crisis, there has been a lack of political will to set the timetable for the euro adoption. In August 2007 the Government adopted the Czech Republic's Updated Euro-area Accession Strategy and the original unofficial term for implementing the euro in the Czech Republic of 2009-2010 was abandoned.<sup>62</sup> Even though in 2007 and 2008 the government repeatedly vowed to set the date of the euro adoption,<sup>63</sup> no political decision has been adopted and all necessary decisions, including the decision to join the Exchange Rate Mechanism II, has been postponed.

The current eurozone crisis has strengthened the position of Euro sceptic voices in the country. The most prominent and also the most outspoken EMU sceptic in the country, President Václav Klaus, blamed the current crisis in Greece on the country's choice to introduce the Euro.<sup>64</sup> The

<sup>58</sup> "EU: nadšení i zdrženlivost ohledně Unie pro Středomoří [EU: Enthusiasm and restraint regarding the Union for the Mediterranean]", *Týden*, 14/03/2008, available at <[http://www.tyden.cz/rubriky/zahranici/evropa/eu-nadseni-i-zdrzenlivost-ohledne-unie-pro-stredomori\\_49004.html](http://www.tyden.cz/rubriky/zahranici/evropa/eu-nadseni-i-zdrzenlivost-ohledne-unie-pro-stredomori_49004.html)>.

<sup>59</sup> Interview with an employee of the Ministry of Foreign Affairs, EU Policies Department, 11/11/2007; "The Schengen information campaign was officially launched", *Euroskop.cz*, 15/08/2007, available at <<http://www.euroskop.cz/-8377/1314/clanek/18-07-2007—the-schengen-information-campaign-was-officially-launched/>>.

<sup>60</sup> "The Schengen area and cooperation" Summaries of EU legislation, 03/08/2009, available at <[http://europa.eu/legislation\\_summaries/justice\\_freedom\\_security/free\\_movement\\_of\\_persons\\_asylum\\_immigration/l33020\\_en.htm](http://europa.eu/legislation_summaries/justice_freedom_security/free_movement_of_persons_asylum_immigration/l33020_en.htm)>.

<sup>61</sup> See "Treaty of accession 2003 - Act concerning the conditions of accession", *Official Journal of the European Union*, L 236 , 23/09/2003, available at <<http://eur-lex.europa.eu/en/treaties/dat/12003T/htm/L2003236EN.003301.htm>>; "The Czech Republic's integration into the EU – monetary and economic policy", Czech National Bank, available at [http://www.cnb.cz/en/international\\_relations/cr\\_eu\\_integration/](http://www.cnb.cz/en/international_relations/cr_eu_integration/).

<sup>62</sup> "The Czech Republic's Updated Euro-area Accession Strategy", Government of the Czech Republic and the Czech National Bank, 29/08/2007, available at <[http://www.zavedenieura.cz/cps/rde/xbcr/euro/Eurostrategy\\_CR\\_eng\\_2007\\_pdf.pdf](http://www.zavedenieura.cz/cps/rde/xbcr/euro/Eurostrategy_CR_eng_2007_pdf.pdf)>.

<sup>63</sup> "Vláda asi příští rok stanoví termín přijetí eura [The government may set the date for the euro adoption next year]", *Euroskop*, 09/12/2008, available at <<http://www.euroskop.cz/38/9802/clanek/vlada-asi-pristi-rok-stanovi-termin-prijeti-eura/>>.

<sup>64</sup> See, e.g., Klaus, Václav, "Gespräch mit dem tschechischen Präsidenten", *Frankfurter Allgemeine Zeitung*, 28/04/2010, available at <<http://www.klaus.cz/clanky/2577>>; Klaus, Václav, nta 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], *Týden*, 10/05/2010, available at <<http://www.klaus.cz/clanky/2591>>.

Czech right-wing opponents of the eurozone membership criticise the common currency for being a “political project”, they also the loss of national sovereignty over monetary policy. The Czech president Václav Klaus would go as far as to demand a permanent opt-out from euro.<sup>65</sup>

With regard to the economic governance of the eurozone (the purported solution to the eurozone crisis), the Czech (neo)liberal government insists that the member states should maintain budgetary discipline and keep their commitments to the Stability and Growth Pact.<sup>66</sup> The Czech Republic supported the substance of the German plans regarding the reform of the Stability and Growth Pact. The centre-right government supported the automatic use of the widest possible range of sanctions and tools against “states that gamble with their own budgets and do not respect the stipulated rules”.<sup>67</sup> Nevertheless, the Czech government opposed German calls to strip fiscal offenders of voting rights.<sup>68</sup>

Even though the Czech government strongly supported tough rules regulating the fiscal policy of eurozone member states (the reform of the Stability and Growth Pact proposed by Germany),<sup>69</sup> the Czech Republic completely refused to participate in the revamped Stability and Growth Pact out of

fears about its national sovereignty in fiscal policy. The Czech government decided to opt-out from the Euro Plus Pact (the pact is open also to non-members of the eurozone).<sup>70</sup> The Czech president described the Euro Plus Pact (i.e. the strengthened Stability and Growth Pact) as “another radical decrease of the sovereignty of EU member states”.<sup>71</sup> The Czech government has also criticized eurozone’s plans to bail-out member states struck by the sovereign debt crisis. The Czech Republic refused to join the European Stability Mechanism (ESM).<sup>72</sup>

## CONCLUSION

We have identified three most important (and most controversial) topics on the Czech agenda since 2007: 1) the Czech EU presidency, 2) the Lisbon Treaty and 3) the eurozone. The Czech political debate on the future of the EU and on the future of the Czech Republic in the European integration process is characterised by an almost total lack of consensus, which has been confirmed by several studies on the topic.<sup>73</sup> Yet, at the same time we also see a continuity towards some issues such as membership of the Schengen area, further liberalisation of the single market and energy security.

<sup>65</sup> “Czechs Whisper Euro Opt-Out”, *The Wall Street Journal*, 26/11/2010, available at <<http://blogs.wsj.com/emerging-europe/2010/11/26/czechs-whisper-about-euro-zone-opt-out/>>.

<sup>66</sup> See, e.g., Braun, Mats, “Předsednictví za ekonomické recese [The Presidency during the Economic Crisis]”, *Mezinárodní politika*, n. 7, 2009.

<sup>67</sup> “Prime Minister Petr Nečas opens visit to Brussels by meeting Barroso”, Government of the Czech Republic, 16/09/2010, available at <<http://www.vlada.cz/en/media-centrum/aktualne/prime-minister-petr-necas-opens-visit-to-brussels-by-meeting-barroso—76262/>>.

<sup>68</sup> “Nečas: EU leans to automatic sanctions for breach of budget rules”, *Czech News Agency*, 17/09/2010, available at <<http://praguemonitor.com/2010/09/17/ne%C4%8D-eu-leans-automatic-sanctions-breach-budget-rules>>.

<sup>69</sup> See for example “Prime Minister Petr Nečas opens visit to Brussels by meeting Barroso”, op. cit. or the conclusion of the Czech Senate: “Usnesení Senátu č. 591 ke sdělení Komise Evropskému parlamentu, Evropské radě, Radě, Evropské centrální bance, Hospodářskému a sociálnímu výboru a Výboru regionů – Posílení koordinace hospodářské politiky (senátní tisk č. K 114/07)”, Senate of the Parliament of the Czech Republic, 03/11/2010, available at <<http://www.senat.cz/xqw/xervlet/pssenate/original/57324/48620>>.

<sup>70</sup> “Euro-plus pact’ divides non-eurozone members”, *Euractiv.com*, 25/03/2011, available at <<http://www.euractiv.com/euro-finance/euro-plus-pact-divides-non-eurozone-members-news-503526>>.

<sup>71</sup> “Klaus: Euro Plus Pact limits national sovereignty”, *Aktualne.cz*, 28/03/2011, available at <<http://aktualne.centrum.cz/czech-news/clanek.phtml?id=695413>>.

<sup>72</sup> “Kalousek against CR joining European stability mechanism”, *Czech News Agency*, 15/02/2011, available at <<http://praguemonitor.com/2011/02/16/kalousek-against-joining-esm>>.

<sup>73</sup> See also Drulák, Petr, “Tschechien: Streit um Europa”, in Heiner Timmermann (ed.), *Eine Verfassung für die Europäische Union*. Opladen: Leske + Budrich, 2001, 257-264.; Drulák, Petr – Vít Beneš, “České metafory Evropy: Havel vs. Klaus Klaus [Czech Metaphors of Europe – Havel vs. Klaus]”, in Miroslav Novák and Miloš Brunclík (eds.), *Postavení hlavy státu v parlamentních a poloprezidentských režimech: Česká republika v komparativní perspektivě [The Position of a Head of State in Parliamentary and Semi-Presidential Systems: Czech Republic in a Comparative Perspective]*. Praha: Dokořán, 2008, 329-371.

Regarding the EU presidency the Czech Republic took a rather ambitious road with its intentions of making an imprint on the EU. The Czech Republic wanted to present its priorities and also improve its position and reputation within the EU.<sup>74</sup> The Czech Republic managed to realize its priorities where these met with support within the EU and where these related to the existing agenda, e.g. the Eastern Partnership and energy security. In these areas the presidency was evaluated positively. On some issues the Czech Republic had a very outspoken approach which did not correspond to the EU consensus, e. g. the Western Balkans or Israel, and in these areas the presidency achieved less. The Czech political elite failed to present the country as a constructive and efficient partner within the EU.<sup>75</sup> There were primarily two reasons for this: 1) the fall of the government in the middle of the presidency and 2) the turmoil surrounding the Czech ratification of the LT, which was fuelled by the many radical comments of President Klaus.

During the Czech EU Presidency (first half of 2009) the largely euro-sceptical ODS had some problems with some of the party's backbenchers but generally took a pragmatic approach towards the broader issues of European integration. The Lisbon Treaty ratification polarized the political elite. The dispute over the LT produced a rift within the ODS between a pragmatic party leadership and a euro-sceptical president and former party leader assisted by some senators and MPs.<sup>76</sup> Disputes over the EU were also one of the major reasons for why Klaus formally left the ODS at the end of 2008 and also a contributing reason for why some ODS MPs decided not to support the Topolánek government

in March 2009. On the other side, the enactment of the innovations introduced by the LT (the European External Action Service or the European Citizens' Initiative) was much less controversial than the ratification of the LT itself.

The eurozone crisis and the question of the Czech policy vis-à-vis the eurozone gained salience since 2009. The eurozone crisis, the subsequent deepening of the eurozone integration and the introduction of eurozone's bail-out funds deepened the rift between Czech political elite and the eurozone. Czech Eurosceptics openly advocate permanent opt-out from the eurozone, the great majority of the Czech citizens disapprove the adoption of euro.<sup>77</sup> The eventual Czech entry into the eurozone seems more distant than ever.

In relation to the eurozone the Czech Republic employs the strategy of "splendid isolation", imitating present-day British position towards the euro.<sup>78</sup> The Czech government believes that the stability of the eurozone is in the Czech national interest, it allied with Germany over the substance of the eurozone's economic governance (austerity measures introduced in the Euro pact). At the same time, the Czech Republic refused to take part in bailing out the single currency. Importantly, the Czech Republic (worried about its "national sovereignty in the fiscal policy") refused to participate in the eurozone's rules, institutions (and decision-making). The Czech entry into the eurozone is postponed ad infinitum and the Czech Republic is one of the four EU countries that did not join the Euro Plus Pact.

<sup>74</sup> See for example "Priority Areas of the Czech Republic's Presidency of the Council of the European Union in the first half of the year 2009", op.cit.

<sup>75</sup> The Czech government initially hoped that the Czech EU presidency would be an opportunity to present the country "as a constructive and efficient partner within the EU". See "Prioritní oblasti předsednictví České republiky v Radě Evropské unie v prvním pololetí roku 2009 [Priority areas of the Czech Presidency of the EU Council in the first half of 2009]", op. cit.

<sup>76</sup> "Czech deputy leaves party in protest against EU treaty passage", *Czech News Agency*, 06/05/2009.

<sup>77</sup> In June 2011 only 21% of Czech citizens approved the adoption of euro, 68% are against. See "Citizens on Adoption of Euro - June 2011", Public Opinion Research Centre, Institute of Sociology of the Academy of Sciences of the Czech Republic, 25/07/2011, available at <<http://www.cvvm.cas.cz/index.php?disp=zpravy&clang=1&r=1&s=&offset=&shw=101175>>.

<sup>78</sup> See especially "Britain changes its mind about a two-speed Europe", *The Economist*, 21/07/2011, available at <<http://www.economist.com/blogs/bagehot/2011/07/britain-and-eu>>.