

# EU MONITOR

## Czechs and the Post-2020 MFF

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- At the beginning of May 2018, the European Commission introduced its proposal of the new Multiannual Financial Framework 2021-27. Since then, the EU member states as well as the European Parliament have been intensively negotiating about each aspect of the Commission's draft without being able to reach an agreement. Consequently, the talks will slip into 2020, probably being finalized no earlier than summer 2020 during the German presidency of the European Council.
- EUROPEUM Institute of European Policy has published several papers tackling the MFF negotiations from the Czech perspective, explaining mainly political level and economic reasoning behind the Czech position. So far, they have lacked the aspect of the general public perception, which is often the main determinant for the official opinion of the Czech ruling parties. The following article is therefore meant to provide the reader with an understanding of what ordinary Czechs think of the MFF negotiations and what should the EU budget finance. The text is predominantly based on standard public opinion poll conducted by STEM Agency in cooperation with EUROPEUM Institute for European Policy in October 2019. The sample consisted of 1002 respondents, combining PAPI and CAPI questioning. The quantitative research was supplemented with qualitative questioning in form of focus groups conducted at the beginning of November 2019.
- Finally, the paper will mention various groups of society – indexed into categories of *Convinced, Lukewarm Supporters, Critics, Distrustful, Opponents, Active Opponents*. The segmentation was created by STEM Agency during joint research of STEM and Behavior Labs in cooperation with EUROPEUM at the beginning of 2019. In order to learn more about the segmentation, please visit [following website](#).

## General Perception and Solidarity

Before diving into explaining what Czechs want the EU to fund, it is necessary to make several general remarks. Firstly, Czech population in general does not follow the negotiations, nor is interested in the EU budget or know well what it finances. They are also confused in the net Czech position with respect to the EU budget – only 24 % think that the Czech Republic receives more than it pays, 18 % is convinced the Czech position is balanced, and surprisingly 13 % believe that the Czech Republic is a net contributor to the EU budget (rest does not know). These numbers are surprising as the public discourse is filled with stories of what the EU funds finance, and the politicians often talk about the EU membership being profitable due to the Czech net position. It seems that the “knowledge” of the Czech position regarding the EU budget derives from the overall perception of the EU rather than facts. The more someone is Eurosceptic, the more he or she tends to think that the Czech Republic contributes more to the EU budget than receives (see Chart 1).

The same applies to the post-2020 Multiannual Financial Framework, although the Czech society is simultaneously more sceptical about their net position. Only 7 % of respondents think that the Czech Republic will receive more than it is about to pay, 21 % is convinced that they will pay more than receive, 21 % expects to have balanced net position and 51 % has no idea (See Figure 2). These numbers are remarkable, not only because the Czech Republic heavily profited from the Cohesion policy, but also due to the ubiquitous presence of EU funds in the media. The question is obviously what happens once the Czech Republic truly becomes a net payer. As of now, it seems that no tectonic shift in public sentiment to the EU might follow, however, this topic will eventually be raised by Eurosceptics and could result in further deterioration of Czech opinion about their membership in the EU. The Czech net position is currently not a divisive issue within the Czech society, but it might change in the future.

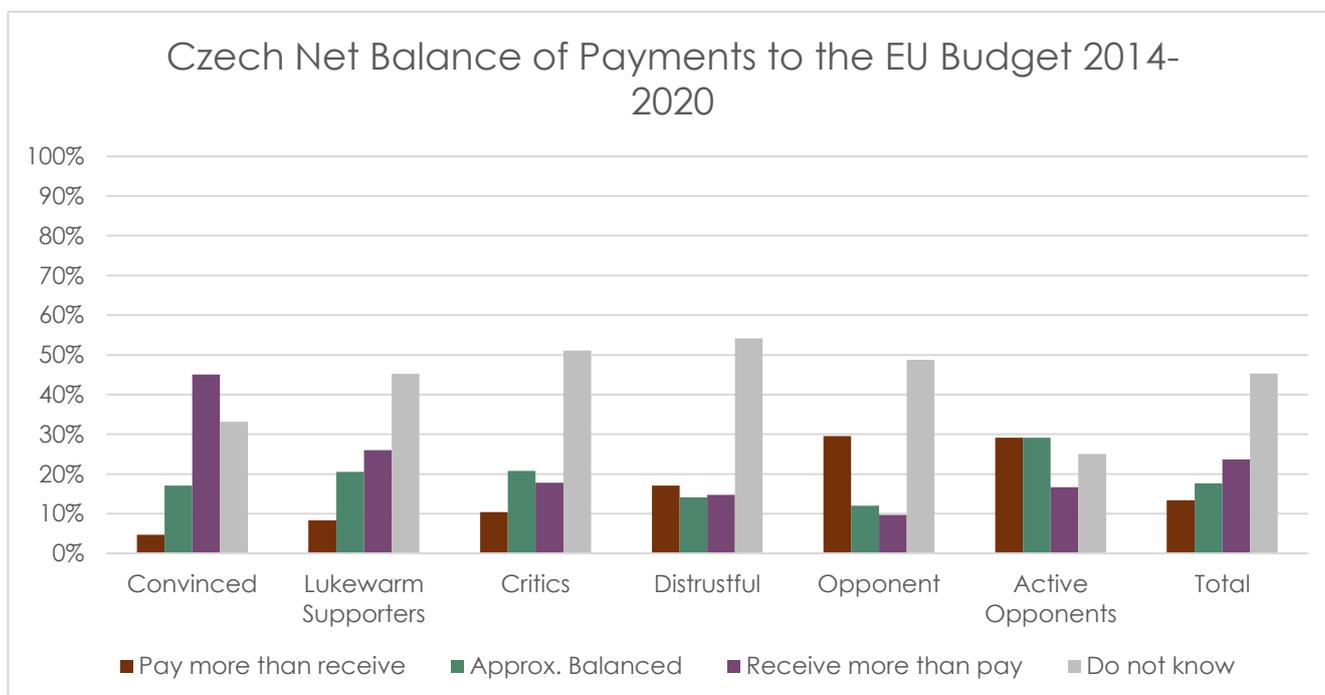


CHART 1; DO YOU KNOW, HOW MUCH MONEY THE CZECH REPUBLIC PAYS TO THE EU BUDGET AND HOW MUCH WE RECEIVE BACK?

## Czech Net Balance of Payments to the EU Budget 2021-2027

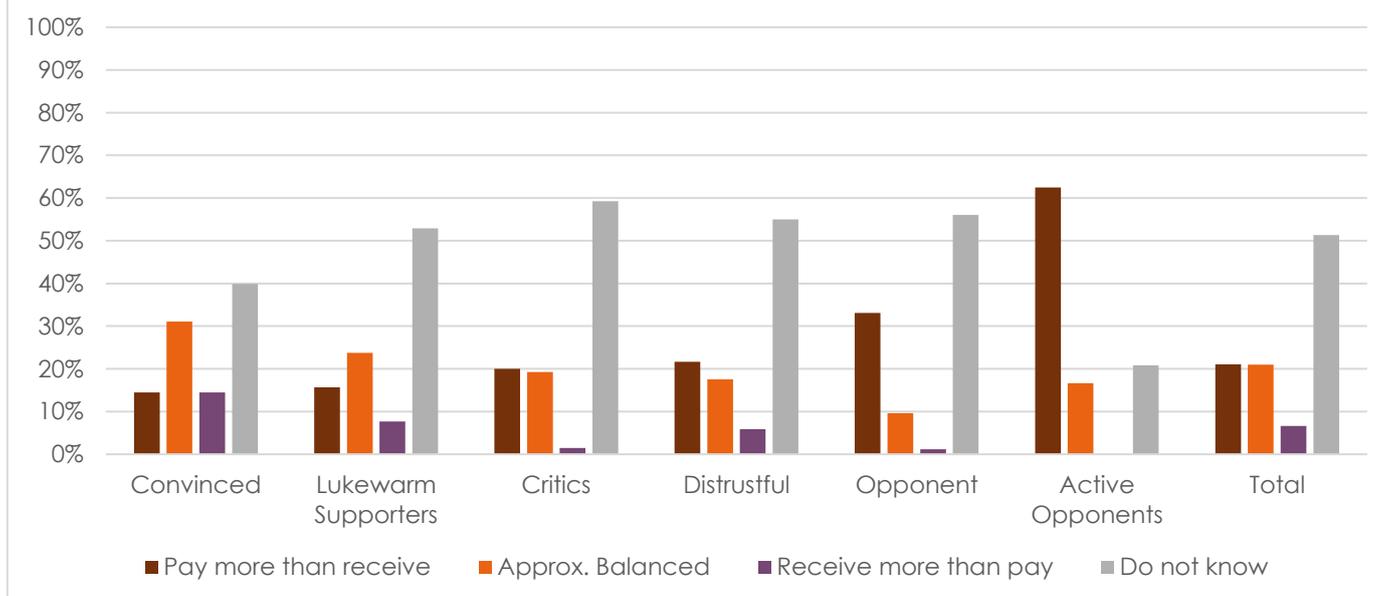


CHART 2; HOW MUCH MONEY WILL THE CZECH REPUBLIC PAY TO THE EU BUDGET IN THE NEW PERIOD 2021-2027?

In the future, it will be essential to strengthen the concept of solidarity within the Czech society. The Czech Republic is currently a net recipient from the EU budget – something that might easily change in the future. Simultaneously, it can be asserted that Czech understanding of solidarity is currently not very well developed. In general, Czechs accept that there should be solidarity of richer states with poorer ones (see Chart 4). However, the current redistribution system is not perceived as fair (see Chart 4), nor should the Czech Republic receive less in the future according to general public perception (see Chart 5). This mirrors very well the Czech utilitarian sentiment towards the EU – solidarity works only if someone is supporting Czechs, but not when Czechs are asked for responsibility or help. This situation might obviously change in the future as Czechs get richer and feel the economic progress in their wallets, but as of now, the society is not mentally prepared to assume responsibility.

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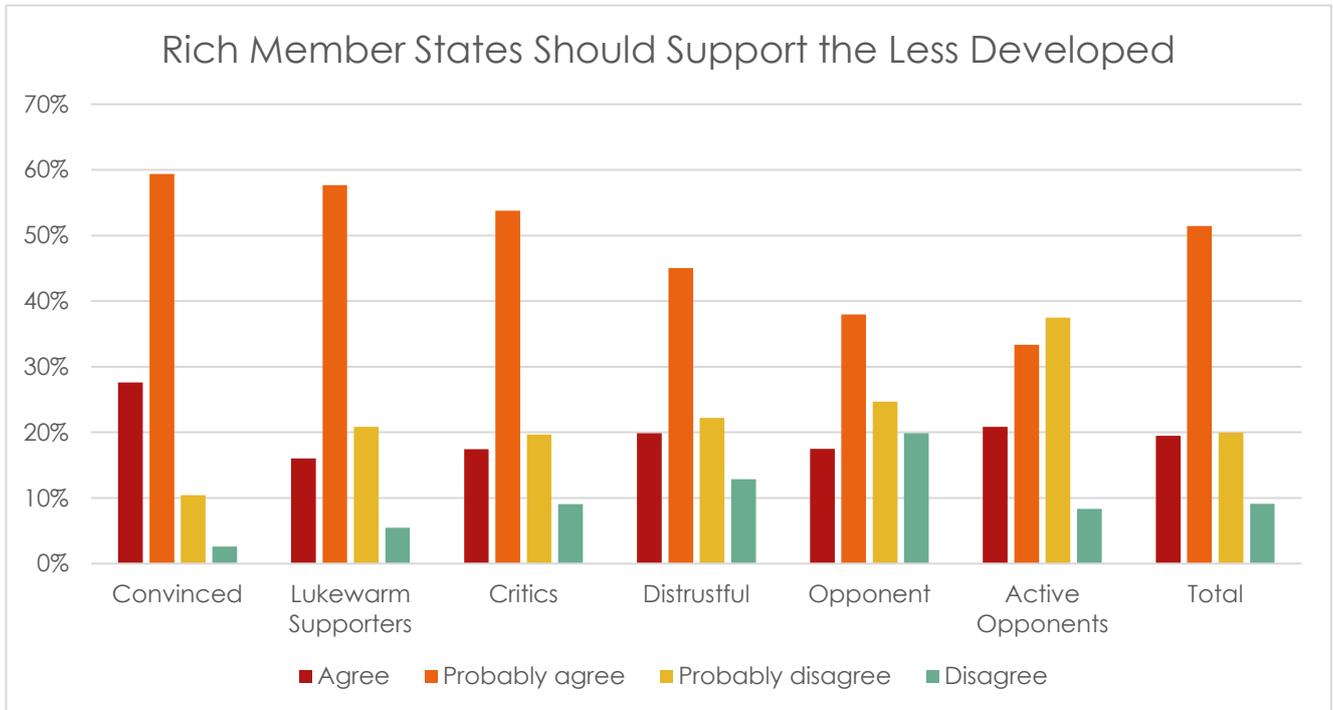


Chart 3; Is it fair that poorer member states receive more money than the richer ones?

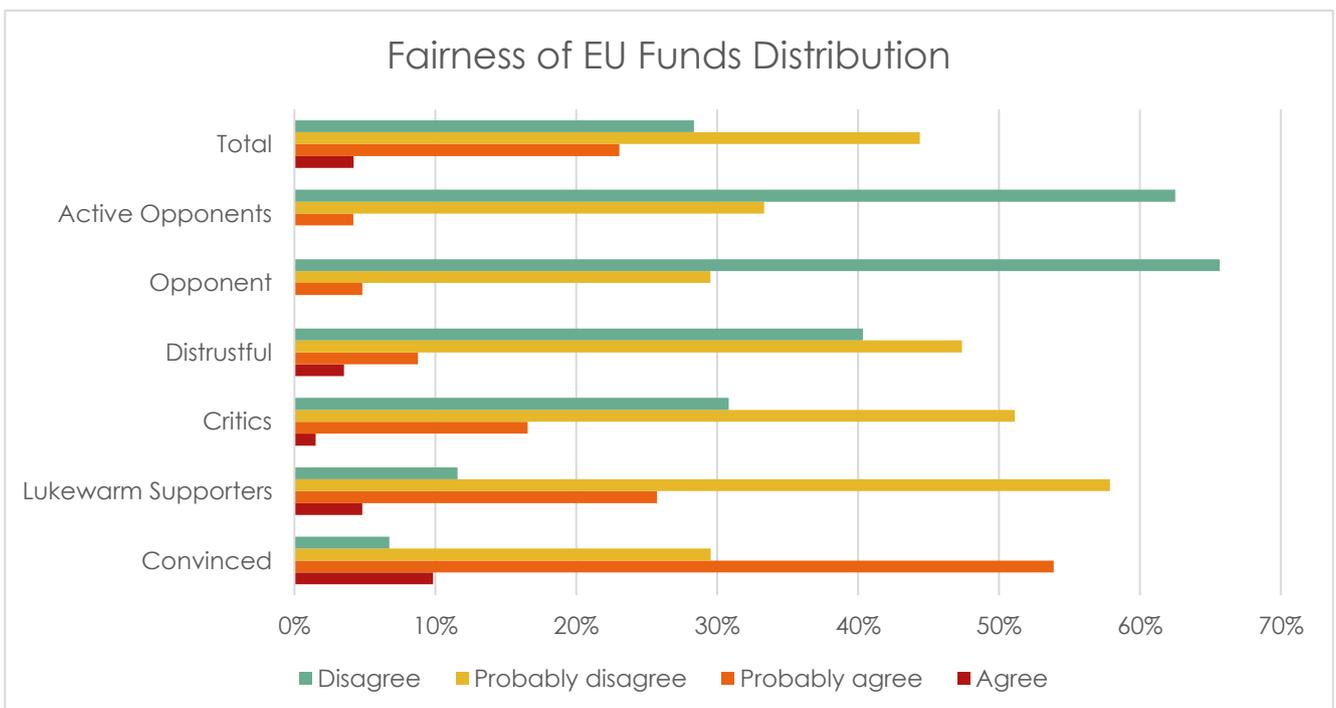


Chart 4; Do you believe that the European Funds are fairly distributed among the EU member states

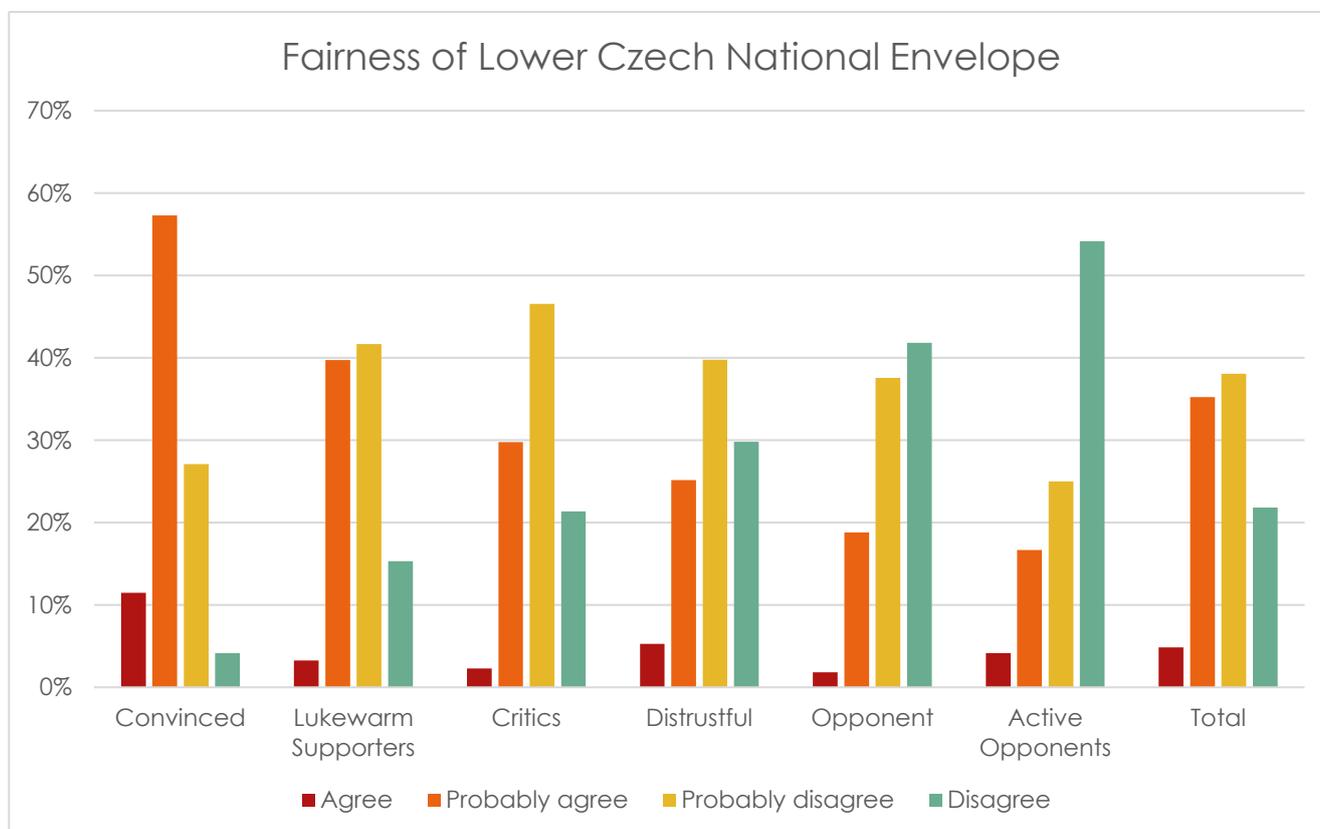


Chart 5; Is it fair that the Czech Republic will receive less money from the EU in the future, since it become richer proportionally to EU average?

Given the picture painted by the hard data above, it is merited to extrapolate and speculate how, historically speaking, Czechs might have been interpreting their integration into European structures and post-1989 development. The experienced economic growth of the last 15 years has not been perceived as something that was possible because of the EU and foreign direct investment, but as a result of Czech hard work and asceticism. The European funds or solidarity have allegedly had a little effect on the overall economic performance, and it has been a mere compensation for exploitation of cheap Czech labour and capital outflow. Therefore, rather than raising the feeling of generosity, the cohesion policy has been perceived as a bribe for Czechs allowing foreign capital flowing into the country. A cash that the Czechs do not owe to anyone, nor which obliges them towards reciprocity or solidarity.

## Priorities

Czechs in general tend to support traditional EU policies. As demonstrated in Table 1, an absolute majority of Czech citizens considers infrastructure development, environmental protection, and Common Agriculture Policy as a priority to be financed from the EU budget. Interestingly, third most popular area is investment in social services, however, this varies through different groups of the Czech society. Unlike the other aforementioned fields, the prioritization is not equal – the more a person is Eurosceptic, the more one thinks social services should be financed by the EU. This may be result of socio-demographic features as, generally speaking, better educated and higher income groups tend to support more strongly the Czech membership in the EU. New priorities, as defined by the European Commission, either do not enjoy much of a support or are opposed (see Table 2). Investment

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in high tech research and development, support to companies in transition to new technologies (63 % says priority) and digital production (38 % says are accepted, but do not belong to the most favorite budget headings). Interestingly, the Czech society would be also willing to contribute to a joint EU border protection and financing of European border guard. This can definitely be perceived as a still prevailing anti-migration sentiment created during the Schengen Crisis.

When it comes to the main priority of the incumbent European Commission – transition to low carbon economy – Czechs consider the policy acceptable, but not a priority. This contrasts with environmental protection, which was marked as priority by majority of respondents. The reason for that is that Czechs perceive “protection of environment” as solely preservation of Czech nature, or rectification of mistakes made by Communists. Obvious symptoms of climate change such as draught or bark beetle outbreaks does not correlate to climate change amongst Czechs. Thus, envisioning the solution in cutting CO2 emissions is not made, but instead equated with changes in structure of landscape so that it corresponds more with the pre-cultivation period. Secondly, Czech citizens are very skeptical about the ability of the EU to influence the global CO2 emissions rate. They argue that transition to low-carbon economy would probably be excessively costly and would not bring the desired effects, as Europe alone produces only 9% of the world’s CO2 emissions – the so called “how about China?” argument. Overall, the general sentiment could be summarized in “we do not mind cutting CO2 emissions if someone else pays the transition”.

Finally, it is important to draw attention to “solving source problems of migration” and “border protection”. These two issues illustrate very well the overall sentiment of the Czechs to common global challenges. Czechs in general are very skeptical about their influence and thus do not believe that their action could lead to any significant improvements. This results in insular behaviour – better

isolate from the outer world than actively solve problems. It is evident that the creation of a common European border guard enjoys quite significant support, whereas “development aid to migration source countries” is considered something that should not receive EU funds. The solution lays in isolation and protection, not addressment of migration root causes.

### What lessons the policy makers should take?

Czechs think the EU should primarily support traditional EU policies. The “new priorities” are accepted, but it is not anything that the Czech population would be thrilled about. The question is whether these expectations are a result of principled opposition against Union focusing on defence and border protection, or that Czechs simply do not understand why the EU should embark on new policy areas. Based on previous data focusing solely what the EU should ideally do, i.e. not asking what it should pay for, Czechs were open to the EU getting more involved in defence & security as well as protection of living standards. The data showed that Czechs primarily look for someone who would protect them against challenges caused by globalized world and deteriorating security environment.<sup>1</sup> There is currently a perception gap between what Czechs think the EU should do, and what they believe it should finance. Such an ambiguity must be addressed and therefore, the Czech political elite will have to invest more energy in explaining why the EU wants to invest in new areas and why the Czech Republic should support such an effort. The Czech population usually frames its opinion on issues according to the political discourse, hence politicians play a crucial role in how Czechs understand the progress at European level.

Secondly, the greatest challenge for policy makers will be to link environmental protection with fight against global warming and CO2 reduction. The topic will gain even more

<sup>1</sup> See final report from Brand EU research, page : <http://europeum.org/en/articles/detail/3257/cesi-a-znacka-eu-jak-se-citi-cesi-ohledne-eu-a-co-by-mohlo-zmenit-jejich-nazor>

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importance in the future as the Commission introduced the Green Deal and the EU decided to become climate neutral by 2050. The Czech Republic will have to comply with energy transition plans and will be forced to invest in renewable sources of energy. The problem is that Czechs currently seem to ignore the impact of climate change on their environment. First, they seem not to understand that the recent draughts might be related to global warming, and even if they understand the link between those two issues, they still remain sceptical about their ability to revert the increase of global CO<sub>2</sub> emissions. Secondly, the data presented above showed that Czechs would probably accept an EU budget supporting transition to low-carbon sources of energy, yet this does not mean that they would be willing to cover the costs by themselves. Overall, the Czech attitude can be considered as supportive, albeit only if others pay for the transition. This leads to my final argument that climate change is potentially a topic similarly explosive as the Schengen crisis used to be. Since the fight against climate change is currently promoted by Western Europe, and if the Union policy is understood as a cause of future economic turbulences, it might result in a new rift between the West and the East. Czechs are fine with investment in CO<sub>2</sub> reduction, but their permissive consent might abruptly disappear if they feel the economic impact of transition or any other economic downturn. Even challenges linked to automatization and digitalization of industry might be ascribed to CO<sub>2</sub> reduction plans. Therefore, the Czech policy makers and politicians must focus on climate policy, explain the population why the EU and the Czech Republic introduce new policies, and strictly divide structural changes caused by new technologies and the fight against global warming.

Finally, the Czech policy makers will have to rethink their approach to presentation of European Funds. As the Czech Republic is becoming richer in GDP PPP terms, it will slowly be losing its prominent spot as one of the largest beneficiaries from the EU budget. Ultimately, Czechs will become a net payers to the EU budget, which will surely open a renewed discussion about the reasons for membership in the EU. The advantage is that the Czech Republic will not contribute to the new budget until 2028, meaning that political strategists still have time to

contemplate what the best approach should be. Ultimately, the internal discussion must start, including deliberations about substituting the European Cohesion policy with a national one. It can be presumed that the discrepancies between regional economic output within the Czech Republic will remain in place even 10 years from now, thus necessitating corrective, equitable national policies to address these discrepancies.

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Priority	Convinced	Lukewarm Supporters	Critics	Distrustful	Opponent	Active Opponents	Total
Infrastructure - highways, railways, roads	71%	70%	75%	76%	67%	65%	75%
Environment protection - water management, landscape	63%	64%	63%	53%	65%	64%	75%
Social services, care for those in needs	57%	38%	56%	61%	61%	72%	42%
Support for farmers and agriculture production	51%	43%	51%	62%	43%	59%	46%
Investment in research and development	49%	60%	51%	53%	41%	34%	63%
Joint border protection and European border guard (Frontex)	37%	34%	37%	41%	30%	40%	46%
Fight against climate change and reduction of CO2 emissions	30%	37%	26%	25%	35%	31%	21%
Support for companies in adoption of new technologies	27%	32%	29%	33%	20%	18%	38%
Study and internships abroad (e.g. Erasmus+)	21%	30%	21%	16%	23%	14%	17%
Solutions to internal issues linked to migration	21%	17%	23%	17%	24%	20%	21%
Joint military research and financing of EU foreign missions	9%	12%	8%	7%	11%	7%	4%
Sattelite development and European Space Research	6%	6%	5%	5%	8%	7%	8%
Development aid to third countries	6%	9%	5%	3%	8%	4%	4%

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Acceptance	Convinced	Lukewarm Supporters	Critics	Distrustful	Opponent	Active Opponents	Total
Joint military research and financing of EU foreign missions	49%	37%	41%	57%	49%	71%	63%
Sattelite development and European Space Research	41%	29%	40%	42%	40%	55%	63%
Development aid to third countries	39%	25%	34%	44%	38%	60%	63%
Solutions to internal issues linked to migration	39%	32%	33%	40%	42%	50%	58%
Study and internships abroad (e.g. Erasmus+)	16%	12%	12%	14%	18%	23%	46%
Support for companies in adoption of new technologies	15%	8%	16%	11%	17%	18%	25%
Social services, care for those in needs	13%	18%	13%	10%	12%	8%	29%
Fight against climate change and reduction of CO2 emissions	13%	9%	12%	14%	11%	16%	29%
Joint border protection and European border guard (Frontex)	11%	11%	10%	13%	12%	10%	17%
Support for farmers and agriculture production	9%	12%	9%	8%	8%	5%	13%
Investment in research and development	4%	2%	3%	2%	5%	10%	4%
Infrastructure - highways, railways, roads	3%	2%	3%	2%	2%	5%	
Environment protection - water management, landscape	2%	2%	1%	2%	4%	1%	4%

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