

Review of the Czech EU Policy in 2019/2020

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Executive Summary

- **Czech EU policy has been rather passive, and it has not managed to significantly influence European discourse. On the other hand, Czech negotiators can be very successful if they pick one issue, focus there their attention, and avoid ideological discussions.**
- **EU Budget talks can be considered as a success for the Czech Republic. Czech negotiators managed to navigate between competing sides and win tangible concession.**
- **EU Top Jobs negotiations were unsuccessful. The Czech Republic aligned itself to close to its V4 partners, and it did not set clear goals for its negotiating team.**
- **The Czech Republic practically withdrew from PESCO cooperation. It has not been active since the change of the government in 2017 and continues to do so.**
- **The Czech Republic took part in many new initiatives, however, it did not succeed in influencing the overall European narrative.**

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The following paper is the second edition of an annual contribution to the discussion about how successful the Czech Republic is in pursuing its EU policy. Last year's issue evaluated the period between mid-2018 to mid-2019. This publication analyses the subsequent year until the September 2020.

As in the previous issue, the goal of the publication is to comment on successes and failures of Czech policy makers in the EU negotiation process. Specifically, it focuses on the conduct of government officials and politicians. EP politics, although very important in the EU decision making, does not fall within the purview of this analysis.

The paper is structured into four policy clusters – EU Top Jobs; Single Market & Economic Policies; Justice & Home Affairs, and Foreign and Defence Policy. The selected topics and their interpretation should be considered as based solely on the expertise of the author as well as several thorough discussions with Czech public servants. The article is therefore a commentary, not a scientific paper with a thorough methodological background. The goal is to make a qualified assessment of the Czech performance, not to create an objective description of reality. Any critique or remarks to this paper are welcomed.

EU Top Jobs

Negotiation about the three main EU jobs – president of the European Commission, president of the European Council, and the High representative for CFSP – always belong to the fiercest of all discussions at European level. The 2019 negotiations were no exception and it took almost two full days to fill the vacancies. German minister of Defence Ursula von der Leyen was appointed as the president of the European Commission, the Council presidency was entrusted to Belgian Charles Michel, and Spaniard Josep Borrell became the High Representative for the CFSP¹. After five years of Donald Tusk presidency, the Central European

region lost its representative in the top EU positions – something that can be perceived as a failure of the Czech representatives. The negotiators as well as the Prime Minister did not arrive to Brussels with a clear vision and defined goals, the Czech Republic rallied behind the V4 and thus effectively fought other's battles². At one point, the Dutchman Franz Timmermans was being considered as the new head of the Commission – a proposal that was harshly opposed by the V4³. Eventually, his name was dropped from the lists, however, this particular success effectively depleted any leverage the V4 could have in the final rounds of the negotiation. It did not have strength to propose a solid central European contender, nor did they propose a credible contender from the region.

Overall, the lack of planning, clear vision and too extensive alignment with the V4 in terms of disproportionately resisting Timmermans caused a situation where the Czech Republic could not register any victory in the EU top jobs negotiations. On the other hand, the system of *Spitzenkandidaten* suffered a significant setback which is something that could be described as a success. The Czech political elite has traditionally been critical of any transnational candidate-lists or a system of leading candidates as such. These two institutions are a significant step to a more federal Europe, which is something the current Czech government as well as part of the opposition strongly disapproves. It is hard to ascertain whether the end of *Spitzenkandidaten* was a Czech aim from the very beginning; however, the termination of Manfred Weber and other leading candidates can be considered as a success. It will be hard for the European Parliament to reinstate the *Spitzenkandidaten* tradition in the future as the member states made clear they do want to have the election of the EC president under their control.

¹ <https://www.consilium.europa.eu/cs/press/press-releases/2019/07/02/european-council-appoints-new-eu-leaders/>

² Franz Timmermans is excessively unpopular among the current Polish and Hungarian ruling political parties. If there was

not a strong resistance from these two countries, Czechs would very likely not block his bid.

³ <https://zahranicni.ihned.cz/c1-66599630-babis-se-bouri-proti-tomu-aby-evropskou-komisi-vedl-nizozemec-timmermans-podle-madaru-je-to-kandidat-sorose>

Single Market & Economic policies

MFF negotiations

Unlike the battle for the EU Top Jobs, the negotiations about the new post-2020 Multiannual financial framework were a success for the Czech Republic. The Czech negotiators achieved almost everything they desired – a greater allocation flexibility between various programmes, more funding in the Cohesion Fund, and, most importantly, preservation of the Safety Net that assured the Czech Republic to receive significantly more euros than it should get based on its economic output⁴. Furthermore, agriculture subsidies were not capped, meaning that the Czech concentrated farming business will not suffer.

The Czech performance exceeded even the best expectations, and simultaneously points to one crucial fact that all negotiators from small and midsize states should always keep in mind – setting clear and realistic goals, and pursuing them through the entire negotiation process is crucial in order to achieve anything. In this sense, the Czech public administration performed well – the Czech framework position to the Commission's MFF proposal was published on time, set clear goals and left enough room for manoeuvring during the negotiations. Furthermore, the Czech representation intentionally gave up on fighting over the main divisive lines such as the overall size of the budget or the control of the rule of law in EU member states⁵. They did not repeat the same mistake from the EU Top Jobs discussions, and thus spared political capital for pursuing their own goals.

It is important to mention, however, that some general aspects of the negotiations benefited the Czech Republic. Firstly, Czechs are slowly approaching the threshold in which they will become net contributors rather than recipients. This means that they are more likely to end up with a favourable outcome as the extremes of contributors and recipients, respectively, usually balance themselves out.

Secondly, the European Commission proved to be a smart negotiator; they concealed enough room for manoeuvring in their original proposal that could be used for country-specific gifts. Czechs, who decided to aim for less contentious issues and small specific gifts, were perfectly positioned to actually achieving them. Finally, the Czech government was in an extraordinary position where it did not have any domestic opposition to its own negotiation intentions. The Czech debate about the EU budget was almost non-existent. The topic was complicated for the media to process and most opposition politicians resorted only to a critique of Babiš and his conflict of interests. Not much has been said about what the Czech Republic actually needs and what budget structure would be the most favourable to the Czech long-term development strategy.

Climate Targets

Along with other CEE member states, the Czech Republic was originally critical to the 2050 Climate Neutrality goal. In summer 2019, the Czech negotiators vetoed the target⁶; however, during autumn 2019, the Czech Republic re-evaluated its position and subscribed under the climate neutrality plan in December 2019. The change was driven by several important aspects.

Firstly, it is not surprising that any initial answer to stricter climate targets is negative. The Czech Republic is one of the most industrialized economies in the EU, and heavily dependent on relative low cost of very well-educated labour. There is a significant fear that a swift decarbonization might damage the Czech economy, thus leading to a gradual transition being perceived as more appropriate. Simultaneously however, the Czech negotiators and subsequently also politicians were well aware that EU climate policy is an accelerating train that is unstoppable. The negotiations were therefore not about whether to support or refuse the new climate targets, but when to endorse them so that the Czech Republic gets the most out

⁴ European Council Conclusions, 21st July 2020, <https://www.consilium.europa.eu/media/45119/210720-euco-final-conclusions-cs.pdf>

⁵ Detailed Czech position can be found here: <https://www.psp.cz/sqw/text/orig2.sqw?idd=136214>

⁶ <https://oenergetice.cz/evropska-unie/polsko-podporou-ceska-zablokovalo-prijeti-cilu-klimatickou-neutralitu-roce-2050>

of it. Falling behind in decarbonization might potentially cause more damage than their refusal.

In this sense, one of the key Czech goals were fulfilled during the December 2019 European Council. The Czech Prime Minister Andrej Babiš strived to an acknowledgement of nuclear power as a legitimate source of energy in achieving climate neutrality. And since the European Council eventually added a special sentence to its December 2019 meeting stating that the EU would not hinder its member states in developing nuclear sources of energy, there was effectively no reason for the Czech Republic to resist the climate neutrality goal anymore.

It is obviously debatable – and not the subject of this paper – whether including the nuclear energy as part of national energy mix was worth the effort. That debate notwithstanding, the Czech negotiators proved able to achieve concessions. The Czech Republic deliberately decided not to fight a battle it cannot win, and rather focus on what small wins can be achieved.

Social Affairs

One of the greatest Czech successes in European politics can be identified within the realm of social affairs – namely enactment of “Mobility Package” that regulates working conditions in land-freight business. Since Emanuel Macron took office, the French state was trying to redefine conditions on posting workers within the single market. Eastern member states hampered his efforts and negotiations were blocked.

In 2019, the member states managed to agree on revision of posted-workers directive, where the Czech Republic also played a pivotal role. Part of the deal was that freight business will be exempted from the posted-workers directive, and a special regulation on goods transport will be enacted. This eventually happened in summer 2020.

Czechs asked for two things during the negotiations. Firstly, they strived to exclude drivers from national minimum wage regulation, and secondly, they were keen on keeping the

permission to load goods in another member state after the original goods were disembarked. Both requirements were achieved, which can be described as a success of Czech negotiators.

Czech diplomats did not have a dogmatic approach to the negotiations and primarily argued in favour of maintaining free trade on the single market and avoided mentioning Czech interests. They only spoke out against regulation proposals that would mean significantly more red tape and would impact the overall economy of transportation. This decision to focus on a broader European interest was crucial as it has been proved in literature that such tactics have a greater chance to succeed.⁷

Justice and Home Affairs

The Czech EU policy in the area of Justice and Home Affairs has not been excessively visible throughout 2019/2020. Two important issues have been finished – new mandate for FRONTEX agency and establishing of European Prosecutor Office – however, the Czech Republic did not leave any significant footprint in their enactment. This is mainly due to a dubious and not well-defined national position as well as Czech long-term reluctance to a deeper cooperation in the Justice and Home affairs.

The enhancement of FRONTEX mandate can be perceived as a “Czech success” since it is in line with Czech anti-immigrant rhetoric and stress on stricter border control, which has been apparent since the migration crisis in 2015. On the other hand, it is hard to ascribe any credit to the Czech politicians for the changes. The Czech Prime Minister Andrej Babiš was constantly changing his opinion, usually putting it in opposition to forming compromises.

This unsatisfactory performance is obviously a result of a too intensive securitization of migration and home affairs in the Czech Republic. Czech society is currently not able to progress beyond this securitization, and especially migration is perceived as a national threat that should be prevented at any cost irrespective of how detached such a perception

⁷ PANKE, Diana, 2012. Being small in a big union: punching above their weights? How small states prevailed in the vodka and

the pesticides cases. *Cambridge Review of International Affairs*. 25(3), 329–344

might be from reality. It has become a political consensus that the Czech Republic will stand aside the European efforts to manage migration, and it will be excessively difficult to any future honest politician to break this tide. The European political reality will obviously force Czechs to take a more sensible stance; however, there is nothing constructive to be expected from the Czech Republic in this respect in the upcoming few years.

Similarly, the Czech Republic did not play any key role in establishment of the European Public Prosecutor Office. Although it belonged to the first member states to endorse the deeper cooperation, Czech politicians did not contribute to its formation with any new ideas, but rather rode on an already moving wave. As in the case of FRONTEX, the most important contribution was that Czechs did not block the initiative and fully subscribed to it.

Foreign and Defence Policy

Defence Policy

The overall Czech performance in EU's Foreign and Security Policy was rather ambiguous during the past year. The Czech Republic has been static and did not bring any new initiatives on the table, but again passively reacted to other's proposals – e.g. Czechs did not take part in any new PESCO project and one could even argue that the Czech policy makers have not shown any interest in European defence matters as such. Public discussion has been practically non-existent, which is in stark contrast with the post-Brexit activity of the Czech Republic in initiation of PESCO cooperation. In this sense, we are witnessing a continuing trend that started with the change of the government after the 2017 parliamentary elections.

The PESCO and EU defence cooperation was originally perceived as a tool to keep the Czech Republic closer to the EU integration core after Brexit. There was a tangible fear within the former Social Democratic government that Brexit would cause long-lasting changes to the European

integration, which would cause a split of the EU to second- and first-class member states, with the Eurozone becoming the integrational core. This would leave the Czech Republic on the European periphery – a situation that would significantly hamper Czech influence in EU politics. These fears, however, were less pronounced within the then-new Babiš government, and thus led to an unofficial withdrawal from any new PESCO integration.

Whereas the overall Defence policy was a lame duck, Czech negotiators celebrated a significant victory in personal agenda. In March 2020, Jiří Šedivý was elected as the new director of European Defence Agency. He became the very first CEE representative to hold this office. There can be obviously discussion about whether this success was a result of well-performed Czech negotiation, or if Jiří Šedivý managed to get the posting thanks to his profound expertise and experience. In any case, having a director of an EU agency is a success.

Foreign Policy

The most important Czech contribution to EU foreign policy was a resolute support to new sanctions against the self-pronounced Belarusian president Lukashenka. Shortly after the manipulated presidential elections, the Czech Prime Minister Andrej Babiš called the EU to impose sanctions.⁸ He also said that the V4 should be the European driving force, which might have caused a lower appetite of Hungary to torpedo European efforts.

Otherwise, there is no other significant EU effort that would have a Czech footprint and Czech EU foreign policy seemed invisible for most of the year. An exception to some extent could be the involvement in the Western Balkan region and EU enlargement agenda, traditionally an important vector of the Czech foreign policy. Czech representatives continued to formally support the accession process and in a joint effort with other pro-enlargement countries have contributed to the European Council's positive decision on opening of accession negotiations with Albania and North

⁸ <https://euractiv.cz/section/cr-v-evropske-unii/news/babis-sankce-proti-belorusku-musi-prijit-rychle-hlavni-rolu-by-mela-sehrat-v4/>

Macedonia. However, the visibility of the Czech Republic on this issue remains rather low and its endeavors are acknowledged only when supported by several other EU Member States.

Final remarks

The past year again proved that the Czech Republic is not able to significantly influence any grand debate at EU level. One might argue that this is not surprising as the country is relatively small and belong to the EU average regarding economic output. It does not mean, however that the Czech Republic should not aim higher – Sweden or Austria, countries of similar size, are significantly more visible on the European stage and manage to influence grand integrational narratives.

On the other hand, the Czech Republic was successful in pursuing its own small particular interest as manifested e.g. during the post-2020 MFF negotiations. Czechs also proved to be influential negotiators if they positioned the Czech Republic in the middle of battleground and argue for a “greater European good.” They can subsequently become deal-brokers and significantly influence European legislation (as seen in mobility package).

The only problem is that these “success stories” are seemingly rather accidental achievements; there is no sign of a systemic planning or management, nor an overarching vision within which these achievements serve a larger purpose. Successes are usually based on individual efforts. This proves that the Czech Republic can be more influential on the European stage, but it needs to strengthen its coordination mechanisms and clearly set its goals. It is currently in a unique position – between net payers and net beneficiary – and thus perfectly prepared to increase its importance in the European political arena.

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