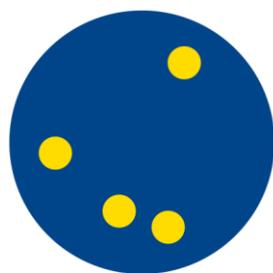


COUNTRY REPORT

Czech Republic

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- This paper provides the overview of Czech Republic's top priorities during the first ten years of the membership in the EU in the following areas: Institutions and EMU; Freedom, Security and Justice; Foreign Policy; and the EU Internal Market. It also gives insight into the possible directions these priorities may take in the next ten years, with some priorities being abandoned and some new others emerging.
- The paper looks at how Czech Republic fared in pursuing these priorities and what the main factors were in influencing the success or failure of Czech policies and approach. In order to provide a comprehensive picture of these issues, the consensus (or lack of it) among Czech political establishment is analyzed and linked to the performance of Czech Republic, as well as the success of coalition-building with fellow EU member states and its overall impact on the EU level. The conclusion offers comparative analyses of the Czech performance in the four listed fields.



Visegrad
in the EU

HOW MUCH DO WE MATTER?

Policy priorities in the first ten years of EU membership

1. Institutions and EMU

In the case of Czech Republic (hereafter CR), it is hard to identify priorities in the area of the institutions and the Economic and Monetary Union (EMU) for several reasons, including the diverging positions by different governments over the period, the lack of strategic documents defining priorities (bar the 2013 Strategy of the CR in the EU, and the 2009 CR Presidency positions), and the significant discrepancy of opinions between key decision-makers. However, three major priorities can be deduced from the declarations and actions of Czech leadership in 2004-2014.

1.1 Full-fledged membership

The Membership of the Czech Republic in the EU had become a priority in the early 1990s, with full attention being devoted to the goal during the negotiation process between 1998 and 2002. After the Czech Republic joined the EU in 2004, this priority was transformed into aiming for a deeper integration into the existing EU structures and organizations, namely joining the Schengen area, the Eurozone, and securing free movement of labor within the EU.

While Schengen area accession and achieving free movement of Czech labor within the EU had never become contested issues among Czech leadership and policy-makers, the introduction of the Euro has been significantly delayed compared to the initially set target of 2009-2010.

The Czech Republic joined the Schengen area in December 2007 without any significant issues or delays, thanks to the fact that it has no external Schengen borders (except for its international airports) and due to efficient technical and legal preparations. It also supported Slovakia, both technically and by coordinated advocacy, in its efforts to join the Schengen area, so that the difficulties it faced would not delay the accession of the whole region.

The free movement of Czech labor within the EU had been negotiated bilaterally with individual member states or on the EU level, and with the exception of Germany and

Austria which imposed the maximal length ban of seven years, the Czech Republic was successful in various degrees in negotiating shortening or not imposing the ban. Today, Czech citizens can work within the EU without any restrictions.

Various factors caused the delay of the introduction of the Euro to Czech Republic, such as the growing Euroscepticism of some governments, namely Civic Democrats-led government elected in 2006, the collapse of the government during the Czech Presidency of the EU in 2009, opposition to the Euro by then President Vaclav Klaus, financial crises in 2009, etc. The significant shift in the stance towards the Eurozone came with the Social Democratic-led coalition government elected in 2014, and has been primarily caused by economic growth in Czech Republic and the relative stabilization of Eurozone, making the introduction of Euro attractive again to both Czech businesses and the political leadership. However, a target date for the introduction of Euro has not yet been set.

1.2 Negotiations and ratification of the Lisbon Treaty

The intergovernmental conference convened in 2007, following the failure of the Treaty establishing a Constitution for Europe. The conference prompted the Czech Republic to formulate its stances on the institutional future of the EU, and it strongly supported the adoption of a new treaty as it would allow progress on one of the Czech foreign policy priorities, the EU enlargement.

Czech stances included several priorities, such as the preservation of the decision-making and voting power of the country in the Council of the EU, or the preservation or strengthening of the principle of subsidiarity. It also came up with a novel proposal, the so-called 'reverse flexibility', which would allow for EU competence to be returned to national level if proved inefficiently carried out at the EU level.

Czech Republic was only partially successful in negotiating its positions. While reverse flexibility was incorporated into the new treaty, all other Czech positions were not. This was followed by a strong opposition to Treaty back home, including by then President Vaclav Klaus, who

rejected its ratification because of the inclusion of the legally binding Charter of Fundamental Rights of the EU. After a protracted political and legal fight over the issue, the President finally ratified the Treaty when the European Council agreed to the Czech opt-out from the Charter of Fundamental Rights.

1.3 Economic and Monetary Union and the EU economic governance

While the EMU and EU economic governance have been a priority for the Czech Republic, it has never developed a strategic approach to the relevant issues in these fields. It rather adopted a wait-and-see strategy instead of a pro-active approach, and frequently considered issues in an unpredictable manner. This marginalized the Czech Republic within the EU, and caused it to be perceived as trouble-maker instead of a constructive partner.

In the case of the Euro Plus Pact, the government refused to sign the Pact even though it claimed to agree with most of the measures. The fact that the Pact was negotiated only between the Eurozone states, and that it marginally mentioned the harmonization of tax base, were used as the reasons to refuse the Pact altogether. The rejection created a political rift among the Czech political establishment, as President Vaclav Klaus supported the rejection, while the coalition partners of ODS as well as the Social Democrats in opposition criticized the Prime Minister Necas.

In a similar fashion, the Czech Republic refused in the last moment to sign the Treaty on Stability, Coordination and Governance in the Economic and Monetary Union (TSCG) in 2012, even though it had never previously expressed any criticism of the Treaty. Among the reasons for such last minute decision was the fact that then Prime Minister Necas opened up about his discontent with the participation of the non-Eurozone members only in some Euro Summit meetings. The Social Democrats and ODS coalition partners claimed that while the provisions of TSCG had been binding only for Eurozone states and therefore not for the Czech Republic, the Czech refusal to sign the Treaty would prevent the country from completely from participating in Euro Summit meetings. However, the Social

Democrat-led government of PM Sobotka signed the TSCG in 2014. However, the Treaty has not been ratified in the Parliament so far, due to the ruling coalition not having enough votes for a qualified majority, as the parties in Parliament maintain a significantly diverging stance on the Treaty.

Concerning the measures negotiated and adopted using the Community method, the Czech Republic has had a more constructive approach. However, it has generally failed to adopt and implement most of the measures. According to a European Parliament Study, in 2011 and 2012 the country implemented only 13% of recommendations.

During the negotiations over the Stability and Growth Pact (SGP) reform, the Czech Republic failed for the most part in having its stances and conditions adopted. This was followed by failing to transpose six legislative measures (the so called 'Six pack') that would advance the enforcement of SGP. The critical issue in 2013 was with the Financial Constitution Law, which would limit government debt and impose sanctions if the limit was breached. This text would also establish an overseeing body, namely the National Budget Council. The current government of PM Sobotka prepared a similar law, declaring it a priority. It however hasn't been passed by the Parliament yet.

2. EU External Relations and Common Foreign and Security Policy

Czech foreign policy, past the imperative of joining the NATO and the EU, went through a phase of soul-searching, adjusting its capacities, formulating its own foreign policy priorities or coming upon them based on the ideological orientation of governments, while also facing the issues and challenges coming from the development of EU Common Foreign and Security Policy (CFSP). For the 2004-2014 period, three major priorities of Czech foreign policy can be deduced from documents or actions of Czech political leadership. They are namely Eastern Europe and the Eastern Partnership agenda, democracy and human rights, and the relationship with the United States. The third

one has never been explicitly declared a priority, but the focus of Czech governments and the political establishment in general on the relations with U.S. trumped the officially declared priority of Western Balkans that always remained on a declaratory and rhetorical level.

2.1 Eastern Partnership

Relations towards the Eastern European neighbors were soon after 2004 recognized by the Czech Republic as the niche in EU foreign policy where the Czech Republic could provide experience and expertise. In 2007, the foundations of foreign policy were laid by the Czech Ministry of Foreign Affairs, followed by using the Czech presidency in the Visegrad Group in 2007-2008 to advocate for the support of V4 countries for the newly formulated Czech foreign policy initiative, while also clearly linking it to preparations for the upcoming Czech EU Presidency in 2009. The Czech efforts, which included consultations with like-minded countries such as Sweden and Germany, bore fruit in the form of Polish-Swedish proposal to the Council in 2008 on the basis of which the Eastern Partnership (EaP) was embraced as a EU policy. The inaugural Eastern Partnership Summit was held in Prague in May 2009.

Ever since, the EaP has remained a top Czech foreign policy priority for EU external relations. The Czech Republic remained an active co-shaper of EaP and participated in most initiatives related to EaP, including contributing to the EU position after the 2012 elections in Ukraine or participating in the preparations for the Vilnius Summit in 2013.

The failure of the Vilnius Summit to deliver the desired results, especially symbolized by the failure to initialize the Association Agreement with Ukraine and Armenia, led to a certain Czech reflection period regarding the Eastern Partnership. The need to rethink the EaP as a concept before the Riga Summit in 2015 was additionally caused by several crises in Eastern neighborhood, such as the Maidan protests and Russian involvement in the conflict in Eastern Ukraine.

2.2 Human rights and democracy support

Human rights and democracy, as well as causally linking the two, has traditionally been at the forefront of

Czech foreign policy, on which the country has often played proactive role both within the EU and internationally. This has been due to the experience of grave human rights violations during the communist regime, the successful democratic and economic transition in 1990s and the will to share the experience and support transition in other countries, and the experience of participating in the reconstruction of Iraq after 2003 where the Czech Republic early on funded and supported civic and democratic development.

The Czech Ministry of Foreign Affairs established the Transition Promotion Program in 2005, and followed by merging the Transition Unit with the Human Rights Department into a Human Rights and Transition Policy Department (LPTP) in 2007. This distinguished Czech Republic from other EU member states, where democracy and human rights are usually handled through development aid or international forums such as the UNHCR. The Czech Republic thus reaffirmed its approach of paying special attention to human rights and democracy as such, and understanding them as interconnected.

The proactive approach by Czech Republic regarding human rights and democracy has been attested on numerous occasions, such as after its election to the UNHCR in 2011, or more continuously through the development Transition Promotion Program. The country managed to bring forward the issue of human rights and democracy as an important priority of its EU policy through efforts made during the EU Council Presidency in 2009, where it worked together with Sweden towards increased coherence and effectiveness of EU policies and funding schemes regarding democracy support. The Czech Republic was also deeply engaged in the reform of the European Instrument for Democracy and Human Rights (EIDHR), where most of the Czech reform proposals were consequently adopted.

Even though the Polish proposal to establish a European Endowment for Democracy (EED), tabled during Polish EU Council Presidency in 2011, clashed with previous Czech support for European Partnership for Democracy to execute similar tasks, the Czech Republic ended up being one of the 17 founding members of EED because of its desire not undermine the Polish EU Presidency.

2.3 Relations with the USA

The foundations of strong inclinations of Czech foreign policy towards a special relationship with the U.S. in the 2004-2014 can be found in the Atlanticist tendencies of Czech governments, or at least foreign ministers, in the given period. The USA has traditionally been perceived in the Czech political establishment as the guarantor of European security, the most reliable ally, and the greatest global promotor of liberal democracy.

The main issue strengthening the relationship between the two countries, and thus perceived by Czech Atlanticists as the expression of that special relationship, was the decision by the U.S. government to place elements of the missile defense system in the Czech Republic, accompanied by an increased cooperation in military research and technologies. The Treaty on the issue between two countries was signed in 2008. However, it faced significant opposition at home, both among the public and political establishment, making it impossible to be ratified by the Czech Republic.

It was expected that this relationship would play a significant role during the Czech EU Presidency in 2009, where Czech Republic could have capitalized on the relationship within the EU context and advance substantially the relations between the EU and the US under its newly elected President Obama. However, with signals sent by the new U.S. administration that they were reconsidering the Treaty as a part of the reset with Russia, and other issues that at the time tainted the relationship, such as climate change scepticism by President Vaclav Klaus that represented an obstacle in the Czech Republic constructively participating in joint EU-US preparations for Copenhagen Climate Summit in December 2009, the EU-US Summit held in Prague in 2009 amounted to nothing but an act of symbolical importance.

The importance of the relationship with the U.S. then gradually declined for the Czech Republic, prompted primarily by the decision of Obama administration to pull out from the Missile Defense Treaty, followed by the U.S. reorienting its attention to Asia, and the two countries'

general inability over time to find a common voice on many global issues.

3. EU internal market

During the 2004-2014 period, the Czech Republic developed priorities early in the area of EU internal market despite the lack of capacity and general lack of expertise typical of EU latecomers. However, the approach was overall minimalist, with a tendency to rather take the role of policy-taker with minimal interventions into proposed policies and measures, and occasionally a role of policy-killer, where proposed directives or policies would be perceived as challenging the key principles of the internal market or possibly causing the discrimination of Czech citizens and companies. The foundational concepts for Czech priorities regarding the EU internal market have been the removal of barriers and the equality of treatment. Three top priorities crystalized during the period in question, based on those two concepts.

3.1 Completion of the free movement of services within the EU

The Czech Republic generally supports the liberalization of trade in services, and therefore supports a strict and narrow interpretation and the implementation of Service (Bolkenstein) Directive, which was adopted in 2006. This is despite the fact that the original content of the Directive had been watered down due to protests by some old EU member states and trade unions. It, however, contains a catalogue of rules and practices which are deemed incompatible with the principle of free movement of services, and as such improves the position of Czech service providers in relation to regulatory authorities in other EU member states.

Complementary with the liberalization of trade in services, the Czech Republic has also been a supporter of recent initiative for the development of a market in digital services and the general liberalization trend at the EU level.

3.2 Non-discrimination in free movement of workers

The Czech Republic advocated for free movement of its workers since becoming an EU member in 2004, and pushed back against the transitional period of restriction to economic mobility of up to seven years that old EU member states could individually apply for. Given that it was a prerogative of individual states, the Czech Republic, often allied with other new EU member states, lobbied to lift or shorten the restriction period. The only two old member states to use the full extent of the transitional period were Germany and Austria. In order to show consistency in advocating for the free movement of workers in the EU, the Czech Republic opened its labor market to citizens of Romania and Bulgaria in 2007.

After the expiration of the restriction period in 2011, the Czech Republic shifted its attention to other related issues, such as the recognition of qualifications and the removal of barriers for posted workers. The latter became a contested issue due to the practice of so-called 'social dumping', and the Czech Republic has been advocating for a precise catalogue of rules enforceable against posted workers.

3.3 Mutual recognition in free movement of goods

The Czech Republic's continuous priority in this area is strengthening the European framework of mutual recognition of domestic standards. On the other hand, the country has a rather cautious approach to standard harmonization due to possible impacts on competitiveness and increased administrative burdens. The general position is that the new EU regulations must go through a strict impact assessment both at the EU and national level.

4. Freedom, Security and Justice

The Czech Republic has had a rather conservative, and sometimes unpredictable, approach to the FSJ area in the 2004-2014 period. FSJ, representing a sensitive domain, has traditionally been the competency of individual EU member states. However, the Lisbon Treaty advanced cooperative

decision-making and coordination on the EU level. The Czech Ministry of Interior, in charge of most of the issues covered by FSJ, expressed the opinion that the Lisbon Treaty went beyond what the Czech Republic had expressed as desired policies. Recent tendencies in the EU to partially abandon the "Lisbonisation" in the area of FSJ have been assessed as a positive development by the Czech establishment. The reasons for the Czech conservative, or sometimes chaotic approach to FSJ, were multiple. The main reasons include the general resistance to giving up competencies in the area, the lack of expertise on the Czech side (where the Czech Republic often stalled the negotiations on the EU level on incomprehensible grounds, reflecting the lack of knowledge and experience, which earned them the reputation of being unpredictable and unconstructive partners), and the lack of proper coordination between different institutions, political bodies, and political representatives that were in charge of affairs falling under the FSJ area. The Czech Republic never developed strategic documents where priorities in FSJ would be defined, but top priorities in the given period can be deduced from actions and declarations by Czech institutions and political representatives.

4.1 Full membership in the Schengen area

As part of the priority of full-fledged membership in the EU, accession to Schengen area had been among top priorities of Czech Republic since 2004. The country had good starting grounds to aspire to Schengen area membership, as it is surrounded by Schengen area members (at the time, future Schengen members) and it only maintains external Schengen borders at its international airports. The Czech Republic managed at the time to very successfully prepare in both legal and technical terms, and it also assisted other aspiring countries that faced difficulties, primarily Slovakia, so that they would not threaten the accession of the region as a whole to the Schengen area. The Czech Republic joined Schengen in 2007-2008, which was followed by related agenda items, such as the successfully negotiated technical review of SIS II during the Czech EU Presidency in 2009.

The 2012-2013 evaluation of the implementation of Schengen acquis was one of the references for the 2014-

2018 National Schengen Plan, which provides for better control of the compliance with Schengen standards, the effective drawing of EU funds, and the more effective implementation of measures and projects adopted at the EU level.

4.2 Asylum and immigration

Since the accession to the Schengen area, there has been a shift in the Czech mentality regarding asylum and immigration policies. The Czech Republic moved into the camp of Northern and Western member states, which viewed Southern members rather critically regarding the management of asylum and immigration. The Czech Republic never abandoned the idea of solidarity and resource-sharing, but insisted on discipline and full compliance with *acquis* from other member states, especially for the Southern ones.

One of the rather successful initiatives by the Czech Republic in the area of migration policy has been the migration partnership, launched at a major conference in Prague which initiated the so-called "Prague Process", involving a number of countries from the EU Southern and Eastern neighborhood. Within this process, the Czech Republic has also supported a number of projects aiming at improving the institutions in targeted countries.

4.3 Abandoning the non-reciprocal visa regime with the USA

The issue of Czech Republic receiving the U.S. Visa Waiver Program (VWP) is still seen as an ambiguous success of the country, as it was a source of conflict with the European Commission which, some experts claim, negatively affected the Czech EU Presidency in 2009.

All new EU member states, except for Slovenia that entered the U.S. VWP in 1997, jointly addressed the issue with the EC. New member states expected EU membership to be the proof of their maturity and level of advancement on security and rule of law, which would result in getting the visa regime with the U.S. lifted. However, the EC lacked the willingness to pay particular attention to the issue, and the Commission Report in January 2006 stated the lack of progress in negotiating with Canada and US. This led to a certain disillusionment among the new member states with

regard to EC, and also to domestic problems with the populations. The Czech Republic, as well as other new member states, started to pursue their own contacts and individually lobbied in the U.S. This led to both the failure of the joint approach by the whole group and criticism by the EC for circumventing the existing EU procedure. The Czech Republic eventually managed to have the U.S. visa requirement lifted in 2008.

Consequently, the EC depriving the Czech EU Presidency of the "Prague Programme" and transferring it to Swedish Presidency as "Stockholm Programme" was perceived by many in the Czech Republic as the consequence of conflict with EC over the U.S. VWP. However, experts claim that the main reason was the incapacity or lack of competence at the highest levels of the Ministry of Interior that caused the offer to be transferred to Sweden in a short timeframe.

Policy priorities in the next ten years of EU membership

1. Institutions and EMU

Based on the “Czech Strategy in the EU: An Active and Intelligible Czech Republic in a United Europe”, adopted in 2015, it can be concluded that the Czech Republic intends to continue to pursue existing priorities in the field in a more coherent and strategic way. A United European Union and full-fledged Czech membership in the EU are identified as top priorities.

1.1 United European Union

The Czech Republic will continue to support a United Europe and try to prevent any new rifts between member states, by opposing any initiatives to create parallel institutions and decision-making bodies for Eurozone members only. It already strongly opposed such initiatives before, and it can be expected that it will continue on the same course, while also caring that any decisions regarding the Eurozone will not affect the EU internal market. In addition, the Czech political establishment, even though traditionally opposed to multi-speed or multi-track Europe, gradually got used to this idea and has been exploring the possible benefits of the concept in terms of increased flexibility and more effective decision-making.

1.2 Full-fledged membership

The Czech Republic wants to continue to belong to core Europe and to shape the future of the EU, and the political establishment is fully aware that this is not possible without a full-fledged membership that includes joining the Eurozone. The political debate in Czech Republic recently started to shift towards a favorable stance towards the introduction of the Euro, which has been triggered by economic growth in Czech Republic and relative stabilization of Eurozone, and accompanied by the Czech Republic meeting all the Maastricht criteria except for membership in the European Exchange Rate Mechanism ERM-2 (which is a matter of political decision). It can be expected that Czech Republic will in the future pursue this goal, even though current governments haven't yet set the target date for the introduction of the Euro. Several preconditions will however

have to be met, including overcoming the negative public opinion at home and the Eurozone solving all the problems related to fiscal stability of its members.

1.3 Further EU integration and institutional changes

The Czech Republic will advocate for the openness of the Eurozone to all EU member states, and it will insist on both compliance and discipline by aspirants and the access of aspirants not to be conditioned by the consent of old Eurozone members.

The country will also continue to insist that the decisions in the EU are made by all 28 members and within the EU's institutional and legal frameworks. It will most probably not support any changes of the Treaty, but will support the return to the Community method as it is deemed more favorable to smaller member states. In that respect, the Czech Republic will oppose further politicization of the European Commission.

The Czech position towards the establishment of the Fiscal Union will most probably be negative. The country will oppose the concept of debt-sharing because it is deemed morally hazardous, as it will remove the incentive from indebted countries to pursue the required structural reforms.

2. EU External Relations and Common Foreign and Security Policy

The Czech priorities for EU foreign policy will most likely undergo some changes and shifting focus in the next ten years, due to several combined factors. Firstly, the change in government in 2014, with the Social-Democrats replacing the long streak of center-right government that shaped foreign policy in previous period, has also caused changes towards a more pro-European stance, advocacy for economic, social and cultural rights as opposed to a primarily first generation of human rights, and a more balanced approach to Israel and the Palestinian issue. Second, the importance of relationship with the U.S. will diminish. It can be expected that cooperation in matters of

defense, economic issues and human rights will continue, but issues of great importance such as the missile defense system will most probably not appear again, further reducing the potential of the Czech Republic to shape policy towards the U.S. at the EU level. Third, crises in Russia's neighborhood (Ukraine) and the relationship with Russia will most probably cause the Eastern Neighborhood policy to be rethought and the relations with Russia to jump among the top priorities. Fourth, the rise of Islamic radicalism and failure of statehood in a wide area ranging from Sahel to Pakistan will most probably occupy the top tier of EU foreign policy concerns. In addition, the overall shift in understanding climate change and sustainable development will probably lead the Czech Republic towards a more active role in these matters. The Western Balkans will continue to be a foreign policy priority, but with a more cautious approach and insistence on full compliance with EU integration requirements.

2.1 Eastern Partnership

The Eastern Partnership will most likely remain top priority of Czech foreign policy, but the approach will probably go through an overhaul due to crises in the region (conflict in Eastern Ukraine, annexation of Crimea by Russia, shifting affiliations among countries involved). The fact that Ukraine, Moldova and Georgia signed an Association Agreement and the Deep and Comprehensive Free Trade Agreement (DCFTA), while Armenia and Belarus joined the Eurasian Union and Azerbaijan started calling for strategic partnership the EU, will require a strategic approach if all countries are to remain on board with the Eastern Partnership goals.

2.2 Relations between the EU and Russia

It can be expected that the relations between the EU and Russia, and respectively between the Czech Republic and Russia, will move at the forefront of Czech foreign policy concerns. The crises with Eastern neighbors and growing pressure by Russia on individual states directly influence the priorities of the Eastern Partnership agenda. The conflict in Eastern Ukraine, with heavy involvement by Russia, also creates a significant challenge for the Czech Republic. On the one hand the country wants to show support to its NATO Allies that are under pressure, such as

Poland and Baltic states, and to support EU unity with regard to sanctions against Russia. On the other hand, the Czech Republic has an interest in resetting the relations with Russia, especially economic relations as Russia became soon after 2004 the greatest non-EU trade partner of the Czech Republic. But such a reset cannot be realized under the guise of returning to business as usual. The Czech Republic will continue to support civil society and the freedom of media in Russia regardless of a possible reset of its relationship with Russia's government. A major additional challenge in creating a comprehensive and strategic approach to relations with Russia is posed by the overly pro-Russian stances of current President Milos Zeman.

2.3 Human rights policy

The Czech Republic will most likely continue to pursue a policy based on the respect of human rights and democracy, but some changes may however be expected here as well. The Social Democrat-led government that came to power in 2014 has made shifts in policy, leaving the public to guess whether the Czech Republic is giving up on championing human rights in the international arena. The government has been pursuing a rapprochement with China or seeking to upgrade of diplomatic relations with Cuba. More directly, instead of focusing on a government to civic society dialogue only, the Czech government has been indicating that it would prefer to introduce government to government dialogue as well. This probably doesn't mean that the agenda will be abandoned, but it is likely that the new government will focus more on social, economic and cultural rights instead of the first generation of rights that has traditionally been the primary concern of Czech foreign policy.

3. EU internal market

It can be expected that the existing Czech top priorities in the area will continue maintain the same importance, but some additional priorities may move towards the top of the list. The new Social-Democrat led government expressed early on the willingness and intention to streamline Czech policies within the EU, and to have a more strategic and comprehensive approach to

major issues. The result of this desire is the publication of several strategic documents, including the “The Czech Strategy in the EU: Active and Intelligible Czech Republic in a United Europe”. This document is indicative of a Czech Republic that is moving towards the mainstream of the EU political debates.

3.1 Deepening of the internal market

All the existing priorities, such as the liberalization of services trade and the mutual recognition of standards will most likely remain in the same position with slight adjustments being made to reflect the changing political and social landscape in the EU. The main Czech concern will be to prevent any Eurosceptic tendencies, protectionism or economic crises from weakening the internal market.

In addition to already existing priorities, it can be expected that industry-related services will assume the position among the top priorities of Czech policy due to the importance of industrial sector.

3.2 Digital agenda and the energy policy

The Digital agenda and the energy policy can be expected to move to the forefront of Czech concerns regarding the EU internal market policy. The Digital agenda is complementary with the priority to liberalize the services trade, and it can be expected that the Czech Republic will pay particular attention to the issue as the discussions about it within the EU heat up.

While the Czech Republic may potentially be enthusiastic about an enhanced EU role in energy policy, such tendencies will clash with the emphasis on Czech autonomy in energy policy, specifically as relates to energy mix and the risk of energy poverty caused by new regulatory regimes.

4. Freedom, Security and Justice

The Czech Republic had a rather policy-killer or passive approach in this area during the first ten years of membership in the EU. Furthermore, lack of expertise and capacity, as well as the political dissonance among decision-makers led to confusing and unconstructive moves by the

Czech political establishment, which account for the country's reputation as an unpredictable partner. The latest government has early on expressed its intention to change the policies of the Czech Republic within the EU towards a more strategic, coherent, consistent and proactive approach. With this purpose in mind, numerous strategic documents were produced, including the general Strategy of Czech Republic in the EU and the new Security Strategy, both published in 2015. All the new documents identify particular issues and topics where the Czech Republic can assume a proactive role and offer original content. Overall, it does not seem that this paradigm shift will be as profound in the area of Freedom, Security and Justice as in some other fields, but the gradual change in practice from the a priori critical approach to constructive criticism, based on improved expertise, can be detected.

4.1 Migration

The Czech position seems to be set in stone regarding migratory issues: first of all, it will continue to support legal migration as an economic opportunity regarding legal migration in the Schengen area. Secondly, as related to the growing asylum and immigration challenges the EU is facing, the Czech Republic expressed its intent to act, but not beyond the existing red lines, and in order to maintain solidarity balanced with responsibility. It will definitely not support any changes to the Dublin Agreement, as well as proposals for quotas or any other formula for the redistribution of immigrants, and will finally continue to insist that all members strictly comply with existing rules and practices.

4.2 Internal security

In the field of internal security, the priorities and the red lines for the Czech Republic will most likely remain the same: the fight against organized crime and drug trafficking, tackling radicalization, and cybersecurity. In the Czech approach, the member states should remain solely responsible for internal public order and interstate cooperation. The EU level is seen only as a facilitator of such communication and cooperation on the operational level, and the Czech Republic squarely rejects the idea of independent EU law-enforcement bodies with investigative powers.

Political consensus

Up until 2010, Czech governments consistently pursued pro-European policies aiming at a deeper integration of the Czech Republic into EU structures, including accession to the Schengen area, securing free movement of workers within the EU, the negotiation and ratification of Lisbon Treaty, and the introduction of the Euro. The shift towards Euroscepticism came with the government of PM Petr Necas which came to power in 2010. The accession to the Eurozone was delayed indefinitely, and the government rejected numerous treaties and initiatives such as the Euro Plus Pact and the TSCG, to mention only some of the issues related to EMU and EU economic governance. The new Social-Democrat-led government intended to reverse these tendencies and return the Czech Republic on course towards core Europe and participation in mainstream EU debates. One area where all the governments have had consistent policies since 2004 has been the internal market: acting upon the economic interest of Czech Republic in the deeper integration and continued liberalization, they have all supported top priorities in the area, including the removal of barriers for Czech nationals and companies, and the equal treatment of both with their foreign counterparts within the EU internal market framework.

The biggest divergence during the period was between governments and then President Vaclav Klaus, who continuously held Eurosceptic opinions, dominating the public discourse and blocking the integration-related initiatives, measures and treaties wherever his authority allowed him to do so (such as in the case of the ratification of Lisbon Treaty). While President Klaus clashed with governments primarily over internal EU policies, he usually went along when it came to the government's foreign policy. The current President, Milos Zeman, who came into office in 2013, has also had rather Eurosceptic views, but they do not extend to all fields of integration, such as the EMU and EU economic governance. Nevertheless, he already has had several confrontations with government concerning foreign

policy issues, such as his pro-Russian stance with regards to the conflict in Eastern Ukraine, or his very strong pro-Israeli opinions.

The opinions between parties, including among the different wings of the same party, have been traditionally diverse. They range from most pro-European parties such as the Social Democrats (CSSD) and Christian Democrats and Conservatives (TOP 09), alongside Civic Democrats (ODS) that had originally been divided among themselves and finally took a Eurosceptic course in 2010, to the traditionally anti-European Communists accompanied by two minor parties (Dawn-National Coalition, and Freedom and Direct Democracy). The second strongest and relatively new political force in the Czech Parliament, the ANO 2011 movement, is unclear in its relation to EU policies.

All parties, with the exception of Communists, have been traditionally supportive of issues related to EU foreign policy, albeit with some specific reservations or different ideas of the scope of certain elements. For example, all parties agree on the promotion of human rights to be an important element of Czech foreign policy, but their positions differ on its focus and scope. Center-right parties tend to give priority to first generation of human rights and emphasize cooperation with civic society, while the center-left prefers focus on social, economic and cultural rights and push for allowing government-to-government dialogue. The areas where disagreement among parties has been strong include relations with the U.S. (an agenda supported by center-right parties), the position towards the Israeli-Palestinian issue (where center-right parties have traditionally held a very strong pro-Israeli stance), and in relation to Russia (where center-right parties always preferred a hawkish approach, compared to center-left that advocates for dialogue and maintains concerns over the economic consequences of tensions with Russia).

On the issues related to Freedom, Security and Justice, the position of major center-left and center-right parties have remained more or less common and consistent, with the Social Democrats pursuing more pro-European

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policies. The sharp turn of 2010 government of PM Petr Necas (ODS) to Euroscepticism further harmed Czech standing within the EU, at a time when the country was already perceived as unpredictable and unreliable regarding FSJ. The new Social-Democrat government expressed its desire to return the Czech Republic towards a mainstream EU approach – in the realm of FSJ but not only - based on a more constructive and strategic approach.

Coalitions

In the field of the EMU and institutions, the Czech Republic was not prone to forming coalitions with other countries. During the Eurozone crises, it belonged to the group of Nordic states, asking for more fiscal discipline and responsibility. The government that came to power in 2010 made a turn towards the Euroscepticism and allied with the UK on the issues related to the Eurozone and its economic governance, while the current government, with its pro-European stance, broke the alliance with the UK and fostered a rapprochement with Germany and Austria, while using its close relations with Slovakia to voice opinions on the Eurozone. For the future, it can be expected that if far-reaching reforms of the EU institutional framework are on the table, the Czech Republic will find its closest allies among the Visegrad countries.

Compared to the EMU and institutions area, the Czech Republic has been significantly more prone to forming coalitions and using the Visegrad group framework to pursue goals such as the Eastern Partnership or promotion of human rights, but also regarding their shared Atlanticist tendencies. However, this alliance hasn't always functioned properly, which can be seen in the relationship to Russia, where the closer allies were Baltic states, the UK and Poland as the only of V4 countries. The example of such dissonance can also be the case of competing projects on democracy support of the Czech Republic and Poland (Czech support for the European Partnership for Democracy vs. Polish support for the European Endowment for Democracy). In the field of human rights or the Eastern Partnership agenda, the Czech Republic extended its alliance beyond the V4 to UK or Netherlands in the first case, and to the Baltic states, Sweden and Germany in the latter case.

With regard to the EU internal market, the Czech Republic is the member of an informal group for the internal market, originally consisting of nine states and now expanded to sixteen (Czech Republic, Denmark, Estonia, Finland, Germany, Ireland, Latvia, Lithuania, Malta, Netherlands, Poland, Romania, Slovakia, Slovenia, Sweden,

and the UK). Building coalitions with the V4 is complex in this field. Countries were able to produce joint statements and positions where they had clearly defined priorities; the V4 coalition in the internal market is, however, burdened by Hungary's tendency to protectionism and the discrimination towards workers coming from the EU, as well as the Poland's unpredictability. In the future, it can be expected that the Czech Republic will form coalitions based on topics and on an ad-hoc basis, with the V4, Germany and Austria being identified as the most likely allies.

In the field of FSJ, the Visegrad countries haven't functioned as a coalition. The illustrative example was the readiness of Czech Republic to abandon Poland over the issue of US visas, and vice versa. With regard to one of the most comprehensive issues in the field, asylum and immigration, the Czech Republic, due to its specific geographic position compared to other V4 countries, hasn't faced as many problems as the other V4 countries and has had tendency to side with Scandinavia, Benelux and Germany. In the area of Freedom, Security and Justice, the Czech Republic is part of the more stable Salzburg Forum, initiated by Austria and involving ministries of interior of Central and Eastern Europe with an outreach to the Balkans. Despite this level of formality, the behavior of some members (for example Bulgaria) is not always predictable within this forum

When it comes to the impact of the Czech Republic at the EU level, the most significant characteristic of Czech behavior, especially during the first ten years of membership, was the lack of both a strategic approach and the expertise required to navigate complex EU structures and politics. As was the case with all new member states, the Czech Republic first needed to find its own goals and voice after the accession to NATO and the EU, and to build up the capacity and expertise to constructively contribute at the EU level. In many areas, such as FSJ, the inability to find its own ground earned the Czech Republic a reputation of unpredictability and unconstructiveness. In the EMU and institutions, its influence was rather small, and the introduction of the originally Czech concept of "reverse flexibility" into the

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Treaty was perceived as the only major success. Within the EU internal market, the Czech Republic took a rather passive approach, with only minimalistic interventions and “technical” adaptations to show. The only time the Czech Republic used its veto, together with Germany, was against the Commission’s proposal to increase the minimal tax on beer. In the case of foreign policy, the Czech Republic fared better, especially concerning the Eastern Partnership or support for human rights and democracy. As previously mentioned, the Czech Republic influenced some foreign policy positions on the EU level concerning human rights, as well as constructively and decisively participating in different initiatives, such as the reform of EIDHR.

Conclusion

The Czech Republic has suffered after 2004 from the same difficulties as other new member states. After the Czech Republic joined the EU in 2004 it went through a period of fatigue while trying to orient itself within complex and novel EU dynamics. It lacked the experience, capacity and expertise most old member states already possessed. However, the Czech Republic began to gradually profile its EU policies with varying success.

In the area of Freedom, Security and Justice, it behaved more like a policy-killer, occasionally as a policy-taker, and its instinctive reaction to most initiatives and measures was defensive and conservative. In addition, the lack of expertise and proper coordination between the Czech institutions and political establishment often led to incomprehensible actions and decisions at the EU level, where the country earned the reputation of not being a particularly predictable and constructive partner. One of the reasons the Czech Republic didn't perform well in this area was also the lack of strategic thinking, underlined by a glaring lack of comprehensive strategic documents that would favor such thinking. It appears that during the first 10 years of membership in the EU, the Czech Republic did not really know what it truly wanted to achieve within European institutions.

The situation with the EU internal market was different, due to the clear link between the economic interests of Czech citizens and businesses and the measures aiming at a better regulation and further liberalization of internal market. Wherever this link was clear, like in the case of Services Directive, the Czech Republic had a clear idea of its position and consequent implementation. Even among the political establishment and the institutions was there no discontinuity or conflict over the relevant issues. However, and again due to the lack of expertise and capacity, the Czech performance in terms of influencing proposed regulations on the EU level was minimal.

In the area of the EMU and institutions, Czech behavior was inconsistent due mostly to strong differences in the opinions within the political establishment, especially after the 2010 Eurosceptic government came to power and basically halted the introduction of Euro for an indefinite period. This was also accompanied by the very pronounced and vocal Euroscepticism of President Vaclav Klaus (2003-2013), especially with regard to the internal affairs of the EU. As an example, the Czech Republic was the last country to ratify the Lisbon Treaty due to the President's rejection of the document on the grounds of the introduction of the legally binding Charter of the Fundamental Rights of the EU. Some decisions to reject documents or treaties by the Czech government or PM at the time were almost incomprehensible, lacking any reasonable or strategic argumentation behind them.

Regarding foreign policy, it would appear that the Czech Republic had the most consistent, proactive and influential approach compared to other areas treated in this paper. One of the reasons may be that the Czech Republic early on identified its strategic priorities, either the ones that created a niche in the larger EU context (Eastern Partnership), or ones where they can provide valuable insight and experience, or those that result from specific experience and are therefore "natural" to Czech foreign policy (human rights and democracy). As a consequence, the Czech Republic was not only recognized within the EU as the human rights champion, but also had a real impact on initiatives, policies or ad hoc positions at the EU level.

The new government elected in 2014 and led by the Social-Democrats, expressed early on the intention to make a significant shift in the approach and policies within the EU. It has produced and worked on a number of important strategic documents that were previously lacking (Security Strategy, Overall Strategy of CZ in the EU, and others), and repeatedly stated that the government wants to return the country on a course towards core Europe and mainstream EU debates. The Introduction of the Euro is once again on the table, as well as other initiatives and treaties that were previously abandoned.

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The government also intends to develop a more pro-active, strategic and expertise-based approach. However, it remains to be seen what the results will truly be. It has to be taken into account that in many areas, the Czech Republic will continue to have a conservative approach

(or even a policy-killer one), especially in the areas where it perceives that the interests of smaller states are threatened, meaning a continued preference for the Community method, a less politicized Commission, and the continued upholding of the principles of “no barriers” and “equality”.



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