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Results of Key December EU Summit

Jan Potucký, Marián Zachar

From 11 to 12 December, Brussels hosted an EU summit, whose ambition was to find unity over some crucial topics. Especially in the case of Lisbon treaty (LT), a constructive proposal on how to continue in its ratification was expected from Ireland. Based on the results of public opinion polls, Ireland explained that the rejection of LT stems from the fear of losing “its” Commissioner and its sovereignty in the areas of family policy and taxes. The result of the summit is a guarantee of keeping both prerogatives under the condition of repeating the referendum within this Commission’s term i.e. until October 2009.

The results of negotiations concerning the climate package are mostly viewed as a victory of the industry. Down from the originally intended 100 % in year 2013 only 30 % of emission permits will be auctioned, while the original goal will be achieved in 2020. Therefore the Union has succumbed to states like Italy or Poland, which threatened to use their veto. The yield from emission permits will be used for the development of “clean” energy technologies, aid to less developed EU states and the financing of CCS technology. (More in newsletter n. 11/2008) In connection with the financial crisis, which was one of the reasons of compromises on climate and ecology, the Union has committed itself to provide support amounting to 200 billion Euros. But this was a mere declaration, the amount and form of support will depend on particular countries.

The efforts to increase the Union's real capability to act are led by its commitment to have 60 thousand soldiers ready to hit in sixty days. However today the situation is different – 70 % of European army force is unable to operate beyond national borders. Effective strikes in Asia, Middle East or Africa are thus practically impossible. Therefore the EU refused the call of UN's Secretary-General and decided not to intervene in Congo. In what concerns the topic of EU’s further enlargement, it was concluded that Croatia's accession treaty will be signed in year 2010 or 2011.

Prime Minister Topolánek expressed content with the results of the negotiations. The Czech delegation regards the agreement on emission permits as the greatest success. However the

entire result of the summit is especially a success for France, which hereby effectively crowned its presidency. The summit has also brought agreements on difficult topics which will therefore take a smaller place in the agenda of the Czech presidency. [More](#)

EU-China Summit, the Dalai Lama and the Czech Republic

Jan Husák, Sylvie Milerová

Since 1998 an [EU-China summit](#) has been held every year. This year China decided to re-evaluate its participation and so the summit should be [postponed](#) to a later date. However a specific time horizon is currently unclear.

China's main [official reason](#) was Sarkozy's declaration that he would meet the Dalai Lama after the EU-China summit, which is allegedly contrary to the will of China's people. Relations between France and China have been troubled for some time now. [March protests](#) in Tibet (China blamed the Dalai Lama for their incitation); [Dalai Lama's honorary citizenship of Paris in April](#) and the events surrounding the Olympic games in Beijing all belong to the context. China does not feel responsible for the damaged atmosphere of mutual relations.

While political cooperation between China and EU is stalled, relations with the US [are being strengthened](#). [Trade](#) has been affected as well. Similarly as in April when the Olympic fire was put out in Paris also now, after Sarkozy's meeting with the Dalai Lama, the Chinese have begun to boycott French products and stores like Carrefour. The reason why the pressure on France is greater than on countries like Germany or Great Britain could stem e.g. from [France's firm stance on the embargo on arm sales to China](#) which some of the European states would like to relax. China might as well be trying to damage French influence in the EU in order to weaken a strong European attitude for its own profit. However most opinions agree that [the situation will not be serious in the long run](#) - Chinese ambassador to the EU expressed himself similarly.

According to the Czech Ambassador to the EU, Milena Vicenová the situation could also have consequences for the Czech Republic - the summit could take place during the Czech presidency. Nevertheless China's stance towards this year's summit was tepid from the very beginning of the preparations and the Czech Republic is not significantly important for China. The Czech Republic also traditionally stands on the side of Tibet and human rights. It is plausible that the eleventh EU-China summit will be held in the next proper date at the end of 2009.

Missions in Kosovo and Somalia Launched. Congo Next?

Miroslava Gajdošová, Jana Srpová

While the beginning of the EULEX mission in Kosovo was postponed due to Serbian protests from February to December 9 (more in [Newsletter n. 10/2008](#)), just one day after ATALANTA, a new peace operation in Somalia, began at an incomparably faster pace.

The ATALANTA mission represents the [first navy military operation](#) in EU's history. It is planned for twelve months and 1200 people should be involved during its course while the whole cost should amount to 8.3 million Euro. ATALANTA is aimed at Somali pirates who are threatening the area around the Gulf of Aden through which pass [20 % of world trade](#). Lately pirates have attacked over one hundred ships and some of them are still held in captivity. Thus the EU has set [two main goals](#) for this mission: security of sea transport around Somali coast and the transport of humanitarian aid to Somalia.

Even though the Czech Republic is not taking part in ATALANTA mission, it [has expressed its support](#). The Czech Republic will also have to pay attention to topics that are relatively distant from its foreign policy interests because of its presidency e.g. finding a solution to the situation in Congo. Despite the presence of [17 000 blue helmets](#), bloody conflicts between the governmental militias are escalating in the region. In spite of France's and Belgium's initial support, the opinion of

the United Kingdom and other countries that it would not be right to dispatch any members of EU armed forces in Congo, has prevailed. President Sarkozy stated that the UN mission disposes of a sufficient number of soldiers, according to him the problem lies in their organisation.

In contrast with the French presidency we can expect a slight inhibition of activities in the area of common foreign and security policy during the Czech presidency. The Czech Republic will focus mainly on missions that are currently under way with an emphasis on engagement in the West Balkans, Middle East and post-Soviet territory (EUFOR, EULEX and observation mission in Georgia).

Support for European Car Makers at the Expense of Environment?

Václav Bacovský, Petr Hajný

The financial crisis threatening to bring about the lowest growth of the next year's GNP in last 40 years has spilled into auto industry. The Czech Republic is no exception – in addition to the fact that it belongs to the world's top car makers per capita, most of its production is intended for export.

The so called Big Three of the American auto industry (General Motors, Ford, Chrysler) got hit first as they did not take sufficient precautions to prevent the crisis. At the time when the Bush Administration approved a \$700 billion bailout for the worst affected banks, the car makers turned to the US Congress asking for \$14 billion. On December 11, the proposal failed to pass in the Senate due to the Republican no-vote, which led to a big turmoil at the world's stock markets.

In the meantime, European car makers followed suit. A majority of them announced a two-digit percentage plunge. Understanding that their fall might cause a chain-reaction sprawl of the crisis into other industries (e.g. engineering and metallurgy) and increase unemployment, European car makers feel strong at negotiating, and request that EU provide a low-interest loan of €40 billion (they derived the sum from the presumed support American car makers were to receive from their Government). At the same time, they insisted on the lowering of the ever increasing environmental requirements (i.e. lower carbon dioxide emissions) through a powerful lobby. However, EU could not afford to accommodate the request at the time of the Poznan Summit, and definitely not before the European Council's meeting, which has the climate package at the top of its agenda.

As early as November 26, the European Commission presented a bailout plan, which apart from the loans promises a €5 billion support to introduce environmentally cleaner automobiles. The car makers will be supported through investments into research and development of new technologies, which would carry out high environmental standards. Tax write-offs on automobiles might become one of the incentives in the Czech Republic. That way, says Finance Minister Kalousek, a system of indirect assistance would get a priority over the non-system direct subsidies.

Comments on Recent News

European Parliament Delegation Visits Prague

Together with devils and Saint Nicholas also European Parliament deputies' delegation arrived in Prague. The meeting of President Klaus with the deputies got into the spotlight. Cohn-Bendit, a German Green deputy, gave an interview after the meeting in which he described Klaus as „insulted and mad“. Apart from Klaus, deputies Crowley, Schulz as well as the president of the EP Pöttering, also contributed to the escalation of the situation. Klaus was profoundly appalled by their behaviour. After the recording of the meeting was made public by the Castle, a wave of open letters and politicians' deliverances followed. Even though a number of reactions defend the institute of a president, thanks to the behaviour of both parties the meeting was far from being a polite meeting it should have been in the first place. More

The Czech Republic has not applied European Directives, Rules the European Court of Justice

The Czech Republic lost the case with EU concerning the application of two directives against discrimination and equal position of men and women from 1986 and 1996. Their implementation into the Czech legal order was supposed to be done through the so-called antidiscrimination act, which passed in the Chamber of Deputies, but president Klaus refused to sign it. Thus the Czech Republic hasn't met the commitment of accepting *acquis communautaire* according to the article 54 of Act concerning the accession. The judgement is *de facto* a warning, not a punishment – the only financial loss the Czech republic will face is connected with covering court charges that amount to thousands Euro, thus encouraging to fix the situation quickly. [More](#)

Interesting Publications

Centre for European Policy Studies

The financial crisis has led to mistrust in the financial system which now has to persuade it is capable to function without excessive regulation and supervisions. The report "[Concrete Steps towards More Integrated Financial Oversight: The EU's Policy Response to the Crisis](#)" puts forward recommendations for European Union on how to improve the situation. According to the authors, the most important step is to change the European systems and to replace them with the Financial Supervisors System because these could coordinate their steps more effectively.

Centre for European Reform

After the Georgia crisis in August 2008, the European Union should pay more attention to the European Neighbourhood Policy. More emphasis should be put on Ukraine, which can serve as an inspiration for other Eastern European states with its "Europeanization" and thus help them to become more stable and more prosperous. The EU should also offer them the prospect of eventual membership. This is the point of "[Why Ukraine matters to Europe](#)".

Europeum

The Europeum Institute introduces a publication on a very pertinent topic: "[Multi-speed Europe and the Lisbon Treaty - threat or opportunity?](#)" The author claims that the failure to ratify the Lisbon Treaty will not have such a great impact and argues that adoption of the Lisbon Treaty will in many ways make it much easier for multi-speed Europe to emerge in different policy areas.

European Policy Centre

Policy Brief "[UN Declaration of Human Rights at 60: what role for EU foreign policy?](#)" has been published on the occasion of the celebration of the 60th anniversary of the United Nations' Declaration of Human Rights. The brief questions what the EU has achieved in this field during this period. The author criticizes the EU policy towards China and EU's prioritizing of economic interests over human rights, for instance.

It Was Said In the European Union

Vladimír Železný, MEP, in a letter to the President of the EP criticises the behavior of Daniel Cohn-Bendit, MEP for the Greens, during a meeting with the Czech President Václav Klaus, 9th December 2008

"Reichsprotektor of Bohemia and Moravia Reinhard Heydrich spoke in the same tone and in the same way when he met protectorate's president Emil Hácha." [More](#)

José Manuel Barroso, the President of the European Commission, calls on the U.S. President-elect to join the European climate change combat, 12th December 2008

"Our message to global partners is „Yes, you can. Yes, you can also do what we are doing!" [More](#)

The Economist, on the Czech presidency and the role of President Klaus, 4th December 2008

“He may not have formal powers to muck up the Czech presidency. But he has already done it great harm by handing ammunition to EU countries that would love to shunt the Czechs to one side (read some European newspapers, and you would think Mr Klaus was the only political leader in Prague). That would be a shame, because the Czechs have some good ideas.” [More](#)

Upcoming Events

EU-Brazil Summit

On December 22, an EU-Brazil summit will be held in Brazilian Rio de Janeiro. Nicolas Sarkozy, the French President and the head of the European Commission, José Manuel Barroso will meet Brazilian President Luiz Inácio Lula da Silva. It is one of the last events of the French presidency which is supposed to provide European-Brazilian relations with a new framework. Main issues to be discussed should be the global changes, financial crisis and probably also mutual trade partnership. Possible further negotiations will be then a matter of the Czech presidency. [More](#)

Euro Introduction in Slovakia

Euro is going to be the official Slovak currency from January 1, 2009. Despite the expensive information campaign which encompassed the so called eurocalculators for each household, public opinion has not changed and especially the elderly and people from lower social classes tend to be afraid of the new currency. Because of strong trading ties, the Czech Republic is watching the situation in Slovakia closely. For more information, see Newsletter No. 1/2008. [More](#)

Croatia and Turkey Joining the EU?

Following the just-ended EU summit, a ministerial conference on the accession of Croatia and Turkey will be held in Brussels on Friday, December 19. The meeting should specify the result of the summit regarding the enlargement of the EU. Tomáš Pojar, the first secretary of the Minister of Foreign Affairs is to represent the Czech Republic. [More](#)

The Programme of the Czech Presidency

According to the [Deputy Prime Minister for European affairs](#), Alexander Vondra, the final programme of the presidency will be prepared by Monday, December 22. The final version of the programme will thus reflect the results of the just-ended summit. [The current programme](#) including Czech priorities can be found on the official website of the Czech presidency eu2009.cz.

Presidency 2009

The role of the Czech President during the Presidency: “Grumpy Uncle Vaclav”

Jana Drlíková, Katarína Lokšová

For a couple of weeks, the international press has been intensively focusing on the opinions and behaviour of the Czech President. As Václav Klaus is the head of the state that is about to assume the presidency on 1 January 2009, a question concerning his role and competence is emerging.

In spite of the fact that the Czech Constitution does not provide the President with any executive power concerning neither foreign policy nor the presidency and his role is therefore rather representative, the thorough media attention given to Klaus often overshadows the real Czech representatives. Moreover, the way our President is depicted is usually negative, sometimes he is even ridiculed. All these factors along with rumours about the instable political situation contribute to a rather negative image of the Czech Republic at a time when the presidency is drawing near.

Media activity concerning Václav Klaus in connection mainly with the Lisbon Treaty has been quite intensive recently - for instance, the notorious article by The Economist about 'Grumpy Uncle Vaclav', which became popular in the Czech press as well as a Spiegel article about the allegedly rude President's behaviour when he was given a flag of the EU as a present by Daniel Cohn-Bendit, a German politician. A diplomatic dispute continued also after the recording of the meeting documenting the rudeness of the MEP's has been made public.

Clearing the issue of media riots, how will the Czech presidency with a Eurosceptic at the Prague castle look like? It is without any doubt that the President should honour the rights and duties following the Constitution and the Diplomatic protocol. On the other hand, reasonable critical views on the European integration do not have to be an obstruction to a successful presidency. On the contrary, in case that Václav Klaus is constructively drawing attention to the matters in dispute, this can lead to a deeper discussion about them. Nevertheless, it is important that the President addresses these issues pragmatically. Unfortunately, we have witnessed media gestures that mainly discouraged all his potential partners from following him.

The opinions expressed in this newsletter are those of the authors and do not necessarily reflect the views of the Association for International Affairs.

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