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A Bi-monthly Review of European Affairs from the Czech Perspective

In this Issue

Results of the Summit of European Council
Czech Republic's Position Towards the oncoming Common Agricultural Policy audit
EU Lifts Sanctions against Cuba
A Proposal for a new EU Waste Framework Directive

Analyses

Results of the Summit of European Council

Sylvie Milerová, Marian Zachar

From June 19 till 20 Brussels hosted the Summit of the European Council, which dealt future of the Lisbon Treaty and other topics. The conclusion of the summit revealed that the Union does not want to enter a new “era of crisis” and wanted to reconcile a couple of some exaggerated statements about the notorious “Irish No”.

José Manuel Barroso, the chairman of the European Council and Nicolas Sarkozy, the French President reported that it is necessary to continue the ratification process despite obvious legislative collapse – 27 “yeses” are needed to ratify the treaty. The summit also dwelled on possible solutions to the stalemate. Irish Prime Minister Brian Cowen committed himself to analyze the reasons of the rejection of Lisbon Treaty and to hand in feasible suggestions to solve the problem.

The Czech Republic pushed through an exception to the Final Act: “ratification process cannot be fulfilled until the Constitutional Court has issued a positive standpoint about the treaty’s conformity with the Czech constitutional law”. The situation in the Czech Republic is rather unclear as Czech Prime Minister Mirek Topolánek announced at the summit of the Visegrád Group that the ratification process in our country was interrupted. However, Deputy Prime Minister Alexandr Vondra prefers that the Treaty be ratified before the overture of the Czech presidency.

Besides the Lisbon Treaty, possible further enlargement of the EU was discussed. Angela Merkel and Nicolas Sarkozy are convinced that any enlargement is not conceivable without the Lisbon Treaty. By contrast, Austrian Minister of Foreign Affairs Ursula Plassnik and her central-European colleagues announced that Croatia and other states of the west Balkan cannot be the first victims of the Irish No. Negotiations with Turkey remain hazy mainly because of a long-term French struggle to force Turkey out of full-fledged EU membership. The failure of Lisbon is in this case absolutely in favour of France. Under threat of possible suspension of the enlargement process,

the Czech government seems to be under pressure as it has been supporting enlargement policy for some time.

Moreover, European leaders found time to discuss rising oil and food prices. Sarkozy's plan to set a ceiling on fuel taxes failed because of German vehement resistance and other influences.

Czech Republic's Position Towards the oncoming Common Agricultural Policy audit Václav Bacovský

Whenever speaking of Common Agricultural Policy audit (CAP), one shouldn't forget that the room for revisions is seriously limited by the financial perspective for the years 2007-2013. This was passed in 2005 when Tony Blair made a concession to France that prevented a deeper revision of CAP. However he did so under the condition that the CAP will be revised in 2008. Precisely this revision or audit (Health Check) is one of the priorities of the oncoming French presidency.

The Health Check is going to evaluate the steps launched by the 2003 revision in the light of new challenges (climate changes, bio fuels, and increase in food prices). The political impact of the suggested audit has been discussed at the EU Council in March. The Czech Republic (along with Latvia) was the only country that abstained from voting. Today a new regulation proposal prepared by the Commission is at hand. What is the Czech position?

From the Czech point of view, the problem lies in payment digresivity aimed to change the current situation where 80% of the grants go to 20% of the companies (usually the largest ones). And since the Czech Republic has mainly large farms (average farm area: EU 29 ha, France 42 ha, Poland 8,7 ha, CZ 129 ha), a cut-down of direct payments would have a drastic impact: it would affect half the companies and over 90% of farmland. The Czech Republic wants to draw attention to the uneven fallout of digression principle in different member states; it plans to seek e.g. Britain's support.

There's a whole set of questions concerning the revision. The Czech Republic is taking interest in holding the SAPS system (subsidies according to area), reducing the administrative load (removing some principles of the so-called Cross Compliance) or coordination of bio fuels support.

CAP revision is going to invoke a conflict between different member states, especially France and Great Britain. The supposed acceptance of the Lisbon Treaty created pressure on finishing the revision in 2008. After its failure, the revision could be transferred into the Czech presidency which wouldn't be at all in favour of promoting our interests.

EU Lifts Sanctions against Cuba Jan Potucký, Michal Vít

Along On the Council's sessions on 19th and 23rd June, the ministers of the member countries approved the lifting of political sanctions towards Cuba. The EU's willingness to negotiate with communist Cuba is due to the accession of Raoul Castro as the country's leader and the effort to motivate him to democratize the regime. With this step taken, the EU has also confirmed the expected shift in sanction policy which has become less and less effective due to the rising influence of China in the region as well as Venezuelan support of the regime. At the same time the EU has fulfilled the condition required for the launch of further official dialogue with the current regime representatives.

However if Cuba wants to continue in the trend of lower limitations, the EU requires it to fulfil the following conditions: release all political prisoners (and until then allow international organisations to control the prisons), permit internet access and allow European delegations to meet not only with governmental representatives, but also with the opposition.

Especially Sweden and the Czech Republic stood against the decision to formally lift the sanctions. However, both countries succumbed under German pressure. The Czech minister of Foreign Affairs, Karel Schwarzenberg, stated that the time has come to accept responsibility for a “truly active” Cuban policy. He also pointed out that Prague, which observes the events in Cuba in the long term, is ready to act should the Cuban side breach the given conditions.

The U.S. reaction to the EU's rather conciliatory approach was negative. Similarly, Cuban dissidents have expressed fears, that the reduction of sanctions might induce an ever greater aggression of the government towards the opposition.

A Proposal for a new EU Waste Framework Directive

Petr Hajný, Jan Potucký

The amount of trash produced in Europe is on the rise. At this pace, the European Union will be generating 45 % more waste in 2020 than it did in 1995. In some countries, the issue of rubbish has even given rise to massive protests and also the Czech Republic had to face an inflow of refuse from abroad, caused by the relatively lower price of waste disposal here.

Basically, there are four ways how to tackle the waste problem: reduce the amount of waste generated, extend recycling, incinerate rubbish or dump it on landfills, under the ground or into the sea. The most economical option seems to be to bury the waste under the ground, most ecological, however, is thorough waste sorting and recycling. A separate matter is the disposal of nuclear waste.

The Union is aware of the seriousness of this problem, a proof of which is the directive newly approved by the European Parliament that sets binding recycling targets to be achieved by the Member States by 2020. In the original Commission's proposal the recycling rates were set on 50 % for household and similar wastes and 70 % for construction and demolition waste. In the end, final agreement was only reached for selected materials – such as paper, metal and glass from households and similar waste streams.

Despite that the current deal is considered a success. According to European Environment Commissioner Stavros Dimas, the EU has to start thinking about waste not as “an unwanted burden” but as “a valued resource” that can be re-used. The Czech Republic welcomes the deal and will soon begin preparations of necessary national legislation. In autumn, the Environment Ministry should present its proposals for public discussion and, towards the end of this year, to the government.

Comments on Recent News

Commission's Proposal of “Small Business Act” Accepted

The long awaited proposal, “Small Business Act”, provides support to small and medium-sized businesses (SMEs) through the so called affirmative action in order to boost their competitiveness. The “Think Small First principle” will be applied during the introduction of new rules for entrepreneurs. In the Czech Republic, the provision is welcomed especially by the Czech Chamber of Commerce. More

EU Lobby Register

This week, the European Commission has launched the long expected register of companies that are representing their interests in Brussels. So far, the register has not received much positive feedback, because it is voluntary, involves only companies and not individual lobbyists, and it does not specify any advantages that can be derived from the registration. In the Czech Republic, lobbying (e.g. in the parliament) is not viewed positively by the public and its rules have not been

regulated on national level yet. In the Czech Republic, creation of such register could mean gradual establishment of lobbying boundaries in the future. [More](#)

EU Has Imposed New Sanctions on Iran

New sanctions, which the EU and the USA have agreed on, freeze the overseas assets of Iran's biggest bank, Bank Melli, which has been mentioned in connection with the Iranian Nuclear Programme. After the unsuccessful negotiations between the High Representative for the Common Foreign and Security Policy Javier Solana and the Iranian representatives the EU decided to intensify the UN sanctions which had been imposed in 2006. [More](#)

Czech Republic Criticised in the Report of EU Agency for Fundamental Rights

The report assesses legislative framework and practices of authorities in the fight against racism and xenophobia in member states. The best rating was given to the United Kingdom. The Czech Republic is criticised for not having an antidiscrimination law (as the only EU country) as well as for the absence of an office that would supervise racial equality. [More](#)

Interesting Publications

University of Cambridge

Geoffrey Edwards' article "[The New Member States and EU Foreign Policy Making](#)" maps the approach of the countries, that joined the EU in 2004 to their adaptation in the area of common foreign and security policy (CFSP). The analysis uses concrete examples to point out changes in negotiation tactics, forming of alliances or in the area of CFSP interest. The author for example assumes that the greater opinion diversity connected with the growing number of member states with different interests paradoxically contributes to making the negotiations in the CFSP area more effective.

Bruegel

The analysis "[A Tale of Two Countries](#)" uses the example of Spain and Ireland to deal with the European monetary policy. The authors consider these two countries to be example types of economies of the Euro zone. Both countries struggle with an influx of immigrants, which causes real-estate market bubbles. The analysis also describes how the two countries cope when such bubble bursts and causes obstructions of growth distribution on the housing investment market.

Centre for European Reform

Hugo Brandy's latest research paper "[EU Migration Policy: An A - Z](#)" takes on the form of a dictionary and intelligibly familiarizes the reader with all terms connected with migration and immigration in the European context. The author does not omit tricky terms like xenophobia, intolerance towards immigrants or human trafficking.

Upcoming Events

Opening of the French Presidency

France will take charge of the EU presidency on July 1 after Slovenia. Its priorities which lie mainly in the position of the Union in international relations and strengthening of its security and immigration policy will be introduced by the French President Nicolas Sarkozy on a session of the European Parliament on July 10. More information will be available on the official website: www.eu2008.fr, which will be launched together with the overture of the presidency.

New EU Social Agenda

New Social Agenda (a social laws package) will be introduced in Brussels on July 10. The Agenda focusing on three main principles - possibility, approach and solidarity should modernize the

existing social policy and react to the quickly changing social and economic sector facing globalization or technological and demographic changes. The Agenda will be introduced by Vladimír Špidla. [More](#)

« Qui va nourrir le monde? » (“Who will feed the world?”)

The initiator of this conference, which will be held on July 3 in the European Parliament in Brussels, is France. The participants include high European representatives and (for example: Hans-Gert Pöttering or Commissioner for Agriculture and Rural Development, M. F. Boel), French politicians (e.g. Michel Barnier, Minister of Agriculture and Fishery, or Bernard Kouchner, Minister of Foreign Affairs) and also African and Latin American representatives. Closer cooperation with Latin countries becomes more and more significant for the Czech Republic as it will be hosting a meeting of the EU and the Rio Group during its presidency in May 2009. [More](#)

G8 Summit in Hokkaido

Japan, which is this year's host of the annual summit of the G8, will welcome the representatives of the rest of the eight. Main topics of this year's summit are world economy, environment, climate changes, development, Africa and political issues such as struggle for peace and others. Discussion on the reduction of greenhouse gases emissions by half by 2050 will have a direct impact on the whole world, including the Czech Republic.

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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