

BETWEEN DOMESTIC-POLICY TURBULENCES AND THE LISBON TREATY – THE CZECH REPUBLIC BEFORE ITS PRESIDENCY OF THE EU COUNCIL IN 2009

Hubert Gehring / Manuel Lischka

The current domestic and European policy of the Czech Republic is characterized by one person – the president and ‘Euro-realist’ Vaclav Klaus. However, not all citizens of the country, which is currently facing many problems, share the view of this EU-critical head of state. These problems include domestic instability, the weakness of prime minister Mirek Topolanek, the controversial reform process, the deployment of US radar stations, and the Lisbon Treaty. This is the situation in which the Czech Republic, now confronted by the consequences of the financial crisis on top of everything, will take over the presidency of the Council of the European Union in January 2009.

The Czech Republic did profit from its accession to the EU: EU funds have accelerated infrastructural and regional development, the trade volume has increased, enterprises benefit from the abolition of trade and custom restrictions, and even the citizens sense the new freedom of the Schengen zone. Indeed, the economy of the country is booming: having been a low-wage country for decades, the Czech Republic is now a high-technology location. Its most important trade partner is Germany, and the German-Czech Chamber of Industry and Commerce anticipates great improvement potential. Thus, the country is hit particularly hard by the current crisis. Unlike Mrs Merkel and Mr Sarkozy, Vaclav Klaus demands non-interference by the state. The government in Prague, however, hardly cares about what the president says: its resolution that the state should guarantee private savings fanned the party-internal dispute between the head of government and the head of state.

Mr Topolanek is not to be envied. To ensure further economic growth, reforms are needed. The domestic situation is even more critical. The Prime Minister has been struggling to fix the cracks in the ODS-led coalition ever since his inauguration early in 2007. After his reform course was attacked fiercely, especially by members of his own ODS, the results of the recent district and senate elections came as a shock: the party was virtually demolished; 12 of 13 regional president’s (*hejtman*) positions that had so far been held by the ODS went to the social democratic CSSD.

One thing is certain: much as Mr Topolanek tried to deny that the poll had any deeper meaning for the work of the central government, the voters did not like the unpopular reforms. However, the ODS was not the only loser; the KDU-CSL and the Greens also lost feathers. Should the Christian Democrats and the Greens disappear, the five-party spectrum of the Czech Republic

would be at stake. The only option left for the ODS would then be to form a coalition with the CSSD, as a coalition with the communists is out of the question.

The tensions between the current prime minister and chairman of the ODS, Mr Topolanek, and his fellow party member, president Klaus, go back a long way. Thus, the head of government not only clashes with the opposition in the House of Representatives but also with the master of Prague Castle. The Sword of Damocles has been hanging over Mr Topolanek's head ever since late in 2002, when he took the chair of the party founded by Mr Klaus. Never able to become as popular as his predecessor, Vaclav Havel, Mr Klaus smarted from an insult suffered at the age of 61, when he passed the leadership of his party on to 46-year-old Mirek Topolanek. With his pragmatic style based on realpolitik, Mr Topolanek starkly contrasted with the 'dogmatist' Vaclav Klaus, whose followers heaped criticism on him in public.

Pavel Bem might benefit from the current situation. Prague's popular mayor, who is close to Mr Klaus, has so far declined Mr Topolanek's offer to join the government, probably calculating that he might watch his competitor go from one battle to the next without jeopardizing his own image. However, things turned out differently. Mr Topolanek's obstinacy earned him respect. His person is associated with a fighting mentality and leadership qualities – virtues that Pavel Bem cannot boast.

Who will lead the ODS in the near future? Mr Bem is a political nonentity, but he follows the course of Vaclav Klaus. Although many people do not regard him as 'unblemished' because of his personal closeness to Jiri Paroubek, with whose social democratic CSSD he formed a coalition in Prague, Pavel Bem would be a vociferous mouthpiece for Mr Klaus, the honorary chairman of the ODS who will be head of state for the next four and a half years. Considered impulsive but pragmatic, Mr Topolanek is highly esteemed by the international community, although he has become a tragic figure in his own country. Should he be voted out of office, his position as prime minister would be weakened. However, the question is whether the country can afford a weak prime minister during its presidency of the EU Council. And this exactly is Mr Topolanek's chance. The ODS needs the new task in the EU to strengthen its own position. It is well known that the Social Democrats would be buoyed up if the presidency went wrong. This being so, the situation of the Prime Minister is by no means hopeless. Even today, he is seeking contact, endeavouring to establish his image as a fighter. Although his position in the party is currently under discussion, the assumption that Mirek Topolanek might become president of the EU Council is not unrealistic.

The Czech Republic is predestined for the new task, as it has a veritable 'European' tradition: as early as the 15th century, George of Poděbrady, the

King of Bohemia, demanded that a multilateral union be established in Europe, which would involve setting up central judicial authorities, introducing a uniform currency, and surrendering national sovereign rights to the benefit of the confederacy. This time around, the country once again has a clear idea about what tasks it intends to tackle: stopping Europe's mania of introducing new regulations and fighting for market liberalization. The most important thing would be to open the labour market – a demand the Federal Republic of Germany refuses to accept as it is anxious to protect its own. Finally, the country intends to enhance its own image by casting off the persona of a small state, and to be regarded as an equal partner in the Union.

It is the ratification process of the Lisbon Treaty which most clearly shows the European dilemma of the Czech Republic: a government that paralyzes itself, a disinterested, badly informed population, a sabotaging president, and organizations that seek to demonstrate the alleged drawbacks of the reform project. The country ostentatiously moved closer to Ireland. The Irish weapons dealer Declan Ganley visited Prague, and president Klaus paid Ireland a 'private' visit. The president of the Czech senate even awarded 'the Irish nation' a medal for its 'heroic deed of saying No'. Pro-European statements are voiced only by the Christian Democrats and the Greens. The fear of being patronized by the state is rooted deeply in the Czech population. Therefore, it is all the more important that the European partners should seek the dialogue.

How will the ratification process in the Czech Republic proceed? Those in Prague who are responsible for EU matters regard the situation in their own country with scepticism, especially the tune that emerges from Prague Castle. It remains to be seen how the constitutional court will decide on the question of whether the basic treaty of the EU is consistent with the constitution of the country. Even if the court should give its blessing, the hurdle of the president's right of ratification would not vanish. Though many people are still puzzling over whether his vociferous criticism should be seen as sabre-rattling or a serious attempt to protract the ratification process, it is doubtful whether Mr Klaus will give his signature.

The president's attitudes vis-à-vis Europe are meanwhile becoming bizarre: for one, Mr Klaus said that he intended to drive to Brno on the day the court decision was pronounced to comment on the decision 'as a citizen' of the Republic. Moreover, he said that he would refuse to hoist the blue flag of the EU on 'his' castle during the presidency of the Council. In defiance, the minister for European affairs, Alexandr Vondra, highlighted the historical chance offered by the treaty, advocating a 'marriage of convenience' with the EU. If the presidency of the Council should be a success, the Topolanek government would set a signal for the Europeans, not least in view of the support the Czech Republic desires to implement its interests within the Union.

Another thing regarded with scepticism by the Czechs is the introduction of the Euro. While Slovakia plans to launch the common currency as early as 2009, it is expected to reach the Czech Republic no earlier than 2013. Many people fear that the new currency might speed up inflation, pointing at the strong exchange rate of the Czech koruna, a national symbol many people can identify with. However, critics say that the politicians must take swift action to accelerate the introduction of the Euro – not least to prevent scaring away investors – because past fluctuations of the exchange rate put a strain on foreign trade. The withdrawal of investors would be a blow to the economy as it depends on foreign investments. And in case of a recession, the country would not be able to meet the Maastricht criteria. However, Prague is hardly willing to take warnings of this kind seriously.

There are many rumblings in the Czech Republic. Aggravated by the internal disputes of the ODS, the position of prime minister Topolanek in domestic policy is not an easy one. However, this might be his chance. The interjections from Prague Castle are disruptive actions that can weaken the government's position in European politics. In this context, the ratification of the Lisbon Treaty, a process that is far from being concluded and whose outcome is still open, is of major importance. The consequences the failure of the EU reform might entail, especially during the Czech presidency of the Council, are hardly discussed in the country. Therefore, it is now for the other members of the EU to defend the European cause, to support the ratification process in the Czech Republic, and to contribute to the success of the country's presidency of the Council.

IN: *Auslandsinformationen* 11/2008, ISSN 0177-7521, Konrad-Adenauer-Stiftung e.V., Berlin, p.115-119