

The Czech Strategy in the EU: An Active and Intelligible Czech Republic in a United Europe

Summary

General Characteristics

"The Czech Strategy in the EU: An Active and Intelligible Czech Republic in a United Europe" (the "Strategy") has been approved by the Government of the Czech Republic in accordance with its Programme Declaration. In this Strategy the Government defines a new approach from the Czech Republic consisting of an active concept of its membership of the Union and clarity about its positions. A united European Union and fully-fledged membership of the Czech Republic within it are considered by the Government to be in the strategic interests of the Czech Republic.

The Strategy reflects some significant changes currently occurring in the EU as well as in its Member States, determining the further course of development on the European continent. Having come into force in December 2009, the Lisbon Treaty significantly deepened the integration of the European Union. The world economic and financial crisis has shown that the European Union is not endowed with appropriate instruments for dealing with common fundamental problems such as weak economic performance, unemployment, tax evasion and widening social inequalities. The Eurozone, forced to react to threats to the common currency and to address the structural shortcomings of the Economic and Monetary Union, has become the main driver of European integration. Moreover, the EU is confronted with other global trends such as newly emerging economies characterized by low-cost labour, scarcity of natural resources, climate changes, terrorist threats and worsening relations with the Russian Federation.

On the other hand, the Strategy does not miss out on the benefits that Czech membership of the European Union has brought so far. The international standing and security of the Czech Republic have been strengthened. Furthermore, public administration has been professionalized; the performance of the judicial system improved; and protection of the environment as well as competition and consumer protection have also been strengthened. Among Czech citizens, the greatest asset of Czech membership of the EU is traditionally considered to be the free movement of persons. Last but not least, EU membership has contributed significantly to the positive development of the Czech economy.

Principles of Membership

The Czech Republic and other EU Member States currently face a series of global challenges, which cannot be satisfactorily addressed at national level. The Government sees Czech membership of the EU first and foremost as a political project, a strategic choice and a fundamental economic, social, cultural and security framework for further development of the Czech Republic, while it also serves as an ideological anchor. The Government believes that being a full-fledged member of the EU is in the strategic interests of the Czech Republic. This can only be accomplished by accession to the Eurozone.

In spite of some centrifugal tendencies, the Government considers preserving the unity of the EU as in the strategic interests of the Czech Republic. Even though the Government understands the need for further integration of the Eurozone in order to ensure its effectivity and convergence, it is nevertheless convinced that, in the medium-term perspective, the EU should focus on solving common challenges without sweeping changes to the primary law of the EU.

The Government shall seek to ensure that the Czech Republic is an active and intelligible EU Member State. The priorities set out in this Strategy should therefore be consistently communicated and actively promoted in the long term at both national and European level.

The Czech Republic must act as a Member State with a sense of responsibility for further development of the European integration project and as such must actively participate in it. In respect of EU decision-making, a systematic application of the community method is clearly in the Czech Republic's interest. The Government is also aware of the fact that the principles of European integration and its success lie in advancing the long-term interests of all Member States. It is for this reason that the Government shall seek to promote the interests of the Czech Republic in a comprehensive approach to the EU as a whole instead of promoting them separately for each and every policy.

Goals and priorities of the Czech Republic within the EU

In order to succeed, the main tools of the European project should be the following: making use of the potential of the EU internal market, development of all four EU freedoms, strengthening the industrial base of the EU by means of innovation as well as investments into education of the population, science and research as well as infrastructure development. The EU must focus on strengthening protection of the environment and climate, including the effective use of natural resources. The development of the application of the EU social dimension as well as strengthening the democratic legitimacy of EU institutions will be crucial for the sustainability of the EU project. Moreover, the regulatory function of the social market economy, aimed at implementing the EU Charter of Fundamental Rights and erasing mounting social differences, social exclusion and discrimination, must be preserved.

The Government shall fulfil this vision by means of the four general goals of European integration. Within these goals, it shall seek to achieve the following five priorities.

1. Goal: Peace and Security

Priority: Operational Common Security and Defence Policy

In view of the increasing responsibility of Europe for its own protection and security and a major deterioration of the situation in the immediate surroundings of the EU, the Government considers an operational Common Security and Defence Policy (hereinafter "CSDP") to be a priority. The Government is prepared to collaborate on a new conceptual definition of this policy as well as on a clarification of EU ambitions in this area. The Government shall support greater cooperation between civil and military instruments, better linking of CSDP activities with other EU tools and activities, a general increase in CSDP operability as well as strengthening other civil capabilities of the EU.

2. Goal: Economic Development

Priority: Deepening the Single Market

Removing barriers within the internal market in goods and services and a deeper internal market in the fields of the digital agenda and energy is a long-term priority of the Czech Republic within the EU. The Government insists on preservation and indivisibility of all four EU freedoms, in particular the freedom of movement of persons that is considered one of the greatest benefits of the EU membership. Another prerequisite crucial to the internal market's development is strong support for research and innovation having regard to the need for more coherent collaboration between the research and business sectors. R&D results must be oriented towards market needs – all of this relating to the aim of creating a framework for free movement of knowledge across the EU.

Priority: Effective Use of Structural and Investment Funds

EU policy on economic, social and territorial cohesion aims at improving the quality of Czech citizens' lives i.e. through modernization of the country's economy and strengthening its industrial base, and as such it is regarded as a key investment tool of the Government. Therefore, the Government shall seek to ensure an adequate level of resources be allocated to this policy within the EU budget into the future. For its part, the Government shall ensure that the Structural and Investment Funds are put to timely and proper use. Conformity of Czech and EU legislation, consistent setting of long-term priorities, high-quality staffing, simplification and harmonization of rules for EU funds at the national level and an integrated approach to the use of funds and preparation of high-quality projects will play a key role in the effective utilization of these resources.

3. Goal: Justice and Solidarity

Priority: Common Action against Tax Evasion

Tax evasion and fraud limit the ability of Member States to fulfil their basic role. At the same time, they are in conflict with social justice and harmful to competition. Therefore, the EU should be looking for a collective solution to this problem. The Government shall seek to make tax havens as transparent and open as possible and shall, generally, pursue their overall global restriction. The EU internal market should be based on the quality of the business environment, innovation and efficiency rather than on unfair tax competition which depletes public budgets. The Czech Republic shall promote the introduction of the reverse charge mechanism as the most effective instrument for tackling VAT fraud in the EU. In respect of direct taxation, the Government shall support initiatives against tax evasion and aggressive tax planning and is also ready to continue in discussions on the possible harmonization of rules for calculating the corporation tax base.

4. Goal: Solid European Rooting

Priority: Preparation for Accession to the Eurozone

The Government is well aware of the strong economic links between the Czech Republic and the Eurozone, the benefits of introducing the Euro in terms of deeper trade relations, transactional savings, price transparency and monetary stability; and the opportunity to influence the inner workings of Eurozone institutions, whose decisions already have an impact on the Czech Republic today. The Czech Republic is compliant with the Maastricht criteria with the exception of membership of the European Exchange Rate Mechanism (ERM

II), which is a strictly political decision. The Government shall lead a comprehensive public debate on the effects of accession to the Eurozone in order to prepare the ground for a political decision to join ERM II before 2020 as well as the subsequent decision on the Czech Republic's accession to the Eurozone.

Implementation of the Strategy

The new active approach will require systematic and quality observation of events in the EU and an active approach to negotiations in the Council. The Czech Republic needs to put a permanent focus on the issue of creating coalitions of interest with other Member States. The same emphasis shall be given to communication on a regular basis and to cooperation with the European Parliament, as well as to communication between the Government and Czech citizens employed in EU bodies or institutions. It is also important to ensure a coherent linkage in the EU agenda between the positions of the Government and of both chambers of the Czech Parliament.

The Government shall in addition lead a debate on a systematic strengthening of the coordination of European affairs. The priorities set out in the present Strategy will be applied in the preparatory stage in respect of EU legislation, through various discussions at round table meetings and the EU Project National Convention, as well as in the legislative stage, where the Government will assess the relationship between proposals and the priorities defined above. The Strategy implementation mechanism also envisages an annual evaluation report on the state of implementation of the national priorities.