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Mini-analyses

What Lies Behind the Gas Quarrel?

(A summary of the analyse published on PREDESDNICTVI.CZ)

Martin Laryš

After New Year, a new energy dispute between Russia and Ukraine has broken out. In course of the quarrels, every side has tried to advocate its own interests and to impress the European Union, which has been embroiled in the gas conflict against its will. From the very beginning, the Czech Presidency had to cope with complicated situation. What are the motives of particular sides of the conflict?

Moscow probably tries to strengthen its influence on Ukraine by taking advantage of intrapolitical disputes between the reckless Ukrainian political elite which fights for its own interests in the first place, with the view of destabilizing the country and discrediting Ukraine in the eyes of the EU. The goal is to describe Kyiv as an unstable and powerless partner unable to observe its covenants. In the first days of "second gas war", Kyiv allegedly had to extract gas for "technical reasons" to maintain the gas pipeline in operation. But only a few trust such explanation. It is mainly Ukraine's fault, because its "bad habits" of stealing gas or not paying for it are generally known.

Gazprom seeks to enforce its rules of game also against European countries. It exploits the weakness of EU, which is not able to develop a coherent energy security policy. Using this strategy, it relies on the tactics of dividing particular EU member countries, which are divided in their energy security conceptions and approach to Russian energy supplies.

The Czech Republic has been very active in its efforts to solve the conflict. However in a situation, when both sides of the conflict say the contrary, a generally satisfactory solution is hard to find. With a little exaggeration we can say the Czech delegation, in course of Kyiv – Moscow (and vice-versa) flights, did not have much space to maneuver the crisis to an end, but at least it was visible.
[Full article](#)

Priorities of the French Presidency 2008: What Was/Would the First European President (be) Like? (A sample of article published on PREDSEDNICTVI.CZ)

Marian Zachar

The French Presidency, which preceded the Czech half year at the head of Europe, presented itself as one of the most ambitious and successful presidencies in a few decades, and President Nicolas Sarkozy certainly made the most of it. What direction did he determine for Europe and what is the impact of the French Presidency on the further development of the Union and international relations?

Even before the start of the Presidency, when presenting priorities, there were indications that this will be an exceptional period in the history of the European Union. In the context of Sarkozy's declining reputation on the domestic political scene, caused by excessive media coverage of his new marriage and a strong pro-European orientation of his party UPM (Union for Popular Movement), the president declared he would dedicate 100 % of time and energy to his new position. The unexpected development caused by the financial crisis and other contingencies forced the Elysee Palace to respond promptly and priorities had to be changed operationally on a daily basis. From the original list of energy, climate, migration, security, defense and agriculture – only minimum has remained and the initial priorities were necessarily suppressed. [Full article](#)

Slovakia in the First Days of 2009

Miroslava Gajdošová, Katarína Lokšová

The adoption of Euro as a national currency was the event no. 1. even at the beginning of the new year. At the night of December 31, ATMs were filled with Euro banknotes ready to come into usage on January 1. Within 5 days after that, it was not possible to pursue any other bank transactions. Even before the so called “dual circulation” expired on January 16, a “gas crisis”, which has severely affected the country, had broken out. According to the Prime Minister Robert Fico, Slovakia had been economically excellently started up and now, it is hostage of the Russian-Ukrainian dispute. This situation has resulted in the loss of 100 million Euros daily. Along with Bulgaria, Slovakia belongs to the countries, which are absolutely dependant on the gas from Russia. One of the most evident results of the crisis is the halt of production in Slovakia's biggest car factory Kia which has been on for more than a week.

As a result of this dubious situation, the Slovak government decided to resume the functioning of the second block of the Nuclear Power Station in Bohunice in case of emergency. This step brought about an upheaval in Europe, as one of the conditions of the Slovak accession to the European Union was to shut it down forever. On the other hand the Bulgarian Prime Minister Sergei Stanishev decided to wait with turning on the Bulgarian nuclear reactor until he gains an approval of the entire Union. In the meantime, Slovakia has stabilized the situation by importing gas from the Czech Republic. Nevertheless, the resolution of the Russian- Ukrainian dispute at the gas summit in Moscow remains Slovakia's biggest hope. In spite of the fact that on Sunday 18 January Russia and Ukraine announced that the gas transports through Ukraine shall be renewed the next day. Therefore Slovakia had to rely on the help of its Western partners. A daily delivery of 3,75 m³ of natural gas from the Czech Republic through gas pipe Yamal in which paradoxically also flows Russian gas, has started to flow to Slovakia on the day the Russian-Ukrainian agreement was concluded, which has enabled the authorities to lower the emergency regime (from degree 3 to degree 8) and resulted in the renewal of production in factories. Slovakia is observing the further development of the situation very closely.

Opposition Parties' Statements on the Presidency

Vít Dostál

The Czech Social Democratic Party (Česká strana sociálně demokratická – ČSSD) and the Communist Party of Bohemia and Moravia (Komunistická strana Čech a Moravy – KSČM) have been intensively commenting on the priorities and qualities of the Presidency since its beginning.

Considering the fact that the foreign policy priorities of the anti-system KSČM are in a long-term contradiction to the government's policy, the critique of the ongoing Presidency is also strong. They mainly focus on the attempts to calm down the situation in Gaza. The Communists label Israel as the aggressor and its actions title as genocide. The solution of the gas supplies problem was – according to the KSČM – amateurish. The long-term solution they propose is new pipelines circumventing Ukraine. The Communists have also been criticising the “Entrope” sculpture and call for Deputy Prime Minister Alexandr Vondra's resignation.

The social democrats are very critical as well. In the case of Gaza, they do not denounce Israel as aggressor and the situation as genocide; yet, they stress the civil victims of Israeli operations. ČSSD claims that Israel violates the Geneva Conventions. Critique of Palestinian rockets launched on Israel has not been expressed in official statements. The attempts to resolve the problem carried out by the Czech Presidency have been, according to the ČSSD inconsistent. The social democrats believe that the Czech Presidency can not be a good and respected mediator, since the Czech Republic has underestimated the relations with Arab countries and performs long-term pro-Israeli foreign policy. ČSSD is also against the intention of the Czech Presidency to organise an EU-Israel summit in Prague. Regarding the gas crisis, social democrats claim that the government underestimated the situation at the beginning and they believe that the conflict should have been understood as political, not economic since its very beginning. However, ČSSD welcomes the final agreement. Moreover, social democrats criticized the absence of a plan of solving the economic crisis on European level, which they expect from the government, and reminded that the prime minister should lobby intensively in favour of the Lisbon Treaty ratification.

The opposition parties may feel overshadowed by the socio-medial accent of the Presidency, which is performed by the government. Considering the absence of a truce agreement between the main government and opposition party, the harsh critique has been unsurprising. We can expect that the closer the European elections are the harder critique the critique will get. Furthermore, we can suppose – in case of social democrats – that the main objection will focus on solving the problem of economical recession, since its consequences will hit a remarkable part of voters and this topic also has a considerable social aspect. The leader of the ČSSD slate for the EP elections is the economist and former deputy prime minister for economy Jiří Havel, who is in ČSSD considered to be a very competent person concerning economic issues. Therefore, we can expect an emphasis on this topic during the election campaign from the side of the ČSSD. More frequent reflecting of European or international issues by the political parties helps to see a clear foreign-policy orientation of the parties and facilitates the legibility of their further steps.

Comments on Recent News

The Continuation of Israeli-Palestinian Conflict

After the truce between Israel and Hamas was over, Hamas has decided to attack Israeli territory with rockets. Israel has decided to react with its operation “Cast Lead”. In a time when current American President George Bush is on his way out of the office and a new one is assuming the power, the EU has decided to take advantage of the situation and respond. The Czech Presidency was also motivated to react fast – not much is expected of it so it wanted to show clearly in the first days of its office that it can tackle problems decisively. A delegation of Ministers of Foreign Affairs of France, the Czech Republic and Sweden along with the EU External Relations Commissioner Benita Ferrero-Waldner and EU High Representative for the Common External Policy Javier Solana travelled to the Near East. However French President Nicolas Sarkozy made a parallel trip to the region; it seems that he refuses to leave the spotlight. Such fractionalisation does not add to EU's credibility in negotiations.

Tony Blair, EU President?

According to an article in the Financial Times, the former British Prime Minister has a great chance to be the first in this position. Even though he strived for it last year, at that time other states were

in favour of candidates from smaller countries such as Denmark or Luxembourg. But the situation has changed after the French Presidency led by Nicolas Sarkozy – allegedly the opinion that a well-known and energetic personality is needed now prevails. And Blair meets these requirements.

In spite of the fact that this office does not exist yet because it depends on the Lisbon Treaty, it seems that the elite of European policy already knows how to (re)distribute the attractive spots: Portuguese José Manuel Barroso would remain President of the European Commission, Netherlander Jaap de Hoop Scheffer, (currently NATO Secretary General) would get the job of EU foreign policy chief and Anders Fogh Rasmussen, current Danish Prime Minister would take his old job at NATO. The European Parliament Presidency would be shared among Martin Schulz from Germany and Jerzy Buzek from Poland. Jean-Claude Trichet from France would remain President of the European Central Bank and Dominique Strauss-Kahn (a Frenchman as well) would stay at the head of IMF.

Placing a Briton at the head of the EU would not only be logical but it could also positively affect the somewhat EU-lukewarm citizens. The question is: where in the above mentioned list are the countries of the former Eastern bloc? The only representative is from Poland which is moreover the largest of the new EU members.

Controversial Entropa

One of the main topics in the Czech media and a topic that has also enjoyed wide coverage abroad is David Černý's sculpture Entropa. According to a contract he concluded with the government, 27 artists from all member countries should have participated in the art piece. Originally that was the way the artist presented the sculpture, but later it was revealed that the artists' names were fabricated. In the meantime the sculpture has incited a number of angry reactions – namely from Bulgaria and Slovakia. Since then Černý has apologised several times – to the government and those countries that could feel offended. PREDSEDNICTVI.CZ offers commentaries on this topic.

From Forefather to the Union

That is the title of a short “educational” animated film, which was broadcasted by ČT1 a few minutes after New Year's Eve. The production of cartoon film maker Pavel Koutský can be watched at eu2009.cz. The story begins with the arrival of Forefather Čech and ends with the Czech Presidency in 2009. The advantage is that the creators have managed to incorporate the sugar cube, which has become one of the symbols of our Presidency, into the story. The music accompanying the story is not a mere decoration; it helps to recreate the atmosphere of the time which is currently concerned.

Because of the length of the film, only the most important events have been selected. It is quite surprising that President Masaryk has been omitted. If we compare the interpretation of events from years 1938 and 1968, the occupation by USSR is depicted in a much more “brutal” way. Year 1938 is symbolized by a swastika and a blood spill, which is quite strange because our nation does not belong to those that were the most affected by the war in what concerns the number of dead. But to portray the event as Germany trying to grasp our territory would probably require more audacity and to the top of it does not correspond with the political interests of the government, which financed the film. The film will probably not have any benefits for a Czech who has graduated from high school, but it could serve as a rough guide for foreigners who usually do not have much knowledge about our history. Only time will show if our EU Presidency joins the list of the most important events in our history.

Interviews

"This year's crisis has a negative impact on everyone and in my opinion there is no winner. The European Union member states should now finally understand that Ukraine and Russia are not reliable trading partners and should require guarantees of delivery of ordered gas supplies. The

dependence is mutual – EU needs Russian gas and Russia needs money from the EU. But it is clear that Russia can manage without European money longer than some European countries without Russian gas."

Karel Svoboda, analyst of the Association for International Affairs (AMO), in an interview for PREDSEDNICTVI.CZ, 12 January 2009. [Complete interview](#)

"This is difficult to answer, because we do not know whether this government will survive the Presidency - and not because of the Presidency itself, but because of the domestic political situation. In addition, the ability to predict the steps of the government is so limited that there is no specific answer to this question. This is why we all look at the Czech Presidency with concern, because even such a fundamental question cannot be answered."

Libor Rouček, 1st Vice-Chair of the Foreign Affairs Committee of the European Parliament, on what we can expect of the Czech government concerning the ratification of the Lisbon Treaty, in an interview for PREDSEDNICTVI.CZ, 12 January 2009. [Complete interview](#)

"This is exactly what will now happen in Europe. North stream, South stream, Nabucco pipeline, all this will be possibly discussed now. But this is a direct path to the marginalization of Ukraine and its rollback from the Western trajectory, which they declare. Sometimes it is sad to listen to Czech politicians repeating Russian propaganda, which speaks of the crisis as a purely commercial dispute. However it is a crisis that has a profound geopolitical basis."

Josef Zieleniec, Member of the European Parliament, on whether the Czech Presidency should support alternative routes of Russian raw materials to Europe, in an interview for PREDSEDNICTVI.CZ, 12 January 2009. [Complete interview](#)

Interesting Publications

Association for International Affairs (AMO)

"Czech Republic in the European Union" is a chapter from the currently prepared book "Agenda for Czech Foreign Policy 2009" which is annually published by AMO. In its first part the paper assesses Czech activities in the EU in the past year, the second part is formed by recommendations for the year 2009 with a special focus on the Czech Presidency in the Council of the EU. Both parts are divided into thematic areas.

International Institute of Political Science of Masaryk University

In the first Czech comprehensive monography, Petr Kaniok focuses on the issue of the Presidency in the Council of the EU, which is a highly important topic for the current Czech political life. Publication "The Presidency of the EU Council - The story of half a century" is dedicated to the historical genesis of the Presidency, its functions, the importance for national politics and potential future. In addition to a theoretical analysis, two Presidency mandates are analyzed in more detail – the Presidency of Sweden in 2001 and the Presidency of Germany in 2007. [More](#)

Deutsche Gesellschaft für Auswärtige Politik

The Czech Presidency makes European public doubt the capability of the Czech Republic to lead the EU. Skepticism from foreign point of view is quite understandable if you take into account the Lisbon Treaty controversy or Václav Klaus' opinions. The analysis "Skeptiker an Europas Spitze?" brings a closer view of the Czech Presidency.

Centre for European Policy Studies

"Gaza's hell: Why the EU must change its policy", a short commentary, focuses on the situation in the Near East. The authors sum up the stance EU maintained towards the conflict in the past and the way the Czech Presidency deals with it at the moment.

Centre for European Reform

Extraordinary relations or a rather ordinary situation, to which we have been accustomed since a long time ago? The paper "The EU, Russia and energy", which also contains a contribution by

Václav Bartuška, Czech ambassador for energy security, is concerned with the issue of the future of EU – Russian energy relations, which are based on mutual dependence. Exporting gas to EU countries is vital for Russia and so are deliveries from Russia for the EU. So where is the problem?

Invitations

Fair of Community Programmes II. How to Successfully Apply for Contributions from European Commission's Financial Sources?

When: 21 January 2009, from 8:30 am

Where: Pardubice, Office of the Hradec Králové Region

Organiser: Eurocentrum Pardubice and Eurocentrum Hradec Králové

[More](#)

Conference on Innovations, Research and Development

When: 22 - 23 January 2009

Where: Liechtenstein Palace, U Sovových mlýnů 4/506, Praha 1

Guests (for example): Philippe Aghion – Harvard University, Andreas Reinstaller a Fabian Unterlass – Austrian Institute for Economic Research

[More](#)

Conference: Assuring Energy Security of EU Member States in the Framework of Common Electricity Market

When: 29 - 30 January 2009

Where: Hotel Atom, Zkrácená 2703, Ostrava

Organiser: PAN Solutions, Ministry of Industry and Trade of the Czech Republic, Deputy Prime Minister for European Affairs, Ministry of Foreign Affairs of the Czech Republic

Guests: Andris Piebalgs – European Energy Commissioner, Jean Louis Borloo – French Ecology Minister, Martin Říman – Minister of Industry and Trade, ČEPS, ČEZ and E.ON representatives

[More](#)

Expected Events

Informal Meeting of Ministers of Employment and Social Affairs and Ministers for Development Cooperation

The meeting will take place in Luhačovice from 22 to 24 January. The discussion will be aimed at the facilitation of professional mobility and exercise of transitory periods for free movement of workers. The Ministers will also discuss the Council's further action during the conciliation attempt with the European Parliament concerning the directive on work hours. A week later, Ministers for Development Cooperation will gather in Prague in order to discuss the effects of financial crisis on developing countries and the Eastern dimension of development cooperation. [More](#)

World Economic Forum

From 28 January to 1 February the World Economic Forum will take place in the Swiss town of Davos. Naturally the main topic will be the economic crisis, its consequences and solutions. Personalities such as former UN General Secretary Kofi Annan, media tycoon Rupert Murdoch or executive director of Shell Jeroen van der Veer will be among the contributors. [More](#)

European election 2009

New Candidates: Party of Free Citizens and Liberalove.cz

Vít Dostál, Michal Vít

On Monday the 12th January, two new political subjects – Party of Free Citizens (Strana svobodných občanů) and Liberals.cz (Liberálové.cz) – declared its will to participate in the European elections.

Petr Mach, the executive director of liberal-conservative think-tank Center for Economics and Politics, announced at a press conference the programme goals of the political formation called Party of Free Citizens. At the moment he is collecting signatures needed for the official registration of the party. “Frees” declare respect to conservative values; yet, they are in favour of liberal principles in the economy. They are against the ratification of the Lisbon Treaty and see the Common Agricultural Policy as unfavourable. On the other hand, they support the strengthening of the free market and its competitiveness. The party’s slate has not been introduced yet. However, Petr Mach declared his will to participate in the election and join the Libertas political group in the EP in case of success in the elections. The “Frees” want to compete with the Civic Democratic Party (Občanská demokratická strana - ODS). The party was established with the silent backing of president Václav Klaus and among the supporters are both his sons; moreover, also the parliamentarians elected for ODS Juraj Raninec, Jan Schwippel, Alena Páralová and Liana Janáčková are fans.

Liberals.cz is a party transformed from the marginal Liberal and Reform Party. The grouping encourages European federalism and Lisbon Treaty is – from their point of view – not deepening the European integration enough. The party sticks to very liberal principles in the social-value domain as well as in the economy (on the EU level they support the abolishing of the Common Agricultural Policy). The party will announce its slate before 25th March. In case of success, the “Liberals” want to join the political group of the Alliance of the Liberals and Democrats for Europe. Among the main representatives and cooperates of the party are the chairman Petr Weiss, Milan Hamerský, former senator and rector of the Masaryk University in Brno Jiří Zlatuška and former minister for privatization Tomáš Ježek.

Small and new parties probably expect that the European elections are the ideal way how to, with the help of significant personalities on the top of the slate, enhance their position and raise voters’ awareness. However, on the right side of the political spectrum there are already several groupings which are going to contend for the voter’s support and small parties can; thus, lose votes and drop under the 5% election threshold. The “Frees” will probably try to steal eurosceptical voters from the ODS, and the European hardliners normally supporting the main government party might switch to the European Democratic Party [Evropská demokratická strana] of MEP Jana Hybášková. The chances of the “Liberals” are low, since their main competitor will be the Green Party [Strana zelených] and we can expect a very pro-European programme from their side. Furthermore, the Greens overtook the majority of the liberally-thinking voters after the 2006 general elections and in many areas followed the programmatic line of declining parties Civic Democratic Alliance (Občanská demokratická alliance) and Freedom Union (Unie svobody).

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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