



The Czech and Polish foreign policies towards the Western Balkans and the challenges of European integration¹

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Since the breakup of Yugoslavia in the early 1990s, the Euro-Atlantic community has been working towards the stabilization of Southeast Europe. At the 2003 EU-Western Balkans summit in Thessalonica, this process was tied to the integration of the so-called Western Balkans countries into the EU.² However, in recent years this integration project has entered a difficult stage: within the EU, overall public³ and political support for further enlargement has diminished significantly. Despite these problems, however, European integration still offers the main available formula for the long-term stabilization of this part of Europe. In order to make the best of this potential, the pro-integration actors – be they located inside or outside of the EU – will need to develop a large degree of mutual understanding and coordination, so as to bring their common vision closer to fulfillment. Guided by this logic, this paper hopes to enhance our understanding of the challenges and opportunities for Western Balkans stabilization through European integration, by taking stock of the foreign policies of two important pro-enlargement EU member states, the Czech Republic and Poland.⁴

The study builds upon available primary and secondary sources on Czech and Polish foreign policy, but also draws on a series of ten personal interviews with think-tank based experts and civil servants located in the Czech Republic and Poland. The interviews were conducted between February 2014 and April 2015, the interviewees being affiliated with the Czech and Polish Ministries of Foreign Affairs, the Cabinet of the President of Poland, the Polish Institute of International Affairs, and the Centre for Eastern Studies in Warsaw. They were questioned concerning the countries' long-term policies towards the Western Balkans, as well as on particular decisions taken on specific occasions. In this respect, the interviewees provided valuable information. However, they were also asked for their personal opinions on these

¹ The research for this text was partly conducted during a fellowship at the Centre for Eastern Studies in Warsaw in 2014 as part of the "V4 Flying Experts Initiative" financed by the International Visegrad Fund.

² "EU-Western Balkans summit," 10229/03 (Presse 163), June 21, 2003. Available online: http://europa.eu/rapid/press-release_PRES-03-163_en.htm (accessed on June 16, 2015).

³ "Standard Eurobarometer 81 Spring 2014: public opinion in the European Union," June 2014, p.143. Available online: http://ec.europa.eu/public_opinion/archives/eb/eb81/eb81_publ_en.pdf (accessed on January 2, 2015).

⁴ In the last decade both Czech and Polish foreign policies towards the Western Balkans were matters of increasing policy analysis. See, e.g., T. Żornaczuk, "Poland's policy towards the Western Balkans," in S. Debski, ed., *Yearbook of Polish Foreign Policy 2010*, Warsaw: Polish Institute of International Relations, 2010, pp. 224–38; A. Balcer, ed., "Poland and the Czech Republic: advocates of the EU enlargement?" Warsaw: Demos EUROPA, 2010; F. Tesař, "The Balkan dimension of the Czech foreign policy," in M. Kořan et al., *Czech Foreign Policy in 2007–2009*, Prague: Institute of International Relations, 2010, pp. 231–45.

Czech and Polish long-term policies and particular decisions, especially with respect to their pertinence to the long-term goal of Western Balkans stabilization through European integration. This made the interviewees into partners helping to interpret some particular aspect of the policies or decisions under review.

The first section focuses on the recent Czech policy towards Albania, and the second on the recent Polish policy towards Kosovo. The case of Albania shows that the bilateral emphasis in the Czech actors' understanding of relations with Albania facilitated the use of the multilateral approval of Albania's EU candidate status as an instrument for securing Czech bilateral commercial interests. The case of Kosovo, in turn, shows how the multilateral emphasis behind the Polish policy facilitated the wide-scale involvement of the Polish police in the EULEX mission, an involvement which however was not accompanied by any serious consideration of the situation in Kosovo itself. In the third section, the main findings on the Czech and Polish foreign policies are evaluated with respect to the long-term goal of the Western Balkans' stabilization through integration. A problematic feature common to both the Czech and Polish policies is identified in that such practices effectively drag the EU enlargement agenda away from its original and legitimate purpose, thus seriously threatening to distort it.

Albania's EU candidate status and the dispute over the Czech investment

The Czech Republic and Poland have been among the strongest political proponents of Albania's Euro-Atlantic integration. The year 2009 was important in this respect. On April 1, 2009 Albania acceded to NATO, and on April 28th, during the Czech EU Presidency, it submitted its formal application for EU membership. Czech–Albanian relations seemed to be full of optimism at that time. In October 2008, Czech power company ČEZ, of which nearly 7 per cent is owned by the Czech state, won a tender, and on June 1, 2009 it paid 102 million euros for a 76 per cent share in the only Albanian power distribution company, which was thereafter called CEZ Shpërndarje. However, in 2012 ČEZ entered into an open dispute with the Albanian government, which grew into a bilateral dispute between the Czech Republic and Albania.

As of January 1, 2012 the Albanian regulator ordered that the price paid by CEZ Shpërndarje for power taken from an Albanian state-owned company (KESH) should increase by 91 per cent. After negotiations this increase was subsequently lowered to 49 per cent, but the state regulator did not allow the increase in the input price to be reflected in the output price. Furthermore, in 2012 the Albanian tax authority ordered CEZ Shpërndarje to pay a penalty of 4 billion Albanian Lek (approx. 28 million euros) for outstanding taxes and penalties, and approximately another 3 million euros for failing to meet the agreed electricity import levels. ČEZ refused to accept these penalties, but in early October 2012 it employed experts from the UK-based company Schindlers to help to negotiate a resolution to the emerging dispute. The subsequent events developed rather quickly. On November 16th, CEZ Shpërndarje disconnected its power supply from all Albanian state-owned waterworks (which owed ČEZ 38 million euros); three days later, ČEZ took steps to claim the World Bank's guarantee for its investment; and on December 17th, ČEZ offered its business in Albania for sale. In January 2013, however, the state regulator cancelled the trade concession for ČEZ and appointed its own people to the steering committee of CEZ Shpërndarje.⁵ Thus ČEZ lost control over its branch in Albania.

⁵ This paragraph is based on information publicly provided by ČEZ. See <http://www.cez.cz/en/cez-group/media/press-releases/> (accessed on January 3, 2015).

On January 22, 2013 the Czech Prime Minister Petr Nečas issued an official statement in which he recommended that ČEZ initiate the arbitration process with Albania, but also stated that

[f]or membership in the EU Albania needs to prove that it adheres to the basic rules of the standard market environment [...] I believe that the Government in Albania will give this priority and provide for a satisfactory settlement of the situation [...] and thus prevent a further escalation of the problem.⁶

Subsequently, in May 2013 ČEZ initiated the arbitration process against Albania. Soon after, parliamentary elections and a change in government took place in Albania (in June 2013), and in October Albanian Minister Damian Gjiknuri invited ČEZ to settle the dispute. In the meantime, the Albanian authorities took serious steps toward fulfilling the conditions for achieving EU candidate status, which was confirmed in the annual review released by the European Commission on October 16, 2013 and in the statement of the foreign affairs working group in the European Parliament, which recommended that the Council grant candidate status to Albania without undue delay.⁷ Several EU member states opposed this move, however, and at its meeting in December 2013 the Council agreed to postpone the decision until June 2014, waiting for evidence as to whether the progress in Albania could be sustained.⁸

With respect to the Czech foreign policy, it is important to note that immediately after this Council Meeting, Jiří Rusnok – at that time caretaker Prime Minister in demission – announced publicly that he was ready to block the granting of enlargement status to Albania because of the money this country owed to ČEZ.⁹ Later, as the June decision on Albania's candidate status was approaching, Bohuslav Sobotka – appointed as Prime Minister in January 2014 – also announced that the Czech position on Albania's candidate status would be based on considerations of “the question of foreign investment protection in Albania, the question of the stability of the business environment, [and] the question of progress in the fight against organized crime and corruption.”¹⁰

This series of decisions as to the Czech foreign policy towards Albania unfolded under three different governments, and did not stir up any political criticism in the country. This indicates that there was a broad consensus among the Czech political elites that it was worth using the pre-accession process in order to achieve an extra-institutional and extra-judicial

⁶ P. Nečas, “Odebrání licence ČEZ v Albánii regulačním úřadem vnímám velmi negativně,” [I perceive very negatively the revoking of licenses from ČEZ in Albania by the Regulatory Authority], Government of the Czech Republic, January 22, 2013. Available online: <http://www.vlada.cz/cz/media-centrum/tiskove-zpravy/premier-petr-necas-odebrani-licence-cez-v-albanii-regulacnim-uradem-vnimam-velmi-negativne-102710/> (accessed on January 3, 2015).

⁷ “EU integration: progress reports for Albania, Serbia, Kosovo, Iceland,” *Press release – Enlargement*, European Parliament, December 5, 2013. Available online: <http://www.europarl.europa.eu/news/en/news-room/content/20131202IPR29581/html/EU-integration-progress-reports-for-Albania-Serbia-Kosovo-Iceland> (accessed on July 16, 2015).

⁸ “Council conclusions on Enlargement and Stabilisation and Association Process,” Council of the European Union, General Affairs Council meeting, Brussels, December 17, 2013. Available online: http://www.consilium.europa.eu/uedocs/cms_data/docs/pressdata/EN/genaff/140142.pdf (accessed on July 16, 2015).

⁹ “Rusnok: Kandidaturu Albánie do EU bych vetoval. Na vině je spor s ČEZem,” [Rusnok: I would veto Albania's EU candidacy. The culprit is the dispute with ČEZ], *Euractiv.cz*, December 19, 2013. Available online: <http://www.euractiv.cz/rozsirovani-eu/clanek/rusnok-albanie-cezu-zadne-penize-neda-nema-na-to-011396#sthash.2twczQf0.dpuf> (accesses on July 16, 2015).

¹⁰ “Česko je připraveno blokovat sblížení Albánie s EU kvůli sporu ČEZ,” [Czech Republic is ready to block Albania's rapprochement with EU because of the dispute with ČEZ], *Rozhlas.cz*, June 9, 2014. Available online: http://www.rozhlas.cz/zpravy/evropskaunie/_zprava/1360382 (accessed on July 16, 2015).

settlement of the financial claim of ČEZ. In other words, in this case bilateral considerations clearly dominated the Czech agenda.

In the end, this tactic succeeded and the Czech–Albanian commercial dispute was settled in an agreement in which Albania pledged to pay 100 million Euro back to ČEZ. This agreement was announced on June 24, 2014, the very same day that Albania was officially granted EU candidate status.¹¹ The warnings issued by Czech representatives, and the fact that both Albania's EU candidate status and ČEZ's financial claim were resolved on the very same day, provide strong ground for the view that these issues were directly linked – a conclusion that was not disputed by any of the interviewees, be they situated in the Czech Republic or Poland.

The re-establishment of the EULEX Mission in Kosovo and the Polish contribution

The independence of Kosovo is a controversial issue that divides and polarizes the international community at large, EU member states, and also the political representatives of the Czech Republic and Poland. Despite this, an agreement was reached on the proposal of the Stabilization and Association Agreement between the EU and Kosovo, which currently awaits the approval of the EU Council and the European Parliament. This, arguably, was achieved mainly because the majority of stakeholders agreed that European integration is the only formula available for the long-term stabilization of Kosovo, Serbia, and the region at large. The EU and its member states are involved in Kosovo in many different ways, one of which is the European Union Rule of Law Mission (EULEX) in Kosovo, the largest mission for civilian security ever pursued by the EU. This section focuses on the micro-level specificities of the multilateral decision-making involved in the recent re-establishment of this mission's international mandate.

The interviewees located in Poland disclosed that Polish personnel, approximately 120 persons, currently constitute the biggest national contingent in EULEX, and that they face the biggest security risks, as they form the only unit in the mission with police enforcement powers.¹² On the other hand, Poland, in contrast to the Czech Republic, does not have any representatives among the high-ranking officers, judges, prosecutors, or investigators of EULEX.

Importantly, in the summer of 2014, EULEX was going through the process of re-establishing its mandate for the period of June 2014 to June 2016. Before a decision was taken, a discussion was led among various EU and Kosovar representatives on the scope and extent of the mandate. According to the interviewees at the Czech MFA, the Kosovar authorities proposed to significantly limit the executive mandate of EULEX. Thus proposal was supported, for example, by the representatives of Sweden and Germany. Other member states, such as the Netherlands, France, and also the Czech Republic, argued for keeping the mandate in

¹¹ "Joint press statement ČEZ Group and Republic of Albania," ČEZ, June 24, 2014. Available online: <http://www.cez.cz/en/cez-group/media/press-releases/4739.html> (accessed on January 3, 2015), and "EU candidate status for Albania," *European Commission Memo*, June 24, 2014. Available online: http://europa.eu/rapid/press-release_MEMO-14-439_en.htm (accessed on January 3, 2015).

¹² On the recent attack against the Polish police on duty in Kosovo see "Polish police attacked in Kosovo," *The Frontliner*, August 1, 2013. Available online: <http://thefrontliner.net/2013/08/01/polish-police-attacked-in-kosovo/> (accessed on July 16, 2015).

its current form because of the lack of improvement in terms of the rule of law in Kosovo. In contrast, the interviews conducted at the Polish MFA, the Cabinet of the President of Poland, the Polish Institute of International Affairs, and the Centre for Eastern Studies revealed that the Polish representatives actually did not prepare, present, or discuss any position when the design of the forthcoming EULEX mandate was discussed.

In the end, the maximum authorized strength of the mission was decreased from 1,250 international and 1,000 local staff, to 800 international and 800 local staff, but the executive authority of the mission was not weakened. This indicates that the new mandate was designed more in accord with the stricter faction in the EU involving the Czech Republic, which was more critical of the situation in Kosovo and opposed limiting the executive mandate of EULEX. With respect to the purpose of this study, the point worth noting is that this multilateral decision on the scope and mandate of EULEX for the following two years was made without the Polish actors taking an active part in it, even though Poland was the main contributing country and thereby the most affected by the decision. This was possible because the Polish actors were much concerned with the multilateral context of the EU, but not with Kosovo itself.

A reflection on these findings from a pro-integration perspective

In regard to the Czech use of the multilateral decision as a means to securing its bilateral interest in Albania, the interviews conducted both in Poland and the Czech Republic revealed that the Czech actors' European partners were well aware of what was going on on the Czech side. The interviewees located in Poland were openly disappointed, and they pointed out that up until this point the pro-enlargement actors in the EU, including the representatives of the Czech Republic and Poland, had repeatedly argued that bilateral issues should be dealt with separately from the process of enlargement. According to this principle, the evaluation of the acceding countries should be based strictly on their coping with the official accession criteria, and bilateral disputes should be dealt with separately, via the institutions of international mediation or arbitration. This principled rhetoric has been widely employed, notably in regard to the dispute between Slovenia and Croatia over borders and access to the high seas (which blocked the latter's accession to NATO and the EU until November 2009), but also in regard to the still ongoing name dispute between Greece and the FYR Macedonia, and with respect to the many bilateral disputes pending between the Western Balkans countries themselves.¹³

The interviewees in Poland argued, however, that the fact that the Czech side was ready to forget this principle when 100 million euros was at stake weakened the credibility of the whole pro-enlargement faction in the EU, and also established a bad precedent for the resolution of similar situations in the future. Interestingly, this position was shared even by the interviewees located in the Czech MFA, who perceived this particular Czech expedient as contravening the long-term pro-enlargement priorities they were trying to pursue in their everyday work. They characterized this Czech maneuver as having been ordered from within the sphere of

¹³ On this problematic see A. Uilenreef, "Bilateral barriers or good neighbourliness? The role of bilateral disputes in the EU enlargement process," *Clingendael European Papers*, June 2010. Available online: http://www.clingendael.nl/sites/default/files/20100600_cesp_paper_uilenreef.pdf (accessed on January 3, 2015); A. Geddes, A. Taylor, "Those who knock on Europe's door must repent? Bilateral border disputes and EU enlargement," *KFG Working Paper Series*, No. 54, 2013. Available online: http://userpage.fu-berlin.de/kfgeu/kfgwp/wpseries/WorkingPaperKFG_54.pdf (accessed on January 3, 2015); E. Fouéré, "Bilateral disputes – a dark cloud over the Balkans," Centre for European Policy Studies, 2014.

“high-politics,” which they, as civil servants in the Czech MFA, were obliged to help carry out in the context of EU institutions, despite feeling themselves that it went against the long-term priorities they were otherwise promoting in the EU.

With respect to the Polish use of EULEX in Kosovo as a means of securing Polish interests – in this case identified with those of the EU – the interviewees explained this situation by pointing out that its intense participation in EU and NATO missions is a part of Poland's overall foreign and security policy, and that in light of this, questions about a particular missions' design could be seen as having very low priority. The Polish interviewees suggested that this situation is in fact somewhat “normal,” given that the Polish foreign policy actors are quite used to deploying Polish troops and personnel to foreign multilateral missions without much questioning as to their scope or mandate. Indeed, intense participation in security missions is likely to elevate the status of representatives of the participating state within the relevant organizations.

From the pro-integration perspective adopted in this paper, however, the main problem with this Polish attitude towards EULEX is simply that the purpose of EULEX – as inscribed in the very name of the mission – is not to help elevate the status of representatives of a certain EU state, but to improve the rule of law in Kosovo. In this respect, the Polish course of action – of fulfilling its interests (as identified with those of the EU) via the staffing of EULEX, without actually caring about the substance of the multilateral decisions taken on EULEX – arguably brings about serious deleterious effects for EULEX as well as for the European integration of Kosovo. Not only does this kind of practice seriously lower the Polish actors' ability to influence the situation in Kosovo, but it also nurtures the notion that Polish decision makers can abdicate their responsibility to contribute to the direction of EULEX and to the development of Kosovo more generally. When the largest contributor to the mission gives up responsibility for the mission, who then will be responsible for strategic decisions in the future? If all contributing countries did the same, the multilateral project of EULEX would effectively become empty of any political ownership or leadership, which is a tendency to be resisted.

Conclusions

The recent decisions taken by the Czechs on Albania and the Polish on Kosovo employed contravening logics of behavior in foreign relations. The Czech actors clearly prioritized the country's immediate commercial interest in Albania, and used multilateral decision-making within the EU as a tool for securing this interest. On the other hand, the Polish decision makers clearly prioritized the strategic interest identified in the EU and used EULEX in Kosovo as a tool for securing this interest, without seriously considering the situation in Kosovo itself. However these courses of action may differ, it needs to be highlighted that from the pro-integration perspective they share the same vice, which is that they drag the EU's integration and stabilization agenda and institutions away from their original and legitimate purpose.