

POLICY PAPER

CZECH-AMERICAN RELATIONS: A ROADMAP FOR THE FUTURE

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FROM MASARYK TO HAVEL: A DESIRE TO BRING A PIECE OF AMERICA HOME

On July 4, 1928 a bronze statue of Woodrow Wilson was erected in front of the Prague main rail station. It was more than just a tribute to Wilson's foreign policy and its support for the Czech and Slovak right for their self-determination. It also showed a remarkable Jeffersonian inspiration at the cradle of Czechoslovak Republic in 1918. The founder of the new, independent republic, Tomáš Garrigue Masaryk, noted: *"I devoted much time thinking to the idea that the Czechoslovak state would resemble America in that we too have no dynasty of our own and dislike foreign dynasty"*¹.

Therefore it was quite symbolical that – on the occasion of the first ever visit of the U.S. President to Prague in November 1990 – George H.W. Bush unveiled a plaque commemorating Wilson's words: *"The world must be made safe for democracy."* He spoke about Europe whole and free and recalled high costs of the U.S. isolationism after the First World War. Ronald D. Asmus and Alexandr Vondra have captured prevailing opinion: *"In Central European eyes, it was America's retreat from European politics in the 1920s that paved the way for the rise of Hitler and Stalin and eventual destruction of their independence."*² Clearly, a destruction of Czechoslovakia in 1938 was marked by absence of the U.S. in Europe. By the same token, the U.S. involvement in European battlefield played indispensable role in liberation of Western Europe from Nazi rule.

In 1945, a demarcation line between U.S. and Soviet zones – only a part of western Bohemia was liberated by General Patton's 3rd US Army – conceded Czechoslovakia to the Soviet sphere of influence and sealed its geopolitical fate for more than four decades. A rejection of Marshall Plan by the Czechoslovak government upon Stalin's request in 1947 and communist

coup d'état in February 1948 were just bitter consequences of Yalta. Thus, U.S. postwar policy towards the region was shaped by *realpolitik* and consisted of defense commitment to Western Europe and a recognition of Soviet sphere of influence in the East. That was a bitter pill to Hungary in 1956 and to Czechoslovakia in 1968. However, the American engagement in the half of Europe largely contributed to the victory of the West in the Cold War.

After the fall of the Iron Curtain in 1989, democratic revolutions led to a comprehensive transformation of countries of Central Europe into liberal democracies based on the rule of law and market economy. Solidarity and alliance among democratic states in defense of common values were believed to provide necessary institutional framework for abandoning bonds of totalitarian past as well as for their future "return to Europe". New political elites in Central Europe have been deeply convinced that a new order in the region should be based on a strong Transatlantic bond with the U.S., which has never had – unlike "other powers" – hegemonic ambitions in Europe. The continuing U.S. engagement in Europe was seen as a vital Czech strategic interest. President Václav Havel, the first statesman from former Soviet-bloc to visit NATO HQ, was tireless in arguing for NATO's continued relevance after the end of Cold War: *"It is only now that the Alliance has a chance to become exactly what the Washington Treaty meant it to be – an open alliance of all democratic countries in the Euro-Atlantic region, protecting its area and its shared values."*³

THE ROMANTIC ERA OF 1990S: VALUES MATTERS, EVERYTHING IS POSSIBLE

Philip Roth once said the difference between East and West was that in the

East, nothing was possible but everything mattered; in the West, everything was possible but nothing mattered. After 1989, Czech and American policymakers have acted exactly in opposite: like everything mattered and everything was possible.

The U.S. response to the 1990s euphoria was quick and positive. Firstly, they focused on economy. In 1990, they supported Czechoslovakia in its entry into IMF and the World Bank. In 1991, Czechoslovakia was granted with the most-favored-nation-clause in mutual trade, the bilateral Investment Protection Agreement (BIPA) was signed, and the Czechoslovakian-U.S. Enterprise Fund has been established. The Czechs sought the U.S. investment in strategic sectors like telecommunication (Bell), energy (Westinghouse, Conoco) and defense (Boeing) in the 1990s.

Secondly, the Clinton administration, with the support of Republican-led Congress since 1994, provided a leadership in the process of NATO enlargement. Between 1997 and 1999, the Czech Republic – together with Poland and Hungary – has become the member of NATO, and later on, the Prague NATO 2002 Summit offered the membership to other states of Central and Eastern Europe (CEE) including Slovakia. The American leadership in shaping a post-Cold war architecture in Europe had paved a road to swift big-bang EU enlargement in 2004.

1 "Masaryk and America: Testimony of a Relationship" by George J. Kovtun. Library of Congress, 1988.

2 Asmus, Ronald, D. and Vondra, Alexandr: "The Origins of the Atlanticism in Central and Eastern Europe", Cambridge Review of International Affairs, Volume 18, Number 2, July 2005.

3 "NATO: The Safeguard of Stability and Peace In the Euro-Atlantic Region", V. Havel's Speech at NATO Workshop On Political-Military Decision Making, Warsaw, Poland 19–23 June 1996.

As a result, the Czech Republic has gained the best security guarantees in its modern history and found itself in a relatively safe security havens, encircled by states, with which it shared the same values and interests.

The Czech Republic did not stay aside as a mere consumer of security. In 1991, Czechoslovak NBC battalion took part in Desert Storm operation to liberate Kuwait. The Czech Armed Forces contributed to every peace-keeping effort in the Balkans. In 1999, only two weeks after the accession in NATO, Czech commitment was tested in a heated domestic debate to approve air strikes against Belgrade and in sending Czech troops to Kosovo. Following terrorist attacks of 9/11, the Czech Republic proved to be a reliable ally taking part in operations in Afghanistan without any caveats. The U.S.-led invasion to Iraq in 2003 brought a division of Europe. The Czech Republic stood by the U.S. – along with Denmark, Hungary, Great Britain, Italy, Poland, Portugal and Spain – and President Havel signed the “letter of eight”⁴ to call for European unity in enforcing of the UNSC Resolution 1441.

Thirdly, Czech and American government institutions and NGOs have been engaged in worldwide support of human rights and transitions towards democratic and free societies over more than two decades. The relocation of Radio Free Europe/Radio Liberty from Munich to Prague has been more than symbolic. The work of National Endowment for Democracy, NDI and IRI with Czech based partners vis-à-vis the Balkans, Eastern Europe, Middle East as well as Burma, Cuba, and Venezuela has started already in the 90’s. Significant projects have been done through the Open Society Institute network and many respected Czech organizations have grown – People in Need, Transitions Online, Forum 2000 Foundation, Prague Security Studies Institute, Central and Eastern European Law Initiative (CEELI), Aspen Institute Prague and CEVRO Institute among others. Prague hosts the largest world documentary film festival on human

rights (“The One World”) and most recently has established itself as an important venue for meetings bringing together actors from the Middle East, Europe and the North America, including Israelis and people from countries which do not recognize Israel.

Generally speaking, the Czech-American relations between 1990 and 2009 enjoyed a kind of a “sunshine era”. Starting with the famous President Havel’s speech before a joint session of the U.S. Congress in February 1990, Czech government officials were welcomed in the White House year by year as friends and allies. The last four U.S. Presidents have visited Prague. Both parties embraced a shared set of values: Americans embraced Václav Havel as a secular saint, and Czechs embraced America as a symbol of freedom.

People-to-people contacts were driven by a similar enthusiasm and a sense of culture proximity. It drew young Americans to Prague in the early 90s, and it inspired a steady stream of Czech students to the U.S. In 2008, the U.S. administration finally added the Czech Republic to the Visa Waiver Program, which allowed Czech citizens to visit America without having to obtain a visa.

WAKE-UP INTO REALITY: LOGIC OF GEOGRAPHY AND LARGE AND SMALL STATE PROBLEM

Twenty years after the Velvet Revolution, Prague and Washington suddenly have recognized that the romantic period in their relationship was over. A superficial observer may argue that both sides became victims of their own success. A more nuanced perspective would argue that a cultural comity of like-minded democracies was not the product of closely reasoned political thought and would question whether shared values alone constitute a rock-solid alliance in foreign and defense policy.

The core of the problem derives from a relationship between large and small states. As a general rule, smaller

states tend to seek the affection of distant powers to balance or offset the unwanted attentions of their larger neighbors. But this balancing game works best in an international system of many roughly equal powers. In addition to the inequality of power (and thus also responsibility) between a small state and a distant power, there are also asymmetries of interests, which are magnified by different geographical realities. The Czech Republic might see a powerful ally as useful in controlling passions within CEE and in restraining the power of Russia (or Germany in past). By contrast, the United States might see all of *Mitteleuropa* as either a bridge to or a barrier against Russia depending on the *policy du jour*. The only possible exception to a logic of geography could be terrorism, which countries perceive in the same way across great distances, but even here capitals may differ on whether and when to fight in Iran, Iraq, Syria, Somalia or Mali.

In 2009, a turning point in Czech-American relationship occurred. When the Czech government was approached in 2007 (after five years of diplomatic discussions) by the administration of G.W. Bush to be part of the projected Ballistic Missile Defense shield to address a threat from nuclear Iran, it embraced the proposal with no hesitation. It was seen as an opportunity to build a sort of “special relationship” with the U.S. The Czechs believed that U.S. military deployment on their soil would provide a visible assurance against a possible re-emergence of Russia as a European power. Meanwhile, in the late 2008, the economic crises hit the West as a whole and foreign policies of the U.S. were profoundly altered by the presidential elections and subsequent Obama presidency. The pressures of an extended recession have turned a domestically focused president into a functional isolationist insofar as Europe is concerned.

⁴ “*Europe and America Must Stand United*”, The Times, London, January 30, 2003.

Central European concerns about President Obama's policies towards the region were embodied by the "Open Letter to the Obama Administration from Central and Eastern Europe" signed by 22 influential former leaders, including Václav Havel and Lech Wałęsa.⁵ "As friends and allies of the U.S.," signatories were concerned about their security in the wake of the Russian invasion of Georgia, and complained that "Central and Eastern European countries are no longer at the heart of American foreign policy." They questioned NATO's ability and willingness to defend them from potential Russian aggression and cautioned that "support for a more global partnership with Washington in the region might wane over time." While they said that they "welcome the reset" with Russia, the signatories also expressed concern that the Obama administration might be tempted to replace the current security architecture with a proposal for a "Concert of Powers" made at the time by Dmitri Medvedev. Finally, the letter called on the administration to "reaffirm its vocation as a European power" and to strengthen NATO's credibility with new contingency planning to counter possible threats in their region. It warned the administration not to make policy decisions for the proposed missile defense in CEE on the basis of Russian opposition.

The letter and its messages, however, did not propose a course of actions. Already in the spring of 2009, it was not difficult to conclude that U.S.-Czech relations were suffering from a hangover. Prime Minister Mirek Topolánek called President Obama's economic policies after the financial collapse the "highway to hell". Although he was just expressing loudly what his German counterparts articulated in privacy, his "AC/DC language" caused an alarm in the Oval Office. Ten days before President Obama was to arrive in Prague for the U.S. – EU Summit, the Czech government collapsed due to internal intrigue, at the same time that it held the rotating EU presidency. Rather than invoking the iconic image from 1994 of President Clinton playing

a saxophone given to him by President Havel at a jazz club, President Obama dined alone in a Prague hotel with his wife.

Although in his Prague speech President Obama declared that "the U.S. will never turn its back on the people of this nation", in September 2009 he declared the Missile Defense project cancelled and transformed into European Phased Adaptive Approach (EPAA) with no specific role for the Czech Republic. In October 2009, Vice-President Biden came to Prague on a damage-control trip and encouraged Czechs to "become partners rather than protégées of the U.S."

Subsequently some attempts have been made to deepen the partnership. The U.S. proposed to host a Shared Early Warning Centre in Prague. It was designed as a few terminals jointly manned by the U.S. and Russia to monitor missiles but it was rejected by Czechs as a sheer "consolation prize", leaving aside an uncertain issue of Russia's military engagement. The Czechs, on the other hand, came up with proposals to start a triangular U.S.-Czech-Afghan cooperation in modernizing Czech Air Forces and building helicopter capacity of ANA. They were not responded to by the U.S. at all. Nor has a research cooperation under the Office of Naval Research developed into a permanent institutional bond. The agreement facilitating Research, Development, Testing & Evaluation (RDTE) was signed in 2010. So far, only one project has been realized. In 2012, Reciprocal Defense Procurement Agreement (RDPA) was concluded. Again, it remains to be seen, whether and how the Czech and U.S. companies will be able to utilize it.

A MISSING DRIVING FORCE: IT'S THE ECONOMY, STUPID.

The famous James Carville's phrase brings us to realities in current economic and trade relations. Real numbers are less impressive than one would expect taking into account the rosy rhetoric. The U.S. currently represents

the 13th biggest Czech trading partner (and 3rd biggest Czech partner amongst non-EU countries, after China and Russia). The U.S. share on the Czech foreign trade amounts only to about two percent. Recent figures related to the Czech-US mutual trade (see **Table 1**) show a steady increase of its total turnover since 2009, when the global financial crisis culminated. Since 2011, the Czech Republic has maintained a favorable (positive) trade balance with the U.S. (whereas it had a negative balance of trade with the U.S. in the years before 2011).

The simple list enumerating the U.S. direct investors in the Czech Republic may seem impressive, but a closer look tells us a different story. There had been a steady decline of the U.S. share of foreign direct investment in the Czech Republic, from 8.2 percent in 1998 to only 2.8 percent in 2008. In 1998, the US occupied the 4th position amongst foreign direct investors in the Czech Republic. Currently it stands only as the 9th biggest foreign direct investor. However, the U.S. still counts as the biggest non-EU direct investor in the Czech Republic, followed by Japan and South Korea.

A relative decline of the U.S. foreign direct investments in the Czech Republic could be marked by examples in strategic sectors. Boeing, which had acquired a control share in Aero Vodochody in 1998, failed to fulfill high expectations to establish a strategic cooperation with the U.S. defense aircraft industry and pulled out in 2004. All major U.S. companies already left the Czech petrochemical industry. In 2007, ConocoPhillips sold its stake in the largest Czech refinery to ENI and lately Exxon Mobil and ConocoPhillips sold their retail business to Lukoil and ENI.

Following a modernization of the Russian made reactors at the nuclear power plant Temelín by Westinghouse

5 "An Open Letter To The Obama Administration From Central And Eastern Europe," Gazeta Wyborcza, July 16, 2009, reprinted by Radio Free Europe/Radio Liberty, September 06, 2014.

in 1990s, a public tender to build two additional reactors was seen as an opportunity for the Czech–U.S. cooperation in nuclear energy. However, the German “*Energiewende*” and turbulent prices on the EU electricity market together with a system of fixed feed-in tariffs and other subsidies for renewable energy producers, have caused a de facto collapse of the European energy market in its traditional form. As a result, the biggest companies had to reevaluate investments plans. When the Czech government decided not to provide financial guarantees in 2014, CEZ company called off the tender and thus put a development of new blocks on hold. It is noteworthy that Rosatom acted more proactively than Westinghouse during the tender process, with apparently firmer determination to win the deal.

The future prospect is uncertain. Improvements in bilateral trade are held hostage to the successful conclusion of trade negotiations between the EU and the U.S., which could be influenced by elections. The foreign direct investment is not limited by the political calendar but it is impossible to direct them politically. Right now American investors are wary of investing in Europe for three reasons: (1) the U.S. economy is recovering faster than Europe’s and the dollar is strengthening; (2) political leadership across Europe, including in Brussels, is viewed as weak and indecisive and ready to pander to populists on higher taxes and penalties to business; and (3) growing instability in Russia and the Middle East are seen as a negative for European economies over the long-term.

Since the Western economic crisis, some larger Czech companies directed their offensive towards markets in the

East (Russia, China). It was one of the reasons why those companies lobbied the Czech governments to soften the sanctions called by the EU after Russia’s intervention in Ukraine in 2014. Statements by high ranking Czech officials suggesting to change the Czech foreign policy on human rights could be also explained by economically motivated lobbying. Carl Gershman, the President of the National Endowment for Democracy, has publicly raised questions whether the Czech Republic is giving up on moral responsibility by ignoring Havel’s legacy of a strong support for human rights and freedom around the world.⁶

On November 19, 2014, the U.S. Congress has marked the 25th anniversary of the Velvet Revolution by unveiling a bust of Václav Havel in the U.S. Capitol. Only three other international figures have been honored there in this way (Churchill, Kossuth and Wallenberg). Czech Prime Minister Bohuslav Sobotka used the opportunity to assure his U.S. hosts about the Czech government’s determination to continue in Havel’s traditions of principled foreign policy.

However, doubts persist whether nice words would be translated into practical policies. President Obama did not meet the Czech Prime Minister during his last U.S. visit. Also it is hard to argue that President Miloš Zeman has actively sought to rebuild strained ties during his first year in office. His predecessor, former President Václav Klaus, did not do any better. Although Prague and Washington were speaking about the same values, they have come to diametrically opposed conclusions. While both G.W.Bush’s and Obama’s administrations thought that the values invested in a “Europe Whole and Free” meant “more Europe”, Václav Klaus

thought a “Free Europe” could best be realized by “less Brussels”.

ATLANTICISTS OR EUROPHILES: ARE CZECHS AT THE CROSSROADS?

In the mid of the Iraqi Crisis in 2003, then U.S. Secretary of Defense Donald Rumsfeld had divided European Allies between the “old” and the “new” ones. His expectation was that CEE countries would be natural “atlanticists” because they see the U.S. as a desirable counterweight to the traditional threat of Russia. Rumsfeld’s critics have argued that this assumption was wrong. Allegedly a gravity of the EU integration will prevail and the “New Europe” will be undetectable in one generation.

From purely legal perspective, just modest changes occurred with the adoption of *acqui communitaire* and the entry of the Czech Republic into the EU in 2004. Some Czech-U.S. bilateral treaties and agreements related to economic and trade issues were terminated and certain competencies were exclusively passed on the European Commission (EC). Since 2011 there have been talks between both parties concerning renegotiation of the Investment Protection Treaty. While the Czechs want to eliminate its unilateral asymmetry, the U.S. side so far has played a stalling tactics.

It is clear that bilateral Czech-U.S. relations must be anchored in a proven framework of international relations and organizations (NATO, EU). In July 2013, negotiations on a proposed treaty establishing the Transatlantic Trade and Investment Partnership (TTIP) began between the EU and the U.S. TTIP would cover three broad areas: market access liberalization, specific regulations and principles and modes of cooperation. The EC estimates that its passage could boost overall trade and investments by as much as 50 %. Realistic estimates suggest modest,

⁶ Carl Gershman: “Are Czechs Giving Up on Moral Responsibility?”, Washington Post, November 16, 2014.

Table 1: Czech-US mutual trade (combined figures, mil. USD)

	2007	2008	2009	2010	2011	2012	2013
Czech export	2430.6	2568.7	1933	2462	3344	3926	3920.6
Czech import	2669.5	2926.6	2200.1	2797.9	2958.1	2961.1	3034.7
Turnover	5100.1	3947.1	2902.6	5259.9	6302.1	6887.1	6955.3
Balance	-238.9	-357.9	-267.1	-335.9	385.9	964.9	885.9

Source of data: Czech Foreign Ministry

but positive welfare gains for the Czech economy. It is likely to experience gradual expansion of its exports to the U.S. and can benefit indirectly as well (e.g. a German owned Czech subsidiary produced components which are exported to Germany where they are used to produce e.g. a car, which will be later exported to the US market).

Another example of possible influencing the Czech-American bilateral relationship is the EU intention to renegotiate the EU-U.S. Safe Harbor Framework agreement on data protection. As a result of PRISM affair, Brussels believes that U.S. companies fail to meet the EU “adequacy” standard for privacy protection. Věra Jourová, a Czech appointed Commissioner for Justice, Consumers and Gender Equality, will be in charge of negotiations on the EU side.

There are concerns that future Euro-American relations could be affected by public criticism and anti-Americanism in Europe. A review of the German Marshall Fund’s *Transatlantic Trends* survey for 2013, however, shows that the standing of the U.S. in Europe has not declined since 2008.⁷ A little more than half of the EU respondents (55 %) said it was desirable that the U.S. exert strong leadership in the world affairs and nearly three-in-four Europeans (70 %) continued to hold favorable views of the U.S. although views across

Europe varied widely (from Poland with 72 % to Spain with 62 %). On the other side of the Atlantic, about 57 % of Americans said it was desirable for the EU to exercise strong leadership as well. Favorable opinion of the EU remains stable at 50 % in the U.S. The same survey showed similar support for transatlantic security partnership viewing NATO as “still essential” (58 % of the EU respondents, 55 % of Americans). TTIP project enjoys a bit lower support (56 % of respondents in the EU, 49 % of Americans).

The Czech Republic was not included into GMF Transatlantic Trends survey but the Prague Centre for Transatlantic Relations (PCTR) at CEVRO Institute managed an opinion poll focused on the perception of the importance of NATO as well as the role of the U.S. in Europe.⁸ The results of PCTR survey suggests there is a reasonably strong foundation among Czech public opinion for keeping the transatlantic bond strong.

Support for NATO remains high among Czechs with 70 % “satisfied” with the accession to NATO, and even more respondents (77 %) believe that NATO should be actively involved in the fight against global terrorism. Nearly two-thirds (65 %) believe that the alliance with the U.S. is important for ensuring the Czech national security. Positive attitudes towards NATO and the U.S. are more

common for center-right parties, while the more negative attitude is typical for the Communists. Overall, 54 % of the Czechs believes the U.S. presence in Europe is important as a counterweight to Russia or Germany (see **Figure 1**).

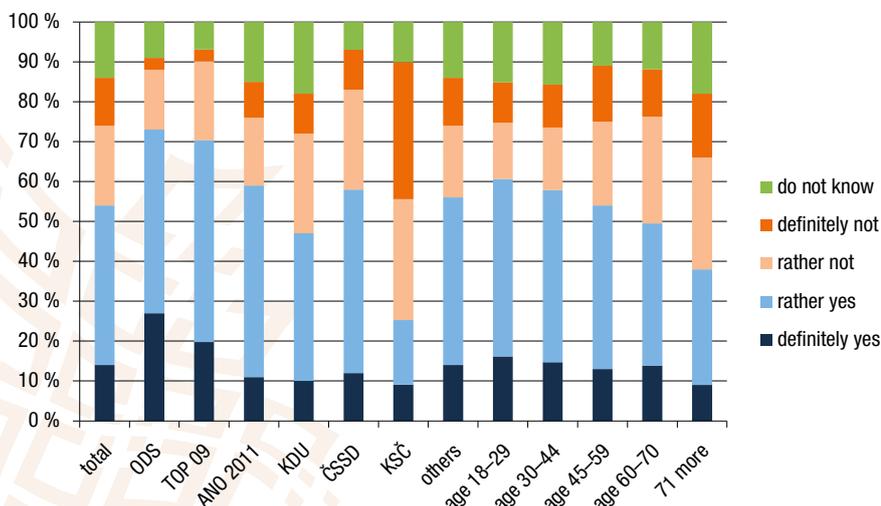
The image of the U.S. among Czechs looks favorable even if compared with other institutions or important states in their neighborhood (NATO, EU, Russia, Germany – see **Figure 2**).

The economic cooperation between the Czech Republic and the U.S. is important for 74 % of the Czech population. However, only 25 % of respondents have noticed a specific example of such cooperation. Respondents were also asked about their opinions on completion of the Temelin nuclear power plant. Three-in-four (76 %) Czechs believe that the government should take into account International security aspects before making a final decision. Twice as many Czech citizens prefer a U.S. company rather than a company from Russia. It is noteworthy that the survey was conducted before Russia’s annexation of Crimea in the spring of 2014.

IN NEED OF MORE ROBUST SECURITY AND DEFENSE POLICY: STRENGTH BEGINS AT HOME

For the past 25 years, the smaller CEE states have not needed militaries. For

Figure 1: Do you think U.S. presence in Europe is important to keep balance of powers on the continent regarding Russia and Germany



7 “*Transatlantic Trends 2013*”, German Marshall Fund and Compagnia de San Paolo, Survey was conducted in the U.S., Germany, France, Italy, Netherlands, Poland, Portugal, Romania, Slovakia, Spain, Sweden and Turkey. <http://trends.gmfus.org/transatlantic-trends/>.

8 “*Attitude of the Czech Citizens towards NATO and USA*,” PCTR Papers 2014/5. The survey was conducted by the Ipsos agency. The results were based on the face-to-face questioning in many locations all around the Czech Republic (CAPI – computer assisted personal interviewing). In total, 1 031 respondents answered the questions. Data collecting took place from 12th February to 24th February 2014.

that matter, they have not needed security policies much at all—at least, not in the way that small states throughout history have needed them, as tools to guard the state against coercion, invasion or extinction at the hands of stronger actors. That is not to say that they have not had such policies, just that they were not essential to the survival of the state. They needed active security policies to gain entry into, first, NATO and then the EU. Afterward, many of them found their small militaries useful for helping the U.S. in Iraq and Afghanistan – as a part of the larger transatlantic bargain, in which the U.S. has kept their common defense commitments in Europe in exchange for Europe’s willingness to help the U.S. in fighting the war on terror and maintaining stability around the world.

The CEE states have not needed security policies because their environment has not required it. Russia was militarily weak, the U.S. provided basic security against whatever threat might emerge, and the EU seemed poised to offer a “reinsurance” policy of economic security. In short, it has “paid” for most CEE states to neglect security. There was no force internally or externally that would impose costs for such behavior. CEE states faced no penalties and quite a lot of rewards (political votes, revenue for other

priorities, lack of negative attention from Russia, etc.).

However, that environment has changed. In the past five years, the EU has focused all of its energy on fixing the continuing deep institutional, financial and fiscal crisis. The U.S. have visibly rebalanced their focus from Europe and the greater Middle East towards the Asian pivot. The policy of reset towards Russia did not produced results they were expecting. The Russia’s annexation of Crimea and support for the continuing insurgency in Eastern Ukraine mean that peace in Europe can no longer be taken for granted. These events have cast doubts on all three components—Russian quiescence, the U.S. protection and the EU backstopping—that comprised the foundation of post-Cold War order.

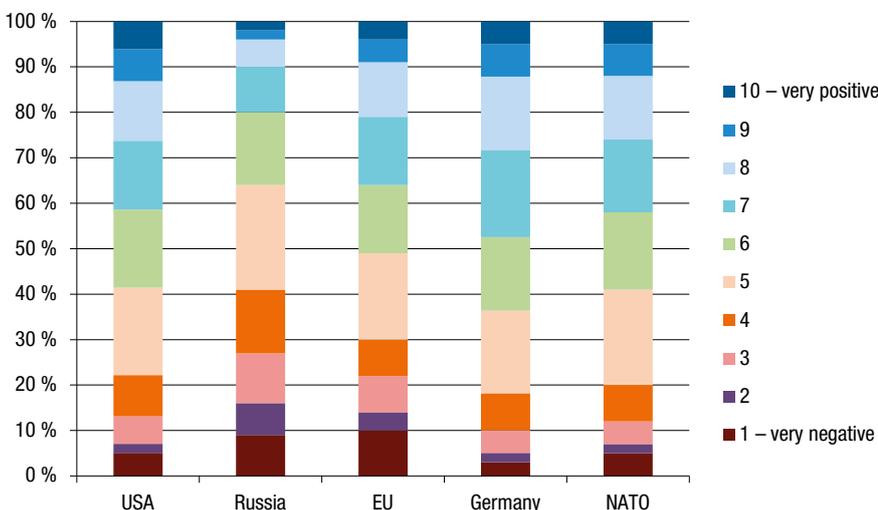
First and most importantly, the crisis has underscored the reality of Russia’s resurrection as a militarily revisionist power. The Russian invasion directly challenged the legal and territorial underpinnings of the post-1989 European security order. It also showed that Russia is more capable of military-strategic adaptation than was commonly assumed. With its use of small units to achieve limited political objectives that create a territorial fait accompli, the invasion of Crimea marked the reintroduction of so-called limited-war techniques.⁹

Secondly, the Russia-Ukraine war has exposed significant fissures between the U.S.’s, and by extension NATO’s, abilities and the type of defense necessary in the post-Cold War world. Doubts among CEE states about America’s long-term staying power as a security actor in Europe are nothing new. What is new is the question of whether the U.S. would be able to effectively confront the new forms of Russian military activity in the region even if it wanted to. Moreover, because NATO’s traditional defense-in-depth strategy (leaving frontline territory undefended until a crisis begins) will not work against limited war, the Alliance will need a preclusive defense in which it is able to protect itself in-theater with sufficient local assets to win in the opening phase of a conflict. This will require CEE states to be able to conduct an effective defense of their own region, which has again become the frontline.

And thirdly, the EU, despite recent advances in economic governance, is unlikely to provide the military ability that the CEE states would need to fill the gap left by the U.S. A current mood in a frontline state could be illustrated on the situation of Poland. Earlier this summer in an unguarded moment, Polish Foreign Minister Radosław Sikorski characterized his country’s alliance with the United States as “worthless”. From his perspective, the U.S. has defaulted on its obligation to NATO common defense. A widening gap between verbal commitments and real security measures left Poland in a false sense of security.

Then the 2014 Newport NATO Summit has decided to increase NATO military presence in Poland, Romania and Baltic states, to design the Multi-national Corps North East in Szczecin as the future “article 5 headquarters”, to establish the new spearhead forces with high readiness alert and to held the next NATO Summit in Warsaw in

Figure 2: Can you express your attitude towards/opinion about states or institutions listed below



⁹ Jakub Grygiel, A. Wess Mitchell, “The Return of Limited War: The Case for a Preclusive Strategy in NATO,” *The National Interest*, Sept./October 2014.

2016. Outspoken Poland thus became a sort of a winner in Newport.

The implication is clear: CEE states will have to rethink their relationship with hard power. For the first time in decades, they will actually need security policies at the national level—policies that embrace traditional concepts of force and strategy that run counter to these states' self-images as post-modern EU member states professing soft power. Even insulated states like the Czech Republic will have to invest in national and regional security if they want to retain the alliance with the U.S.

The smaller U.S. allies of East Asia, for example, have had to develop stronger defenses to counter the economic rise and military assertiveness of China. In the Middle East, small U.S. allies like Israel and the moderate Gulf States have had to develop strategies for containing an increasingly aggressive Iran. Where Taiwan and South Korea spend 2.3 and 2.8 percent of their GDP on defense, and Israel and Saudi Arabia spend 6.2 and 9.3 percent respectively, the Czech Republic and its small neighbors have hovered slightly above 1 percent for the last several years (well below the global average of 2.5 percent).¹⁰

Poland, Estonia and Romania have maintained vigilance in national security already before Ukraine crisis, mainly because their exposed geography. Their fears of renewed Russian

predation were validated by the invasion of Georgia in 2008. In 2014, Poland, Romania and all Baltic states have responded to the Ukraine war by not only promising to increase their military spending, but also by seeking U.S. reassurance, and lobbying NATO for permanent military infrastructure. They are re-conceiving their militaries' doctrines, structures and weapons to be used not for out-of-area operations, as in the past, but for defense of their own neighborhood.

But other states of the region – Czech Republic, Slovakia, Hungary, Slovenia and Bulgaria – do not see a compelling reason to do more militarily yet. Unlike Poland, they do not perceive an immediate or even foreseeable Russian military attack against their own territory, because they either are geographically insulated, or have better relations with Russia, or both. Besides, antagonizing Moscow could jeopardize lucrative commercial or energy deals. Above all, it could mean diverting economic resources toward defense that publics at home would like to see spent on more popular social programs.

It is for some combination of these reasons that some CEE states have publicly rejected the idea of U.S. or NATO troops on their soil and a few have refused to support further sanctions against Russia. From the perspective of these states, the costs

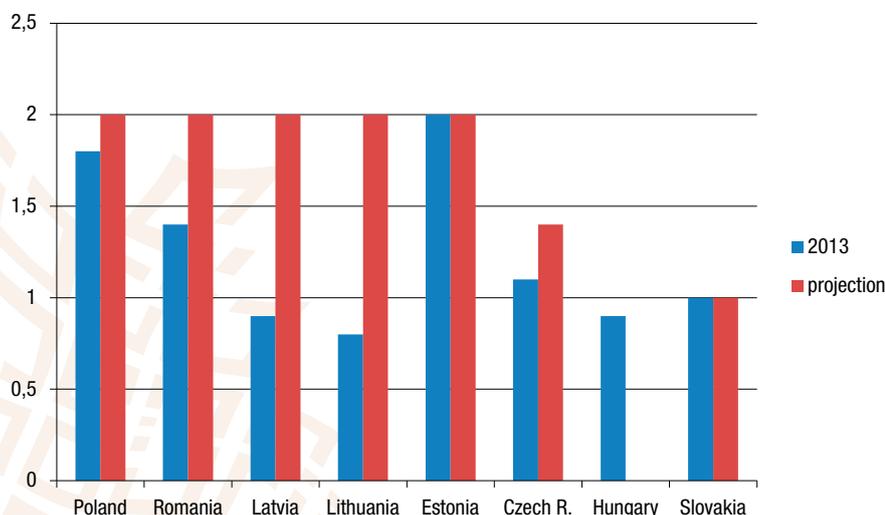
of resistance to Russia simply seem to outweigh the benefits. Those CEE states have also resisted calls to substantially increase defense spending. The Czech Republic has announced an increase in defense spending from 1.1 to 1.4 percent of its GDP, and while Hungary is also flirting with the idea only Slovakia has ruled out an increase in spending altogether (See **Figure 3**).

However, this view is a shortsighted and undermines NATO solidarity and the U.S. willingness to engage. If the aim is to avoid the West and Russia sleepwalking into a larger military confrontation, the first and most important step is to clarify and solidify the contours of the West, thereby reducing chances of miscalculation. This means above all maintaining Western solidarity in the face of Putin's actions. The Visegrad countries, including the Czech Republic, must not stay aside.

Even smaller states can positively impact the military balance on NATO's frontier. The introduction of Russian limited-war techniques have shifted emphasis from large conventional invasions to "jab-and-grab" assaults by small forces with limited political objectives. Militaries of smaller states can make a difference against such threats by developing the ability to stop incursions in the early phases of an attack so that NATO has time to mobilize a wider response. Against such threats, the military efforts of small states in-theater are the quickest and most effective way to shore up the growing deficiencies of extended deterrence. Since Russian limited-war techniques are often below the threshold required for a full Article 5 response (and are therefore likely to induce political division in NATO), the only way they can be countered is on the ground where they occur.

Beyond military, the CEE states have to take seriously also measures

Figure 3: Defense Spending as % of GDP



¹⁰ The average for Czech defense spending since the Cold War is 1.8 percent, compared to around 5 percent in the Communist period, when Czechoslovakia was the third-largest spender among Warsaw Pact CEE states.

to combat cyber attacks and disinformation efforts as well as to strengthen their independence by diversification of energy resources and routes and means of their transportations.

CONCLUSIONS: TWO COMMANDMENTS AND EIGHT RECOMMENDATIONS

A possible assumption that closer ties with the U.S. are little more than a restoration of the *status quo ante* is hard to support. The world is rarely remaining the same and Prague has spent too much time trying to recover the pre-lapsarian state in Czech-American relations. Herein lies the problem on the Czech side. Czech foreign policy vis-à-vis the U.S. has been reactive, retrospective and nostalgic for the lost past when CEE was at the heart of things.

By contrast, Warsaw jettisoned its romantic ideas about the U.S. and hammered out a new relationship with Germany, while building its influence within the Weimar Group, a robust economy and an active foreign policy. As a consequence, Poland is today a de facto Quad Power whose opinion matters on virtually all European and Euro-Atlantic issues. By contrast, the Czech Republic's influence in Washington has declined continuously since its high-water mark when Havel was president.

Therefore **the first commandment should be to avoid sentimentality and romanticizing the past and to start with a concerted effort to create conditions that would lead to a new, more modern relationship with the U.S.**

Americans, for their part, look at the world in 2014 differently than they did in 1989. Enormous changes are taking place in the U.S., in part as a result of demographics and migration, in part as the world economic order reshapes itself, in part as a result of how the U.S. copes with the post-9/11 era. There is a paradox: on one hand the U.S. as a superpower is less tempted to lead or to intervene in the world affairs, on

the other hand some U.S. institutions and diplomats are even more tempted to behave like ideological crusaders to make the world a better place.

Herein lies the problem on the American side because this behavior may have unintended consequences. For example, the recent publication of the Senate report on CIA's detention and interrogation programs is exposing to uncomfortable situations some CEE allies for their confidential cooperation with the U.S. during the war on terror. As a result, they may be less cooperative in future. Or from a different angle – while Americans rightly recognize that Czech politics is hindered by cynicism and corruption, some of their interventions were out of proportions and thus could be counter-productive. When U.S. liberal diplomats in Prague (which is one of the most liberal cities in Europe) are marching in front of a gay parade, it looks like they are fighting rather their conservative opponents in Montana or Wyoming, while they are de facto pushing Czech conservatives (traditional atlanticists) into an anti-American camp.

Therefore **the second commandment for the Czech-U.S. governmental relations should be in focusing on long-term shared security interests, regardless of who leads the White House or Prague Castle.**

More specifically, our recommendations regarding the Czech security and foreign policy towards the U.S. are based on following practical measures and steps:

1. Bilateral Czech-U.S. relations should be anchored in a proven NATO framework and within the EU-U.S. cooperation. There should be no illusions that outside of NATO and EU we can build a “special” strategic relationship between superpower and a small land-locked state in Central Europe.

2. Czech-U.S. security and defense relations should be strengthened by focusing on our commitment to NATO. The Czech Republic should increase its defense spending to 2.0 % of its GDP within next ten years as was projected, and not only to 1.4 %

of GDP in 2020 as was announced by the government in Wales. This is the best way to be taken as serious partner by the U.S.

3. The Czech government should support strengthening and building NATO's critical infrastructure in Central Europe and a reliable contingency planning. There is a window of opportunity to make a “visible assurance” now, as envisaged in NATO's 2010 Strategic Concept. Czech MOD already suggested regular exercises to be conducted in Czech military areas with participation of the U.S. rotational force in Europe. Both governments should explore the possibility to conclude Status of Forces agreement (SOFA) in addition to existing NATO agreements, which will provide additional status coverage to U.S. personnel during exercises. In parallel, the Czech territorial defense capabilities should be strengthened to respond threats of limited wars. The Czech Republic should further develop its NATO niche capabilities like CBRN defense and the Multinational Aviation Training Centre, which are important in the continuing fight against international terrorism. With regards to Czech helicopter fleet, there is a plan to substitute the old Russia-made inventory with a new platform upgraded to NATO standards. Working with the U.S., the Czech MOD could create rollover programs that provide old equipment, for example, to Ukraine, Iraq or Afghanistan, in exchange for more modern U.S. made helicopters.

4. The Czech Republic should focus on revitalization of the Visegrad cooperation with Poland, Slovakia and Hungary. Great powers tend to notice groups and coalitions in much the same way that rivals command their attention. From the perspective of Washington, allies who can bring blocs of votes to the UN, EU, WTO, or NATO councils get all the attention. The tragic weakness of Central European states is their inability to build vital coalitions. The Visegrad Group, originally a Czech initiative from 1990, was successful in NATO expansion and is committed to build a joint EU battle group in 2016.

5. The Czech government should support an early and successful conclusion of the EU-U.S. negotiations on TTIP. Deeper and broader trade and economic relations would foster the transatlantic bond, which is in the vital interest of CEE. The Czech Republic as an open country, which generates most of its national wealth by export and other external economic activities, will undoubtedly benefit from extended trade and investment partnership across the Atlantic.

6. The Czech Republic should bring energy security to the center the Czech-U.S. agenda. The Czech success in diversifying energy supplies and vastly improving its energy independence established a comparative advantage among CEE states. Considering that energy security after, perhaps, terrorism and Russia is the most significant long-term challenge for Europe, the best way for the Czech Republic to command the attention of

the U.S. is to provide a guidance to a problem that the U.S. and EU have not been able to fix. **On the other side, the U.S. should allow the LNG supply to Europe.**

7. The Czechs should compete more aggressively for strategic leadership positions in international institutions. The Czechs have not worked particularly hard to get its rising stars into key EU, NATO and IMF positions. Despite some successes inside NATO (Jiří Šedivý as ASG and Gen. Petr Pavel as CMC) and EU (Štefan Füle as the Commissioner for Enlargement and Neighborhood), there is not the sense that the Czech Republic is aggressively competing for every open position in Euro-Atlantic institutions to attract more attention in Washington.

8. The U.S. should finally fix financial and managerial problems with the RFE/RL and use its presence in Prague to develop – in cooperation with the Czech Republic

– a comprehensive program in assisting countries in transition or people living under oppressive regimes. This is exactly an area where the Czechs can transfer they know-how on transformation from a totalitarian dictatorships to free and democratic societies. The establishment of The Prague Civil Society Center, which was initiated by the U.S. and would be jointly funded by several other governments and private foundations, should serve to similar purposes.

And finally, we should also recognize that future Czech-American relations will be shaped more by other players than governments. Just as war is too important to leave it only to generals, international relations are too important to be left only to diplomats. The new players will be, in addition, business leaders, educational and scientific institutions and NGOs. Their potential and influence is now greater than ever before.