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The EC has presened recommendations for economic reforms

Brexit is our problem and Europe’s, the English would manage it

The British referendum – Déjà vu?

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Dear readers,

The end of the school year is approaching and together with it the period of school leaving exams and tests. The United Kingdom and thus in fact the whole European Union is now also awaiting a very tough test - a referendum on remaining in the European Union. The actual referendum planned for 23 June 2016 will not be such a difficult test – the British will decide between two options, namely whether to stay or not. The real test though will be whether the supporters of the so-called Brexit will be more numerous than their opponents.

A referendum on staying in the EU is not new for the British, however. Even though for the vast majority of those who come to the polls in June this will probably be their first vote on remaining, Britain passed through this once before. That referendum happened more than 40 years ago though and it did not concern the European Union as we know it today, but the European Community. Still similarities and even some related aspects are clearly visible in both referendums. This comparison and the similarities in the contexts of both British referendums are precisely the content of our Main Topic, which was prepared for you by Petr Slabý - a colleague from Česká spořitelná and also a doctoral student in the Department of Economic History at the Faculty of Economics of the University of Economics (VŠE).

I hope and firmly believe that in the referendum the British will decide to stay and the United Kingdom will remain a member of the European Union. You can read more on page 8 about a possible Brexit and what it could actually mean for the British themselves, and also what consequences this could have for other member states and some multinational organizations in the very interesting thoughts in the Microscope section from Alexandr Vondra - Director of the Centre for Transatlantic Relations of the university the CEVRO Institute.

The increase in popularity of some populist views and even parties has emerged even in our southern neighbor, where presidential elections were held. The number for the month of May could thus become 31,026, which is the number of votes by which Alexander Van der Bellen of the Green party very narrowly beat Norbert Hofer, who relied on anti-EU populist themes in the election campaign.

As the time of report cards approaches the Czech Republic has also received one. The European Commission has sent the member states its annual assessment and recommendations for economic reforms in individual countries. Even though the Czech economy is in relatively good condition, the Commission report points out that economic growth could be faster . The Commission's Column section on page 6 brings you the recommendations published for the Czech Republic.

In our regular Doing Business column we bring you information about Iran. This country which is exotic in many ways can be an interesting opportunity for business. The anti-Iranian sanctions have been lifted and this therefore opens a big market, both in terms of the economy and number of inhabitants. How is Iran doing from an economic point of view, what incentives might entice foreign investors and what is the structure of the economy? You can read about this and more on pages 13 and 14.

Also if you regularly follow our EU Series or are particularly interested in grants, do not miss the post „How to obtain a grant and not lose it again? ".

Dear readers, if you also are awaiting some tests in the immediate future I wish you success in them.

Tomáš Kozelský

EU Events

Tight outcome of the Austrian presidential elections. - Commission recommendations for the Czech Republic: contribute to education and investments in transport and energy. - Penalties for budget deficits: Spain and Portugal have received an additional year. - Market status for China? This is not yet clear in the EU. - Greece can obtain billions more.

POLITICS

Tight outcome of the Austrian presidential elections

It was the counting of absentee ballots that decided the outcome of the second round of presidential elections in Austria. In the election Norbert Hofer for the right-wing populist Freedom Party of Austria (FPÖ) and Alexander Van der Bellen from the Green party stood against each other.

Although the preliminary results (51.9% of the votes) predicted the victory of Norbert Hofer, who during the election campaign defined himself as against immigration, migrants and anti-European Union (he also gave notice that as president he would not hesitate to dissolve parliament and call early elections), in the end it was precisely absentee ballots that decided the winner - it was Alexander Van der Bellen with a total of 50.3% of the votes.

The new president was thus decided by a difference of 31,026 votes. He will take the oath of office on 8 July 2016.

http://wahl16.bmi.gv.at/

Recommendations for the Czech Republic: contribute to education and investments in transport and energy

On 18 May member states received a report card from the European Commission on how they did last year in budgetary and economic policy. The regularly published evaluations, which take place within the so-called European Semester, were also given to the Czech Republic. The recommendations are to help countries with economic growth.

This year recommendations for a total of three areas arrived in Prague. According to the material which the Commission published on its website, the Czech Republic should first and foremost increase the sustainability of public finances in particular. According to the Commission, in the future this is in fact threatened by risks associated with the health care system and also pension reform.

Furthermore the Commission draws attention to the lack of investment projects and their excessive concentration in the areas around the capital. Investment in transport and energy infrastructure is most stagnant. In this context the Commission refers to the untapped investment opportunities from the European Cohesion and Structural Funds in the previous 2007-2013 period.

The document also mentions the lack of availability of e-government services. In connection with e-government, the country is even mentioned as one of the slowest in the EU. This is no surprise for the Czech government since the country has quite often been reproached for a poor level of digitalization of public services.

The European Commission notes that the Czech Republic has increasingly been investing in the areas of science and research recently, however it mentions that the results are not yet very visible. The Commission therefore recommends better connecting academia with business.

The area of education should certainly not escape the attention of the Czech government in the future. The biggest problem according to the Commission is the increasing average age of teachers, which is related to the fact that the teaching profession does not enjoy much popularity with young people. As a reason the Commission identifies the low salaries of headteachers.

As in the past, this year's recommendations have not failed to emphasize the need to adopt measures which will lead to better integration of disadvantaged children, including Roma, to schools and preschools. Finally, it is important to work on removing barriers that prevent some groups from entering the labour market. These include in particular women with small children, low-qualified workers and Roma.

You can learn more about the specific wording of this year's Commission recommendations and find more information on this topic in our Commission's Column section on page 6.

http://ec.europa.eu/europe2020/pdf/csr2016/csr2016_czech_cs.pdf

ECONOMY AND EURO

Penalties for budget deficits: Spain and Portugal have received an additional year

Spain and Portugal have received an extra year from the European Commission to adopt important structural reforms that will help them reduce their budget deficits in 2016 and 2017. Both countries have thus managed to escape from the sanctions that result from failure to comply with the relevant EU rules.

The rules say that the budget deficit must not exceed 3% of GDP and the country's debt may not exceed 60% of GDP.

Countries must also reduce the structural deficit, which doesn't take into account the effects of economic cycles and one-off measures, by 0.5% of GDP every year until the budget is balanced or in surplus.

Spain had to reduce the budget deficit in 2015 to 4.2% of GDP from 5.9% in 2014. The deficit for 2015, however reached 5.1% in the end. In 2016 the Spanish government promised to reduce the deficit below the required reference value. Nevertheless in the spring the Commission estimated the amount of the defecit at 3.9% of GDP.

The Portuguese budget deficit reached 4.4% of GDP last year, which represents a significant decrease from 7.2% in 2014. The deficit for 2016 should amount to 2.7% of GDP according to the spring forecast of the European Commission.

Six other countries still remain in the so-called Excessive Deficit Procedure, namely Greece, Portugal, Spain, Croatia, France and Great Britain.

Last week the European Commission also published its expected recommendations for the twenty-eight European countries on economic and social policy. These regular recommendations that fall within the so-called European Semester are accompanied by an assessment of how countries fared in adopting structural reforms in the past year.

Budget balance and Public debt

in % GDP	2015	2016	2017
Spain			
Budget balance	-5.1%	-3.9%	-3.1%
Public debt	99.2%	100.3%	99.6%
Portugal			
Budget balance	-4.4%	-2.7%	-2.3%
Public debt	129.0%	126.0%	124.5%

Source: European Commission

http://ec.europa.eu/economy_finance/economic_governance/macroeconomic_imbalance_procedure/index_en.htm

Market status for China? This is not yet clear in the European Union

Members of the European Parliament agreed on 12 May that the EU should not recognize China as a market economy. According to them, the European Commission should ensure the protection of jobs in the Union and prevent an influx of cheap Chinese imports, which could result from the granting of market status and weakening of anti-dumping measures. The entire EU will have to clarify how to do this.

A debate is currently running in the EU about whether China has an automatic claim to market economy status. The problem has its roots in 2001 when the country entered the WTO. At that time, for a period of fifteen years it accepted non-market economy status and so it was possible to impose anti-dumping barriers on its exports.

On 11 December 2016 that period expires. However as BusinessEurope (the Confederation of European Business) states, recognition of market status does not have to be automatic and does not depend upon expiration of the relevant article of the accession protocol. As MEPs also pointed out, China in fact does not fulfil the required European criteria.

The five conditions are nevertheless not explicitly defined in any European legislation. The Commission's assessment is based on the following requirements:

To be certain a country is considered a market economy low state influence in enterprise management must be ensured. Market distortions should not interfere with private business activities. Non-discriminatory corporate law and rules guaranteeing respect for property rights must operate in the country. The fifth condition is the existence of a financial sector which is subject to supervision but not dependent on the state.

Some companies in the Czech Republic support openness towards China but many sectors warn against it. According to opponents the negative impact would be stronger than the potential benefits.

An in-depth impact assessment which the European Commission will publish in July 2016 should bring more detailed information.

http://ec.europa.eu/trade/policy/countries-and-regions/countries/china/

Greece can obtain billions more

Greece has done its homework and adopted public finance reform. That is the conclusion of the meeting of eurozone finance ministers who met last week in Brussels. Athens can therefore count on payment of the next tranche of the 86 bn package (in euros) which was approved last year. The country would thus obtain 10.3 bn euros (nearly 280 billion crowns). A review of the implementation of the programme has been pursued since January this year but without success.

EU Events

Parliaments have issued a „yellow card“ on posting of workers in the European Union. – The Privacy Shield agreement should enter into force by the beginning of July. - Digital Agenda: study on electronic communications. - OP EIC: there is interest in energy savings and the Ministry of Industry and Trade wants to increase the share of money for large companies.

The situation was already starting to be tense because Greece has to repay part of its debt to the International Monetary Fund and European Central Bank by July at the latest. Part of the ministers‘ agreement is also an additional emergency mechanism and a set of short, medium and long-term measures to ensure the sustainability of Greek public debt.

http://www.consilium.europa.eu/en/meetings/eurogroup/2016/05/24/

EMPLOYMENT AND SOCIAL POLICY

Parliaments have issued a „yellow card“ on posting of workers in the EU

A total of ten national parliaments have expressed disagreement with changing the existing rules on posting of workers within the EU, which the European Commission announced at the beginning of March.

MEPs from Bulgaria, the Czech Republic, Denmark, Estonia, Croatia, Latvia, Lithuania, Hungary, Poland and Romania therefore utlized the option called the yellow card which was introduced into EU law by the Lisbon Treaty.

National parliaments can use yellow (and also orange) cards in cases when they believe that a new legislative proposal violates the principles of subsidiarity and proportionality.

They have a deadline of eight weeks for the assessment of the proposal, during which they may submit reasoned opinions. Unicameral parliaments have two votes under the orange and yellow card mechanism and in bicameral parliaments each chamber has one vote.

The mechanism is triggered in cases when at least one third of national parliaments submit reasoned opinions on the Commission’s proposal. In this case, the Commission must examine the position of the deputies.

The Posting of Workers Directive was adopted in 1996 and the European Commissioner for Employment, Social Affairs, Skills and Labour Mobility Marianne Thyssen recently came up with the proposal to amend it.

According to the Commission the new rules are to ensure that companies pay workers who are sent to work temporarily in other member states the same wages as local workers receive.

Currently such a principle is binding only for posting of workers in the construction sector or in sectors which the member state itself determines.

The announcement of the revision of the directive provoked criticism in several countries including the Czech Republic however. The Czech government and also businesspeople who consider that the current legislation is sufficient are against it.

http://ec.europa.eu/social/main.jsp?catId=471&langId=en

INFORMATION SOCIETY

The Privacy Shield agreement should enter into force by the beginning of July

In early summer the agreement between the European Union and the United States called the Privacy Shield on the transatlantic transfer of personal data should enter into force.

The Czech EU Commissioner for Justice, Consumers and Gender Equality Vera Jourová negotiated this with the American side in February.

The new system will replace the Safe Harbor framework from 2000, which was declared invalid by the European Court of Justice in autumn last year.

In negotiating a new mechanism for the transfer of the personal data of Europeans to the USA many criticisms of it appeared, according to which the Privacy Shield is insufficient and would be unsuccessful in court like its predecessor.

The original Safe Harbor framework was challenged in the Court of Justice after the Edward Snowden affair, which revealed monitoring of Europeans by US security authorities.

The European Parliament also contributed to the criticism. In its plenary session it addressed the issue of transatlantic data flows in a non-binding resolution.

In it MEPs call on the Commission to continue its dialogue with the US government in order to eliminate the shortcomings.

Similar gaps in Safe Harbor in the past in fact allowed the US National Security Agency to monitor Europeans through the social networking site Facebook.

http://ec.europa.eu/justice/data-protection/index_en.htm

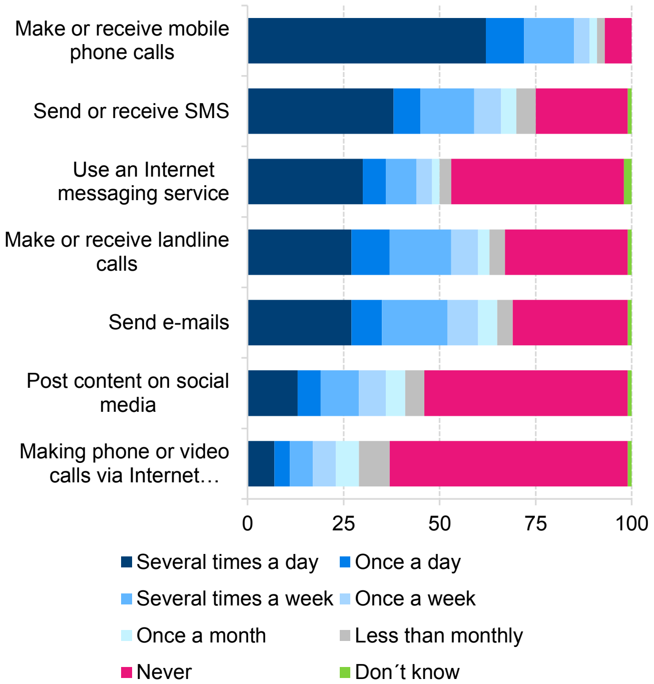
EU Events

Digital Agenda: study on electronic communications

On 23 May the Commission published the results of a study on electronic communications which showed that more and more Europeans are utilizing the achievements of mobile Internet.

Traditional telephone calls still remain the most popular method of communication however. Calling was indicated by nine out of ten respondents (93%) as a means of communication. SMS texts were used by 75%, e-mails by 69%, landlines by 67% and chat by 53%. Mobile Internet is the second most important means of communication for 62% of Europeans in the 15-24 year age group, immediately after mobile phones calls. In the case of respondents over 55 years, this figure is only 12%.

Using communication services (in %)



Source: European Commission

http://ec.europa.eu/information_society/newsroom/image/document/2016-22/sp438_eb84_2_ecomm_summary_en_15829.pdf

KOHESION POLICY

OP EIC: there is interest in energy savings and the ministry wants to increase the share of money for large companies

Businesses in the Czech Republic are interested in subsidies for energy savings, as shown in the final push for submission of applications in the first call of the Energy Savings programme under the Operational Programme Enterprise and Innovation for Competitiveness (in Czech OP PIK).

The call was open until Saturday 30 April. In the framework of the first call 585 full grant applications were submitted totalling 4.7 billion crowns.

Even in mid-April it still looked uncertain because only 325 full applications had been submitted for 2.3 billion. The Ministry of Industry and Trade (MIT) was surprised by this because during receipt of preliminary applications without detailed documentation in 2015 it seemed that the interest of companies would be enormous.

Overall, 20 billion crowns is available in the Energy Savings programme of OP PIK. The ministry wants to announce the next call in September and according to the deputy, during its preparation the ministry will also take into account the experience from the call which just ran.

The Ministry of Industry and Trade also plans to increase the share of finance that large enterprises can draw from the operational programme. Due to the requirement of the European Commission a limit of 20% of the total allocation was in fact set for large companies.

The main argument will be the need in the Czech Republic to start drawing subsidies right away for energy savings. In the meantime there is in fact a danger that the country will fail to meet the European goal for energy efficiency by 2020. Also in the previous programming period large companies managed to effectively utilize the money for improving energy efficiency.

Interest from large companies exists in any case. In the first call the share of their applications for subsidies for energy savings exceeded an absolute majority of all submitted applications and it also surpassed 20% in other assessed calls, according to the ministry.

http://www.czechinvest.org/en/operational-programme-entrepreneurship-and-innovations-for-competitiveness

EC´s Column

The European Commission Representation in the Czech Republic makes EU News Monthly Journal contributions in the „Commission's Column" section. In the June issue of the EU Monthly this post is devoted to the recommendations for economic reforms which the Commission suggested to the Czech Republic within the framework of the so-called European Semester.

THE EC HAS PRESENTED RECOMMENDATIONS FOR ECONOMIC REFORMS IN THE CZECH REPUBLIC

In mid-May the European Commission published its yearly recommendations for the economic policies of member states. These documents are drawn up within the framework of the so-called European Semester (http://ec.europa.eu/europe2020/index_en.htm).

The aim of this annual European procedure is to propose reforms so that sustainable economic growth contributes to the improvement of living standards while avoiding budgetary and other imbalances in the economy - not only in individual member states, but thanks to coordination at the European level also in the EU as a whole.

As early as February the European Commission published the working document Country Report Czech Republic, which served as the analytical basis (http://ec.europa.eu/europe2020/pdf/csr2016/cr2016_czech_en.pdf) for the proposed recommendations.

Although the Czech Republic is a relatively healthy economy without apparent macroeconomic imbalances, the report points out that the domestic economy could grow faster.

The analysis emphasizes that faster growth in living standards in the Czech Republic can only be achieved by increasing the economic potential.

The aim of the recommendations is to identify precisely those reforms which can strengthen the growth potential of the Czech economy.

The Commission recommendations are aimed at three main areas:

1. maintaining fiscal balance;

2. strengthening the investment environment;

3. education and research.

Compared to last year the number of recommendations for the Czech Republic was reduced from four to three. Special emphasis in this year's cycle is dedicated to strengthening investments which are well below the long-term average in the EU. The share of investments has also been falling in the Czech Republic from a long-term point of view.

Another novelty is the recommendation for the development of e-government services, which in the Czech Republic are among the least developed in the European Union. On the contrary, compared to last year higher education reform (in response to the approval of the Higher Education Act) and the area of taxation disappeared from the recommendations.

Nevertheless this does not mean that there is nothing to improve in these areas. It is necessary to continue with reform efforts and complete planned reforms (e.g. higher education funding and improvements in tax collection).

What then did the European Commission recommend to the Czech Republic in May? Here we present the specific points:

1. Take measures to ensure the long-term sustainability of public finances, in light of future risks in the area of healthcare. Adopt legislation to strengthen the fiscal framework.

2. Reduce regulatory and administrative barriers to investment, notably in transport and energy, and increase the availability of e-government services. Adopt the outstanding anti-corruption reforms and improve public procurement practices.

3. Strengthen governance in the R&D system and facilitate the links between academia and enterprises. Raise the attractiveness of the teaching profession and take measures to increase the inclusion of disadvantaged children, including Roma, in mainstream schools and preschools. Remove the obstacles to greater labour market participation by under-represented groups, particularly women.

The full text of the draft recommendations not only for the Czech Republic, but also for the other member states of the European Union, along with other related documents can be found on the following pages:

- for the Czech Republic: http://ec.europa.eu/europe2020/pdf/csr2016/csr2016_czech_en.pdf

- for the EU-28: http://ec.europa.eu/europe2020/making-it-happen/country-specific-recommendations/index_en.htm

On 30 May European Commissioner Vera Jourová unveiled this year's European Commission draft recommendations for the economic policy of the Czech Republic to representatives of the Czech government, businesses, unions and other interested groups.

In June the member states will discuss the recommendations presented by the European Commission.

The recommendations will be approved in the end of June by the highest representatives of the EU member states in the European Council, while their final wording will be confirmed in July by a legislative act of the finance ministers in the EU Council.

The recommendations will thus become a guideline for the reform priorities of the Czech Republic in the area of economic policy in the years 2016-2017.

Our InfoService section outlines upcoming sessions of EU decision-making bodies accompanied by other significant events. Often agendas for negotiations by these important bodies are not ready until a few days before the actual meetings can be found at: http://europa.eu/newsroom/calendar/; http://english.eu2016.nl/events

InfoServis

Meeting of the key EU institutions

6 - 9 June 2016 — **Strasbourg, France**	**20 June 2016** — **Luxembourg, Luxembourg**
- European Parliament Plenary Session	**- Environment Council**
6 - 7 June 2016 — **Luxembourg, Luxembourg**	**21 June 2016** — **Luxembourg, Luxembourg**
- Transport, Telecommunications and Energy Council	**- General Affairs Council**
9 - 10 June 2016 — **Luxembourg, Luxembourg**	**22 June 2016** — **Brussels, Belgium**
- Justice and Home Affairs Council	**- European Parliament Plenary Session**
16 June 2016 — **Luxembourg, Luxembourg**	**23 June 2016** — **London, United Kingdom**
- Employment, Social Policy, Health and Consumer Affairs Council	**- EU Referendum**
17 June 2016 — **Luxembourg, Luxembourg**	**27 - 28 June 2016** — **Luxembourg, Luxembourg**
- Economic and Financial Affairs Council	**- Agriculture and Fisheries Council**
20 June 2016 — **Luxembourg, Luxembourg**	**28 - 29 June 2016** — **Brussels, Belgium**
- Foreign Affairs Council	**- European Council**

Source: www.europa.eu, www.english.eu2016.nl/events, access as of 31 May 2016

Overview of selected calls

Call	Call number	Receipt of applications	
		From	To
Operational Programme Environment			
Reduce energy demands of public buildings and increase the use of renewable energy sources (5.1)	39	30/6/2016	31/1/2017
Integrated Regional Operational Programme			
IZS stations	37	07/16	12/17
Infrastructure development of community centers	45	07/16	10/16
Infrastructure development of community centers (SEL)	46	07/16	10/16
Operational Programme Employment			
Promoting social entrepreneurship	067	1/6/2016	30/9/2015
Specific call to selected target groups	053	30/5/2016	15/8/2016
Business education employees	43	06/16	08/16

Source: www.edotace.cz/kalendar

Microscope

We focus on a topic in the Microscope column of the June issue of the EU News Monthly that at the end of the month that is guaranteed to fill the front pages of the newspapers. That is, the British will decide on June 23 on their continuation within the EU, and for the moment it seems that the forces between the two sides are evenly balanced. For whom would Brexit mean the greatest loss?

BREXIT IS OUR PROBLEM AND EUROPE'S, THE ENGLISH WOULD MANAGE IT

On the fourth Thursday in June the British will decide in a referendum on whether to remain in the EU or leave it. Surveys show that the camps for and against are equally balanced. Supporters of Remain are slightly in the ascension, but it will be nail-biting. The ratio of forces may change with one terrorist attack or a new surge in the wave of migration.

The campaign in Britain is running at full speed. Institutions are competing in analyses of the impacts that Britain's exit from the EU would have. Studies by the LSE (London School of Economics), University of Oxford and Price Waterhouse, all of which prefer a future in the EU, estimate a decline of the British economy in the amount of 1% of GDP in the event that London would manage to agree with Brussels on a similar model of cooperation that Norway or Switzerland currently have, or up to 4% of GDP if economic relations would be governed only by WTO rules.

Prime Minister David Cameron has been warning at the head of the government offensive that Brexit would lead to a weakening of the pound, a rise in prices at home and a decline in the country's influence abroad.

Conversely, the other half of British Conservatives, headed by Boris Johnson, promises liberation from Brussels regulation as result of Brexit and an end to payments into the EU budget (amounting to 0.5% of GDP). Well-known personalities are also making statements: for example, Mick Jagger and actor Michael Caine have hinted that they would be able to breathe better without euro-straitjackets.

From their perspective, it's understandable. And even I believe that the English would manage their split with the EU. The EU is facing chronic economic stagnation from which it is no clear way out due to the poor design of the Eurozone. For three years already, British trade with countries outside Europe has been greater than within the EU. The City of London was a major financial centre long before the foundation of the EU and it will maintain its position even without it by continuing to serve as a financial hub between the US, the EU, Russia, China, India and Japan.

If Britain's share of global GDP today is only about 4%, then the City's share of global OTC derivatives transactions (over-the-counter) is 46% and its share of world foreign exchange market turnover is 37%. The City doesn't need the EMU. It will continue to benefit from comparative advantages thanks to the English legal system, limited regulation, openness and a well-developed infrastructure. Globalization is more important for the City than Brussels or the ECB in Frankfurt.

But Brexit wouldn't go through without consequences. Great Britain as a country would cease to be „great".

The tensions between Ireland and Ulster would be revived. The Scots would push for a new independence referendum and they would seek to take Scotland back into the EU. There's a key submarine base in Scotland with Britain's main nuclear deterrent capability. If the pacifistic Scots pushed for its closure, the question is whether a smaller England could afford the cost. Such a weakened ‚England' would probably cease to play the key role of the Atlantic linchpin between the US and continental Europe.

The English might decide to play the role of a kind of global „Switzerland" (financial centre), and the Americans would start to give them up for lost over Europe, whose integration after World War II they not only supported, but also largely invented. NATO - already weakened by the issue over the future direction of Turkey - would be shaken to its core.

And this is where our problem – the Czech and European problem - begins. British withdrawal would undermine the foundations of the EU as we know it. People in the richer northern countries such as Sweden, Denmark or Holland would ask themselves about remaining in the EU. The poorer southern part of Europe dependent on financial transfers would depend on the good will of Germany. Even the tandem of Germany and France has long struggled to maintain the same pace and strength. Germany would achieve the position of continental hegemon. It would logically place existential questions over countries in its neighbourhood, such as Poland or the Czech Republic.

Britain has played and will continue to play three crucial roles in European affairs. First, strategically balancing the temptation of others to become Europe's hegemon. Secondly, its Anglo-Saxon, commercially oriented economy guards liberal conditions on the continent. And thirdly, it culturally maintains English as the basic European means of communication.

For the Czech Republic, sandwiched in Central Europe between Germany and Russia, and whose export focus for the creation of national wealth is dependent on market openness in Europe and which cannot because of its size determine communication trends, the preservation of Britain's balancing role in the EU is in its vital interest. If the English come to the conclusion that the EU is of no importance to them, we will logically ask what importance it has for us.

Alexandr Vondra, Director of the Prague Centre for Transatlantic Relations at the CEVRO Institute

The United Kingdom faces a very stern test - the referendum on staying in the European Union. This referendum about remaining, however, is not new for the British. Even though it will probably be the first vote on remaining for the vast majority of those who go to the polls in June, Britain has already been through it before. This referendum already took place more than 40 years ago.

THE BRITISH REFERENDUM – DÉJÀ VU?

INTRODUCTION

The British decision on whether to remain in the EU is under the spotlight of public life in Britain and in the European media. The debate revolves around the latest issues and current problems, so that it appears as though it's actually a completely new situation. Yet almost exactly 41 years ago the British went through one such referendum. History, of course, is never repeated.

Upon closer inspection, one can find that it's very difficult to find any differences between how the referendum took place in June 1975, and how it will be conducted in June 2016. I therefore believe that the referendum of 1975 is worth closer attention. Particularly if we're not indifferent to how the British will decide in less than a month.

A COMPARISON OF 1975 AND 2016

The degree of similarity and comparability of both referenda, particularly at the political level, is startling. Like Harold Wilson in the 1970s, David Cameron today faces an unprecedented threat to his political party. Then it was substantially socialist and Eurosceptic, and the Labour Party was divided by Roy Jenkins and his group of pro-European liberal Labourites. The Conservative Party is today, apart from the internal tension between its pro and anti-European wings, also threatened from the outside – by the anti-Europe UKIP party of Nigel Farage.

Besides these internal political motivations, both prime ministers had a further common motive for a referendum - both helped to win elections. Then as now, most of the latently Eurosceptic British public welcomed the opportunity to revise its relationship with the continent.

The incentive was even the same which firstly Wilson and recently Cameron gave to voters. Both were aware that from a pragmatic point of view European integration is convenient for the United Kingdom, but it doesn't change the fact that it doesn't appeal to the British and a certain feeling of distrust toward the continental powers remains. The offer that either they are able to negotiate more favourable terms of membership or both parties will split amicably, sounds very tempting, and maybe even adventurous. Brits should in either case improve their situation.

The similarities continue in how negotiations of new and better conditions have taken place. The only thing that's different is the goals. Labour in the 1970s promised voters that it would change the rules for calculating the UK's contribution to the EC (European Community) budget, protect the access of Commonwealth produce to the British market, ensure the reform of the common agricultural policy, reverse the course of European integration toward economic and monetary union, ensure greater sovereignty in the support of national industry and other economic policy measures, and avert the tendency to harmonise VAT. David Cameron promised voters other changes, but the principle is the same. Most Britons resent the multinational and political character of integration, but it can't be changed, and so they identify at least concessions that would otherwise make membership of a disagreeable community a little more palatable for them. In both cases it led to long negotiations, an initial alliance with Germany and the resistance of France, and in both cases it also turned out similarly. Some concessions and vague promises were able to be negotiated, negotiation of a lot of topics didn't occur at all, and changes to the founding treaties were difficult to imagine. The outcome of the latest negotiations was basically the same as 40 years ago.

The specific wording of the negotiated conditions mentioned in the minutes of the meeting of the European Council, were not overly significant to the result of the referendum in the 70s and nor is it today. The final minutes are in fact extremely complicated, they use complex language, contain a lot of broadly defined terms and phrases that will be necessary to further define, and mainly it's not a legally enforceable document. How this result will be accepted by the public has depended and will depend on whose explanation is trusted.

Eurosceptic circles see a lot of problematic provisions in the agreement, and supporters of Remain have of course found plenty of reasons to defend the agreement. The actual vagueness and complexity of the agreement, however, makes any objective assessment impossible. The negotiated amendments concerned purely Anglo-European relations, while the discussed change of the nature of European integration itself, which is what bothers the British most of all, did not occur and even the ambition to make changes was not even there. The similarities continue even in the formulation of government recommendations to voters.

Both prime ministers referred to here supported remaining in the European Union, but faced enormous pressure from the Eurosceptic wings of their parties. Against all the practices and principles of good policy they ultimately had to agree that the individual ministers of their respective governments had to be able to campaign according to their beliefs. and thus in many cases agitate against each other.

Main Topic

Harold Wilson in the 1970s recommended that the British vote for the „New Deal in Europe". David Cameron today even recommends that voters remain in a „reformed European Union" where the United Kingdom will have a „special status".

Historical developments are also reflected in the evolution of public opinion. British society has long been strongly Eurosceptic. That's why this card is so politically attractive and someone has always been trying to take advantage of it. According to opinion polls, from 1967 until 1974 the majority of Britons were against membership in the European Community.

The degree of British Euroscepticism has naturally changed over time, but it's difficult to quantify that change because survey questions have often changed.

There was an interesting development, however, just prior to the referendum at the end of 1974 and the start of 1975. The majority of voters were still for an exit from the EC. A turnaround occurred in November 1974 and 53% of those surveyed by the Harris agency responded that they would like to remain in the EC under suitable conditions. And in January, according to Gallup, despite the fact that a clear majority was against remaining, 71% respondents said that they would change their minds under new and appropriate conditions. It's thus clear that current British government policy is drawing inspiration from the 1970s when so many accepted the reform nature of the newly negotiated conditions.

Current opinions polls show that approximately 40% of Britons have long been in favour of withdrawal from the EU, but if the question is how they would decide if the government managed to negotiate better conditions, then the number in support of withdrawal does not exceed 30%. This method was first recommended to the British government for the first time by Robert Worcester, an advisor to Harold Wilson at the start of the 1970s. Worcester then reasoned that the result of the referendum would be strongly influenced by how the government would be able to convince the public about the advantageous membership conditions Britain has within the EU and that the government would be able to negotiate better conditions. The number of undecided voters also played a role in this when after the referendum 46% of voters admitted that they had made their decision in the previous six months.

The campaign thus had two aims: to convince the public of the advantages of membership within the mainstream of European integration and that the government had managed to obtain some better position. This is true of both 1975 and 2016.

A campaign prior to a referendum in Britain is always led by two "umbrella" organisations selected by the electoral commission. In the 1970s they were Britain in Europe and National Referendum Campaign, today they are Britain Stronger in Europe and Vote Leave. Even though it's possible to find some differences in the campaigns, once again similarities prevail.

What is fundamental is the support of the establishment and this is constantly on the side of British membership in the EC/EU. The Government, popular politicians, publicly renown personalities, the media, big and small businesses, banks, international organisations, foreign partners, and other EC/EU countries were and are mostly for remaining. The United States then and now supports the British in the EU in order to remain within the mainstream of European integration. Covert interventions by the European Commission have also occurred. Then as now all living former prime ministers participated in the campaign for remaining. In the 1970s there were church prayers for Europe.

Today you will find an entire section devoted to the referendum on the webpages of the Anglican Church. According to a poll by The Times in 1975, 415 out of 419 surveyed representatives of large companies wished to remain in the EC. Today Britain in Europe is actively supported by both federations of industry and small and medium-sized companies. The result is that the EU membership supporters' camp had and has overwhelming marketing, organizational, personnel and financial dominance. Opponents of membership are in comparison literarily like poor relatives. Moreover, the group is hugely disparate.

In the 1970s, those for leaving the EC were right-wing nationalists, conservatives, Marxists, socialists and communists. There were naturally huge differences and contradictions between these groups. They were never able to agree on anything else other than that the UK should leave the EEC. There were not able to create a coherent argument or a compact unit.

The main stars of the NO camp in 1975 – Enoch Powell and Tony Benn („the men with staring eyes")

Source: Prospect

Source: Telegraph

The main stars of the Eurosceptics – Tony Benn and Enoch Powell even refused to appear together on the same podium. According to Worcester, a critical credibility parameter of the supporters of membership was comparison with men with "staring eyes", as opponents of membership were then nicknamed.

Today the situation is not as contrasting, but it is in essence the same.

The main stars of Vote Leave today - Nigel Farage and Boris Johnson

Source: International Business Times

Source: The Guardian

ECONOMIC CONTEXT 1975 – 2016

The biggest difference between the 1970s and today is the economic situation in which Britain finds itself. The 70s were generally an economically unfavourable time. Most of the developed world was sobering up from Keynesian delirium. The first oil shock, growing inflation, increasing unemployment and the falling competitiveness of British goods had nearly brought Britain to its knees. Since the end of the Second World War, the British had more or less flirted with socialism, some economic sectors were nationalised, the power of central trades unions grew continuously and the government perceived itself to be in a position to thoroughly influence and manage the economy. The British position was not at all enviable. The government had tried at the start of the 1970s to cure new problems with old methods. The then Chancellor of the Exchequer earned the nickname Demon Barber as a result of his expansionist monetary economic policy. The unions gradually acquired such power that they were able to paralyze the entire country with their strikes. A gravediggers' strike and piles of unburied bodies in 1979 was symbolic of the whole decade.

The number of all working days thwarted by strikes grew from 7,197,000 in 1969 to 23,909,000 in 1972. Edward Heath therefore held an election in February 1974 and used as a slogan "Who governs Britain?". To illustrate the gravity of the situation it's enough just to list the measures that the then government had to accept. A three-day working week was introduced because there was insufficient coal due to a miners' strike and Britain couldn't afford imports. The social system and the control of food prices linked to it were more and more expensive. The trade balance deficit continued to increase the costs of debt servicing. The victors of the 1974 elections, Harold Wilson and his Labour Party, were then able to dampen clashes with the unions and agree with them on a voluntary restriction on wage increases, although it was paid for with agreement on pro-union measures that led to a further growth in union power. The result was that in 1975 the government spent the largest amount of GDP since the end of the Second World War – 49.7%. This record hasn't been surpassed to this day. Governments tried to extinguish the blazing fire, but no-one came up with a sufficiently vigorous solution. And so in 1976 Her Majesty's Government has to ask the IMF for a rescue package, and negotiate relief agreements with its creditors (the USA and Germany) tied to a reform programme and austerity measures. The situation was not dissimilar to today's Greece. It is of course possible to find more differences. The topic of immigration is very pertinent today and its influence on British decision-making is often talked about. But the British were also dealing with immigration in the 1970s. Maybe in a different context, but immigration is not something that would weigh upon the British today as much as some countries on the continent. The form of mainstream European integration is certainly different. In the 1970s, Labourites especially protested against the EC and in particular from a socialist position. The main fear was that the EC is a capitalist and liberal conspiracy that would scupper plans for building socialism in Great Britain.

Today it's exactly the opposite. Scotland then also played an opposing role when the Scottish National Party was for withdrawal. The Vote Leave camp is also not at such a great disadvantage financially and even some media are no longer as unflinchingly euro-optimistic as they were then. Even the position of the continent is today diametrically at variance. Back then it was an alliance of countries that were managing better.

Today it is the Eurozone countries in particular that are in an unenviable situation. Not everything today is comparable with the year 1975 and all manner of things have changed significantly, but the influence of these aspects on the referendum probably won't be so great.

Main Topic

CONCLUSION

Voter turnout of 64.5% in the referendum in 1975 ended in the United Kingdom remaining in the European Community. A total of 67.2% voted for remaining and 32.8% for withdrawal. At the same time, a mere six months after the referendum took place surveys again showed that the majority of respondents would prefer to withdraw. According to public opinion polls, the British at that time became considerably pro-European only for the duration of the referendum. At first sight, this may appear peculiar. For a better understanding of this phenomenon one needs to take into consideration the fact that the British have long been disinterested in European integration. The British are certainly Eurosceptic and they have a complicated relationship toward the continent. But there are always many more topics to be found that they place greater importance on.

For example, in the pre-election campaign in 1970, i.e. the time when Great Britain had already submitted two applications for entry into the EC and was actively striving for this, entry into the European Community wasn't even among the 12 most important topics for television debates. European integration didn't overly interest the British and therefore they couldn't have a strong opinion about it. The campaigns were hence greatly influential. Today the British hear about the EU from all sides. But is the situation different? The Economist magazine together with the prestigious agency Ipsos MORI have published rankings of the most important topics for the British public. In June 2015, a year prior to the referendum, European integration was the 7th most important topic.

The British will hence deal with the same issue in the upcoming referendum and in the meanwhile the story of the referendum will play out in a similar manner to 40 years ago. The similarities, however, continue. Today, just like 40 years ago, the British have no alternative to membership in the mainstream of European integration. This has finally occurred to them and that's why the whole establishment is in support of remaining. The British have decided to follow those who are the most trustworthy for them.

And so today even though not everything is comparable to the situation 40 years ago, the fundamentals are. If I therefore had to make some prediction, which naturally wouldn't be judicious at all, I would say that it looks the same and will end up the same.

Analysis of the impacts of the British referendum on remaining in the EU

According to European legislation, Great Britain has no other option than to negotiate its withdrawal from the EU with member states. The EU will thus have to consent to the conditions of withdrawal with a qualified majority in the European Council. Great Britain will be forced to negotiate bilaterally at least with the larger member states. The country will therefore be pushed into a compromise. Withdrawal from the EU, however, will also mean parallel negotiations for Britain over the new conditions for working together with the rest of Europe. There are probably two main options: either a) Great Britain will become part of the European Economic Area, or b) Great Britain will negotiate a bilateral treaty with the EU on working together. Other options for freer relations also come into consideration, but which aren't overly probable. According to studies, however, it's not important which path Britain sets out on – what is important is the disadvantage it will also be at when negotiating this agreement and the pressure it will come under from the European Union to make substantial compromises.

The effect of Britain's withdrawal from the EU will therefore be highly unsymmetrical – it will naturally impact upon Great Britain the most. Immediately following withdrawal there will be a reaction on the capital markets which will immediately include the increased uncertainty in prices. This will be partially reflected in the economies of the European Union. One can expect in the mid-term a reconstruction of trade flows with external partners, especially North America. If Great Britain enters the EEA, a change to the actual economy will take place slowly and statistically it will be nearly impossible to capture. Even this scenario, however, will create pressure for structural change in the economy and will have long-term impacts. Brexit would impact on the Czech economy mainly through two channels – through exports and the European budget. According to studies by the OECD and the LSE, Brexit would lead to restrictions in international trade, which in relation to Britain would result in the loss of around 6 – 9%. In such event, the Czech Republic would record a net negative impact in exports amounting to 0.33 – 0.49% on the assumption that exports would not be redirected elsewhere. In regard to GDP, it would mean a decrease in overall GDP by 0.25% and would be accompanied by the loss of 650 – 1,600 jobs. Among the most affected sectors would be the automobile industry (230 – 400 places), the engineering industry (120 – 300 places), electronics (30 – 80), and the production of plastic and rubber products (30 – 70). This scenario, however, tends to be the maximum possible because it's based on the improbable assumption of a zero substitution of exports.

The other effect is the fall in resources to which Great Britain contributes as a net payer into the European budget – this would mean the loss of around CZK 107 billion. Because of this, one can infer an additional long-term negative impact amounting to 0.28% of GDP. In other words, it's not a big economic threat for the Czech Republic.

Prepared on the basis of documents from the Strategies and Trends Department at the EU Office of the Government of the Czech Republic

The Doing Business is part of the Foreign Business Guide offered by the Česká spořitelna EU Office. Within the program, we provide our clients from among small and mid-sized enterprises with information about how to expand abroad successfully and what business environment awaits them there. In the June issue, we will focus on the business environment in the Iran.

Doing Business

IRAN

Official name	Islamic Republic of Iran
Population	81 824 270 (2015)
Area	1 648 195 sq km
Currency	Rial (IRR)
Ethnic groups	Persian 61%, Azeri 16%, Kurd 10%, others 13%

Source: The World Factbook

The Islamic Republic of Iran was founded in 1979 following the collapse of the ruling autocratic monarchy. The revolution transformed Iran into a conservative theocratic state and ended political and cultural relations with Europe and the USA.

Iran is an Islamic republic at the head of which the president is elected for four years (Hasan Rouhani). With an area exceeding 1.6 mil km^2 Iran is the 18th largest country in the world.

Iran's neighbours in the north are Turkey, Armenia, Azerbaijan and Turkmenistan, in the east Afghanistan and Pakistan, and in the west Iraq.

Iran is capped in the north by the Caspian Sea and shod in the south by the Persian Gulf. The overall length of the border is 5,894 km.

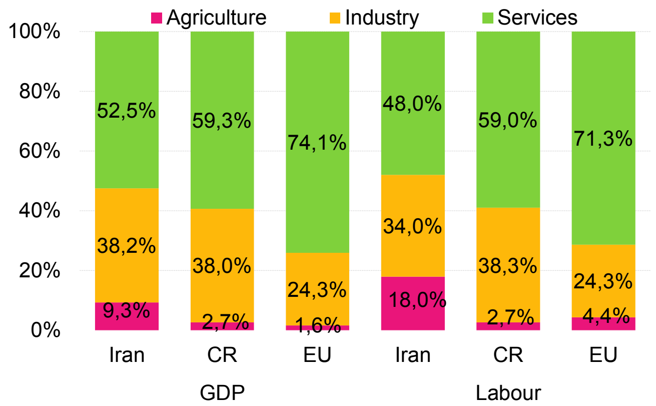
Structure of economy and foreign trade

Iran's main export articles are oil, chemical and petrochemical products, fruit, nuts and carpets. It exports mainly to China (42%), India (17%) and Turkey (15%).

It imports mainly industrial products, capital goods, foodstuffs and consumer goods.

The most important import partners are China (42%), India (8%) and South Korea (7.5%).

Sectors of National Economy



Source: World Bank; data as of 2014

Macroeconomic outlook

In recent years the Iranian economy hasn't performed overly well, due in particular to the international situation. After the first successful discussions over the termination of sanctions in November 2013 it managed to grow by 3%, but it was later shown that this was very premature optimism. In the last year the economy has further stagnated. However, the International Monetary Fund expects that with the definitive abandonment of sanctions the Iranian economy will receive a lift and will experience very dynamic growth of more than 4% per year. The growth will be driven by investment in technology and higher consumption, which will also result from an end to the sanctions regime. Public finance in Iran is no longer a significant problem thanks to the fact that borrowing on the financial markets was until recently complicated for the Iranian government. Public debt represents less than 15% of GDP.

Basic indicators (in %)	2014/15	2015/16^e	2016/17^e
GDP Growth	3.0	0.0	4.3
Unemployment rate	10.6	11.9	12.5
Inflation	15.5	15.1	11.5
Current account balance	4.1	1.3	2.1
Budget balance (% GDP)	-1.2	-2.5	-1.3

Source: IMF; ^{e} - estimate

Labor market

The rate of unemployment in Iran moves a bit like on a swing. In 2010 (or 1389 according to the Iranian calendar), the rate of unemployment was 13.5% after it had increased from 10.4% in 2008, only to fall again to 10.4% in 2013 when it returned to a growth trajectory. For 2016 and 2017, the unemployment rate is estimated to be slightly over 12%.

The minimum wage in Iran for 2016/2017 was set at 7,836,675 rials (approximately 238 euros), which represents a 10% increase on the preceding year.

Basic indicators of labor market	
Unemployment rate (March 2016)	11.9%
Minimum monthly wage	790.7 EUR

Source: Ministry of Labour and Social Affairs

Labor law basics

A labour contract can be concluded in writing and verbally for a limited and undetermined period. The trial period may last a maximum of one month for unqualified and less qualified employees, and three months for qualified and specialised employees.

Doing Business

A resignation proffered by an employee must be in writing with one month's notice. The work week lasts 44 hours from Saturday until Wednesday and on Thursday it's the custom to work a half-day. Work on Friday is rated at overtime (with a 40% surcharge). Employees have the right to 4 weeks' holiday per year. An employee has a severance claim only if he or she is employed for a period of at least one year. The amount of severance varies according to the type of notice and the number of years worked.

Commercial law basics

The Iranian business code distinguishes seven types of company, wherein a private and public joint stock company and a limited liability company are especially relevant for foreign entrepreneurs.

The main difference between a private and public joint stock company is in the fact that for a public company shares and bonds can be publicly offered for sale, while not for private companies. A public joint stock company can be established by five shareholders and a private company by three.

A World Bank survey indicates that the process of establishing a company in Iran is better than in the Czech Republic. It takes 15 days and costs around CZK 78,000. Specific costs differ according to the form of business, the size of the company and the number of issued shares.

Form of Company	Minimum Capital
Limited Liability Company	1,000,000 IRR (30 EUR)
Private Joint Stock Company	1,000,000 IRR (30 EUR)

Source: Ministry of Industry, Mine and Trade

Main taxes and additional labor costs

The tax rate on corporate income is 25%. Personal income is divided into two types (according to type of income) and both are subject to progressive taxation.

Revenue from business is taxed between 15-35% according to income levels, while income from employment is taxed at 0-20%. Total contributions to social security and health insurance in Iran accounts for 30% of an employee's wage - 23% paid by the employer and 7% by the employee

The basic rate of VAT is 9%, and excise duties are levied on cigarettes and tobacco products (12%), gas and aviation fuel (20%).

Tax/payment	Rate
Corporate Tax	25%
Individual Income Tax (entrepreneur)	15 / 20 / 25 / 30 / 35%
Individual Income Tax (employee)	0 / 10 / 20%
VAT	9%
Social insurance (employee)	7%
Social insurance (employer)	23%

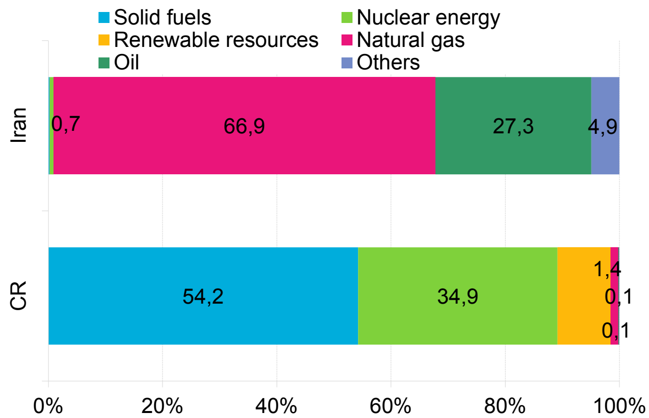
Source: Ministry of Economic Affairs and Finance

Energy

The energy mix in Iran very significantly differs from we have in the Czech Republic. The dominant source of energy generation in Iran is natural gas, which covers two-thirds of the country's energy demands (compared to only 1.4% in the Czech Republic). More than a quarter of production comes from oil. The energy market in Iran is centralized and the government owns all oil reserves.

Prices of electricity are heavily subsidised (around 12% of GDP). The across-the-board set price of electricity was increased after reforms in 2010 from 2.2 eurocents per kWh to 6 eurocents. The average price in the EU in this period was 10.7 eurocents per kWh. Natural gas is similar – after the reforms of 2010 its price increased from 7.5 eurocents to 27 eurocents per cubic metre.

Gross electricity production by source



Source: World Bank; data as of 2012

Investment incentives

Iran also fights for the attention of foreign investors through a system of investment incentives. These take the form of tax instruments (tax exemptions of 50-100% depending on the sector of the economy) or deductible expenses. Furthermore, there are free trade industrial zones and special economic zones in which special financial and banking regulations apply, including guarantees and incentives, e.g. tax exemption for 20 years, 100% foreign ownership, legal guarantees and protection of foreign investments or simplified employment regulation or social security.

After familiarization with the environments for submitting applications in individual programmes comes the time for us to move closer to the grant process itself. We don't intend, however, to describe it step by step, but rather we will focus on its problems, critical points and weaknesses. Since the topic is quite extensive, however, we have decided to divide it into several sub-sections.

EU Series

HOW TO OBTAIN A GRANT AND NOT LOSE IT AGAIN?

A grant for a project, or a project for a grant?

The first step in obtaining a grant is, of course, a project plan. This is firstly a simple idea that gradually develops and acquires comprehensive form. For towns as well as for business entities, however, it's financially demanding to implement some projects from their own resources. Even banks are more amenable to lending funds if there is the hope that a project will be supported by a grant. Potential applicants therefore search for grant opportunities that they could use for their plans.

There are, however, many subjects who make big mistakes – instead of coming to terms with the situation that a suitable grant scheme is not available at a given moment, they try to adapt their plans to programmes that are somewhat similar, but in several important aspects are unusable for the original intent. At the same time they don't understand the important rule, which we will analyse in more detail later on - that everything important stated in the project application shall need to be fulfilled. Therefore, always consider how a selected call corresponds to your plan and how much you'll need to modify it!

How much will it bring me?

The possible receipt of a grant is, of course, an attractive bonus. But nothing in life is free, and this is doubly true for grants. Before you decide to use them, you need to make a comparison of what costs and revenues the project would have with and without a grant. Remember to take particular account of the cost of services and activities that you would have to undertake or acquire if the project did not perform as well or you had to potentially extend the implementation, namely the loss of profit.

I recently attended a meeting where a potential applicant was deciding whether to use a subsidy or not. The company owners had undertaken just such a sample comparison and analysis. The biggest stumbling block was the necessity to organise a tender process not only in terms of the fact that in an open process someone can register with whom you may not be satisfied, even though they already have identified suitable suppliers, but also because thanks to him the project has to be extended about a year. Since they had already calculated their future revenues, they found out that the acquired grants will not be much higher than this lost income when the necessary additional costs are calculated. They therefore decided to implement the project purely from their own resources. In the event that there are a greater number of more or less appropriate grants, then such an analysis is more difficult, but also more important.

Alone or with assistance?

If you have already decided to take advantage of grant opportunities, there is another dilemma. Will you resolve everything on your own, or use some consulting firm?

Consulting companies mean additional costs throughout an entire project, even if they are at least partially covered by the grant. On the other hand, it means reducing the often significant administrative burden and lightening the load on your its own human resources.

It is, however, generally recommended to use a consulting company for more demanding grants, which definitely includes the Operational Programmes.

However, it is important to understand that you're hiring consultants, i.e. experts, who can advise and who know what to focus on, and what is important and what is not. You're not recruiting an office team, designers or technicians. While advisers will lighten your load, a large part of the work still has to be borne by the applicant.

Before you start a project, prepare an adequately qualified internal team or at least assign one person who will communicate with advisers, and provide them with documents etc. It should not be someone who wouldn't be able to manage such work. The ability to act on your behalf is also important.

What is written, is given...

This applies not only in the preparation of a project, but generally throughout the whole grant cycle.

Each grant scheme has many pages of rules, methodologies, guidelines and examples, but they never tell you everything. You will often have to communicate and it applies here that what cannot be confirmed in writing will not happen.

Officials in particular have an obligation to address your questions in writing. Unfortunately, the practice is sometimes different, and they would rather respond by phone even to a number of written questions whether for logical or other reasons. If you thus receive inaccurate or incorrect information, you can never prove it.

Therefore insist consistently on written (e-mail) confirmation of the information received.

Measure twice and cut once...

You will also encounter references to this proverb in the grant process, albeit not always literally.

Mostly it tends to warn you that nothing should be rushed.

Do not underestimate the preparation. Do not go into the preparation of an application when you only have a sketchy idea of a project, but think through well what the project should bring you, keep all project documentation and budgets together, and undertake thorough market research. And most importantly, have pre-negotiated funding already.

Petr Navařík, Project Manager Erste Grantika Advisory, a.s.

Statistical Window

Europe 2020 selected indicators: Employment; Expenditure on R&D; Greenhouse gas emission (EU target - 80%); Share of renewable energy; People with tertiary education; People at risk of poverty or social exclusion (cumulative difference from 2008, target - at least 20 million fewer). The source of the data is Eurostat. For more information visit goo.gl/dIxFqa

Europe 2020 selected indicators

	Employment (aged 20-64; %)				Expenditure on R&D (% GDP)				Greenhouse gas emission (1990=100)			
	2013	2014	2015	Target	2012	2013	2014	Target	2010	2011	2012	2013
Belgium	67.2	67.3	67.2	73.2	2.36	2.42	2.46	3.00	91.5	84.8	82.1	82.2
Germany	77.3	77.7	78.0	77.0	2.87	2.83	2.84	3.00	76.8	75.1	75.7	77.5
Estonia	73.4	74.4	76.5	76.0	2.16	1.74	1.46	3.00	49.8	51.3	48.6	54.4
Ireland	65.5	67.0	68.8	69.0	1.58	1.58	1.55	2.00	112.9	105.4	106.1	104.9
Greece	52.9	53.3	54.9	70.0	0.69	0.80	0.83	1.21	112.8	110.1	107.1	100.1
Spain	58.6	59.9	62.0	74.0	1.27	1.24	1.20	2.00	124.7	124.6	122.3	113.1
France	69.4	69.4	69.5	75.0	2.23	2.24	2.26	3.00	95.4	90.6	90.6	90.7
Italy	59.7	59.9	60.5	67.0	1.27	1.30	1.29	1.53	98.2	96.0	91.1	85.0
Cyprus	67.2	67.6	68.0	75.0	0.43	0.46	0.47	0.50	170.9	168.5	158.1	143.8
Latvia	69.7	70.7	72.5	73.0	0.66	0.60	0.68	1.50	46.4	43.5	42.9	42.8
Lithuania	69.9	71.8	73.4	72.8	0.90	0.95	1.02	1.90	43.7	44.8	44.5	41.8
Luxembourg	71.1	72.1	70.9	73.0	1.29	1.31	1.24	2.30	102.3	100.5	97.0	92.5
Malta	64.8	66.4	67.8	70.0	0.86	0.85	0.85	2.00	151.3	154.3	157.7	141.3
Netherlands	75.9	75.4	76.4	80.0	1.94	1.96	1.97	2.50	100.0	94.1	92.2	92.1
Austria	74.6	74.2	74.3	77.0	2.89	2.96	2.99	3.76	109.2	106.5	102.9	102.5
Portugal	65.4	67.6	69.1	75.0	1.38	1.33	1.29	2.70	117.9	115.8	112.6	109.7
Slovenia	67.2	67.7	69.1	75.0	2.58	2.60	2.39	3.00	105.1	105.2	101.9	98.0
Slovakia	65.0	65.9	67.7	72.0	0.81	0.83	0.89	1.20	62.2	61.2	57.9	57.9
Finland	73.3	73.1	72.9	78.0	3.42	3.30	3.17	4.00	107.4	97.1	89.2	90.1
Bulgaria	63.5	65.1	67.1	76.0	0.62	0.65	0.80	1.50	55.5	60.6	56.0	51.2
CR	72.5	73.6	74.8	75.0	1.79	1.91	2.00	1.00	70.5	69.9	67.8	66.0
Denmark	75.6	75.9	76.5	80.0	3.03	3.08	3.08	3.00	91.4	84.4	77.6	80.4
Croatia	57.2	59.2	60.5	62.9	0.75	0.81	0.79	1.40	80.6	78.9	72.7	69.9
Hungary	63.0	66.7	68.9	75.0	1.27	1.41	1.38	1.80	69.9	68.2	63.9	61.2
Poland	64.9	66.5	67.8	71.0	0.89	0.87	0.94	1.70	86.3	85.7	84.4	83.5
Romania	64.7	65.7	66.0	70.0	0.48	0.39	0.38	2.00	46.5	48.4	47.8	43.9
Sweden	79.8	80.0	80.5	80.0	3.28	3.30	3.16	4.00	91.7	86.2	81.3	79.3
UK	74.8	76.2	76.9	n/a	1.63	1.69	1.72	n/a	79.1	73.6	75.4	73.8
EU	68.4	69.2	70.1	75.0	2.01	2.03	2.03	3.00	85.5	82.9	81.7	80.2

	Share of renewable energy (%)				Tertiary education (aged 30-34; %)				Poverty (difference from 2008; in th)			
	2012	2013	2014	Target	2013	2014	2015	Target	2011	2012	2013	2014
Belgium	7.2	7.5	8.0	13.0	42.7	43.8	43.8	47.0	77	162	92	146
Germany	12.1	12.4	13.8	18.0	32.9	31.4	31.4	42.0	-271	-435	-133	163
Estonia	25.8	25.6	26.5	25.0	42.5	43.2	43.2	40.0	16	21	22	48
Ireland	7.1	7.7	8.6	16.0	52.6	52.2	52.2	60.0	269	328	309	216
Greece	13.4	15.0	15.3	18.0	34.9	37.2	37.2	32.0	357	749	857	838
Spain	14.3	15.3	16.2	20.0	42.3	42.3	42.3	44.0	1,577	1,841	1,844	2,616
France	13.4	14.0	14.3	23.0	44.0	43.7	43.7	50.0	690	610	94	389
Italy	15.4	16.7	17.1	17.0	22.5	23.9	23.9	26.0	1,776	2,894	2,147	2,064
Cyprus	6.8	8.1	9.0	13.0	47.8	52.5	52.5	46.0	26	53	59	54
Latvia	35.7	37.1	38.7	40.0	40.7	39.9	39.9	34.0	82	-9	-38	-94
Lithuania	21.7	23.0	23.9	23.0	51.3	53.3	53.3	48.7	101	65	7	-106
Luxembourg	3.1	3.6	4.5	11.0	52.5	52.7	52.7	66.0	12	23	24	24
Malta	2.9	3.7	4.7	10.0	26.0	26.5	26.5	33.0	9	14	18	18
Netherlands	4.7	4.8	5.5	14.0	43.2	44.8	44.8	40.0	166	59	216	319
Austria	31.6	32.3	33.1	34.0	27.1	40.0	40.0	38.0	-105	-157	-127	-89
Portugal	25.0	25.7	27.0	31.0	30.0	31.3	31.3	40.0	-157	-90	121	106
Slovenia	20.9	22.5	21.9	25.0	40.1	41.0	41.0	40.0	25	31	49	49
Slovakia	10.4	10.1	11.6	14.0	26.9	26.9	26.9	40.0	1	-2	-41	-151
Finland	34.4	36.7	38.7	38.0	45.1	45.3	45.3	42.0	39	5	-57	16
Bulgaria	16.0	19.0	18.0	16.0	29.4	30.9	30.9	36.0	272	200	72	-512
CR	11.4	12.4	13.4	13.0	26.7	28.2	28.2	32.0	32	14	-58	-35
Denmark	25.6	27.3	29.2	30.0	43.4	44.9	44.9	40.0	152	170	138	120
Croatia	26.8	28.1	27.9	20.0	25.6	32.2	32.2	35.0	63	63	-51	-78
Hungary	9.6	9.5	9.5	14.7	32.3	34.1	34.1	30.3	298	478	594	302
Poland	10.9	11.3	11.4	15.0	40.5	42.1	42.1	45.0	-1,295	-1,364	-1,744	-2,155
Romania	22.8	23.9	24.9	24.0	22.9	25.0	25.0	26.7	-788	-511	-817	-869
Sweden	51.1	52.0	52.6	49.0	48.3	49.9	49.9	40.0	171	152	234	269
UK	4.6	5.6	7.0	15.0	47.4	47.7	47.7	n/a	-26	1,029	1,517	1,119
EU	14.3	15.0	16.0	20.0	37.1	37.9	37.9	40.0	3,568	6,393	5,350	4,787