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*Daniela Palašćáková***ANALYSIS OF THE EXPENSES FOR THE PROVISION OF THE PRESIDENCY
OF THE SLOVAK REPUBLIC IN THE COUNCIL OF EU***Даніела Палащакова***АНАЛІЗ ВИТРАТ НА ЗАБЕЗПЕЧЕННЯ ПРЕЗИДІЇ СЛОВАЦЬКОЇ
РЕСПУБЛІКИ В РАДІ ЄС***Даниэла Палащакова***АНАЛИЗ РАСХОДОВ НА ОБЕСПЕЧЕНИЕ ПРЕЗИДИИ СЛОВАЦКОЙ
РЕСПУБЛИКИ В СОВЕТЕ ЕВРОПЕЙСКОГО СОЮЗА**

We understand the Presidency in the Council of EU as an opportunity to show that the Slovak Republic is full-fledged and responsible member of EU which knows how to effectively manage European relations, contribute for the creation of consensus within 28 member countries and shift the discussion further on to common European challenges. The aim of this article is to elaborate the analysis of the expenses for the provision of Slovak Presidency in the Council of EU in 2016 based on the quantification of expenses and the experience of other countries.

Key words: analysis, country, presidency, budget, strategy, expenses.

Tabl.: 3. Bibl.: 14.

Президія в ЄС представляє для Словацької Республіки можливість показати, що вона є повноправним і відповідальним членом ЄС, який може ефективно управляти європейськими справами, здійснити свій внесок у створення консенсусу в межах 28 країн-членів і перенести обговорення спільних європейських проблем далі. Метою статті є на основі кількісної оцінки витрат з досвіду інших країн, зробити аналіз витрат на забезпечення словацької президії у Раді ЄС в 2016 році.

Ключові слова: аналіз, країна, президентство, бюджет, стратегія, витрати.

Табл.: 3. Бібл.: 14.

Возглавление Совета Европейского Союза в 2016 году Словацкой Республикой воспринимается как возможность показать, что Словацкая Республика является полноценным и надежным членом ЕС, умеет эффективно управлять европейскими делами, может внести свой вклад в формирование консенсуса между 28 странами-членами и продвинуть общие европейские вызовы вперед. В статье на основе количественной оценки расходов других стран и на их опыте сделан анализ расходов по обеспечению возглавления Словацкой Республикой Совета Европейского Союза в 2016 году.

Ключевые слова: анализ, страна, возглавление, бюджет, стратегия, расходы.

Табл.: 3. Библ.: 14.

JEL Classification: A 10

Problem statement. The Presidency in the Council of EU is demanding and responsible task. Its financial burden rests predominantly on the Presidency country. Its successful control mobilizes the entire state administration and depends on the right setting of the coordination, communication, the quality of human resources preparation as well as the preparation of capacity and organization. Duty of the Slovak Republic to preside the Council of EU in the second half of 2016 results from the time table of the rotation of the Presidency till 2020 approved by EU member states. Therefore, Slovak Republic becomes the second center of EU after Brussels in 2016 [1]. Member countries are changing semi-annually by presiding the Council. They determine the topics for discussion and preside the Council of EU meetings themselves as a part of their Presidency. For the reason of the elimination of the interruption of discussed topics determined by the representatives of presiding countries, the “triplet” has been established, representing the cooperation between three countries presiding in order [2]. Slovak Republic will preside together with Netherland and Malta. A group of three is made in consideration to the variety and geographic location. Presiding the triplet implements common program during their Presidency, while other two countries help the current presiding country to execute the program. In the context of Lisbon treaty, the Presidency in the Council of EU represents the right to organize the meetings of the Council of EU and working bodies. It is about the conducting several forums, determining their agenda and active participation in a consensus search [1]. Proper setting of coordination mechanisms in preparation and execution of the Presidency is a key factor that should contribute for an effective communication between individual agents. A great number of departments and

institutions participates in coordination of European affairs. Therefore, it is necessary to have clear rules of coordination and responsibility. On that account, there is an important role of the definition of priorities which had to be filled within the competence of particular agents.

Analysis of recent research and publications. We emphasized the work with strategic documents at national level and professional publications considering a given problem in preparation of our article. Preparation of the Presidency of the Slovak Republic in the Council of EU in 2016 is in accordance with *Program declaration of the Government of the Slovak Republic for 2012 – 2016* which defines this problem as one of the main priority in the field of European affairs. In the context of the preparations declared in mentioned *Program declaration of the Government*, document entitled *Preparation of the Presidency of the Slovak Republic in the Council of EU in 2016 – fundamental resources and actual priorities* has been elaborated and *Report on the state of preparedness of the Slovak Republic for the execution of the Presidency of the Slovak Republic in the Council of EU in 2016* is annually updated and both of the documents are key for the analysis of actual priorities.

Solutions of not resolved before parts the general problem. There is no unique methodology of accounting of these expenses for EU member countries. Within the Presidency of the Slovak Republic, we considered interesting to issue from the Presidency of V4 countries – Czech Republic and Hungary that successfully performed that role. We dealt mainly with financial-budget sphere, but we also paid attention to other important information regarding their Presidency in the Council of EU.

The purpose of the article. The aim of this article is to elaborate the analysis of the expenses for the provision of Slovak Presidency in the Council of EU in 2016 based on the quantification of expenses from the experience of other countries.

The main results of the study. The execution of the presidency requires millions of Euros. The amount of the expenses of presiding countries differs. The differences depend on the fact whether the country assigns the budget for presiding directly or transfers particular expenses to other state institutions/authorities.

For the comparison between particular countries, it is important, what period we classify the budget from, whether we follow even the expenses from beginning and ending of the Presidency. Final value is also influenced by institutions included in it [6].

We have decided to state the examples of the budgets of selected countries in Table 1, just to compare their source conditions with Slovak Republic.

Table 1

Budget of selected chairing countries

Chairing country	Period	Budget (in mil. €)
Czech Republic	January – June 2009	136
Hungary	January – June 2011	81
Slovenia	January – June 2008	62
Lithuania	July – December 2013	62
Cyprus	July – December 2012	61,7

Source: Analysis [6].

Czech Republic began to perform their presidency in very complex economic and political situation. Europe faced economic crisis and international situation was also considerably turbulent. Czech Republic has chosen main program priorities through three “E” (economics, energetics and EU in the world). As it’s been proven, these topics were highly actual and still remain a message to the future of EU to hold its position even in the times of crisis. Czech Republic also intensively supported the idea of “Europe without borders” [13]. Czech Presidency in the Council of EU in 2009 cost approximately 90 mil. € that covered particular activities. Specifically, it covered around 3000 meetings in Czech Republic, Brussels or elsewhere. Around 80 of one- to three-days meetings took place. Events were joined by 30 thousand foreign delegations, more than 2 mil. visitors, around 80 thousand booklets were

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printed, 30 thousand accommodations were booked. 1 500 officers joined the meetings, 338 of it occupied newly created seats. Around 500 cultural events took place [7]. Regarding the final evaluation of expenses, we could not find consistent information. Final amount of 90 mil. € is stated on an official web page of Czech Republic Presidency, while the amount of 136 mil. € is stated in *Analysis of expenses for the provision of the Presidency of Slovak Republic in the Council of EU in 2016*. We found similar differences even in the comparison of the expanses of Hungarian Presidency, although the difference between these amounts is much smaller.

The Presidency of Hungary was carried in the spirit of human factor, four main topics were set: growth and employment for keeping the social model of Europe, stronger Europe, civil-beneficial union and expansion of EU borders and foreign policy. The interest of Hungary led to the idea of intelligent and inclusive growth as a keystone for EU [8]. Hungary spent around 85 mil. € for their presidency, while the amount of 81 mil. € was mentioned in the above stated analysis of Slovak Republic. Hungarian government, according to their opinion, has been using the most efficient way of financing of their presidency. The vast majority of budget has been used for the organization of domestic events with around 40 thousand of foreign guests. Hungary reimbursed the accommodation of guests, travelling to events, meals, information technology, translations, interpreting, host delegation services relating the events in Hungary and presidency web page. Within unwritten rules, some delegates have obtained presents worth of less than 200 € [9].

Experiences of other chairing countries refer to common practices of cooperation with private sector in providing the goods and services that helps to reduce the budget for chairmanship. Companies usually provide car rental, catering or software. For such help, they acquire the status of the “chairmanship partner”, thus the possibility to place their logo on web page of chairmanship country, information materials or right at the places of events/happenings.

Countries we monitored – Czech Republic and Hungary – helped themselves by sponsorship and cooperation with private sector that has been proven during their presidency period. For further interpretation, what type of sponsored activities particular countries acquired within sponsorship, look at Table 2.

Table 2

Sponsored activities of selected chairmanship countries

Sponsored activities	Country	
	Czech Republic	Hungary
Travelling	✓	✓
Fuel		✓
Mineral water	✓	✓
Catering	✓	✓
Presentation materials, chairmanship presents		✓

Remark: empty spaces are not known, or are not generally provided.

Source: [6].

As we can see in Table 2, Czech Republic (January – June 2009) used the cooperation with private sector in the areas of: catering, water supplies and last but not least, supplying the fleet that has been available for CZ PRES even in Czech Republic as well as abroad.

Hungary has been more active with their sponsorship (January – June 2011) that provided: travelling, fuels, mineral water, catering and even presentation materials and presents.

Preparation of historically first Slovak Presidency in the Council of EU that has begun in 2012 belongs to the priorities of Slovak government. It has been initiated by Slovak government decree number 392/2012 which determined basic sources of presidency and current priorities. Since that time, many other important documents have been ratified and we can find their integrated updated overview on the web page of the Ministry of Foreign and European Affairs of the Slovak Republic [3]. Mentioned document split Slovak Presidency, including the preparation, into the following stages: *initiative stage* (2012–2013), *preparation stage* (2014–2015) and *realization stage* (2016–2017) [1].

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One of the key fields of the preparation and execution of the Presidency is setting the budget. This item reflects the possibilities of presidency country regarding its budget capacities. Particularly, it is about the qualification and the quantification of budget items regarding the needs and the possibilities of presidency country. The budget is conceived within the conditions of the Slovak Republic from the period of its preparation till its final execution.

Current conception of the expenses has been expanded in comparison to the assumptions in 2012. Particular items had been better quantified and qualified in the period to 2015. Current budget is sourced in more materials regarding personnel, analysis of expanses, logistic-organizational proposals and the proposals for the conception of cultural-communication presentation. The main change occurred within the budget item for the provision of conference areas where there is a clear restriction that events will be held in the areas belonging to state.

In final stage, expenses have been defined in document *Budget of expenses for the preparation and provision of the Presidency of the Slovak Republic in the Council of the European Union in 2016* which is based on *Analysis of expanses for provision of the Presidency of the Slovak Republic in the Council of the European Union in 2016*. Expenses by this structure together with basic description of the expenses' content and expected amount of expenses are defined in this document. Following the budget, we compared the Czech Republic and Hungary in Tab. 3 and conceived the overview of expected expenses in 2015–2017 where the financing of mainly centrally procured activities will be included.

Table 3

Centralized activities of selected Presidency countries

Centralized activities	HU	CZ	SK
Education	✓	✓	✓
Conference room renting	✓	✓	✓
Accommodation and catering	✓	✓	✓
Travelling	✓	✓	✓
Interpretation, translations	✓	✓	✓
Liaison officers	✓		✓
Logo	✓	✓	✓
Web page, PR	✓	✓	✓
Presentation materials, Presidency presents	✓	✓	✓
Cultural representation	✓	✓	✓
Security	✓	✓	✓
Accreditation system	✓	✓	✓
Technical equipment and communication infrastructure			✓
Health services	✓	✓	✓

Remark: empty spaces are not known, or are not generally provided.

Source: compiled by the author.

Centralized provision of above mentioned spheres results from an effort to achieve efficient and economic management of public funds, as well as from an effort to systematic, coordinated and unique realization of logistically demanding activities.

Sponsorship was not able in public administration in the Slovak Republic. Therefore, more discussions and legislative processes were conducted to enable the sponsorship within public administration. Currently, problematic issue is set [10]. After the identification of the spheres and their provision in the form of sponsorship, the cooperation with private sector is expected within the Slovak Republic in the form of professional, flexible and open approach in order to fully use the marketing potential of “SK PRES”. We should set certain value to the symbol of “SK PRES” that will be used for the cooperation with private sector. According to abroad experience, it could be from 500 thousand to 3,5 million €. The use of financial resources released by Government Departments (GD) for the purposes of SK PRES will be the subject to thorough audit and reasoning the expenditures of the costs after the end of Presidency [12].

Currently, there is a limited budget for 2015 and we can expect the quantification of expanses for the Presidency realization in the near future. Exact budget can be just estimated now, as there are many determinants influencing the expanses. Such factors are agendas of particular work groups of the Council of the European Union, coordination of the Presidency trinity, personal capacities, localization of the meetings organized in the third world countries, sponsorship provided to private sectors. Therefore, expanses are always defined only to particular fiscal year. Regarding the increase of the effectiveness of expanses, it still counts with the use of the places owned by state. The Presidency itself will increase financial demands for preparation and realization, while we can expect the highest financial burden in 2016. Financing of this task for 2016 and 2017 should be predicted late 2015 [5]. There is no official report defining the assumption of expenses for Slovak Presidency in the Council of the European Union in 2016. According to the Minister of Foreign Affairs of the Slovak Republic, Miroslav Lajčák, it could be 60 mil. € and the costs should be the lowest in V4 countries [11]. It would represent cheaper variant of financing that can be reasoned by the decision to execute the Presidency centrally.

Conclusions and suggestions. In conclusion, we can state that there is a budget elaborated in details at the level of the Slovak Republic. It follows various items as well as periods of the use bound to particular stage of the Presidency organization. However, there is no official report by now that would define the expenses assumption for Slovak Presidency in the Council of the European Union in 2016. We can deduce from the analysis of available documents that the competent people in the field of preparations and execution of the Presidency are really trying to look for the various ways of saving which we have presented in the part where we described the experiences of other member countries with the Presidency. We were influenced mainly by the experiences of the Czech Republic and Hungary that successfully executed the Presidency. Even here, we did not get relevant information regarding the final evaluation of expenses. We consider the analysis of the Presidency of other member countries as breakthrough topic because different fields of preparation and execution can be inspired by successful experiences of previous organizers.

As it's obvious from the previous text, the amount of expenses for preparation and execution of the Presidency depends on the decision-making of particular countries and their budget possibilities. For Slovak Republic, the key competence will be an ability to efficiently execute the Presidency and the coordination of the tasks between the triplet: Netherland (January – June 2016), Slovak Republic (July – December 2016), Malta (January – June 2017).

The topic of calendar program of events and common political program for the representatives of the Presidency triplet becomes more and more actual at the time of writing this article. Coordination and negotiating activities are supervised by the Ministry of Foreign and European Affairs of the Slovak Republic. There is a special significance of political program, in which Slovak Republic is supposed to open the topics regarding our national interests in the field of EU.

Important open question for Slovak Republic remains media-cultural presentation, establishment of web page for the Presidency, logo of Slovak Presidency as well as slogan that will express its program. Budget question limiting the Presidency still remains equally important. We consider important to stay within in intentions of budget possibilities of Slovak Republic in regard of economic pragmatism, centralized form of organization of the Presidency as well as the analysis of the experiences of other countries. Based on the study of conception documents determining processes, budget and resources of particular stages, we came to the conclusions that Slovak Republic is consistent with the plans and keeps time, financial and objective schedule.

We delimited the following recommendations by our personal observation:

– Deal with the issues of the analysis of possible risks, or elaborate the strategy for risk management resulting from the execution of the Presidency in the Council of EU which any national document personally deals with (procurement, inexperience, next year parliamentary elections and possible change of government mechanism);

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- Provide transparent production of personal structure providing the Presidency and taking the responsibility for permanent creation of work places till the period of the end of the Presidency because of the elimination of fluctuation and the prevention against related risks;
- Elaborate the problem of the Presidency in the Council of EU even at academic level with the goal to support the preparation of the process of organization of the Presidency: workshops, conferences, lectures;
- Support media campaign about the preparations of Slovak Presidency with the goal to raise the awareness of EU and increase an interest of wide public in the politics of EU. We consider the public awareness at national level as very important.

I think that properly selected awareness campaign and presentation of the Presidency to wide public can open the door for the interest of Slovak nation in European affairs and European happening. It is generally known that Slovak Republic is not characterized by high interest in politics at EU level, therefore, we can see the Presidency as a unique opportunity of our society to increase an interest in this topic.

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