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On the project

Due to the new treaty provisions of the Lisbon Treaty and the economic crises the enlarged EU of 27 member states is on the search for a new modus operandi while also continuing membership talks with candidate countries. The EU-27 Watch project is mapping out discourses on these and more issues in European policies all over Europe. Research institutes from all 27 member states and the four candidate countries give overviews on the discourses in their respective countries.

The reports focus on a ***reporting period from December 2009 until May 2010***. This survey was conducted on the basis of a questionnaire that has been elaborated in March and April 2010. Most of the 31 reports were delivered in May 2010. This issue and all previous issues are available on the EU-27 Watch website: www.EU-27Watch.org.

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EU 27-Watch | Introduction

The EU in 2010 – between excitement over the Lisbon Treaty and anxieties about the financial and economic crisis

Katrin Böttger and Julian Plottka·

The reporting period from December 2009 until May 2010 has seen the constitutional crisis coming to an end – unlike the financial and economic crisis, which, after initial hopes that it would pass quickly, turned into a Euro and Eurozone crisis instead. With the coming into force of the Lisbon Treaty, questions of its design and implementation continued to keep the subject on the agenda, however. As the widening of the EU is always being related to its deepening, further issues of salience were the Enlargement and Neighbourhood Policy as well as the climate issue, especially during the climate conference in Copenhagen in December 2009.

In this first issue of the EU-27 Watch under collaboration of Cife and the IEP, all these issues are dealt with and a prospect for the second half of 2010 and the beginning of 2011 is given, a time where the finalisation of the post-Lisbon reforms is to be expected to include new opportunities but also uncertainties:

- Implementation of the Lisbon Treaty;
- Enlargement and Neighbourhood Policy;
- European economic policy and the financial and economic crisis;
- Climate and energy policy; and
- Other current issues and discourses in the reporting countries.

As in previous issues of EU-27 Watch, the country reports give a unique and up-to-date snapshot of positions and assessments of those topics in all 27 EU-member states as well as Croatia and Turkey. The EU-27 Watch includes Macedonia and Iceland for the first time, thereby covering all 4 candidate countries.

When taking a closer look at the 31 country reports, some widespread consensus can be observed on certain topics with heterogeneity on others. In addition, regional differences can also be observed.

The Implementation of the Lisbon Treaty: Assessment of the new posts, the European External Action Service and the European Citizens' Initiative

On 1 December 2009 the EU-reform ended with the entering into force of the Lisbon Treaty. However, the new treaty provisions still have to be implemented. Some procedures and conditions have to be determined. In other cases, procedures, power relations, and decision-making mechanisms will change due to the new provisions. Therefore, contributors were asked to describe the assessment of new President of the European Council, Herman Van Rompuy, and the new High Representative of the Union for Foreign Affairs and Security Policy, Catherine Ashton, in their country. In addition, they were asked about the country's perception of the European External Action Service as well as possible alternative structures and about the expectations concerning the proposal defining the rules and procedures for the European Citizens' Initiative (ECI).

Overall, the role of the new President of the European Council is seen as that of a moderator or mediator. The assessment of this fact varies, however; more member states see this role in a positive light, many said it was too early to tell, and it is criticised by a smaller but also considerable group. Criticism focuses especially on the selection process and Herman Van Rompuy's role during the economic crisis and particularly the Greek crisis. Fear of a more intergovernmental character of the EU has also been mentioned more than once. Concerning the rotating council presidency, there seems to be some unease relating to changes in the division of labour between the President of the European Council and the rotating presidency and reductions in its relevance. Small states underline especially the importance the six-month-long presidency has for them and maintain that it has kept too many considerable responsibilities to be defunct.

· **Institut für Europäische Politik.**

Concerning the new High Representative of the Union for Foreign Affairs and Security Policy, the group of critics is larger. While some member states give her the benefit of the doubt and the candidate countries can only report limited coverage of the subject, some of Catherine Ashton's activities in the first month of her holding the post have been criticised, especially the unilateral appointing of Joao Vale de Almeida as EU ambassador to the USA.

The European External Action Service is still in its formation phase. Therefore, suggestions to its shaping prevail. Most often voiced is the necessity to clearly define its duties, to leave the appointment of 1/3 of officials to the member states and to keep a geographical balance while doing so. Furthermore, there are still uncertainties to what degree the EEAS might replace national diplomatic service and lure away some countries' best diplomats.

The expectations for the European Citizen's Initiative (ECI) are generally positively assessed; the subject has, however, been less discussed in the member states than other changes being brought about by the Lisbon Treaty.

The candidates and neighbours: Who is next in line?

The European Commission has given its opinion on Iceland's application for EU-membership and a positive decision from the Council was taken in June 2010 granting Iceland candidate status. Croatia seems to have settled its border dispute with Slovenia. Against this background we asked, which countries are expected to become members of the European Union in the next enlargement round by the author's country and which are not. In addition, they were asked to describe how the Eastern Partnership and the Union for the Mediterranean, the last major projects dealing with the European neighbourhood, were assessed in their country.

There is a wide consensus that Croatia and Iceland are next in line for enlargement. Whenever dates are mentioned, they assume that negotiations will be completed by the end of 2010 or in 2011 with the possibility for both countries to join in 2012. Concerning the membership perspective of those countries discussed but not expected to become members in the next enlargement round, the picture is a lot more diverse. In general, all other prospective candidates from the Western Balkans are mentioned by one member state or the other. In this context, the importance of sticking to the Copenhagen criteria is repeatedly mentioned. A special point of contention throughout the reports is Turkey. While its accession to the EU is mentioned as an important if hard to sell goal, others see the process as long and slow or even object to Turkish EU membership. Concrete reasons, e.g., that it is a non-Christian country, are, however, rarely mentioned.

Both the Eastern Partnership and the Union for the Mediterranean are subjects of low salience in the public of the EU member states. When focusing on governments and scientific circles, however, they are seen as important policies for the stability and prosperity in the region. The relevance seen of one or the other depends mostly on regional preferences of the member states. The countries more concerned with Eastern relations frequently mention Ukraine. In addition, the importance of good relations with Russia is mentioned repeatedly.

Economic policy and financial crisis: closer cooperation needed! But how?

During March 2010 the heads of state and government agreed to financially support Greece. On 11 April 2010 this agreement was expressed in figures: the Eurozone member states were willing to grant Greece loans of up to 30 billion Euros complemented by 15 billion Euros from the International Monetary Funds (IMF). On 2 May 2010 the amount was increased to 110 billion Euros. One week later, on 9 May 2010, the heads of state and government reached an agreement to grant financial assistance to a member state "which is experiencing, or is seriously threatened with, a severe economic or financial disturbance caused by exceptional occurrences beyond its control".[1] This agreement contains three elements: the European Stabilisation Mechanism which allows the European Commission to borrow the necessary money to grant a credit to the respective member state; a special purpose vehicle, which is allowed to borrow up to 440 billion Euros, guaranteed by the 16 member states of the Eurozone, to support member states financially; and an IMF credit worth half the amount of each credit this special purpose vehicle grants to member states. All in all the IMF will financially support member states with a maximum of 250 billion Euros.

This financial package for Greece was broadly welcomed all over Europe. But the arguments for supporting the package differ: on the one hand, it is argued, as the Italian Prime Minister put it, that the EU has no reason to exist if it is not willing to help a member of the Euro area afflicted by a severe economic crisis. Others saw the finance package as a necessary evil. The only member state probably not willing to grant bilateral loans to Greece is Slovakia. The idea of Greece leaving the Eurozone was not seriously discussed in any member state.

Beside the general support of the packages, the country reports reflect a European debate on whether the IMF should be involved or not. Some politicians expressed the opinion that the Europeans should have dealt with the problem on their own. In other states, some of them under IMF supervision on themselves, the participation of the IMF was welcomed. According to the Belgian report, other criticism can be summed up with the words of the former Belgian Prime Minister, Guy Verhofstadt, who criticised the slow decision-making process and European cacophony, as well as the overly long discussions on the way to solving this problem.

The question, which lessons learned from the financial crisis in the Eurozone, is closely interweaved with the assessment of the idea of European economic governance. A majority of the country reports name two aspects concerning this question: 1) the rules of the Growth and Stability Pact have to be more strictly enforced; and 2) closer economic cooperation is needed. But here agreement seems to end. There was disagreement on whether new institutions should be created and whether a new treaty reform is feasible. Another question on which opinion is split is the “European Semester”. While some welcome the monitoring of national budgets, this is regarded as a threat to national sovereignty in other member states. Furthermore, concerns on a European tax policy are expressed in Ireland and Malta, while Slovenia is the only country from which calls for a closer coordination of indirect taxes are reported. A fear frequently expressed is that increased economic cooperation will foster a “Europe of two speeds”, no distinction should be made between Eurozone member states and member states not having introduced the Euro. One idea to avoid such a development is to give the non-Euro member states observer status in the Eurogroup.

What becomes apparent is that in none of the countries a concept for closer economic cooperation or the reform of the Growth and Stability Pact has yet been discussed. Beside the general agreement that something has to be done, most concepts remain vague. The few concrete ideas voiced are just bits and pieces. Another subject not mentioned is, surprisingly, the role the rating agencies have played during the crisis.

While the new Europe 2020 Strategy is broadly welcomed in general, there is a great scepticism concerning the Strategy’s success, as the Luxembourgish report put it. The question of implementation of the Europe 2020 Strategy seems to be the major concern fuelling this scepticism. That the new Strategy does address the problem of the Lisbon Strategy in this respect is the major point of criticism. In a more general approach, the criticism is summarised in the French report by citing Bruno Vever: “never change a loosing strategy.” Furthermore, depending on the respective national interest, policy fields are discussed which should have been more stressed by the Strategy. Examples are the Common Agricultural Policy, energy policy, green growth, and the fight against protectionism.

Climate and energy policy: best hope for the next negotiation round

In the field of European climate and energy policy, the United Nations Climate Change Conference in Copenhagen from 7 to 19 December 2009 was the major event during the reporting period. Starting with the internal negotiations and final agreement on the “energy and climate change package” in late 2008 and early 2009, the European Union was occupied with formulating a negotiating position for the Copenhagen conference during 2009. This position was reached with the so called “20-20-20 objectives” offering a unilateral reduction of greenhouse gas emission by 20 percent until 2020 and the offer to increase the reduction goal to 30 percent, if the other “developed countries commit themselves to comparable emission reductions” and “developing countries contribute adequately according to their responsibilities and respective capabilities.”[2] Against this background, the reports evaluate the non-binding Copenhagen Accord finally agreed upon. The assessments of the Copenhagen Accord range from disappointment, failure, and dissatisfaction to describing it as a missed opportunity. More positive voices regard it as “moderate progress” or they are hopeful that next time, in Cancún at the end of 2010, a better agreement will be reached.

Among the 31 country reports, a majority evaluates the EU's internal climate and energy policy positively. Just in a few of the member states the EU's goals are regarded as being too ambitious or calls for more emphasis on energy policy were heard. Among those supporting the current policy, some do not see the necessity to increase Europe's efforts in climate policy. They consider the so called "20-20-20 objectives" as a sufficient basis for the next negotiation round in the international arena. Others, among them not just environmental NGOs but also governments, point out that the EU must not lose its role as an international leader in climate policy and pledge for a more ambitious climate policy. A few country reports do not discuss the policy itself as the problem Europe will face during the next international negotiations. Instead, they argue, it is more important to overcome Europe's internal division and to find a coherent and consistent climate policy.

There is a wide consensus that the Framework Convention on Climate Change (UNFCCC) is the appropriate forum to tackle climate change, as it is a global challenge and there is no other forum larger than the United Nations. In Belgium the idea was proposed to supplement the negotiations within in the UNFCCC with a bilateral CO_2 tax on imports from those countries not willing to participate in the UNFCCC. The only alternative to the UNFCCC mentioned in the country reports is the G8 respectively the G20.

The financing of mitigation and adaptation efforts in developing countries is broadly considered as being necessary and useful. Most countries are willing to participate or have already committed funds. In Romania the idea is discussed that the amount a state has to pay should be dependent on the emissions of the respective country. Concepts on the allocation of these funds and the monitoring of the spending do not seemed to be a topic discussed at present in Europe. Controversially discussed is the question where the funds should come from. Some criticise that existing development aid funds are just declared as being funds for mitigation and adaptation efforts. Due to this reason, others question the priority of mitigation and adaptation for developing countries in general.

Current issues: It's the economy, stupid!

The current issues and discourses reported in chapter five reflect that there is no synchronic debate in all member states and candidate countries on one issue not dealt with in chapters one to four. The current discourses in Europe cover a broad spectrum of topics ranging from spring hunting and genetically modified organisms to visa policy, constitutional reforms, the involvement in Afghanistan, and immigration.

Meanwhile, two issues are mentioned more often than others: elections and economic policy. In a number of European countries, the governments of different levels of the political system have changed due to unexpected election results or the ruling governments split up and made elections necessary.

That economic policy is the second issue discussed in this chapter is somewhat surprising as chapter three of the EU-27 Watch No. 9 already covers it. But the answers to question five of the questionnaire focuses on different aspects. They either focus on the economic developments in the respective national economy or they deal with the future of the single currency. In Estonia qualifying for Eurozone accession is regarded as an "extraordinary achievement". In other member states, e.g., the Czech Republic and the United Kingdom, the current developments in the Eurozone are regarded as further arguments against introducing the Euro, while Denmark handled the debate on its Euro opt-out with care.

Reviewing the debates on current issues as they are reported, the interpretation might not be wrong that economic policy is by far the most important topic discussed during the reporting period.

Outlook: EU remains moving target even after the Lisbon Treaty

The EU-27 Watch No. 9 shows to what degree the European Union is a political system in transition during the reporting period. The only certainty, from the point of view of most of the reporting countries, seems to be that Croatia and Iceland are the candidates which will join the Union next. Meanwhile the EU is still searching for its balance and a new internal working mode. The President of the European Council seems to be developing into a moderator or mediator, while the role of the High

Representative, the EEAS, and the ECI are still in their formation phases. Thus it is too early for final assessments.

The same is true for the two policy fields touched upon in the EU-27 Watch No. 9. The United Nations Climate Change Conference in Copenhagen did not agree on the final binding agreement, the EU hoped for. While it remains to be seen, what role the EU can play, European actors in climate policy hope for the next negotiation round, while in the public debate the salience of the issue decreases. Much more salient was the economic policy during the reporting period. The heads of state and government agreed on a stabilisation mechanism to react on the current crisis, but apart from broad guidelines (wish for a stricter Growth and Stability Pact and closer economic cooperation) no concrete reform steps have been developed so far. Time will tell what these will have to look like in order to be approved by EU and Eurozone member states.

Overall, it can be seen that the Lisbon Treaty marks not only the end of a long process but also the beginning of a new phase of implementation which we will be able to observe and assess in the future.

[1] Council Regulation (EU) No 407/2010 of 11 May 2010 establishing a European financial stabilisation mechanism, in: Official Journal of the European Union, No. L 118 of 12. May 2010, pp. 1-4.
[2] Council of the European Union: Brussels European Council 29/30 October 2009. Presidency Conclusions, Doc. 15265/1/09.

Implementation of the Lisbon Treaty

Austria

New institutions and instruments introduced by the Lisbon Treaty and the view from Austria

Hakan Akbulut*

When Herman Van Rompuy and Catherine Ashton were respectively nominated as the President of the European Council and the High Representative of the Union for Foreign Affairs and Security Policy, Chancellor Werner Faymann seemed to be content with the staffing while the press generally described the nominations as the least common denominator. Herman Van Rompuy's role in Belgian politics as a conciliator was the only positive aspect to be mentioned. Overall, Van Rompuy's nomination was understood to constitute a safeguard installed by the member states against Brussels playing a greater role or usurping the competences of the nation states. Reflecting this point of view, Die Presse columnist Oliver Grimm, for instance, maintained that Van Rompuy had "secretly, calmly and quietly"[1] taken decisions in his first 100 days in office which would result in the Commission being down-graded into a form of a secretariat-general while real power is transferred to the heads of state and government. As for his performance in the face of the economic crisis, Van Rompuy was criticised by leading figures. During a debate on TV, the President of the Austrian Federal Economic Chamber, Christoph Leitl, claimed that one did not hear anything from Van Rompuy despite the crisis.[2] In a similar fashion, former Foreign Minister Ursula Plassnik also maintained Van Rompuy should have played a more prominent and visible role. With regard to the role to be played by the rotating council presidency, there are apparently no major changes expected, as Van Rompuy's role is conceived to be limited to acting as a chairperson and conciliator during summit meetings at best. Against this background, it is worth mentioning that Foreign Minister Spindelegger sharply criticised the decision to exclude the foreign ministers from summit meetings.[3]

As for Catherine Ashton, except for Chancellor Faymann's positive remarks, she was widely described as an inexperienced no-name.[4] Ashton was criticised by Foreign Minister Spindelegger after the Cordoba meeting of the foreign ministers in March 2010. The Minister argued there was no visible foreign policy line and that no respective coordination on a common policy existed.[5] Spindelegger confirmed that there was dissatisfaction with the performance of Ashton so far and that the foreign ministers were frustrated about not being included in the process of setting up the European External Action Service (EEAS). He did not seem to be content with Ashton being the Vice-President of the Commission either, raising the question as to how this would affect her workload and stating that members of the Commission might be tempted to prevent competences from being transferred to the EEAS. Media reports also indicated that Ashton's unpopularity was partly due to the impression that she was being excessively influenced by Barroso instead of pursuing independent policies.[6] Ashton's performance was also severely criticised by the Member of the European Parliament (MEP) Andreas Mölzer from the Austrian Freedom Party (FPÖ).[7] Due to Ashton, the EU had said farewell to world politics, Mölzer claimed. He simply described Ashton as the wrong choice.

As mentioned above, Foreign Minister Spindelegger stated, after the Cordoba meeting, that the foreign ministers were frustrated about not being included in the process of setting up the EEAS.[8] The day before the proposal on the EEAS was presented, during a parliamentary committee meeting, Spindelegger maintained that he fully supported the idea of the EEAS. He also supported the structure proposed in the draft put forward by Ashton. Nevertheless, there existed a number of questions that had to be solved, he added.[9] In his view, the EEAS could only be successful if the personnel from the member states were represented at all levels in due proportion and could participate on equal footing. He added that, in cooperation with other member states, progress had been made on the question of a geographically balanced staffing as well as on the training of the diplomats. Moreover, having German as an official and working language was also significant (a demand also supported by Austrian MEPs such as Strasser and Mölzer). When the foreign ministers achieved an agreement on the structure and the responsibilities of the EEAS in April 2010, former Foreign Minister Ursula Plassnik asserted that all Austrian demands had been met.[10] She praised the adoption of German as an official language and the acceptance of consular protection as one of the responsibilities of the EEAS offices.[11] Spindelegger also praised the EEAS and referred to crisis management and consular protection as major issues that should be of concern to the EEAS.[12]

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The Social Democratic Party of Austria (SPÖ) is likely to be the first ever organiser of a European Citizens' Initiative (ECI). Given existing differences with his party's coalition partner, the Austrian People's Party (ÖVP), on the topic of introducing a financial transaction tax, Chancellor Faymann declared that his party would initiate the first European Citizens' Initiative on the establishment of a financial markets supervision system and the introduction of a financial transaction tax.[13] While supported by the German Social Democratic Party (SPD), Faymann's initiative evoked criticism in Austria and was described as window-dressing by the other parties. Nevertheless, on 19 May 2010, a resolution supported by the Austrian People's Party, the Social Democratic Party, the Greens and the Alliance for the Future of Austria (BZÖ) was passed in parliament, calling for, among other things, a lowering of the threshold for the initiation of an ECI from nine to six countries, a rapid introduction of the instrument as such, binding regulations for the handling of successfully finalised initiatives, and the decision on the admissibility of the initiative to be taken at an earlier stage by the Commission and not only after 300,000 statements of support have been collected.[14]

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[1] Oliver Grimm: Meisterstratege: Van Rompuys diskreter Zug zur Macht, Die Presse, 16 April 2010.
[2] ORF broadcast "Im Zentrum", 16 April 2010.
[3] Der Standard, 21 January 2010.
[4] Cf. Der Standard, 19 November 2009. For critical views by Green politicians see Die Presse, 20 November 2009.
[5] Der Standard, 5 March 2010.
[6] See for example Der Standard, 8 March 2010.
[7] FPÖ: Mölzer: Mit Ashton als "Außenministerin" hat sich EU von der Weltpolitik verabschiedet, 8 March 2010, available at: http://www.fpoe.at/news/detail/news/moelzer-mit-ashton-als-ausse/?tx_thgenericlist[114][offset]=0&cHash=59914ea5b818c808ea7dbd7229083f85 (last access: 19 May 2010).
[8] Wiener Zeitung, 5 March 2010.
[9] Parlament der Republik Österreich: Hauptausschuss diskutiert über Hilfen für Griechenland Weitere Themen: Auswärtiger Dienst der EU, Klima, Naher Osten, 24 March 2010, available at: http://www.ots.at/presseaussendung/OTS_20100324_OTS0248/hauptausschuss-diskutiert-ueber-hilfen-fuer-griechenland-weitere-themen-auswaertiger-dienst-der-eu-klima-naher-osten (last access: 05 May 2010).
[10] ÖVP-Parlamentsklub: Plassnik: Mehrwert durch Bürgerservice, 27 April 2010, available at: http://www.ots.at/presseaussendung/OTS_20100427_OTS0081/plassnik-mehrwert-durch-buergerservice (last access: 4 May 2010).
[11] See also Der Standard, 27 April 2010.
[12] Der Standard, 8 May 2010.
[13] ORF.at: SPÖ und SPD planen EU-Bürgerbegehren, 18 May 2010, available at: http://news.orf.at/100518-51337/?href=http%3A%2F%2Fnews.orf.at%2F100518-51337%2F51338txt_story.html (last access: 18 May 2010).
[14] Der Standard, 19 May 2010; SPÖ: Muttonen: Europa braucht mehr Demokratie und starke Beteiligung der Bürgerinnen und Bürger, 19 May 2010, available at: http://www.ots.at/presseaussendung/OTS_20100519_OTS0164/muttonen-europa-braucht-mehr-demokratie-und-starke-beteiligung-der-buergerinnen-und-buerger (last access: 19 May 2010); ÖVP-Parlamentsklub: Neugebauer: Europäische Bürgerinitiative rasch umsetzen, 19 May 2010, available at: http://www.ots.at/presseaussendung/OTS_20100519_OTS0257/neugebauer-europaeische-buergerinitiative-rasch-umsetzen (last access: 19 May 2010).

Belgium

Herman Van Rompuy: a threat for Belgium but an opportunity for Europe

Nathalie Brack and Régis Dandoy*

The nomination of Herman Van Rompuy had a direct impact on the Belgian federal government: Van Rompuy was Belgian Prime Minister at the time of his appointment. This event occurred in a politically sensitive environment, as the country's federal level witnessed a recent cabinet instability (Van Rompuy was the third Prime Minister in less than two years), and focused on the never-ending community conflict between Flemish- and French-speaking parties. This nomination opened a new period of political uncertainty in Belgium with consultations and negotiations between the King and the main parties. An agreement was reached after a few days and Yves Leterme replaced Van Rompuy at the head of government on 25 November 2009. Nonetheless, the government was discharged of the recurrent Brussels-Halle-Vilvoorde (BHV) issue,[1] and a royal negotiator, the former Prime Minister Jean-Luc Dehaene, was appointed. This BHV issue and the failure of Dehaene would finally lead to the complete fall of the federal cabinet in April 2010.[2] As a result, the nomination of Van Rompuy, which managed to put the linguistic divide in Belgium on hold during his term as Prime Minister, was unanimously assessed as "a bad thing for Belgium but a good thing for Europe."[3] Van Rompuy himself sees, in his nomination, recognition for Belgium that, as a founding nation, was incessantly dedicated to the building of Europe.[4] He is a respected actor in the Belgian political arena, even by his political opponents. But the main criticism against Van Rompuy came from abroad, as in the case of the British Member of European Parliament (MEP) Nigel Farage, who publicly criticised his lack of charisma and even his "look".[5]

Regarding the political role attributed to Van Rompuy within the EU institutional framework, the Minister of Foreign Affairs, Steven Vanackere, declared that Belgium will act in perfect conformity with the new reality issued by the entering into force of the Lisbon Treaty, and that the country will assist Herman Van Rompuy and Catherine Ashton as much as possible.[6] In addition, the focus will be put on the European Parliament. Considering its increased role since the Lisbon Treaty, a continuous dialogue will be initiated, and it will become a direct interlocutor of Belgium during its Presidency. Nonetheless, the State Secretary for European Affairs, Olivier Chastel, stresses the fact that rotating presidencies will not be much affected by the Lisbon Treaty as, compared to the last Belgian Presidency in 2001, the EU now counts 27 member states, and new competences have been attributed to the European level, which complicate the decision-making process.[7] In the framework of the Belgian Presidency starting on 1 July 2010, the situation of a combination of the President of the European Council and the rotating presidency belonging to the same country (and, in some cases, to the same political parties, among which that of current Prime Minister, Yves Leterme) may either lead to a more effective and coherent presidency or to the domination of one presidency over the other.

Catherine Ashton: some doubts about her ability to strike a balance between her two institutional functions

The function currently occupied by Catherine Ashton was strongly defended by Belgium during the negotiations of the Lisbon Treaty, as its primary purpose is to bring more coherence and visibility to EU external action.[8] However, the first months of Catherine Ashton's term were seen as rather disappointing in the opinion of Belgian politicians, as she was not yet able to make the EU an important player in world politics, especially during the Haiti crisis.[9]

Catherine Ashton received much attention during the period between her nomination and her audition in the European Parliament. Several elements were stressed in that respect, by the media as well as by Belgian politicians. On the positive side, the fact that she is a woman was considered an encouraging development in EU politics, which are mainly dominated by males. It was also said that the strategy of the United Kingdom, through its achievement in making Ashton High Representative of the Union for Foreign Affairs and Security Policy, was positive: it would reinforce the role of the country within Europe and would hopefully build a bridge between the United Kingdom and continental Europe.[10] On the other hand, the fact that she was never elected and has no major political achievement on her CV was frequently put forward. Her lack of charisma was considered both as a positive and a negative element: although some other candidates, such as David Milliband, would

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have been preferred in Belgium, at least her personality would not overshadow the action of the President of the Commission, which is an important point for EU federalists in Belgium.[11]

Finally, her audition in the European Parliament was widely considered disappointing: she was described as lacking vision and clear objectives. The Belgian MEPs weren't satisfied with her audition and thought that, although her general presentation was good, she did not show enough knowledge on precise, concrete and key issues in international politics, but rather the way she would manage her double institutional role as part of both the Council and the Commission.[12]

The European External Action Service: between intergovernmentalism and community method

In general, the establishment of the European External Action Service (EEAS) was positively perceived in Belgium, as it should allow Europe to speak with one voice in the world. Nevertheless, some worries were expressed. First of all, it was highlighted that the new system is neither simpler nor more transparent. Contrary to expectations, the institutions are still very complicated, and the whole structure resembles a marble cake.[13] Some Belgian Members of Parliament (MPs) criticised the numerous EU spokespersons at the international level, but the Belgian Minister for Foreign Affairs, Steven Vanackere, argued that it is of the utmost importance that the EU speaks with one voice in international politics, no matter how many spokespersons it has.[14]

Second, with the new structure from the Lisbon Treaty, there were some doubts and concerns about the role of national foreign ministers. Indeed, with the new institutional framework, it seems that they will be in the shadow of the EEAS and are currently looking for a new role to play and a new place in that framework.[15]

Moreover, the concerns expressed on the balance Catherine Ashton has to strike between the Commission and the Council in the management of EU foreign policy were further reinforced by the doubts concerning the plans on the setting up of the EEAS. Indeed, this service was mainly presented as burdensome, composed of up to 8,000 people, diplomats from the member states, and European agents from the Commission and could experience tensions between the intergovernmental and the supranational sides of the European project. According to the media, potential conflicts could arise between national diplomats, who tend to think that European agents lack political spirit, and EU "fonctionnaires", who tend to see diplomats as too "national-oriented". Journalists also pointed out the tensions between EU institutions and member states concerning the EEAS. The first round was won by the member states, as they seemed to be the driving force behind the nominations of the chiefs of EU delegations, but they tend to compete among themselves for the jobs within the EEAS. The common divide between small and large member states reappeared: the latter wanting to have the most important posts and the former fearing having nothing left.[16]

As far as the Belgian political elite are concerned, the Minister for Foreign Affairs insisted on the rapid establishment of the EEAS, declared to be in favour of single representation of the EU and, therefore, accepted to assign the entire external affairs responsibilities to the EU delegations.[17] Belgium will thus send "good diplomats" and "good Europeans" to the EEAS, i.e., people who will be loyal to their new function in Europe.[18] However, he remains cautious of the recent decisions of the Commission and, more particularly, of Catherine Ashton concerning the EEAS. He insisted on the importance of the community method, by which he means that EU foreign affairs should be based on mutual trust and understanding between the EU institutions and the member states. Therefore, he argues that Catherine Ashton should be seconded by vice-secretaries, similar to the US model, and that there should be an exchange of reports and information between the EEAS and the member states' administrations. Finally, he insisted on the necessary cooperation with the European Parliament, as this institution received new powers in Common Foreign and Security Policy.[19]

Finally, the establishment of the EEAS will have an impact on Belgian diplomacy: both the Prime Minister, Yves Leterme, and the Minister for Foreign Affairs, Steven Vanackere, stressed the fact that Belgium, as a small country, should express the common European point of view in international politics and therefore asked the Belgian diplomats all over the world to focus on economic issues as the political themes, which will be dealt with by the new EU service.[20]

European Citizens' Initiative

This initiative did not get much attention in the Belgian political scene. The Minister for Foreign Affairs Steven Vanackere and the State Secretary for European Affairs Olivier Chastel declared that Belgium

will cooperate “in a constructive way” in order to shape the European Citizens’ Initiative.[21] This issue has also been the topic of the bilateral discussions between Olivier Chastel and his European affairs colleagues on 10 May 2010 (among whom are the state secretaries of Portugal and Slovenia).[22] He confirmed that the Belgian Presidency, starting on 1 July 2010, will pay particular attention to the final establishment of the European Citizens’ Initiative.

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[1] The Brussels-Halle-Vilvoorde issue deals with the definition borders of an electoral district around Brussels. This issue that is mostly symbolic strongly divides Flemish and French-speaking parties as the former want the split of the district in a unilingual Flemish district (Halle-Vilvoorde) and a bilingual one (Brussels) while the latter prefer the status quo, i.e., a common district for both Brussels and peripheral Flemish cities.
[2] See the Belgian chapter on current issues and discourses.
[3] VRT Radio, Interview of Marianne Thyssen (Party president of Herman Van Rompuy), 3 November 2009.
[4] Herman Van Rompuy: Een eer en een erkenning voor België, speech, De Morgen, 20 November 2009.
[5] De Morgen: Britse eurohater scheldt Van Rompuy de huid vol, 24 February 2010.
[6] Meeting between Steven Vanackere and Olivier Chastel with a delegation of the AFCO (Committee on Constitutional Affairs) of the European Parliament, 11 May 2010; Meeting between Olivier Chastel with the European Affairs ministers, press release, 10 May 2010.
[7] Parliamentary discussion on the 2010 Federal state budget, doc. 52 2222/05, 19 December 2009.
[8] Report on the priorities of the Belgian EU Presidency, Senate and House of Representatives, 9 February 2010, doc. n° 4-1606/3 (Sénat).
[9] Report on the priorities of the Belgian EU Presidency, Senate and House of Representatives, 17 March 2010, doc. n° 4-1606/6 (Sénat).
[10] Le Soir, 20 November 2009, available at: www.lesoir.be (last access: 8 May 2010).
[11] Interview with Jean-Luc Dehaene, Knack, 25 November 2009, available at: www.knack.be (last access: 7 May 2010).
[12] La Libre Belgique, 9 March 2010; La Libre Belgique, 1 January 2010, both available at: www.lalibre.be (last access: 9 May 2010); Le Soir, 12 January 2010, available at: www.lesoir.be (last access: 8 May 2010); De Morgen, 11 January 2010, available at: www.demorgen.be (last access: 8 May 2010).
[13] Le Soir, 27 December 2009, available at: www.lesoir.be (last access: 8 May 2010).
[14] Report on the priorities of the Belgian EU Presidency, Senate and House of Representatives, 17 March 2010, doc. n° 4-1606/6 (Sénat).
[15] Le Soir, 6 March 2010; Le Soir, 14 March 2010, both available at: www.lesoir.be (last access: 8 May 2010).
[16] Le Soir, 27 April 2010, available at: www.lesoir.be (last access: 8 May 2010).
[17] Declaration of Steven Vanackere, La Libre Belgique, 5 March 2010, available at: www.lalibre.be (last access: 9 May 2010).
[18] Declaration of the Belgian Minister for Foreign Affairs, 6 March 2010.
[19] Le Soir, 8 March 2010; Le Soir, 27 April 2010, both available at: www.lesoir.be (last access: 8 May 2010); La Libre Belgique, 5 March 2010, available at: www.lalibre.be (last access: 9 May 2010).
[20] De Standaard, 8 April 2010, available at: www.standaard.be (last access: 6 May 2010).
[21] Meeting of Steven Vanackere and Olivier Chastel with a delegation of the AFCO (Committee on Constitutional Affairs) of the European Parliament, press release, 11 May 2010.
[22] Meeting of Olivier Chastel with the European Affairs ministers, press release, 10 May 2010.

Bulgaria

Low salience of Lisbon Treaty implementation in Bulgaria

Katia Hristova*

The entry into force of the Lisbon Treaty had limited coverage in Bulgaria and provoked no major debate in Bulgarian society. This trend is inherited from the pre-accession period when an almost complete lack of public attention to the EU constitutional debate and the following ratification crisis prevailed. The few interested media publications have commented on the entry in force of the Lisbon Treaty mainly in reference to Bulgaria's deficiencies as a new member state in fulfilling its obligations and the remedies that the Treaty on the Functioning of the European Union could bring to that situation with new provisions in the areas of freedom, security and justice. Special attention is paid to the further federalisation of the Union through the reinforcement of the EU criminal justice system that will bring about a "more effective prosecution of criminals and will guarantee individuals' rights more effectively in free movement Europe".[1]

However, the changing role of the European Parliament within the EU institutional architecture was intensively discussed following the unsuccessful hearing of the then Bulgarian Minister of Foreign Affairs Rumiana Jeleva as commissioner designate.

The work of the new President of the European Council, Herman Van Rompuy, is reflected in media articles mainly in relation to the settlement of the Greek economic crisis. Nonetheless, assessment of his performance so far is hard to be found either in official statements of political actors, or in public debate. Public opinion in Bulgaria is still not concerned with the work of the new High Representative of the Union for Foreign Affairs and Security Policy, Catherine Ashton.

Bulgaria will consider getting one head of mission position from 32 announced vacancies for heads of EU diplomatic missions in third countries a success. The procedure is part of a regular rotation of diplomatic representatives, which so far headed the delegations of the European Commission. With the entering into force of the Lisbon Treaty, the missions become EU representations and are under the control of the European External Action Service (EEAS). According to the spokesperson of the Bulgarian Foreign Affairs Ministry Vessela Tcherneva, Bulgaria is hoping to get one position for an ambassador in a country from the Black Sea region or the Balkans, because it is there where "we have interests and expertise".[2]

Bulgaria was part of the group of new EU member states that insisted, while the diplomatic service was being established, that the principle of geographic balance be taken into account in order to ensure that younger member states would not be less represented – first, because the representatives of old member states dominate in the current bodies of the Union (where 2/3 of the EEAS personnel would come from) and, second, because the candidates from the "old" EU nations have greater experience and longer careers in European institutions.

The European Citizens' Initiative (ECI) is still an unfamiliar concept in Bulgaria. Although the National Assembly, following the spirit of the Lisbon Treaty, adopted a new Law on Direct Civic Participation in the State and Local Government[3] in June 2009 where the citizens' initiative is for the first time mentioned in Bulgarian legislation, the new instrument has never attracted public attention. A modest attempt by civil society organisations to comment on the opportunities that the ECI will open for civic interests to be forwarded to the EU political process was made in the framework of a conference "Europe 2020 – The Civic Vision" held in Sofia on 29 and 30 January 2010. The overall assessment agreed by participants is that the ECI is a very positive development and expectations of it are high, perhaps too high. Therefore it will need to prove itself with the necessary precaution to focus on proper issues so that the enthusiasm is not wasted. Another key aspect will be the Commission's response to this initiative.[4]

[1] Svetoslav Terziev: We are New Bulgarians, Are we? The Lisbon Treaty enhances the hope for Bulgaria to become a "normal" country, 2 December 2009, Sega daily, available at: http://www.segabg.com/online/new/articlenew.asp?issueid=4546&sectionId=5&id=0000901 (last access: 30 July 2010).

* **Bulgarian European Community Studies Association.**

[2] Available at: http://www.euinside.eu/en/news/sofia-hopes-for-one-eu-mission-chief (last access: 30 July 2010).
[3] State Gazette 44, 12 June 2009, available at: http://dv.parliament.bg/DVWeb/index.faces (last access: 30 July 2010).
[4] Available at: http://parliament.europe.bg/en/?id=26996&category=371 (last access: 30 July 2010).

Croatia

Van Rompuy received more attention than Ashton

Senada Šelo Šabić*

The Council President received media attention with regard to Croatia's accession negotiations

The media describes Herman Van Rompuy as a discrete and skilled compromise developer. In his own words, he "would perform his duties discretely, would search for consensus and would respect the specificity of each member state."[1] Vanja Figenwald, a journalist at Lider magazine, commented that only uninformed persons can wonder why the duties of the President of the European Council are vaguely defined when everybody knows that the EU excels in precise definitions. The reason is that the European Council is and will remain the only true source of power.[2] The March 2010 meeting of the new Croatian President Ivo Josipović and the new President of the European Council in Brussels was widely covered. Herman Van Rompuy repeated the official EU position that Croatia can complete negotiations this year if it meets all conditions.[3] Ivo Josipović replied that the government, the parliament, and he as President were determined to prepare Croatia for EU membership.[4] Herman Van Rompuy visited Croatia on 5 July 2010 as the first stop on his first trip to the Western Balkans. "This visit is a way to demonstrate to Croatia and the region my personal commitment to the integration of the region into the EU", said the President of the European Council.[5]

High Representative will get more attention when she engages in regional issues

The media describes Catherine Ashton as a lady not well known even in the United Kingdom, the country which was given the post of the High Representative of the Union for Foreign Affairs and Security Policy to partly relax its obstructionist position *vis-à-vis* the European External Action Service (EEAS). Yet, Catherine Ashton, the former EU Commissioner for Trade, may prove to be exactly the right candidate for this post. Not controversial, not highly visible, and without a complicated professional history, she might succeed (with the help of 'quiet diplomacy'[6]) in making progress on many fronts. "Judge me by results", she said after the appointment.[7] The fact that on her trip to the Western Balkan region in February 2010 Catherine Ashton did not visit Croatia (she travelled to Bosnia and Herzegovina and Serbia) also explains her limited media coverage.[8] As the High Representative gets more engaged in the region of Southeast Europe, which she has put high on her list of priorities, more intensive media coverage will follow.

How efficient the new diplomatic service will be is yet to be seen

For the first time in history, the EU will have a single diplomatic service, published Novi list.[9] The aim of the EEAS, with offices in 136 countries, is to strengthen the EU's global position. However, the EU has so far managed to agree on only two foreign affairs issues – the Middle East peace process and the regional approach to the Western Balkans. If the EU is to demonstrate its strength through diplomacy, it has to make its diplomatic service operable and efficient. It needs to address concerns of small countries that fear they may end up on the margins of the decision-making process within the EEAS and in personnel allocation, as well as the concerns of larger states such as the UK, which insists that the diplomatic service cannot include consular duties.[10]

ECI has the potential to open a debate in the future

Information on the European Citizens' Initiative (ECI) was published on the website of the Croatian parliament, including a brief explanation on how the ECI could be implemented.[11] No debate on the merit and effect this direct democracy instrument may have on the nature of the Union itself is to be found at this point in time, but if it develops into a tangible tool in the hands of European citizens, assessments will abound everywhere, Croatia included.

* **Institute for International Relations.**

[1] Herman Van Rompuy: I will remain open for dialogue, Novi list, 21 November 2009; Bruno Lopandić: New rules for the future, Vjesnik, 14 January 2010, available at: http://www.vjesnik.hr/html/2010/01/14/ClanakTx.asp?r=tem&c=5 (last access: 16 May 2010).
[2] Vanja Figenwald: European Council dictates freedom of the first EU President, 26 November 2009, available at: http://www.liderpress.hr/Default.aspx?sid=90826 (last access: 20 May 2010).
[3] Herman Van Rompuy: Croatia can complete negotiations with the EU by the end of this year (in Croatian), SEEbiz, 5 March 2010, available at: http://www.seebiz.eu/hr/politika/herman-van-rompuy-hrvatska-moze-zavrsiti-pregovore-ove-godine,70027.html (last access: 15 May 2010).
[4] Nataša Božić: Europe particularly worried by events in Bosnia and Herzegovina, 'President Ivo Josipović met with the leaders of the EU who commended the progress our country made towards the EU', Novi list, 6 March 2010.
[5] Augustin Palokaj: Van Rompuy: We are ready to accept you as the next EU member, Jutarnji list online, available at: http://www.jutarnji.hr/van-rompuy--spremni-smo-vas-prihvatiti-kao-slijedecu-clanicu-eu/844149/ (last access: 5 July 2010).
[6] Ksenija Jurišić, who teaches diplomacy at the Faculty of Political Science in Zagreb, defines 'quiet diplomacy' as a tool for strengthening dialogue and cooperation among parties who may express different views on certain issues. Ksenija Jurišić: Quiet diplomacy – diplomacy without public noise, Političke analize, Vol 1, No 1, February 2010, p. 46.
[7] Herman Van Rompuy: I will remain open for dialogue, Novi list, 21 November 2009.
[8] The Ministry of Foreign Affairs and European Integration published a brief report on Catherine Ashton's visit to the region, available at: http://www.mvpei.hr/ei/default.asp?ru=1&gl=201002220000007&sid=&jezik=1 (last access: 16 May 2010).
[9] Marko Lederer: EU gets single diplomatic service, Novi list, 28 April 2010; Marko Lederer on internet portal H-alter argues that new mechanisms have the potential to increase efficiency and enlarge democracy in the EU. Catharine Ashton, in his view, will have political space and a whole army of about 8,000 diplomats to make her work recognisable in the EU and abroad. Marko Lederer: New treaty – new Europe, H-alter, 1 December 2009, available at: http://www.h-alter.org/vijesti/europa-regija/novi-ugovor-nova-europa (last access: 16 May 2010).
[10] Bruno Lopandić: European diplomacy in service of clearer foreign policy, Vjesnik, 29 April 2010, available at: http://193.58.252.6/html/2010/04/29/Clanak.asp?r=tem&c=2 (last access: 16 May 2010).
[11] EU citizens will be able to propose laws by petition, 6 April 2010, available at: http://www.sabor.hr/Default.aspx?art=32967 (last access: 16 May 2010).

Cyprus

Treaty reforms overshadowed by more existential problems

Nicoleta Athanasiadou, Costas Melakopides and Christos Xenophontos*

Six months since the Lisbon Treaty entered into force, the majority of Cypriot citizens, as well as a number of Cypriot politicians, have not yet clearly comprehended the changes this Treaty has brought into the EU's decision-making process. Once again, the explanation seems to rest with the fact that the overwhelming, daily and anxious preoccupation of the political classes and the public opinion of the Republic of Cyprus centres on following the vicissitudes of the country's "existential problem" (i.e., the military occupation), including the protracted bi-communal negotiations for its settlement in a fair and viable manner.

To be sure, in December 2009, when the Cypriot media covered the official ceremony and the celebrations surrounding the Lisbon Treaty, they did provide a schematic description of the changes that would follow the implementation of the Treaty.[1] According to the Cypriot media, the assumption of duties by the European Council's first permanent President, Herman van Rompuy, and by the first High Representative of the Union for Foreign Affairs and Security Policy, Catherine Ashton, were two cardinal changes brought about by the Treaty that could enhance the democratic operation and transparency of the Union. Other reportedly significant changes include the replacement of the unanimity vote in the Council by that for a special majority (representing 55 percent of member states and 65 percent of the EU population); the increased powers of the European Parliament and national parliaments; and the activation of the EU diplomatic service, giving the EU a stronger voice on the international scene.

According to Cypriot political analysts, the Lisbon Treaty has already led to a significant shift in Brussels' power landscape. They add, at the same time, that many of its effects were not written into the Treaty and are only slowly coming to light as the EU's policies are implemented.[2] Moreover, analysts we conversed with pointed out that the main visible changes to follow from the ratification and implementation of the Lisbon Treaty are the increase of the European Parliament's co-legislating powers and the creation of the posts of the President of the European Council and the High Representative of the Union for Foreign Affairs and Security Policy. In addition, the European Council, now an institution with its own president and budget, as well as the European Parliament, is increasing its status in the EU power hierarchy. Consequently, it seems indubitable that the decision-making status of the European Council and the European Parliament has been raised, whereas the Commission appears to be somehow "squeezed" between the two.

Our interlocutors at the Cypriot Ministry of Foreign Affairs have noted that the Lisbon Treaty entails implications on how member states act in Brussels, as the dynamics within the European Council have completely shifted.[3] They also noted that not only Cypriot politicians, but also other top EU politicians, are still learning to function within the reformed framework of the Lisbon Treaty. Moreover, they stated that, as the entire decision-making process has undergone serious alterations, from now on the member states must provide more persuasive arguments and must have direct cooperation and communication with key actors in other EU bodies, and especially with the President of the European Council and within the European Parliament. The Court of Justice of the European Union is also expected to assume a more significant role in the coming years.

With the Lisbon Treaty, Van Rompuy's main role is to "chair" and "drive forward" internal meetings of the EU leaders in the European Council and ensure the external representation of the Union on issues concerning the EU's Common Foreign and Security Policy. Nevertheless, according to our interlocutors, these responsibilities are not yet clearly separated from the various responsibilities held by the President of the European Commission and the High Representative of the Union for Foreign Affairs and Security Policy.[4] What is suggested is closer cooperation amongst these posts and a better connection between the EU's different institutional bodies and the EU member states.

Catherine Ashton's mission to create a coherent European Foreign Policy is certainly perceived as quite challenging. Considering the fact that – due to EU multiformity – the Union's member states do

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not always agree on a number of important international problems, Cypriot political commentators conveyed the opinion that, while a coherent European foreign policy will take time, Ashton should create a vast network of liaisons among her office, the EU institutions, and the member states.[5] Such a stance would help avoid adverse complications in the forthcoming future.

The Lisbon Treaty ushers in another important element in the attempts for European integration. As explained by George Eliopoulos, spokesman of the European Commission's Representation in Cyprus, all of the EU's delegations across the world will henceforth become de facto EU embassies.[6] According to officials at the Ministry of Foreign Affairs, this is supposed to give impetus to the frequently incoherent EU foreign policy by bringing all its different dimensions – diplomatic, military, civil and developmental – under one roof.[7] Recognising Cyprus' small size, Cypriot diplomats also expressed concerns regarding the difficulties that most small member states may face vis-a-vis the development of the Union's external policies. Consequently, they underlined the importance of linking directly the ministries of foreign affairs with Ashton's services in order to strengthen the aspiration to a coherent EU foreign policy.

Meanwhile, in light of the Lisbon Treaty, the main Cypriot opposition party (Democratic Rally of Cyprus – DISY) accused the Nicosia government of failing to properly inform the public on the Treaty's provisions.[8] DISY also argued in favour of Cyprus' application for membership to the Partnership for Peace programme (PfP) and criticised the prospect of Cyprus' demilitarisation. As DISY argued, Article 42, Paragraph 3, of the Lisbon Treaty refers to the commitment of member states to gradually improve their military capabilities. The proposal for the demilitarisation of Cyprus would constitute a deviation from the EU acquis, leaving Cyprus dependent for its protection on foreign forces. Also supporting the PfP project was the governmental coalition-party (Democratic Party – DIKO), which noted that Cypriot participation in the Common Foreign and Security Policy mechanisms "cannot be a-la-carte". Similarly, the Movement for Social Democracy (EDEK) reiterated its long-held position: now, more than ever, it is necessary to apply for membership to the PfP, as it would best serve the interests of Cyprus.[9] EDEK also argued that, following an eventual settlement of the Cyprus problem, Cyprus would unquestionably need a small military force in order to be capable of protecting its sovereignty. European Party (EVROKO) also presented parallel arguments and added that, following the implementation of the Lisbon Treaty, the EU will become the forum where Cyprus can defend its rights best.[10]

In response, government spokesman Stephanos Stephanou and ruling left-wing Progressive Party for the Working People (AKEL) leader, Andros Kyprianou, argued that the demilitarisation proposal is a permanent goal of the Greek Cypriot side since 1989.[11] Stephanou also talked of an "arbitrary and dangerous" interpretation of the Lisbon Treaty by DISY and remarked that the Treaty does not set the existence of an armed force as a prerequisite for participation in the Union's defence mechanisms.

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[1] Press Reports, December 2009.
[2] Interviews conducted by Christos Xenophontos and Nicoleta Athanasiadou, Nicosia, late May-June 2010.
[3] Interviews conducted by Christos Xenophontos, Ministry of Foreign Affairs, Nicosia, late May-June 2010.
[4] Ibid.
[5] Interviews conducted by Christos Xenophontos and Nicoleta Athanasiadou, Nicosia, late May and June 2010.
[6] George Eliopoulos spokesman of the European Commission's Representation in Cyprus: Statements, Nicosia, 01/12/2009, (reported by CyBC TV and SIGMA TV main evening news).
[7] Interviews conducted by Christos Xenophontos, Ministry of Foreign Affairs, Nicosia, early June 2010.
[8] Tasos Mitsopoulos, MP of DISY party: Statements by DISY party MP, Nicosia, 04/02/2010, (as reported by all Cypriot Media).
[9] Press Reports, February 2010.
[10] Ibid.
[11] Ibid.

Czech Republic

The Czech Republic – neglecting implementation because of treaty ratification hangover?

Mats Braun*

The Czech Republic was the last country to ratify the Lisbon Treaty. The late and dramatic Czech ratification of the treaty has been followed by a certain "treaty ratification hangover" which has manifested itself through little media interest in the implementation process of the treaty. At the same time, the political situation in the country, with a low profile caretaker cabinet in office, has had the consequence that the country lacks a clear vision of its priorities during the implementation phase. However, to the extent that there is a coherent Czech view on the implementation, this is a perspective that tones down the potential political dimension of the new offices and institutions introduced by the treaty, and prefers to view them as technicalities. From the Czech perspective, the President of the European Council should be a moderator, while the European External Action Service (EEAS) is preferably discussed as an expert team and not as a real diplomatic corpus, a European ministry of foreign affairs or something along those lines.

From the Czech official perspective it was essential that the first President of the European Council should be a person viewed rather as a moderator than as a strong political leader. Herman Van Rompuy was, from this perspective, a good choice, even if part of the political elite probably considered him too much of a Euro-federalist. Especially the Civic Democrats (ODS), who were in government until spring 2009, have a very intergovernmentalist vision of the EU. However, the first reactions to the appointment of Van Rompuy were rather positive, even if politicians, journalists and experts all agreed on one point – they knew very little about this man.[1] Even after his initial months in office, some commentators remained sceptical about the possibilities of this unknown Belgian getting something done in his new position. However, his involvement in solving the Greek economic crisis was in general viewed rather positively; at least, he was not considered to be the one to blame for the allegedly slow EU reaction. Politicians in general have remained positive or at least wanted to give Van Rompuy more time before commenting on his work.

It should also be noted that the Czech media has started referring to the President of the European Council as the "Euro-president". This non-precise vocabulary is also common among well-established and respected newspapers and weeklies. It is likely that this increases the prestige of the office in the eyes of ordinary Czech citizens, but it is questionable what effect it has on their understanding of the EU and the general understanding of the second "EU President", i.e., the President of the European Commission.

There was a large debate on the consequences of the Lisbon Treaty for the rotating presidency in the Czech Republic prior to the ratification of the treaty. In particular, this debate was intense before the first Irish referendum on the treaty, when it still looked likely that the treaty could come into force prior to or during the Czech Presidency of the first half of 2009. The debate at this time was rather self-centred and focused on the question of whether the Czech Presidency would be a "full-worthy" presidency or not. Especially the Civic Democrats remain critical of the possibilities of the President of the European Council and of the High Representative of the Union for Foreign Affairs and Security Policy representing the EU abroad. From the ODS' perspective, there is the risk that they will primarily represent the big states of the EU, and therefore, where it is possible, they prefer the rotating presidency to still play a role.[2]

When Catherine Ashton was appointed High Representative of the Union for Foreign Affairs and Security Policy, it was commented in positive terms by Czech Prime Minister Jan Fischer, because of the good collaboration with then European Commissioner for Trade Ashton during the Czech Presidency.[3] Some were of the view that it was a natural choice that the position was given to a representative of a big state. Ashton has been criticised for her failure to inform the member states prior to the appointment of the EU ambassador to the USA. One of the Czechs' general demands is the need for greater transparency. This is considered important especially in relation to the EEAS. The Czech Republic has tried to harmonise its position on the EEAS with those of the other three countries in the Visegrad group, i.e., Poland, Slovakia and Hungary. One of the goals of the group was to make sure that small and new member states would also be represented in the EEAS, and, in order to

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obtain this, a third of the EEAS staff should be recruited from the member states.[4] The prime motivation for the Visegrad countries is the fact that they are underrepresented in the EU's senior management in general, and regarding external relations in particular. As an example, it can be mentioned that, of 130 European Commission delegations, only one was led by a senior diplomat from the new member states at the end of 2009.[5] Another Czech demand was that the EEAS should not lead to a cost increase.[6]

On the issue of the European Citizens' Initiative, the Czech government has demanded a higher minimum number of citizens than originally proposed. The government wants to see the same minimal percentage level applied to all countries and prefers a one percent threshold. The reason is that the government believes that a lower threshold would open the way for extremist groups to misuse the initiative. The Czech government also supports the idea of an ex ante possibility for citizens to check whether their proposal is admissible in case they manage to gather the required number of signatures before they start this process.[7]

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[1] See, e.g., Černý, Adam: "Herman Kdo" z Bruselu ["Herman who" from Brussels], 23 November 2009, available at: http://hn.ihned.cz/c1-39162900-adam-cerny-herman-kdo-z-bruselu (last access: 24 June 2010).
[2] See, e.g., Vondra, Alexandr: Češi nebudou žábou na prameni [The Czechs will not be a fly in the ointment], 26 May 2010, available at: http://www.euractiv.cz/cr-v-evropske-unii/interview/alexandr-vondra-cesi-nebudou-zabou-na-prameni-007532 (last access: 24 June 2010).
[3] CeskeNoviny.cz: CzechRep considers Van Rompuy, Ashton good choice – Fischer, 19 November 2009, available at: http://www.ceskenoviny.cz/tema/zpravy/czechrep-considers-van-rompuy-ashton-good-choice-fischer/408443&id_seznam=20781 (last access: 24 June 2010).
[4] Chmiel, Juraj: EU by měla být více "user friendly" [EU should be more user friendly], 12 April 2010, available at: http://www.euractiv.cz/cr-v-evropske-unii/analyza/juraj-chmiel-eu-by-mela-byt-vice-user-friendly-007353 (last access: 24 June 2010).
[5] Khol, Radek: Klasická bilaterální diplomacie se vznikem vnější služby EU nezanikne [Classical bilateral diplomacy does not disappear with the External Action Service], 15 April 2010, available at: http://www.euractiv.cz/evropske-instituce/interview/radek-khol-klasicka-bilateralni-diplomacie-se-vznikem-diplomaticke-sluzby-eu-nezanikne-007372 (last access: 24 June 2010).
[6] Novinky.cz: O posty ve vznikající diplomatické službě EU usilují i Češi [Even Czechs aim at positions in the emerging EU diplomatic service], 15 April 2010, available at: http://www.novinky.cz/kariera/197595-o-posty-ve-vznikajici-diplomaticke-sluzbe-eu-usiluji-i-cesi.html (last access: 24 June 2010).
[7] Chmiel, Juraj: EU by měla být více "user friendly" [EU should be more user friendly], 12 April 2010, available at: http://www.euractiv.cz/cr-v-evropske-unii/analyza/juraj-chmiel-eu-by-mela-byt-vice-user-friendly-007353 (last access: 24 June 2010).

Denmark

The next best choice

Julie Herschend Christoffersen*

The "Next best Choice" was the way in which the left-wing newspaper Information described the choice of Herman Van Rompuy.[1] He might not be an international showstopper, but he is considered valuable because of his strong analytical sense and ability to create consensus. The Danish Prime Minister (PM) Lars Løkke Rasmussen emphasised this point when asked if he thought that the new President of the European Council was too unknown for the prestigious job: "You can be very good at your job, even if you are not well-known".[2] The Danish Member of European Parliament (MEP) Jens Rohde, also from the PM's Liberal party, did not agree with Løkke. He thought that Van Rompuy was chosen so as not to overshadow the heads of the national governments.[3]

Another newspaper called it a "sensible choice" to give the post to Van Rompuy since the EU is now in need of "peace" to implement the Lisbon Treaty.[4] Kristeligt Dagblad, a centrist daily newspaper, is very critical towards the new figure and calls it unambitious and a waste of a good opportunity for profiling the EU.[5] At the grassroots level, the Danish European Movement welcomed the new President of the European Council without any critical comments. The Youth division of the movement was, however, not satisfied with the new leaders, calling it a victory for those opposed to a strong EU.

Not a lot of attention has been paid to the question: which changes to the role of the rotating council presidency are expected? The shifting priorities of the rotating presidency are generally seen as having damaged the consistency of EU foreign policy and it is one of the main goals of the Lisbon Treaty to change this with the common High Representative of the Union for Foreign Affairs and Security Policy. The Confederation of Danish Industry (Dansk Industri – DI) asks for more focus on financial issues, but does not mention the new role of the presidency. Jyllandsposten, a conservative daily, emphasises the possible fight for the spotlight and the lack of clarity in the division of labour. The Spanish Presidency will make precedence for the division of labour between the President of the European Council and the rotating presidency.

Danish Diplomat to the rescue

The Prime Minister had the same attitude towards Catherine Ashton as he had towards Van Rompuy: even though you are not a political superstar you can still be very fit for the job.[6] The overall impression in the Danish debate when Ashton was named as the new High Representative of the Union for Foreign Affairs and Security Policy was that she was elected because, in terms of gender and political affiliation, she represented that which Van Rompuy is not. There was critique of her lack of foreign policy experience, but some leading dailies have stated that much of the critique was chauvinist[7] and premature.[8]

Danish newspapers also covered extensively the appointment of Catherine Ashton's new counselor, Poul Skytte Christoffersen, in late February 2010. Ashton personally requested the nomination of Skytte Christoffersen, until then Denmark's Ambassador to the EU. The Danish Minister for Foreign Affairs, Lene Espersen, was very satisfied by the choice and called Ashton's request "a huge acknowledgement of Skytte Christoffersen's abilities and experience."[9] Ashton's double role as both High Representative and Vice President of the European Commission is hardly mentioned in the Danish debate.

In favour of a strong Europe

On EU foreign policy, Espersen has also declared working for EU unity as her first priority: The "EU risks ending up as a "looser region" if we don't learn how to agree and speak with [one] voice."[10] The Foreign Minister has expressed herself since February 2010 to be a strong supporter of a strong EU in the world. However, national experts are not too optimistic on behalf of the European External Action Service (EEAS). In general many observers argue that internal bickering is damaging Ashton and the EU, which is paradoxical considering the Lisbon Treaty was meant to strengthen the EU's role in the world.[11]

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Marlene Wind of the University of Copenhagen fears that Danish diplomats will not get the top positions in the EEAS hierarchy. With Denmark having an opt-out in vital policy areas, high-ranking officials should be from member states which are fully integrated into the EU.

Other observers are also sceptical about the role of the EEAS. They fear that the EU will turn into the role of a mediator rather than a powerful actor, and that the rest of the world will turn away from the EU in world politics.[12] Towards the end of March 2010 the very critical attitude in the media towards Ashton seemed to fade away as she picked up the pace and the EEAS started to come together.

A half open door

The Danish debate concerning the European Citizens' Initiative (ECI) has been dominated by the rather complicated procedures the Commission is setting up for the petitions. The EU-critical grassroots movements, such as "Radikal EU-kritisk netværk" and "Folkebevægelsen med EU", were initially against this development. Folkebevægelsen answered a Commission-hearing stating that the wording in the Lisbon Treaty should be interpreted in the least restrictive way. Furthermore, the Commission should be obliged to take the request seriously and not only consider it.[13] Also, MEP Morten Messerschmidt from Dansk Folkeparti wants all restrictions on the petitions removed.

More EU-friendly grassroots are also complaining over the complicated procedures. The Danish branch of the NGO-network Concord Denmark has launched the first ECI, "Keep your promises to the poor". Despite the enthusiasm over the possibility to have direct influence over the Commission's agenda, the NGO fears that the new demands require a lot of resources that are not available to most grassroots movements.[14] A consequence of this could be a favouring of the lobby industry instead of the grassroots movements, since they are the only ones who have the resources to make petitions of this kind.[15] The European Movement, a pro-EU group, argues that the ECI is only a small part of the positive democratic development the EU is undergoing with the Lisbon Treaty.

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[1] Information: Det næstbedste valg, 10 November 2009.
[2] Søndagsavisen: Løkke: Nye EU-ledere kan blive profiler, 19 November 2009.
[3] Nordjyske Stifttidende: Jens Rohde: EU-Udnævnelser: Hvor er mod?, 24 November 2009.
[4] Dagbladenes Bureau: Fornuftigt Valg, 20 November 2009.
[5] Kristeligt Dagblad: Europæisk Selvmål, 21 November 2009.
[6] Søndagsavisen: Løkke: Nye EU-ledere kan blive profiler, 19 November 2009.
[7] Information: Hvorfor er baronessen usynlig?, 24 February 2010.
[8] Jyllandsposten: Europas ansigter, 21 November 2010.
[9] Jyllandsposten: EU's udenrigstjeneste får en dansker i spidsen, 26 February 2010.
[10] Berlingske Tidende: EU står alt for ofte fuldstændigt afklædt og forpjusket tilbage, 6 March 2010.
[11] Mandag morgen: Knald eller fald for EUs udenrigstjeneste, 8 March 2010.
[12] Weekendavisen: EU's udenrigspolitik: Høje FUSP, 29 January 2010.
[13] Folkebevægelsen mod EU: Giv borgerne reel indflydelse!, 30 January 2010, available at: http://www.folkebevaegelsen.dk/spip.php?article2276&var_recherche=giv%20boprgerne%20reel%20indflydelse (last acces: 19 May 2010).
[14] Politiken: EU spænder ben for sin egen folkelighed, 15 April 2010.
[15] Information: EU åbner døren for direkte borgerindflydelse – men ikke helt, 7 April 2010.

Estonia

Post-Lisbon realities: much practical work to be done

Piret Ehin*

With the entering into force of the Lisbon Treaty amidst the ongoing economic malaise, the era of lofty visions and grand designs for the future of Europe has ended, and the focus now is on practical problem-solving, implementing the provisions of the treaty, and searching for new functionality and balance. Putting its house in order and ensuring the smooth functioning of institutions after the changes brought by the Lisbon Treaty will consume most of the Union's energy in 2010. Throughout the process of treaty reform, the Estonian government was a strong proponent of further integration and constitutionalisation. While it would have preferred the original Constitutional Treaty over the watered-down Lisbon version, the Estonian government nevertheless welcomes the opportunity to leave the bargaining behind and "get down to real work." Some commentators, however, argue that "the cure with the Lisbon Treaty has been worse than the disease itself:" while the EU was already off-balance as a result of enlargement, the new treaty produced even greater disorientation and institutional confusion.[1] Such criticism has focused, above all, on the selection of the new President of the European Council and the High Representative of the Union for Foreign Affairs and Security Policy. According to a prominent Estonian EU commentator Ahto Lobjakas, the Lisbon Treaty led to a darwinistic fight for existence in the upper echelons of the EU hierarchy. According to this diagnosis, the Union now has four presidents and one foreign minister without a functioning division of labor. As long as Herman Van Rompuy, José Manuel Barroso, and Catherine Ashton divide territories and learn their jobs, substantive policy-making progress in the EU has been put on a halt. In particular, no progress can be expected in the realm of foreign policy, and the best one can hope for is retaining the status quo.[2]

The selection of the President of the European Council and High Representative was heavily criticised for lack of transparency, democracy, and public involvement. Some critics pointed out that the process resembled the procedures for selecting the leader of the Soviet Politburo in the 1980s, when after the death of another leader the public was presented with a hitherto unknown name.[3] "Can anyone imagine that we would elect the president of Estonia in such a manner? That a week before the electoral college convenes, the media would have to speculate about who the candidates are?" asked one journalist.[4] Observers complained about the lack of reference to any conceivable meritocratic scale.[5] Yet others criticised the process from a gender perspective, pointing out that there were far too few women among the candidates for the high EU posts.[6]

Reactions to the results of the selection were equally critical. While Prime Minister Andrus Ansip praised both individuals as "experienced politicians and strong personalities" well-suited to lead the European Council and to direct the Union's foreign policy,[7] few others seemed to share his optimism. Marko Mihkelson, Chair of the European affairs committee of the Estonian parliament, said Van Rompuy and Ashton were a very "cautious choice."[8] The ever-critical EU commentator Ahto Lobjakas portrayed the selectees as undistinguished bureaucrats who do not represent any noteworthy centers of power, do not embody any intellectual or ideological current relevant in Europe today, do not speak in the name of anyone, or stand for anything aside from possible personal convictions.[9] Others suggested that the labels "president" and "foreign minister" create excessive expectations: in reality, the President of the European Council is a secretary general of the European Council whose job is to organise meetings, and the High Representative knows fully well that she cannot go against the will of Paris, London or Berlin. In short, both are policy takers, not makers.[10] It should be noted, however, that in contrast to the initial outpour of opinions, there have been virtually no attempts in the Estonian media to assess the performance of either Van Rompuy or Ashton during their time in office.

The Estonian government regards the creation of the European External Action Service as a priority. The service must be "comprehensive and strong," capable of providing substantial support to the High Representative of the Union for Foreign Affairs and Security Policy, and it should be created "as quickly as possible."[11] Estonia emphasises that the service should include aspects of consular work and must be able to help EU citizens in crisis situations. A small country like Estonia has much to gain from a global network of EU representations (Estonia has 44 embassies, consulates and representations around the world, while the European Commission has over 130 delegations and

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offices). According to Foreign Minister Urmas Paet, the service should have "a leading role in planning out financial resources, for the sake of the coherency of the Common Foreign and Security Policy and development aid."[12] Like several other new member states, Estonia also insists on ensuring geographical balance when choosing personnel for the service. This is particularly important given the fact that new member states are underrepresented in the European Commission and the Council's bureaucracy, while, according to current plans, two-thirds of the staff of the European External Action Service will be recruited from the ranks of these institutions. Hendrik Hololei, head of cabinet for Commissioner Siim Kallas, claimed that "representation of all 27 member states will be the litmus test of the [European] External Action Service."[13] On a related note, there appear to be tensions between the Estonian Ministry of Foreign Affairs and Estonians working in EU institutions: for reasons not entirely clear, the ministry backs its own diplomats competing for high-ranking posts in the new service, while Estonians working in EU institutions are left to their own devices.[14]

There has been very little public discussion of the rules and procedures for the European Citizens' Initiative, aside from a few articles by representatives of the EU institutions in the main newspapers. However, a potentially significant development is the launching of a web platform,[15] where anyone can post or electronically sign petitions using ID-cards equipped with a computer chip. The petitions launched so far have focused on domestic and local issues, but the platform could be used to collect signatures to support European-wide initiatives.

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[1] Ahto Lobjakas: Euroopa hoovõturaja lõpp, Postimees, 05.01.2010.
[2] Ahto Lobjakas: Brüsseli suits ja peeglid, Postimees, 03.03.2010.
[3] Sulev Vedler, cited in Raul Sulbi: Vedler: ELi presidendi valimine meenutab poliitbüroo juhi valimist, Postimees, 14.11.2009.
[4] Ibid.
[5] Ahto Lobjakas: Euroopa absoluutne nullpunkt, Postimees, 23.11.2009.
[6] Anna-Maria Penu: Soopimeda Euroopa Liidu Eikeegid, Postimees, 09.12.2009.
[7] Postimees: Paet ja Ansip tervitasid ELi juhtide valimist, 19.11.2009.
[8] Eesti Päevaleht: Mihkelson: Rompuy ja Ashton olid väga ettevaatlik valik, 20.11.2009.
[9] Ahto Lobjakas: Euroopa absoluutne nullpunkt, Postimees, 23.11.2009.
[10] Martin Kala: Et Euroopas võidaks julgus, Postimees, 18.12.2009.
[11] Ministry of Foreign Affairs: Foreign Minister Paet: EU Needs Strong European External Action Service That Can Help Citizens of Union in Crisis Situations, press release No 76-E, 06.03.2010, available at: http://www.vm.ee/?q=en/taxonomy/term/61 (last access: 01.06.2010).
[12] Ibid.
[13] Kadri Kukk: EL-i välisteenistusse kandideerimine tekitab paksu verd, 30.03.2010, available at: http://uudised.err.ee/index.php?06198955 (last access: 01.06.2010).
[14] Ibid.
[15] See the website www.petitsioon.ee (last access: 01.06.2010).

Finland

Plates are more important than presidents or high representatives

Tuulia Nieminen, Johanna Nykänen and Aaretti Siitonen*

The Finnish public discussion following the coming into force of the Lisbon Treaty quickly became dominated by a somewhat overblown debate on the country's representation in the European Council – whether it would be the Prime Minister or the President. This heated debate, dubbed the "plate debacle",[1] continued for months, until it became apparent that the Prime Minister would in the future, by default, act as the country's representative. Also, the weight of the Finnish Commissioner's portfolio was seen as an important question. Serious media discussion on the President of the European Council and High Representative of the Union for Foreign Affairs and Security Policy was conspicuous in its absence after it became apparent that the incumbents were neither Finns nor otherwise well-known. There were a number of dissenting voices calling for the media to move their attention from domestic matters to the EU, "the most important political arena for Finland", but they were limited to expert commentary.[2]

The Finnish expert discussion on the top posts was typically conducted from the point of view of observers rather than active participants, with the notable exception of Foreign Minister Stubb. He positioned himself as a staunch defender of Catherine Ashton. He self-deprecatingly used the memorable comparison "Snow White and the twenty-seven Dwarfs" to describe the relationship of Ashton and the 27 foreign ministers.[3] Also, Stubb organised an unofficial meeting of a limited number of EU foreign ministers, the Turkish Foreign Minister Davutoğlu and Catherine Ashton at Saariselkä in Finnish Lapland. This was seen as an attempt to smooth the road for the High Representative in her interpersonal dealings with the foreign ministers, as well as to facilitate Stubb's own future collaboration with his peers.

The "Spirit of Saariselkä", as the prevailing mood of the conference became known, was described as one of ease, personal contacts and informality, which are, according to the press, the defining characteristics of Finland's present attitude towards handling EU foreign affairs.[4] The fact that Stubb did not succeed in getting representatives from all the EU member states led to some criticism. Also, the Eurosceptic party, the True Finns, criticised the event for not promoting Finland's Arctic expertise.[5]

Other commentators on Ashton's role and performance, including Finnish Members of European Parliament (MEP), tended to be understanding of the challenges faced by her and more inclined to postpone an opinion on her performance until a reasonable amount of time had passed.[6] Green MEP Satu Hassi compared the criticism directed at Ashton to workplace bullying.[7]

The High Representative's position has been described as being nigh on impossible: "the most difficult job in the world" according to Stubb.[8] The question of who represents the EU in foreign policy was, furthermore, seen as problematic due to both the European Council's and European Commission's presidents, as well as, to some extent, the rotating presidency, maintaining a role in foreign policy. The anecdote about Kissinger's phone number has been repeated to no end in Finland, but the metaphor of the EU's partners now not needing one phone number, but the number to the switchboard, in order to direct them to the relevant actor, has also been put forward and is emblematic of the expert discussion on the, as of yet, embryonic division of roles between the main actors.[9]

At the same time, commenting on the new leadership of the EU, then Prime Minister Vanhanen pointed out that the EU has now become more "political", with the role of the European Council strengthened at the detriment of the rotating presidency in particular. This view was shared by other major commentators. As to the rotating presidency's future, it was juxtaposed with the European Council's heightened influence. If the Council succeeds in offering meaningful leadership, the rotating presidency will become insignificant, and the question of the member states' subsequent role in leading the Union becomes relevant.[10] In relation to this, the Spanish Presidency has been described as a thankless assignment.[11] The increased role of the European Council was also seen as diminishing the role of the community method, or, alternatively, as constituting a balancing act, with the Commission pulled in two directions, by the European Parliament on the one hand and the Council

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on the other. Yet this thought has not quite caught on with the mainstream press, which still tends to focus on what they are already familiar with – Barroso and his Commission.

Questions arose as to whether Van Rompuy's image of being a "grey mouse" was merely a clever facade. There was a sense of careful respect towards Van Rompuy's handling of his duties, especially vis-a-vis Barroso.[12] The same initially applied to economic governance, where the question of European Commissioner for Economic and Monetary Affairs Olli Rehn having had his initiative usurped by Van Rompuy was raised with the metaphor: "Did the mouse steal Rehn's piece of cheese?" This changed considerably with the advent of the Greek crisis, however, with Rehn stealing the Finnish limelight. In the less serious press, Van Rompuy was dismissed as a "daffy duck president", with mentions of his Haiku collections, but little else.[13]

Very little was written on the European Citizens' Initiative. Reporting was descriptive in nature and the few comments merely practical (e.g., a time limit of six months for the Commission to react to an initiative suggested by the European Movement in Finland).[14] Some criticism was levelled at the difficulty of the procedure, with the Commission encouraged to facilitate the practical implementation of it.[15] As an interesting detail, a Finnish equivalent was suggested during the constitutional reform process, with Justice Minister Brax pointing out that an EU level precedent already existed.[16]

Reporting and discussion of the European External Action Service (EEAS) was characterised by a sense of waiting, with an emphasis on the power struggle within Brussels, as well as between the member states, and impatience towards the EU's inward-looking procrastination, when it should be taking a more active role in the world.[17]

The service was described as being about twice the size of Finland's own Foreign Ministry, and Foreign Minister Stubb expressed the wish for one or two heads of delegation to be Finns. Furthermore, it is hoped that between 15 and 30 Finns will be placed in other duties within the service.[18] After the coming into force of the Lisbon Treaty, he supported the idea of using national foreign ministers as the High Representative's deputies, an idea further espoused at the Saariselkä gathering. Moreover, Stubb criticised the way that João Vale de Almeida was appointed to represent the EU in Washington.[19]

The received wisdom during the reporting period was that the EEAS, if strong, effective and with global reach, would be a boon for a small country like Finland. Offering synergy benefits, it was, nevertheless, not seen as replacing but rather complementing Finland's own network of embassies.[20]

The True Finns were the most vocal critics of the service, dismissing it out of hand as an unnecessary institution which would further enhance the EU's federalist trappings.[21] Doubts were also raised as to the renationalisation of EU foreign policies with the creation of the service. The most contentious issue in this regard was the service's effects on development aid.[22] More widely, the question of how the set-up of the service would affect the so-far normative, rules-based and predictable nature of the EU's foreign policy was raised.[23]

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[1] The plate debacle was in the public discussion connected to the work of the Taxell committee, the objective of which was a revision of the Finnish constitution. The committee's work was factually unrelated to EU matters, but the fact that it aimed to define the President's foreign policy powers made the question of EU representation symbolic.
[2] E.g. Kaleva: Suomen tärkein poliittinen areena on EU, 3 December 2009.
[3] Helsingin Sanomat: Arvostelijat kyttäävät EU:n uutta ulkoministeriä, 26 January 2010.
[4] Lapin kansa: Spirit of Saariselkä koostuu hangista, huumorista ja hyvistä keskusteluista, 14 March 2010.
[5] Lapin kansa: Saariselkä sai satikutia, 15 March 2010.
[6] Anneli Jäätteenmäki: Euroopan mahdottomin tehtävä, Suomenmaa, 19 March 2010.
[7] Turun Sanomat: Europarlamentin ulkopoliittisesta täysistunnosta Ashtonin piinapenkki, 11 March 2010.
[8] Helsingin Sanomat: Ashton lupaa Suomelle tukevan edustuksen EU:n ulkoministeriöön, 13 March 2010.
[9] Tuomas Forsberg: Saiko EU nyt puhelinnumeron?, Aamulehti, 11 February 2010.
[10] Teija Tiilikainen: Eurooppa-neuvosto nousee vallan huipulle, Helsingin Sanomat, 2 February 2010.
[11] Turun Sanomat: Espanja EU-puheenjohtajana uuden tilanteen edessä, 3 February 2010.
[12] Helsingin Sanomat: EU:n harmaa hiiri kasvattaa lihaksia, 2 April 2010.
[13] Iltalehti: Hullu maailma, 30 April 2010.
[14] Aamulehti: Euroopan unionin kansalaiset saavat vihdoin aloiteoikeuden, 19 March 2010.
[15] Helsingin Sanomat: EU:n uusi kansalaisaloite vaatii taitoa ja rahaa, 1 April 2010.
[16] Suomenmaa: Kansalaisaloitteen mahdollisuus perustuslakiin, 11 February 2010.
[17] Aamulehti: EU puhelinvastaajan varassa?, 13 March 2010.
[18] Alexander Stubb/Pertti Torstila: Vahva ulkomaanverkko on Suomen etu, Aamulehti, 25 February 2010.
[19] Helsingin sanomat: EU:n lähettiläsnimitys suututtaa jäsenmaita, 23 February 2010.
[20] Aamulehti: Mustalla päin punaista, 8 February 2010.

[21] Lapin kansa: Saariselkä sai satikutia, 15 March 2010.
[22] Aamulehti: Ashton haluaa kehitysavun ohjat käsiinsä, 26 March 2010.
[23] Finnish Institute of International Affairs: Rewriting the ground rules of European diplomacy, Briefing Paper 57, 31 March 2010.

France

Delicate balance of power leads to institutional caution

Beatrix Boonekamp*

The Lisbon Treaty came into force on 1 December 2009. Its institutional innovations have been largely debated in France, but more so the appointment of Catherine Ashton as the High Representative of the Union for Foreign Affairs and Security Policy than the appointment of Herman Van Rompuy as the first President of the European Council. Valery Giscard d'Estaing, former French President and former President of the Convention on the Future of Europe, was among the first to announce his scepticism, arguing that the nominations to the new top jobs do not inspire much confidence, and do not help clarify a confused institutional situation. He argued that there is the impression that the role assigned to Van Rompuy is that of a mediator within the European Council, whereas nobody expects Ashton to provide the EU with charismatic leadership in the international arena.[1] The same criticism was voiced in the weekly news magazine l'Express, with an article entitled "Duet for a Discount European Union", underlining that the choice of the two new executives could undermine all collective ambition on the international scene, and breaks all hope for a communitarian dynamic.[2] Michel Rocard, former Socialist Prime Minister, also considered that "the political Europe was dead" – but that the responsibility is to be found in the nomination procedure: the lack of transparency and/or contradictory debate has allowed the "big states" to negotiate their arrangements.[3] Nevertheless, other analysts underline the fact that the nomination of two unknown individuals to the leadership of the EU seems to be the inevitable consequence of the complexity of the new institutional architecture as set out in the Lisbon Treaty. It was inevitable that the 27 should opt for institutional caution at the nomination phase, given the delicacy of the balance of power that needs to be maintained in order for the new institutional mechanism to function smoothly. "And it is not necessarily a bad thing", concludes centre-left daily Le Monde.[4]

European Union: too many presidents?

The coexistence of the rotating presidency with the new President of the European Council has generated some incomprehension and criticism. The Green Member of European Parliament (MEP) Daniel Cohn-Bendit has argued that the continuation of the rotating presidency is the "great weakness of the treaty".[5] L'Express also stresses the fact that there are now "too many presidents", adding ironically that "the Union's presidency is permanent, but it rotates at the same time." For others, the innovations of the Lisbon Treaty are considered relevant, but their concrete application will be complicated. In this regard, the attitude of the Spanish Head of Government José Luis Rodríguez Zapatero is considered crucial. His minimalist lecture of the Lisbon Treaty – announcing, for example, that he will accompany Van Rompuy in all the bilateral summits held between the EU and third party countries, as well as in the international summits, is seen as a risk of slowing the progress of the EU and making its new institutions even more indecipherable.[6] This is why Le Monde underlined the fact that the new President of the European Council needed to control and "override" the rotating presidency, and improve cohesion among the 27 heads of state and government."[7] So far, Van Rompuy seems to be succeeding, as stressed by economics daily Les Echos: "His skills in mediation and consensus-building among the 27 could strengthen his authority to the point of allowing him to compete with Barroso and Ashton, competition which could encourage activism. What if the Union, almost by accident, ended up with a 'real president'?"[8]

Catherine Ashton, "scapegoat for all the problems in and around Brussels"

The new High Representative, Catherine Ashton, has been quite harshly criticised for several "mistakes" she has made since the beginning of her mandate: for her bad management of the Haitian crisis or for choosing to take part in the investiture of the new Ukrainian president rather than attending a ministerial meeting on European defence. In France, it is the nomination of João Vale de Almeida to the post of EU ambassador in Washington without a consensus from the member states that generated the greatest disapproval. "European interests are becoming increasingly conflicting and Ashton appears to be unable to find the key to defuse tension between capitals", says left-wing daily Libération.[9] Nevertheless, some observers stress the fact that she is nothing but a victim of the institutional confusion between the rotating council presidency, the President of the European Council,

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and the Commission President. The division of roles is very delicate, and she is paying the heaviest price for the confusion. “Her main role appears to be that of scapegoat for all the problems in and around Brussels”, concludes right-wing daily Le Figaro. “Aside from her own direct responsibilities, the storm which has erupted around Ashton probably offers the clearest confirmation of the fact that the Lisbon Treaty will not solve all of Europe’s problems”.[10]

The European External Action Service, generating covetousness and rivalries

As far as the European External Action Service (EEAS) is concerned, French authorities have underlined the fact that this new diplomatic tool is strongly needed to allow the Union to act in a more efficient, understandable, and coordinated way, and have therefore repeatedly underlined their willingness to act quickly in favour of its definitive adoption.[11] They have been strongly advocating for a powerful Secretary General, “façon Quai d’Orsay”, and it appears that a Frenchman is likely to be part of the EEAS triumvirate – with the name of Pierre Vimont, French ambassador to the USA, coming out repeatedly. This apparent consensus has not been easy to reach though, and the French media have repeatedly underlined the fact that this new diplomatic tool has generated covetousness, rivalries and fights for domination, mostly concerning the nominations of the top positions.[12] This new service has also been criticised, mostly because of the lack of certitudes, concerning both its exact competences and its composition. The euro-sceptic leftist leader Jean Pierre Chevenement considers that the multiplication of structures that it implies (EEAS, the Commission and the council services) will lead to very time-consuming consultations, and that so many different authorities can only generate paralysis. He therefore advocates for a minimalist service, both in its ambitions as in its format.[13]

The European Citizens’ Initiative: overcoming the EU’s democratic deficit

The European Citizens’ Initiative (ECI) has generated high expectations in France. Catholic daily La Croix welcomed this breach opened in the Commission’s legislative initiative, stressing the fact that the era of the “areopagus of technocrats, stateless and irresponsible”, once denounced by General de Gaulle, is now over.[14] The Permanent Conference of Associative Coordination considers that the ECI will consolidate the participative aspect of the European democratic model, without any doubts.[15] Nevertheless, a few associations and civil society organisations stress the fact that some rules and procedures could have been less constraining, so as to allow the citizen participation to be easier. The Human Rights League believes that the ECI should only require the participation of 0.1 percent of the EU population (instead of 0.2 percent in the actual project), coming from one quarter of the EU member states (instead of one third), and that the legal age to participate should be 16 years old (instead of 18).[16]

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[1] Giscard d’Estaing, V.: Traite de Lisbonne: un Jour dans l’Histoire Européenne, Le Figaro, 01/12/2009.
[2] L’Express: *Duo pour une Union* européenne au rabais, 24/11/2009.
[3] Rocard, M.: Interview to France Inter, 20/11/2009.
[4] Mangenot, M.: Les fausses illusions de la Présidence Française de L’union, Le Monde, 03/12/2009.
[5] L’Express: Trop de présidents pour l’Union européenne?, 03/01/2010.
[6] Quetramer, J.: Lisbonne: grincements de dents et tentative de sabotage, Libération, 11/12/2009.
[7] Ricard, P.: Trois défis attendent le président du Conseil européen, Herman Van Rompuy, Le Monde, 05/12/2010.
[8] Moisi, D.: Si l’Europe avait un vrai président, Les Echos, 18/01/2010.
[9] Quatremer, J.: Halte au feu entre Catherine Ashton et les Etats Membres, Libération, 05/03/2010.
[10] Rousselin, P.: Lady Ashton, Bouc émissaire de l’Europe, Le Figaro, 03/03/2010.
[11] Déclaration de B. Kouchner, 26/04/2010.
[12] La Croix: Le Service Européen d’Action Extérieure se constitue, 22/03/2010.
[13] Chevènement, J. P.: Le mille-feuilles européen: l’exemple du Service européen d’action extérieure, intervention lors du débat au Sénat sur le Conseil européen des 29 et 30 octobre 2009, 27/10/2009.
[14] La Croix: L’Europe définit les règles du droit d’initiative citoyenne, 31/03/2010.
[15] Conférence permanente des coordinations associatives, 23/03/2010, available at: www.cpca.asso.fr (last access: 04/06/2010).
[16] Ligue des Droits de l’Homme: Sur l’initiative citoyenne, 24/02/2010, available at: www.ldh-france.org (last access: 04/06/2010).

Germany

Implementation of the Lisbon Treaty: a question of leadership?

Gesa-Stefanie Brincker and Jochen Eisenburger·

Having originally been one of the supporters of the creation of this new post of a President of the European Council in order to give the European Union (EU) a face and the work of the European Council more continuity and coherence, the German government in the end only supported a rather unimpressive politician to fulfil this important and demanding position. Thus, it became clear that the Merkel government did not want to install a personality ambitious to dominate EU policy making and able to attract a lot of media attention. It was rather a calm personality, possibly not being a "media rival" and political competitor to the heads of state and government in the European Council, who was finally preferred.

The German media explained the following advantages of Herman Van Rompuy's calm character: as he has no desire for media attention, he could be able to moderate behind the scenes and thus more easily balance the different interests of EU member states.[1] Not least journalists praised the compromise between France and Germany that he was able to push forward in the context of the Greek crisis in February 2010.[2] One proof that Angela Merkel and Nicolas Sarkozy appreciated these moderating qualities could be the fact that they agreed to install a working group under Van Rompuy's chair that is supposed to evaluate the lessons learned from the financial crisis by the end of 2010.

In general, German political actors attribute Van Rompuy the role of a facilitator of negotiations. They agree to his main function of chairing and preparing the European Council meetings and brokering member states' interests in advance. Similar to other EU Heads of State, Merkel (Christian Democratic Union – CDU) seems to enjoy the growing influence of this new European institution, which is in part due to Van Rompuy's promotion of the European Council negotiations. At the same time, the political weight of the European Commission and the Council of Ministers is, at least from an outside point of view, diminishing. With regards to German EU politics, the more active role of the European Council in the European crisis management and the exclusion of the foreign ministers from European Council meetings caused a power shift in the German foreign affairs system from the German Federal Foreign Ministry and its Minister Guido Westerwelle (Free Democratic Party – FDP), who is no longer an official member of the European Council according to the Lisbon Treaty, to the German Federal Chancellery and thus to Chancellor Merkel herself.

Whereas the German political actors did not concentrate on a debate about the new post of a European Council President nor on Van Rompuy himself, researchers strongly focused on the question of the unclear future institutional balance between the several EU heads that could lead rather to conflicts and discontinuity instead of the originally intended clarity via the installation of a stable EU president. Thus, conflicts on the question of competence could arise: Firstly, between the rotating EU presidency and the stable European Council President; secondly, between José Manuel Barroso, Catherine Ashton and Van Rompuy regarding the external representation of the Union; thirdly, between the European Commission President and the European Council President in the context of formulating new ideas on the underlying currents for the EU's future development.[3] Any changes of the role of the rotating council presidency are linked to the respective EU member state and its political leaders who could either refrain from taking a leadership role and leave the moderation floor mainly to Van Rompuy, Ashton and Barroso or behave in concurrence to these EU personalities.

Due to her political affiliation, Catherine Ashton aroused less criticism than Van Rompuy from German opposition party members. Nevertheless, Social Democrats (SPD) and Greens, as well as the left-wing party DIE LINKE, questioned whether she would be able to fulfil the high variety of challenging tasks that lie ahead. DIE LINKE mainly demanded more involvement of the European Parliament in European foreign affairs.[4] In fact, incorporating the position of formerly two posts, High Representative and Foreign Affairs Commissioner, or even three (if one also considers her future chairing of the Foreign Affairs Council, formerly presided by the rotating EU presidency) proves to be difficult. Consequently, German Member of the European Parliament (MEP) Elmar Brok expressed his fears that Ashton could end up not sufficiently supporting European common interests, but instead getting stuck in Council matters and thus getting lost between various national interests and personalities.[5]

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Furthermore, not only could the EU's national foreign ministers get into a rivalry with Ashton, but Barroso could also become an awkward partner when it comes to the EU's external representation, as the German daily Süddeutsche Zeitung underlines.[6] Being institutionally placed between the intergovernmental Council and the supranational European Commission, Ashton might face ongoing tensions between the competences of these two bodies in European foreign affairs that she would have to balance. Initial prove for this were the discussions about the competences of the European External Action Service (EEAS) that would conflict with the Commission's formerly exclusive fields, such as development policy.

The EEAS has already been discussed among German actors in the context of the Lisbon Treaty deliberation. Then, in the context of Ashton's "Proposal for a Council Decision establishing the organisation and functioning of the European External Action Service", the questions about the EEAS's institutional set-up and about the political control of this new diplomatic service became subject to debate again.

Westerwelle criticised Ashton's proposal for being unclear concerning the division of competences and saw a need for further negotiations. He emphasized the necessity of having an institution that would not only establish a double structure, but that should be able to speak with one voice for the European Union (EU).[7] Furthermore, members of the German government emphasised their will to reinforce the use of the German language on equal footing with English and French as official languages in the context of the EEAS's work and the recruitment criteria for the diplomatic personal of the EEAS.

In general, the German parties followed the position of their European complements. Accordingly, the parliament faction of the conservative CDU/CSU (Christian Democratic Union/Christian Social Union) argued similarly to Elmar Brok, German member and rapporteur of the European Parliament for the EEAS and spokesman of the European Peoples Party (EPP), that the EEAS should be closely linked to the communitarian European Commission instead of the Council in order to ensure a more effective control by the European Parliament. The SPD basically shared this view and emphasised that the European Parliament should exercise more budgetary control over the EEAS.[8] MEP Franziska Brantner and German Member of Parliament Manuel Sarrazin (both Greens) were disappointed by the proposal because it would create double structures in the field of development cooperation, thus hindering an efficient and coherent acting in external crisis management. A closer institutional link of the EEAS to the Council of Ministers or a more independent diplomatic service did not find any support in the debate, though. A more critical opinion on the EEAS proposal was held by DIE LINKE underlining that the Bundestag would run the danger of losing its competence and control of German military missions. Jürgen Wagner, working for Informationsstelle Militarisierung (IMI), shared this criticism and stated that Ashton's proposal would fail to establish mechanisms of parliamentarian control. Moreover, his organisation holds the opinion that, by integrating all military structures into the EEAS, the institution could be dominated by security policy interests. Other decisive elements, such as development policy or the promotion of human rights, might thus become subordinated.[9] In general, the idea of integrating the development policy sector in the EEAS's structures aroused special attention in Germany and was criticised in the last months by several German non-governmental organisations (NGOs) and think tanks. For instance, VENRO (Verband Entwicklungspolitik deutscher Nichtregierungsorganisationen), a German association that represents about 120 NGOs in the development cooperation sector, argued that European development policy would need an independent institutional structure that would be able to articulate its interests independently.[10]

The public consultation process that was opened by the European Commission regarding its proposal defining the rules and procedures for the European Citizens' Initiative (ECI) was actively received by German political parties, the Parliament and non-governmental organisations (NGOs). Some of the German Landtage, the regional parliaments, adopted resolutions on the ECI as well and forwarded them to the Commission.[11]

The majority of German political parties shared the same expectations for the ECI. It was regarded as being a new instrument for the participation of EU-citizens in European policy-making and an opportunity to reduce the distance between the Union and its citizens. Moreover, the ECI was expected to contribute to the promotion of transnational debates on European issues. Only DIE LINKE criticised, with reference to Article 11 (4) Treaty on European Union, that the planned ECI regulations would not aim at a direct participation of EU citizens in EU politics and thus no contribution to overcoming the EU's democratic deficit was undertaken. The governing FDP, as well as the opposition SPD and Greens, saw the need to facilitate some of the criteria planned for a successful ECI, especially concerning the minimum number of countries represented by the ECI and the quorum for

each member state. In addition, the Greens called for the right for initiators of an ECI to challenge decisions by the Commission, the right of public consultations, the introduction of data protection measures and the obligation for initiators of ECIs to reveal their financial sources. On the contrary, the party of Chancellor Merkel, the CDU, supported the Commission's proposal and regarded an intervention of the Bundestag as unnecessary.[12]

German NGOs were sceptical towards the Commission's proposal: For instance, the NGOs Mehr Demokratie e.V.,[13] the Young European Movement[14] and Greenpeace Deutschland criticised the formal criteria of putting forward an initiative as being too difficult to reach. The idea of using the identity card number or social security card number as a measure for verification of votes is rejected. In sum, the mentioned NGOs shared the concern that the ECI runs danger to become an empty shell that would be unable to fulfil the high expectations connected to it.[15]

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[1] Cf. Bilger, Oliver: EU-Ratpräsident, Schöngeist mit Schlagkraft, Süddeutsche Zeitung, 21 November 2009.
[2] Cf. e.g. Stabenow, Michael: EU-Ratspräsident Van Rompuy: Anlaufstelle für Merkel und Sarkozy, Frankfurter Allgemeine Zeitung, 9 April 2010.
[3] Cf. Kietz, Daniela/Von Ondarza, Nicolai: Willkommen in der Lissabonner Wirklichkeit, SWP Aktuell 29, March 2010, p. 2-3.
[4] Cf. Lösing, Sabine: Tabula Rasa: Ashton nur ein leeres Blatt Papier?, press statement, 2 December 2009.
[5] Cf. Busse, Nicolaus: EU Außenbeauftragte, Sagen Sie mir die Richtung, Frankfurter Allgemeine Zeitung, 2 December 2009.
[6] Cf. Winter, M.: Einsame Kämpferin in Brüssel, Süddeutsche Zeitung, 3 March 2010.
[7] Cf. Handelsblatt: Streit um EU-Außenpolitik eskaliert, 31 March 2010, available at: http://www.handelsblatt.com (last access: 15 July 2010).
[8] SPD AG Angelegenheiten der Europäischen Union: Europas Außenpolitik demokratisch mitgestalten, press statement 867, 22 June 2010.
[9] Cf. IMI-Standpunkt 2010/008: Ein Militärisch-Auswärtiger Dienst für Europas imperiale Machtpolitik, 29 March 2010, available at: http://www.imi-online.de/2002.php?id=2090 (last access: 15 July 2010).
[10] Cf. VENRO: Entwicklungspolitik muss eigenständig bleiben, 26 April 2010, available at: http://www.venro.org (last access: 15 July 2010).
[11] See inter alia the resolution of the Bavarian Landtag, available at: http://ec.europa.eu/dgs/secretariat_general/citizens_initiative/docs/bayern_landtag_de.pdf (last access: 15 July 2010); and the Resolution of Landtag of Saxony-Anhalts, available at: http://ec.europa.eu/dgs/secretariat_general/citizens_initiative/docs/lt_sachsen_anhalt_de.pdf (last access: 15 July 2010).
[12] For the transcript of the debate on the European Commission's Proposal for a regulation of the European Parliament and the Council on the Europeans Citizens' Initiative in the German Bundestag on 20 May 2010 see Document number 17/43, available at: http://dipbt.bundestag.de/dip21/btp/17/17043.pdf, as well as the speeches of Thomas Dörflinger, Karl Holmeier, Michael Roth, Dr. Stefan Ruppert, Dr. Dieter Dehm and Manuel Sarrazin.
[13] Cf. Mehr Demokratie e.V.: Stellungnahme zum Vorschlag der EU-Kommission für eine Verordnung des Europäischen Parlaments und des Rates über die Bürgerinitiative vom 31.3.2010 (Stand 7.5.2010), available at: http://ec.europa.eu/dgs/secretariat_general/citizens_initiative/docs/mehr_demokratie_de.pdf (last access: 15 July 2010).
[14] Cf. Junge Europäische Bewegung: Stellungnahme der Jungen Europäischen Bewegung Berlin-Brandenburg e.V. zum Verordnungsvorschlag der Europäischen Kommission über die Europäische Bürgerinitiative, 5 April 2010, available at: http://jeb-bb.de/fileadmin/files_jef-d-bb/2010/EBI/100405_Stellungnahme_der_JEB_zur_EBI-VO.pdf (last access: 15 July 2010).
[15] Cf. Mehr Demokratie e.V.: NGOs fordern Nachbesserungen bei der Europäischen Bürgerinitiative (EBI), 11 May 2010, available at: http://www.mehr-demokratie.de/752.html?&tx_ttnews[backPid]=276&tx_ttnews[tt_news]=7274&cHash=08d16dcf7a40c6f8ca2462d38fcae10a (last access: 15 July 2010).

Greece

Much needed leadership in times of crisis

A.D. Papagiannidis and Nikos Frangakis·

The Lisbon Treaty was awaited with interest – if not with trepidation – in Greece, where ratification had proceeded smoothly, while the mainstream political forces, the media and academia were expecting that institutional change would serve as an incentive for a more active Europe.[1] The fact that new provisions of the Lisbon Treaty started working just as a severe, real-time crisis situation was underway (even more so, a crisis in which Greece was instrumental indeed) served to make the treaty's implementation and the Union's institutional mechanisms in general a major issue.

The figure of Herman Van Rompuy was initially greeted with some reluctance, although not in a negative way, given the lack of "international stature" of the Belgian ex-Prime Minister. References to his consensus-building prowess or even to his haiku-writing were often found in the media; but when the Greek debt crisis (and the search for some sort of "European solution") erupted, Van Rompuy's role in conducting European Council Summit operations, especially in March 2010, and in bridging the bitter differences between Germany and France or rather between Angela Merkel and Nicolas Sarkozy, brought him centre-stage in Greece.

Based on this crucial test case of low-intensity leadership, Van Rompuy's tendency to favour more regular (and more focused) European Council sessions was greeted positively. The uneasy equilibrium between the Van Rompuy Presidency of the European Council and the current (rotating) Spanish Presidency looks set to create problems – which, in turn, would be solved by yielding more powers to the President of the European Council. The fact that the "slow rotation" of Eurogroup/ECOFIN Councils – along with the hands-on personality of Jean-Claude Juncker, who also proved instrumental in the Greek debt issue – had positive results for crisis management (especially in the dramatic May 2010 sessions, where the support mechanism of the economies of Portugal, Italy, Ireland, Greece and Spain (PIIGS) was pieced together, with International Monetary Fund assistance) accents this evolution.[2]

The figure of Catherine Ashton, at the helm of Foreign Affairs and Security Policy, was seen as a letdown insofar as expectations for "more Europe" in foreign relations were fuelled by the Lisbon Treaty. Her performance in office served to confirm initial hesitations.

In Greece, progress towards a more credible European foreign policy is viewed positively. But the creation and perspectives of the European External Action Service (EEAS), as a tangible instrument towards this goal, have obtained very little interest. In the same way, expectations from the European Citizens' Initiative (ECI), an element of direct democracy on the European level established in the Lisbon Treaty, are quite high in Greece – both in public opinion and in academia. But the Commission's proposal for setting up the ECI mechanism has remained largely unknown.

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[1] See, among others, G. Anastassopoulos: in: TO VIMA, 10 December 2009; P.K. Ioakimidis, in: METARRYTHMISSI, Vol. 35, May 2010.

[2] For a balanced/critical approach to the post-Lisbon Treaty Europe, see Loukas Tsoukalis: Europe in a Changing World [in Greek], in: International and European Politics (Vol. 17), p. 17; P. Ioakimidis., First Impressions from the application of the Lisbon Treaty, p. 45.

Hungary

Major questions to be answered

Krisztina Vida*

Highly active President of the European Council coupled with weaker role of the rotating presidency

As regards his new position, Herman Van Rompuy has pledged to fully implement the provisions of the Lisbon Treaty and to use his powers to the utmost possible. In the opinion of a high official at the Hungarian Ministry of Foreign Affairs,[1] Van Rompuy is absolutely acting according to his words. He is very active in representing the Union towards third countries and under his Presidency of the European Council, the role of the rotating presidency at the European Council level has significantly decreased. Van Rompuy is acting rather autonomously vis-à-vis the Council. Although there is cooperation with the actual presidency at both the Permanent Representatives Committee (Coreper) and Council levels, the President is preparing the conclusions of the European Council on his own, assisted, however, by the Secretary General of the Council. The conclusions themselves became shorter, more concise and more streamlined. Before finalising the text, the President takes up only those suggestions from the member states, which represent substantial change (no "stylistic" corrections are accepted).

As to the European Council meetings, the big change is that the foreign ministers do not take part in them, thus the circle is closer, restricted to the leaders of the member states. This meant an immediate weakening of the General Affairs Council, as the ministers cannot represent at the European Council level what they have discussed and adopted at the General Affairs Council level. This has resulted in a new phenomenon: the General Affairs Councils are often attended by the under secretaries for European or foreign affairs, instead of the ministers themselves. The ministers seem to be losing motivation, as they are aware that their direct influence on the final text of the conclusions is limited. As to the role of the actual presiding country at European Council level, it is also limited, due to the above-mentioned reasons.

The functioning of the High Representative needs more lubrication

As opposed to the President of the European Council, the position and functioning of the "double-hatted" High Representative of the Union for Foreign Affairs and Security Policy leaves more questions open. One of the main shortcomings is that, compared to her obligations, Catherine Ashton has too small of a cabinet. Another problem is that very often she has programmes in parallel, namely travelling abroad, as well as appearing at the Commission or before the European Parliament. In these cases, she would need a deputy High Representative, but this is not established by the Lisbon Treaty. Due to these organisational/institutional shortcomings, Ashton is not always able to fulfil all her obligations, despite her full commitment.

The rules on geographical balance still to be settled

The political agreement on the European External Action Service (EEAS) was welcomed by Hungary. The new office will be made up of officials from the Commission (one third), from the Council (one third) and from the member states (one third). Hungary supported this approach although an important aspect is still lacking, according to a high official of the Hungarian Ministry of Foreign Affairs.[2] This lacking aspect relates to the concrete details of the "geographical balance" and the way it should be implemented. Hungary is looking forward to the upcoming negotiations on this issue. Another open question is that of financing the EEAS and its diplomats. Furthermore, the status of European Commission delegations abroad should also be redefined upon full operation of the EEAS.

The rules on the ECI to guarantee equal rights to EU citizens

The European Citizens' Initiative (ECI) is a new, absolutely positive element of the Lisbon Treaty, equipping EU citizens with a tool of direct democracy. However, according to a high official of the Hungarian Ministry of Foreign Affairs,[3] the detailed technical rules of such an initiative are still to be worked out and adopted. A major issue here is that the EU rules on the ECI should be fully compatible

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with the national rules on a plebiscite. When formulating the exact rules, the equal rights of EU citizens must be a guiding principle. From a political point of view, a fast decision on this would be welcome. Apparently, the first such initiative will be about “free Sundays”, an idea fully supported by the Christian churches in Hungary as well as by the ruling Christian Democratic People’s Party (KDNP).

[1] Interview done at the Ministry of Foreign Affairs on 5 May 2010.
[2] Interview done at the Ministry of Foreign Affairs on 5 May 2010.
[3] Interview done at the Ministry of Foreign Affairs on 5 May 2010.

Iceland

EU reform complicates EU accession

Pia Hansson[*] and Baldur Thorhallsson[+]

To this day there is limited discussion on EU internal affairs in Iceland, as opinions on EU policies are mainly centred on the issue of whether Iceland should join the Union or not. Among the professionals and experts in the field, the perception of the changes brought by the Lisbon Treaty, including the new role of the President of the European Council, are inconclusive. The new situation calls for a different approach for a country applying for membership, entailing lobbying not only the member state holding the rotating presidency, but also the new President of the European Council. The new President is seen as someone who is not working towards consensus, but waiting for it to occur before he acts. This has left the rotating presidency weaker and rendered the structure more complex. Consequently this is problematic for Iceland, now being forced to bide time prior to receiving a decision from the European Council and meanwhile left without the possibility of influencing the President's agenda. Before the Lisbon Treaty, political efforts zeroed in on the rotating presidency, but now one more layer has been added to the structure.[1] The new permanent presidency brings a more state-like structure to the Union, comparable to a head of state or government. Despite this incertitude regarding the permanent presidency, the new set-up is believed to have some clear advantages to it. More continuity, for example, will aid in smooth handoffs between incoming and outgoing governments, compared to the previous brief six-month rotation. The new presidency therefore will provide certain fixity.[2]

The new High Representative of the Union for Foreign Affairs and Security Policy will likely simplify to a certain extent the work of the EU in the respective areas by having a set person in charge. This, however, can also be another example of how the EU is developing into a federation of states where the individual member states' voice is reduced.[3] There is not much debate on the role of the new High Representative of the Union, although some opinion makers have expressed the view that Catherine Ashton lacks experience in the field and that her appointment was a poorly disguised compromise.[4]

At first glance, the added loophole of having the German parliament vote on Iceland's application was initially negatively received, but in hindsight, it provided an excellent opportunity to strengthen ties with the most influential EU country. Visits by German officials in this capacity were well received locally, and the media welcomed the opportunity of interviewing German politicians on their fact-finding mission to Iceland.[5] A positive vote from a powerful member state was enthusiastically perceived among the Social Democrats in government and other Europeanists.

The European External Action Service (EEAS) is only just starting and therefore experience is lacking still. It seems as though the EU will start to run diplomatic service across the world where the member states of the Union speak with one voice and not as individual states. There can be conflicts there due to the nature of these affairs. Individual states wish to keep their interests and issues at heart at the forefront. The 27 member states of the EU are also very different from each other. Different approaches constantly come up in intergovernmental and interstate affairs. In big cases such as addressing Palestine and Israel, or relationships with Russia, inevitably there will be clashes due to different cultures and histories of the member states of the Union.[6] Iceland has a long standing history of cooperation with its Nordic neighbours in diplomatic representation and services. Being a small state, Iceland recognises the value of such cooperation and is therefore highly supportive of the European External Action Service (EEAS). Another perception is that it offers double protection for citizens of small or weak states, and is therefore a good concept.[7]

Being one of the oldest democracies in the world, Iceland is traditionally supportive of increased direct democracy. The European Citizens' Initiative should provide direct democracy to EU citizens, bring them closer to the power structure and give them the opportunity to be heard. There has been no debate on this issue locally in Iceland, and it is difficult to imagine that such an initiative would not be met with anything but enthusiasm.[8]

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[1] Interview with governmental officials in the Ministry for Foreign Affairs, 19 May 2010.
[2] Telephone Interview with a member of the Left-Green movement now in government.
[3] Telephone Interview with a member of the Left-Green movement now in government.
[4] Björn Bjarnason (a leading figure of the conservative Independence Party and a former minister): Andlit og rödd Evrópusambandsins, commentary, 24 November 2009, available at: http://www.amx.is/pistlar/11730/ (last access: 16 June 2010).
[5] Frettablaðið (a daily newspaper), 12 March 2010, available at: http://epaper.visir.is/media/201003120000/pdf_online/1_8.pdf (last access: 16 June 2010).
[6] Telephone interview with a member of the Left-Green movement now in government.
[7] Interview with a government official at the Ministry for Foreign Affairs from the office of EEA-agreement and European Affairs.
[8] Interview with a government official at the Ministry for Foreign Affairs from the office of EEA-agreement and European Affairs.

Ireland

Jury still out on Lisbon

Shane Fitzgerald*

The provisions of the Lisbon Treaty are probably more familiar to the weary voters of Ireland than to any other citizens in Europe. Although two hard-fought referendum campaigns saw everything from abortion to military conscription to unemployment being deployed as political weapons and distractions, the core innovations of the treaty did get a fair airing and are relatively well understood. Less well understood is how exactly these innovations will play out in practice. The work of President of the European Council Herman Van Rompuy, for example, is watched with interest in Ireland but, in the context of a landscape of European political leadership that remains cluttered and contested, a consensus as to the skill with which he is carrying out his duties has yet to be reached.

A similar benefit of doubt extends to Catherine Ashton in her new role as High Representative of the Union for Foreign Affairs and Security Policy. To the degree that the EU's Common Foreign and Security Policy (CFSP) is a benign and progressive one, Ireland is keen that it projects it as effectively as possibly and therefore welcomes any initiative that helps Europe express its priorities more clearly on the world stage. While there are – arising out of Ireland's tradition of military neutrality – certain concerns relating to European cooperation in the defence arena, these were to a large extent allayed by the specific guarantees sought and secured by the Irish government ahead of the second referendum on the Lisbon Treaty.[1]

With regard to Catherine Ashton's relations with the European Council, Ireland will be hoping in particular that she enjoys good relations with the incoming British government. A good working relationship between the UK and its EU partners is important for all member states but especially so for its nearest island neighbour. The geographic, economic and historic ties between Ireland and the UK are such that an actively Eurosceptic Britain could have profound and detrimental effects on the Irish national interest. One Irish hope would be that the work of Catherine Ashton might act to advertise and normalise the European Union to a sceptical British press and population.

Article 21 of the Treaty on European Union in the consolidated version of the Lisbon Treaty commits the EU's international affairs to be guided by the principles of "democracy, the rule of law, the universality and indivisibility of human rights and fundamental freedoms, respect for human dignity, the principles of equality and solidarity, and respect for the principles of the United Nations Charter and international law." Ireland will be supportive of policies which further such principles. However, the Minister for Foreign Affairs, Micheál Martin, emphasises the declaration attached to the treaty which makes clear that its CFSP provisions do not affect the existing responsibilities of member states for the formulation and conduct of their distinctive foreign policy.[2] As a small, neutral state, this is a crucial area of sensitivity for Ireland and the preservation of these assurances will be watched for carefully. Given the nature of EU missions as defined by the Petersburg tasks and the predominance of civil over military missions, Ireland has, to date, been able to play a full role in respect of its treaty commitments (for example, an Irish commander, Pat Nash, led the recent EUFOR mission to Chad on the ground).

As to the issue of the European External Action Service (EEAS), the government position, at a time of great constraint on state resources, is that the EEAS will provide an opportunity to leverage Irish diplomacy both in the European context and in the international arena. The Minister for Foreign Affairs is of the opinion that "there will be a real benefit to the State through the experience gained by the rotation of Irish officials between the EEAS and the Irish diplomatic service."[3] Speculation as to the appointment of Irish diplomats and Commission officials to key positions in the new service has already begun.[4] If there are concerns over the EEAS in the national debate, they relate to the danger of Ireland losing its distinctive national voice overseas.

Ireland performed strongly when it last held the rotating council presidency in 2004, taking advantage of the leverage that the previous system afforded small countries with the capacity to act strategically. Ireland will next host the presidency in early 2013 as the first in a trio which includes Lithuania and

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Greece. Irish observers will be watching the intervening presidencies closely to learn how to operate most effectively under the new regime.

One issue that has been raised in the domestic debate is the new dynamics of meetings of the European Council under the Lisbon Treaty. Previously, these meetings were between the heads of state and government and their foreign ministers. Now, just the heads of state and government meet, although they can decide to be accompanied by a minister. There is a concern, which has been expressed in the UK also,[5] that removing foreign ministers from the European Council network might lead to a shift in foreign policy making from Foreign Affairs departments to Prime Ministerial ones. In a political system such as Ireland's which tends towards a coalition government, one could anticipate tensions arising in a future coalition in which the two departments were headed by ministers from different parties.

The issue of the democratic legitimacy of the European Union, although prominent in the national debate over the Lisbon Treaty, is not as big a concern among the largely pro-European Irish electorate as it is among more Eurosceptic populations such as those of the UK, France or the Netherlands. It is also widely understood that the Lisbon Treaty contains many apparent remedies to the EU's "democratic deficit", including a strengthened European Parliament, a bigger role for national parliaments in legislative scrutiny, and a new European Citizens' Initiative (ECI).

Insofar as the ECI empowers citizens and increases democracy in the Union, it will be welcomed by Irish people and their elected representatives. However, concern is likely to be expressed at any Commission attempt to neuter the initiative by setting high barriers to participation or by stringently filtering the petitions through mechanisms such as the "admissibility check" recently discussed by Vice-President of the European Commission Maroš Šefčovič.[6]

The opposition Labour Party's spokesman on Europe, Joe Costello, notes that, although there are a host of thorny issues to be resolved before the initiative is up and running, there has been "precious little public debate" in Ireland so far.[7] The Oireachtas (Irish Parliament) Joint Committee on European Affairs has published a report on the ECI in which it expresses its support, saying that the initiative "has the potential to create a real public space within the European Union and contribute to bridging the so-called 'democratic deficit'".[8] But, as a member of the opposition Fine Gael party, Lucinda Creighton, said in this context in the Oireachtas recently: "It is important that the European Union is seen to deliver on commitments made to the people, particularly in Ireland given that we held a referendum. Those commitments must be tangible and delivered."[9]

In respect of demonstrating the integrity of European democracy, the Irish government must also deliver on its own commitments. A revised programme for government, agreed in October in the wake of the second Lisbon referendum, contained an express commitment to push for the early adoption of legislation to establish the ECI.[10] The Irish government, at a time of widespread public disillusionment and anger at the political establishment, will be keen to help get this one right. If the mechanism does not provide a proper vehicle for democratic expression, it will be ridiculed. But if appropriate safeguards are not put in place, a cascade of populist, or even extremist, petitions might ensue, with damaging effects on the reputation of both the government and the EU.

The revised programme for government also committed to ensuring that the Oireachtas more closely engages with European institutions and affairs. To that end, an Oireachtas Sub-Committee on the Review of the Role of the Oireachtas in European Affairs is examining how the parliament can best use the new powers and entitlements granted to it under the Lisbon Treaty. It will be issuing its report in the coming weeks. Its findings are likely to lead to a significant revision of the way in which the parliament deals with EU matters, including but not limited to parliamentary scrutiny of legislation emanating from Brussels.[11] A number of civil society and professional organisations, including the Law Society of Ireland and the Irish Society for European Law, are currently conducting research in this area. Gavin Barrett of University College Dublin argues that Ireland's failure in the past to address adequately matters of democratic accountability means that it has more ground to make up than other member states in this area.[12]

[1] See for example: Institute of International and European Affairs: Lisbon: The Irish Guarantees Explained, available at: http://www.iiea.com/publications/lisbon-the-irish-guarantees-explained (last access: 10 May 2010).

[2] KildareStreet.com: Dáil written answers: Tuesday, 30 March 2010. Department of Foreign Affairs: Diplomatic Representation, available at: http://www.kildarestreet.com/wrans/?id=2010-03-30.688.0&s=catherine+ashton#g690.0.r (last access: 10 May 2010).
[3] KildareStreet.com: Dáil written answers: Thursday, 1 April 2010. Department of Foreign Affairs: European External Action Service, available at: http://www.kildarestreet.com/wrans/?id=2010-04-01.1162.0 (last access: 10 May 2010).
[4] Reported in The Sunday Business Post, available at: http://www.sbpost.ie/news/ireland/irish-diplomats-tipped-for-ec-jobs-49132.html (last access: 10 May 2010).
[5] See for example: House of Commons: Foreign Affairs Committee Transcript, available at: http://www.publications.parliament.uk/pa/cm200910/cmselect/cmfaff/c144-i/c14402.htm (last access: 10 May 2010).
[6] Reported by Euractiv: EU commissioner vows to block 'silly' petitions, 6 May 2010, available at: http://www.euractiv.com/en/future-eu/eu-commissioner-vows-block-silly-petitions-news-493794 (last access: 10 May 2010).
[7] Joe Costello: Issues around EU citizens' initiative should be tackled, Irish Times, 2 February 2010, available at: http://www.irishtimes.com/newspaper/opinion/2010/0202/1224263579088.html (last access: 19 May 2010).
[8] Oireachtas Joint Committee on European Affairs EU Scrutiny Report No. 6, available at: http://euaffairs.ie/publications/6th-Scrutiny-Report.pdf (last access: 9 June 2010).
[9] Dáil debates: Wednesday, 31 March 2010. European Council Meeting: Statements, available at: http://www.kildarestreet.com/debate/?id=2010-03-31.300.0 (last access: 10 May 2010).
[10] Green Party: Renewed Programme for Government, 10 October 2009, available at: http://www.greenparty.ie/en/government/renewed_programme_for_government/renewed_programme_for_government_pdf_format (last access: 10 May 2010).
[11] Sub-Committee on Review of the Role of the Oireachtas in European Affairs Home Page, available at: http://www.oireachtas.ie/viewdoc.asp?DocID=14847 (last access: 10 May 2010).
[12] Gavin Barrett: Reviewing the Role of the Oireachtas in European Affairs, available at: http://www.iiea.com/publications/reviewing-the-role-of-the-oireachtas-in-european-affairs (last access: 19 May 2010).

Italy

Divergent views over Van Rompuy and Ashton seem largely negative in Italy

Jacopo Leone*

Since his appointment as the new President of the European Council in November 2009, Herman Van Rompuy has inspired sceptical comments and pessimistic analyses, both at the political level as well as in the Italian media coverage. Indeed only few voices, although highly respected, have appeared to reject this general negative opinion.

The Italian political leaders expressed common frustration on the appointment of Van Rompuy. Pierluigi Bersani, leader of the main opposition party, has spoken of a "low profile" personality, which symbolises a bad start for the EU after the ratification of the Lisbon Treaty.[1] More prudent in his statement has been the Italian Prime Minister Silvio Berlusconi, who described the decision as "the only possible compromise."[2]

Moreover, a deep scepticism over the political figure of Van Rompuy also characterises the comments in the Italian press and research community. The 'opaque Flemish leader' has often been judged as a minimalist choice, lacking the strong personal authority which is deemed necessary to effectively operate in a fragmented and confused EU.[3] Van Rompuy's nomination seemed, therefore, to suggest a lack of political ambition, the loss of a truly pro-European sentiment among national leaders, and the demise of any aspiration of global leadership by the EU.[4]

Despite this generally negative attitude, Mario Monti, former member of the European Commission, judged the appointment of Van Rompuy in a rather optimistic way. In particular, Monti believes President Van Rompuy to be the right man to further the construction of the European project, and to create political consensus and mediate between divergent national interests.[5] As another respected commentator wrote, "the relatively low profile of Van Rompuy fits perfectly well with the wording of the Lisbon Treaty",[6] since the very limited role attributed to the President of the European Council focuses mainly on the creation of political synthesis and institutional continuity.[7]

Recent events seemed to mirror this divergence of views over President Van Rompuy. If, on the one hand, his speech at the College of Europe in Bruges (Belgium) received positive comments in the Italian press,[8] his leadership has been considered, on the other hand, unconvincing in response to the current Greek economic crisis.[9]

However, the main problem behind these evaluations seems to remain the new institutional framework introduced by the Lisbon Treaty, which, by maintaining the rotating presidency system alongside the new President of the European Council, risks to create a paralysed EU in the exercise of its powers.[10]

In Italy, the reactions to the appointment of Catherine Ashton as the new High Representative of the Union for Foreign Affairs and Security Policy have been mainly negative. Indeed, the news that the Italian candidate, Massimo D'Alema from the Socialist Party and backed by the government for the position of High Representative, was defeated aroused pessimistic and frustrated comments. Romano Prodi, former President of the European Commission and former Italian Prime Minister, confessed to be shocked by the choice of Ashton, a decision he qualified as 'mind-blowing'.[11] Giuliano Amato, a respected Italian political figure, suggested that a logic of compensation and self-serving national interests had prevailed, which would negatively influence the future of the European project.[12]

Unquestionably, the first months as High Representative have represented a troublesome period for Ashton. Probably due to the vast range of her duties, her performance has been widely criticised in the Italian public debate – in reference to, for example, her absence from Haiti after the earthquake, or her comment regarding the possibility of a common EU seat at the UN Security Council.[13] However, on a different note rests Franco Frattini, current Italian Foreign Minister and former European Commissioner, who expressed on several occasions his support and appreciation for Ashton.[14]

Although the general view of Ashton remains sceptical, the post of High Representative in its "double-hat" design appears to present some institutional difficulties in itself. Indeed, the effort to create a

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"single voice" for EU external relations and a better coordination of policies ranging from development aid to commerce gives Ashton an almost unmanageable amount of responsibilities, and makes it often hard to address them successfully. As suggested, the High Representative faces an "heroic mission",[15] with the ambitious aim to achieve a political cohesion within a still fragmented European foreign and security policy. Moreover, a new institutional balance needs to be reached. That both Ashton and the President of the Commission José Manuel Barroso sent a message of condolence after the earthquake in Chile of February 2010 without previously consulting each other seems to represent, in a harmless way, the difficulties faced by the EU during the process of creating a coherent and coordinated voice.[16]

During the last months, the Italian debate on the establishment of a European External Action Service (EEAS) has been rather meagre. Probably due to the technical nature of this topic, the Italian press and media have only briefly covered its institutional progress, primarily highlighting the political difficulties inherent to the attainment of a shared EU position, which the High Representative Ashton has to ultimately facilitate.[17]

On the political side, the Italian Foreign Minister Frattini continues to reaffirm his support for Ashton and the creation of the EEAS, considered the main tool for a new European global identity.[18]

Nevertheless, what emerged within the Italian research community is a situation in which domestic interests compete with each other for those positions and resources which the new diplomatic body will introduce. As Sergio Romano, a well-known political analyst, wrote, only when the recruitment of the European diplomatic personnel will be open and public could we overcome the present fragmented and self-serving situation.[19] Moreover, without a clear definition of its duties, the EEAS is likely to further an incoherent system of representation, which is ultimately subdued by national interests.[20]

The concept of an EU diplomatic service, in its rationale and intended aims, is largely perceived in a favourable way. However, it is still unclear if the proposal pushed forward by Ashton on 25 March 2010 and partially modified on 26 April 2010 will be approved by all the European institutions involved, and will thus be able to avoid the risk of an internal competition, enhancing the efficacy of the EU external action.[21]

In Italy, the debate on the European Citizens' Initiative (ECI) has registered little attention from either the press or civil society, remaining largely confined to the national political institutions. In particular, the committees of both the Senate (the upper chamber of the Italian parliament) and the Camera dei Deputati (the lower chamber) have analysed the issue extensively and with widespread interest.

The result is a series of recommendations, fairly technical and selective, on the ECI procedures and rules suggested by the European Commission in its proposal. A strong position is taken by Italian representatives, for example, regarding the question of how many member states need to be represented in a given ECI in order for it to be accepted. Although the Commission proposal set the limit to 1/3 of the member states, Italian Members of Parliament (MPs) repeatedly expressed their preference for a 1/4 threshold, in line with the position of the European Parliament.[22] Moreover, the four-month period in which the Commission should examine the initiative is deemed too short, and a one-year period is instead suggested.[23]

Overall, however, the creation of a system for ECI is evaluated mainly in a positive way. As Andrea Ronchi, the Italian Minister for European Affairs, has remarked, the ECI is one of the most important provisions included in the Lisbon Treaty, and even though it has been rather overlooked until now, Italy should dedicate considerable attention to its institutional definition.[24]

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Latvia

Implementation of the Lisbon Treaty as seen from Latvia

Dzintra Bungs*

From the ample media coverage and the numerous informative discussions organised under the auspices of universities, government institutions, and non-governmental organisations in recent years, it would seem that every citizen of Latvia has heard of the Lisbon Treaty. However, even if Latvians tend to recognise the term and acknowledge that the Treaty affects everyone in every EU member state, relatively few are sufficiently familiar with the Treaty's content to make an informed comment about it and even fewer have actually read the entire document.

This situation may be explained in part by the fact that Latvians are among the most eurosceptic members of the EU family of nations. According to a Eurobarometer standard survey of public opinion taken in autumn 2009, 55 percent of the respondents in Latvia believe that their country has not benefited from its membership in the European Union and 43 percent of the respondents state that they do not trust this organisation. Improbable as the poll results might seem at first glance, they demonstrate that multiple factors, even those that have little or no relation with the EU, play a significant role in the assessment of the EU; these include an individual's personal perceptions and preferences, a nation's historical experience, and the state of the national and international economy. The survey results suggest that a particular factor in Latvia was its historical experience – more precisely, the conclusions drawn from the five decades of Soviet and Nazi German occupations during and after World War II. They have not been forgotten and they still tend to influence, rightly or wrongly, people's perceptions of Latvia's current situation, despite the fact that two decades have passed since Latvia regained its independence and that Latvia joined the European Union in 2004 of its own free will. In a nutshell, Latvians tend to question the obligations and responsibilities that come with membership in an international organisation, especially if membership means relinquishing a part of their country's sovereignty; in other words, many Latvians still hold on to the belief that it is wiser be independent and unaffiliated.

In the spring of 2010, the hardships emanating from Latvia's economic recession and the jostling for power and influence by politicians have been much more relevant and interesting to the average Latvian than the events and developments, however important and far-reaching, abroad. This phenomenon in the context of the European Union is described quite diplomatically by the Latvian political scientist Toms Rostoks: "Brussels is a place, where important decisions for Latvia are adopted and where Latvian representatives participate in the decision-making process; and yet, Brussels remains more like the truth, which one perceives as being somewhere on the outside and with which it is difficult to identify."[1]

Thus, had it not been for the fact that Latvia's former President, Vaira Vīķe-Freiberga, was among the persons named as a possible candidate for the office of the new President of the European Council, fewer people in Latvia would have taken note of the recent changes in the top leadership positions of the European Union. As in many EU member states, when Herman Van Rompuy was selected as the President of the European Council and Catherine Ashton as the High Representative of the Union for Foreign Affairs and Security Policy, the most frequently heard comments in Latvia were questions, such as: Who is he/she? How is he/she better qualified than the other candidates? Should not the process of selecting the new European Council President and the High Representative have been more transparent and more open? Very quickly, the discussions and speculations about these questions were replaced by a spate of matter-of-fact reports about the activities of the new EU officials. At the same time, their performance so far has elicited hardly any political commentaries in the Latvian media. From the many brief reports, the salient trait that has gradually emerged of Van Rompuy is professionalism, clearly a quality that will serve the new president well in establishing his authority and the authority of his office in the new EU leadership and power structure. At this point in time, Latvian officials do not anticipate any change in the role of the rotating council presidency.

Concerning Ashton, it would be foolhardy to attempt to evaluate the work of the new High Representative using the Latvian media, because her professional activities have not been reported as widely as those of Van Rompuy, and the reports themselves have avoided any interpretative

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comments of her performance in office. However, well-versed Latvian observers of EU affairs stress that the position of the High Representative is very challenging in that it covers a daunting array of issues and duties. At the same time, the specifics of the functioning of the position and its actual role vis-à-vis the Commission and the Council remain to be defined.

The Latvian observers also point out several factors that clearly have bearing on the current public image of both Ashton and Van Rompuy:

- Owing to the recentness of the adoption of the Lisbon Treaty, both the EU and its officials find themselves going through a period of transition and adjustment.
- Moreover, much remains to be worked out "on location" and "in practice" because the Lisbon Treaty provides an outline of the functions of the leading offices and office-holders.
- The Lisbon Treaty stipulates the creation of the European External Action Service (EEAS) to assist the High Representative of the Union for Foreign Affairs and Security Policy; because the first High Representative is directly involved in organising the service and appointing the personnel, she will not have the assistance of the service until it is functioning.
- Under these circumstances, it is premature to attempt a considered evaluation of the work of the new President and the new High Representative.

Concerning the EEAS, the Latvian government endorses its formation and fully supports the concept envisaged in the 25 March 2010 "Proposal for a Council Decision establishing the organisation and functioning of the European External Action Service". In Riga, no alternatives are being considered to that concept. At the same time, the Minister of Foreign Affairs, Māris Riekstiņš,[2] urged repeatedly that attention be paid to two aspects of the EEAS:

- In selecting members of the EEAS from among the candidates from the member states, the notion of geographical balance should be adhered to so that all regions are equitably represented.
- The EEAS should ensure, if an emergency arises, the availability of consular services for all EU citizens in countries where only some EU member states have embassies and consulates.[3]

As for the European Citizens' Initiative (ECI), those Latvians who regularly follow the European Union developments welcomed this initiative from its inception, believing that it would bring the Union closer to the people that it represents and serves. This view also prevailed in the seminar which took place on 11 December 2009. It was jointly organised by the Latvian parliament, the Ministry of Foreign Affairs, and the Centre for Public Policy Providus to discuss the ECI and its implementation. Welcoming the representatives of non-governmental organisations, Members of Parliament, and government officials, the Speaker of the parliament, Gundars Daudze, underlined the new opportunities provided by the Lisbon Treaty for the people and parliaments of EU member states to influence the Union's policies, and added: "Whether or not we take advantage of these opportunities depends on us – on how actively we participate in the processes. It is, therefore, essential that the people of Latvia are well informed about their possibilities."[4] Deputy speaker, Solvita Āboltiņa observed: "In Latvia we often forget that European matters are not issues of our foreign policy, but are part of our domestic policy. Moreover, once an EU decision comes into force, it affects all our daily lives very directly."[5] The Ministry of Foreign Affairs held a follow-up seminar on 7 July 2010 and more such seminars are planned in the future.[6]

The spirit of the ECI was evident during the lively discussions which took place on 11 February 2010, when Minister of Foreign Affairs, Māris Riekstiņš, signed a protocol with seven non-governmental organisations to cooperate in informing the Latvian public about EU issues. Referring to the ECI, Riekstiņš invited the participating organisations to take full advantage of the new opportunities provided in the Lisbon Treaty for people to influence the EU. The Minister expressed his satisfaction with the dialogues and the cooperation in the past between the Ministry and the NGO's. He explained that, as of January 2010, the Ministry had taken over the task, heretofore performed by the State Chancery, of disseminating information about EU developments to the public and pointed out, "It is completely unacceptable to me that the support of the people for Latvia's membership of the European Union is one of the lowest among the EU member states; consequently, informing the public about EU issues is all the more important."[7]

Subsequently, apart from brief media reports about the European Commission's proposal of 31 March 2010 outlining the ECI rules and procedures, there has been very little commentary in the public realm about the details of the proposal. In Latvia, it is possible for citizens to launch a referendum, and this requires determination and hard work on the part of the initiators. Considered in this context, the Commission's proposed rules and procedures for the ECI seem to be quite cumbersome. Consequently, the question arises if the rules and procedures empowering the citizens to participate in the EU legislative process might not serve to undermine the intent of the ECI and thus serve to widen, rather than reduce, the so-called democracy gap between the EU institutions and the people. To this comment, a well-informed Latvian official observed that if the ECI is to become embedded in the minds of Europeans as their tool, it is very important that the first initiative that is launched proves to be successful.

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Lithuania

Both small and big states are equally important to the EU

Jurga Valančiūtė*

Lithuanians are happy that the new European Council President came to Lithuania for one of his first official visits

Considering the activities the new the President of the European Council Herman Van Rompuy, the event that called the most attention was that one of his first official visits as President of the European Council was made to Lithuania. Commenting on the event, Lithuanian President Dalia Grybauskaite said it was very important that the new EU leader had chosen Lithuania for one of his first official visits. According to her, "this indicates that both small and big states are equally important to the EU."[1] However, there is no wide discussion on the changes to the role of the rotating council presidency, but, as Lithuanian officials state, it is in the interest of Lithuania that the visibility of the country holding the rotating presidency would be preserved and that non-formal meetings of the European Council would be held in it.[2]

Opinions on Ashton's work split

The activities of Catherine Ashton are not extensively discussed in Lithuania; there are only a few remarks on the subject. The event which attracted the most attention in this respect was a parliamentary hearing of Catherine Aston at the European Parliament. Members of the European Parliament (MEPs) from Lithuania commenting on the hearing were not too optimistic. After the hearing, Laima Andrikiene admitted to having expected more from the new High Representative of the Union for Foreign Affairs and Security Policy: she claimed, "a month ago she [Catherine Ashton] explained that she has been occupying the new post only for a few days. However, exactly the same did I hear today. I did not hear from her any clear vision for EU foreign policy."[3] One of the most famous Lithuanian politicians, MEP Vytautas Landsbergis, said that, from what he has heard about the parliamentary hearings, he came to the conclusion that the new EU diplomatic leader responded faintly and without preparation.[4] Another Lithuanian MEP and experienced diplomat, Justas Vincas Paleckis, said that he has the impression that Catherine Ashton is an open and much promising politician. Commenting on the hearing, he said, "she has selected a cautious tactic while responding to the parliamentary questions." But he expressed his conviction that "after half a year, she will gain more experience and talk more concretely."[5]

Lithuania welcomes the establishment of the European External Action Service

Lithuanian officials are very much in favour of the establishment of such an institution as the European External Action Service (EEAS). Lithuanian Foreign Affairs Minister Audronius Azubalis said, "we cannot miss an opportunity to establish a strong European service, a unique institution, an instrument aimed at creating a common EU foreign policy, based not only on geo-economic goals, but also on common European values."[6] According to him, all the main Lithuanian concerns were reflected in the report by the Swedish Presidency on the establishment of the European External Action Service.[7]

Former Lithuanian Foreign Affairs Minister Vygaudas Usackas claimed that the Lithuanian goal is that this new EU diplomatic service would be strong and influential, guarantee the progression of policy with third countries and also provide the necessary support for EU citizens and enterprises. However, he noted that the establishment of the EEAS would not provide the EU foreign and security policy with the efficiency and unity it needs, if the mentality of some EU member states does not change and their practice to deal separately with third countries upon issues which are crucial for the whole EU on bilateral basis is continued.[8]

Proportional representation of the EU member states must be secured

One of the main principles on which the functioning of the European External Action Service should be based, according to Lithuanian officials, is securing an equal representation of member states in the service. Lithuanian Foreign Affairs Minister Audronius Azubalis claimed that one-third of the EEAS

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should be composed of staff from EU member states[9] and that EU member states be adequately represented in it by keeping a geographical balance. Such a principle, according to the minister, would stimulate member states to invest the best human resources into the newly established body and in this way contribute to the efficient functioning of the Service.[10] This would also enable the EU institutions to know and understand the member states' foreign policy priorities and expectations better.[11] The Lithuanian MEP Algirdas Saudargas, an experienced diplomat and former Lithuanian Foreign Affairs Minister, also called for securing proportional representation of EU member states in the new EU diplomatic service. He has often raised the concern that newer and smaller EU member states should not be ignored while creating the service.[12]

The European External Action Service – an added value to Lithuanian diplomatic service

Various Lithuanian diplomats regard the new EU diplomatic service as an added value to the Lithuanian national diplomatic service. Lithuanian Foreign Affairs Minister Audronius Azubalis emphasised that it is important that the newly created EEAS would supplement Lithuanian diplomacy – it would secure the rights of Lithuanian citizens in the states where Lithuanian does not have its own representation. He noted that these principles are also essential for other small EU member states.[13] Audronius Azubalis also said that such diplomats would enrich the Lithuanian diplomatic service after returning to it with their new experience.[14]

Among the priorities related to the functioning of the European External Action Service, the most important are the securing of diplomats' mobility and the exchange of information among EU delegations.[15] After the meeting of the EU General Affairs Council, in which a political agreement on the establishment of the European External Action Service has been reached, the Lithuanian Foreign Affairs Minister expressed his joy that almost all Lithuanian proposals were taken into consideration.[16]

The Lithuanian MEP Zigmantas Balcytis, a member of the budget control committee, looks at the functioning of the new Service from another angle and raises the question of what powers the European Parliament should have to control this service. According to him, the new service should be accountable to the European Parliament both for the funds assigned to the administration and the funds foreseen to conduct its activities. He also finds a duplication of functions prescribed to the new service with those of the European Commission in the fields of humanitarian aid, enlargement and neighbourhood policy. Therefore he says, "rapid decisions are necessary to separate these functions."[17]

European Citizens' Initiative – more opportunities for citizens

The European Citizens' Initiative (ECI) is welcomed in Lithuania. According to the Lithuanian Foreign Affairs Minister Audronius Azubalis, the ECI will create wide opportunities for EU citizens to actively participate in the EU decision making process and will stimulate them to show more interest in EU affairs and to seek the adoption of the decisions important to them.[18] For Lithuanians it is most important to secure that all EU citizens have equal opportunities while implementing their ECI and that the initiatives provided by the citizens would reflect the true general European interest.

Speaking about the procedural requirements, Lithuania proposes that the minimum number of citizens participating in the ECI from each member state should be proportional to the number of inhabitants in that state (equal to 0.2 percent of inhabitants of the state) and that the minimum number of member states whose citizens could provide the ECI would be nine (the same number as required to start the enhanced cooperation).[19] This issue has been deliberated in the meeting of the committee on European affairs of the Lithuanian parliament. According to the committee, the indicators provided above would allow the securing of representation in the ECI and would reflect global European interests. The committee also recommended relating the age of citizens able to participate in the ECI with the voting age for European Parliament elections.

According to the committee, while providing the ECI, there should also be a requirement to clearly state the essence of the problem, the goals to be reached by the provision of an ECI and the proposed measures for action. To make the initiative easily accessible there should also be a possibility to support the initiative through the Internet. The committee supposes that a period of one year during which signatures could be collected is reasonable, if we have in mind that citizens from different EU member states have to be involved.

Speaking about the role of the European Commission in this process, the committee also recommended that the European Commission should create a special website where all the initiatives would be registered. Additionally, the Commission should conduct an ex ante evaluation to decide if the specific ECI is suitable for registration. The Commission should also secure the translation of the initiative's text in all official EU languages. The Committee has also recommended that the Commission should be given no more than six months to evaluate an ECI.[20]

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[19] Discussion of Seimas European Club and Seimas European Information Office: The priorities of the Spanish Presidency and the topicalities of the implementation of the Lisbon Treaty (Ispanijos pirmininkavimo prioritetai ir Lisabonos sutarties įgyvendinimo aktualijos), 24 February 2010, available at: www.eib.lrs.lt (last access: 9 June 2010).
[20] Committee on European affairs of the Lithuanian parliament: The committee on European affairs has adopted an opinion on the Green Paper on the European Citizens' Initiative (Europos reikalų komitetas patvirtino nuomonę dėl Žaliosios knygos dėl Europos piliečių iniciatyvos), press release, 22 January 2010, available at: http://www3.lrs.lt/pls/inter/w5_show?p_r=6160&p_k=1 (last access: 9 June 2010).

Luxembourg

Large member states stand in the way of Jean-Claude Juncker as first President of the European Council

Jean-Marie Majerus*

In Luxembourg, most politicians, as well as public opinion, were happy with Herman Van Rompuy's nomination as Belgian Prime Minister. He seemed to be the right man in the right place, able to give this neighbouring country the prospect of finding a viable compromise on how Walloons and Flemings could continue living together in peace and mutual understanding.

In the eyes of the Luxembourgish community, the natural candidate for the post of President of the European Council could not have been anybody other than Jean-Claude Juncker. However, in the weeks preceding the decisive Brussels Council, the international press revealed rumours and speculation announcing that Juncker would not be the first President of the European Council. During the decisive Brussels Summit in December 2009, Jean-Claude Juncker could have asked for a vote because "a large majority of delegations were ready to support my candidacy."[1] One major member state, however, was not keen to support him, but "my friend Van Rompuy did not meet any opposition at all."[2] Thus, in order not to risk a split in the Union because of his person, he decided to withdraw his candidacy and support his friend Van Rompuy. These rather sad events "left a bad souvenir, but no bitterness,"[3] according to the Luxembourgish Prime Minister.

The Luxembourgish press condemned the way this matter was handled: they were particularly disappointed by the representatives of bigger countries, especially by the French President, Nicolas Sarkozy. Sarkozy, who had de facto vetoed the nomination of Juncker, lost his last sympathies in the small neighbouring country. In the eyes of the Elysée, Juncker did not react appropriately during the financial crisis as President of the Euro group. Guy Kemp asked in the pro-socialist party newspaper Tageblatt: "Where was Angela Merkel?"[4] Again, the "big countries" manoeuvred a small one out. Daniel Cohn-Bendit, the European Parliament's Green leader and an outspoken Juncker fan, called "the decision historically inadequate"[5] and was applauded from Luxembourg. Was Juncker not allowed to become the first President of the European Council because he likes to reveal uncomfortable facts in public and does not refrain from criticising politicians from bigger nations?

Jean-Claude Juncker wants to give Van Rompuy a fair chance. In Juncker's opinion, he is "a European by conviction: he knows the mechanisms of the Union by heart. He has great capacity to listen to different points of view."[6] Juncker warns those "who predict that Van Rompuy could be easily manipulated like a puppet on a string."[7] Are these compliments made by courtesy, by personal friendship or by simple political calculation?

Marcel Kieffer, a political analyst of the conservative Luxemburger Wort, has neither high expectations of Herman Van Rompuy nor of Catherine Ashton. He still believes that the main impulses in the future will come from the rotating national presidencies, even if their role was changed by the Lisbon Treaty.[8] He advises the Spanish Presidency to work closely with Van Rompuy in the implementation of the Lisbon Strategy and its follow-up programme.

Generally speaking, the political analysts from Luxembourg are keen to know what the real influence of Van Rompuy on day-to-day EU politics will be. There is a general fear that the influence of the smaller member states might be even more restricted, especially if the traditional Schuman method (méthode communautaire) is not applied in its classical way.

A journalist could not help confronting Van Rompuy with the ominous "European telephone question" at a press conference in Luxembourg City. Van Rompuy refused to answer, as he did not want to "fall into a trap built up by the media."[9] During his short visit to Luxembourg, he underlined that he "was the EU representative on the international floor," even concerning the "security and defence"[10] matter "[i]sn't this (Catherine Ashton's) job?"[11] This led the Luxembourgish press to ask the inevitable question, as was done by Danièle Fonck, who is working for the independent weekly Le Jeudi: "Who is in charge?"[12] "What are Mrs Ashton's duties and responsibilities?"[13]

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The Luxembourgish media were not happy with Van Rompuy's silence when the Greek problem was discussed at the Brussels February 2010 Summit. The "Belgian on the imaginary throne was too discrete when the Greek crisis was on top of the agenda."[14]

Most recently, Van Rompuy nevertheless received some applause in Luxembourg when he refused Merkel's idea to withdraw voting rights from Euro countries which do not respect the public debt criteria.[15] As head of the task force, he might, according to a Luxembourgish diplomat, create a fait accompli by elaborating a reform program to be ready in October 2010.[16]

Juncker agrees that the fathers of the Lisbon Treaty – him being one of them – have "forgotten to speak of the cohabitation problems created by the treaty."[17]

The Commission still has the exclusive right to make preparations for the Council. The President will make the traditional rally of the capitals. "The choreography must be good, especially under the Spanish Presidency", Juncker says.[18]

Rotating presidencies are more important for smaller- and medium-sized member states than for the bigger ones. Before the Lisbon Treaty was institutionalised, the rotating presidency was a real showcase for these countries. They were able to play, for at least one semester, the most important role on the international and European diplomatic floor. But these countries – especially Luxembourg – are also well aware of the disadvantages of the rotating presidency: for the Luxembourgish national administration, rotating presidencies had always been a major tour de force. For the extra-European partners of the EU, the rotating presidencies were always confusing. Nevertheless, the Luxembourgish government and public opinion believe that the rotating presidencies will continue to play a role in European politics, especially when the country in charge has a strong European spirit.

As a matter of fact, Luxembourg has always been and continues being a very strong supporter of the European foreign affairs and security policy. On the day of Catherine Ashton's designation, the first question which came to mind, in Luxembourg as well as in many other member states, was: "Catherine who?" "I don't pronounce myself on Ashton as I don't know her",[19] Jean-Claude Juncker said.

In fact, Catherine Ashton has to cope with the commissioners who are already in charge of different aspects of common foreign policy. How is she going to find her place?[20]

More critical observers mind the unclear definition of her responsibilities at the top of a new big administration.[21] The former Luxembourgish Foreign Affairs Secretary Paul Helminger, a liberal opposition Member of Parliament (MP), tries to explain why, in his eyes, a British woman was chosen: "The United Kingdom never really wanted a Common Foreign and Security Policy as long as it was not identical with its own foreign policy. By appointing an Englishwoman to this post, the European decision makers abandoned the implementation of such a policy."[22] The political analyst from Tageblatt had the same point of view: "Catherine Ashton is not the convinced European she pretended to be when she was confronting the Members of the European Parliament (MEPs) responsible for her confirmation as High Representative. She says she would prefer 'silent diplomacy'; could that mean 'no diplomacy at all'?"[23]

The definition and implementation of a Common Foreign and Security Policy has been one of the cornerstones of Luxembourgish European policy since the seventies. Apart from the tiny Communist Party, no serious political or social relevant group in Luxembourg ever opposed a European foreign and security policy. However, the "Proposal for a Council Decision establishing the organisation and functioning of the European External Action Service" could not pass without creating some fears. Luxembourg, as well as some other smaller member states, is afraid that this new organisation might exclude them from major decision making. The Luxembourgish MPs and political analysts prefer the traditional "Schuman method."[24]

The European Citizens' Initiative (ECI) was explained to the Luxembourgish public by the Ministry of Foreign Affairs on Europaforum.lu.[25] Luxembourg's European Commissioner Viviane Reding, responsible for Justice and Civil Rights, made clear that not just any subject could be introduced by European citizens. She gave the example of a possible proposition asking for the reintroduction of the death penalty.[26]

In a country with only 500,000 inhabitants, a European Citizens' Initiative, which needs at least 1,000,000 signatures to be validated, does not really produce enormous interest. Only one Luxembourgish newspaper found the EU Commission's proposal for a regulation on the Citizens' Initiative important enough to publish it.

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[1] Jean-Claude Juncker: Je ne veux pas porter les chapeau du désaccord franco-allemand, Les Echos, 27 January 2010.
[2] Ibid.
[3] Ibid.
[4] Guy Kemp: Mittelmäßige Ansprüche, Tageblatt, 3 December 2009.
[5] Ibid.
[6] Jean-Claude Juncker: Je ne veux pas porter le chapeau du désaccord franco-allemand, Les Echos, 27 January 2010.
[7] Ibid.
[8] Marcel Kieffer: Erste Früchte, Luxemburger Wort, 13 December 2009.
[9] Bertrand Slezak: Tout le monde raccroche, Le Quotidien, 5 February 2010.
[10] Ibid.
[11] Ibid.
[12] Danièle Fonck: Mais qui est censé diriger l'Europe?, Le Jeudi, 4 February 2010.
[13] Ibid.
[14] Harmut Hausmann: Griechenland und die Konsequenzen, Journal, 7 May 2010.
[15] Ibid.
[16] Marianne Truttmann: Gipfel der Eurostaaten, Luxemburger Wort, 8 May 2010.
[17] Jean-Claude Juncker: Je ne veux pas porter le chapeau du désaccord franco-allemand, Les Echos, 27 January 2010.
[18] Ibid.
[19] Ibid.
[20] Hartmut Hausmann: In einem Boot, Journal, 10 December 2009.
[21] Bertrand Selezak: On n'y voit pas plus clair, Le Quotidien, 10 March 2010.
[22] Paul Helminger in an interview with the author on 2 December 2009.
[23] Guy Kemp: Mittelmäßige Ansprüche, Tageblatt, 3 December 2009.
[24] Guy Kemp: Klarheit schaffen, Tageblatt, 30 December 2009.
[25] Europaforum: L'initiative citoyenneté européenne donne aux citoyens de nouvelles possibilités d'influer sur les politiques européennes, 31 March 2010.
[26] Tageblatt: EU leitet Europäische Bürgerinitiative ein, 1 April 2010.

Macedonia

Lisbon Treaty brings hope for Macedonia

Biljana Janeva*

The news about the Lisbon Treaty in Macedonia was followed with great attention. Macedonia has been a candidate country since 2005 and has been praised for its progress in the reforms in the last two Progress Reports of the EU Parliament. After the news about the Lisbon Treaty, the Macedonian media and public opinion have turned to positive and hopeful expectations. Although overshadowed by the internal issues and the overall debate about the EU integration process of the country, the main interest in the Republic of Macedonia in terms of the Lisbon Treaty was enlargement. "Will the Lisbon Treaty speed up the integration of the Western Balkans? What will happen next?" These were the questions posed in many talk shows and opinion pieces in the newspapers and TV. According to the Macedonian public, the treaty has a much more flexible approach in terms of the other questions and issues. The Lisbon Treaty is expected to ease the EU accession of the Republic of Macedonia, because it clearly states that all countries may become part of the Union, says the Minister for Foreign Affairs, Antonio Milososki.[1]

Is the EU prepared for a direct democracy? This was one of the main questions circulating in the Macedonian media. Also, there is a lot of discussion regarding the willingness of the "new EU" to embrace the candidate countries and the possible "tiredness" of the EU for enlargement and the wish of the EU to be left alone to deal with its internal problems first. In Macedonia, these EU opinions and movements are followed with a great attention, mainly because it is regarded that EU integration is the first and foremost important strategic and security priority of the country.

The debate in the country between the political leaders is mainly in the domestic arena, in regard to the progress reports, the reforms needed for advancing Macedonia's position and getting an accession date, reciprocal accusations between the political leaders about who's to blame for not getting a date for negotiations, etc.

The new functions in the EU

The new function of the President of the European Council was positively viewed, and always tied to the implications for Macedonia from the creation of this new function. Herman Van Rompuy was seen in a positive light, as a leader who would give a voice to the EU regarding key issues, such as enlargement. A big debate is the constant shift in direction by the EU presidencies. While sometimes helpful, this can be somewhat burdensome. The debate revolves around the question: is a stable presidency or a changing presidency better for Macedonia and its European future?

With the ratification of the Lisbon Treaty, the focus of the EU can be put back on the Western Balkans. That is how most of the analytics and politicians view the election of the President of the European Council and the High Representative of the Union for Foreign Affairs and Security Policy. It was recognised as a positive signal towards the enlargement of the EU to the Western Balkan countries. It shows that the process is alive, many experts from the NGO sector analyse. Although both of the new functions don't have competences in the negotiation process of the candidate countries, their role is still viewed as positive, dialogue enabling, and helpful in the accession of candidate countries, in opening or closing some of the negotiation chapters, and in preventing vetoes from member states.[2]

European External Action Service and European Citizens' Initiative

The news about the European External Action Service was commented differently. One aspect emphasised was the concentration on foreign policy and enlargement, but also the creation of new structures within the EU. On the other hand, there was a debate over the mandate of the EU to sign international treaties in the name of its member states and open embassies around the world, establishing itself as a global power. Will that be at the cost of the member states? Will the EU act as a single state and is this transfer of power sustainable? These were some of the questions posed in the Macedonian media, without having answers this early in time.[3]

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In Macedonia, the debate about the new European Citizens' Initiative was not so strong. There were reports, mostly in the written media, that EU citizens will be able to demand that the EU Commission propose new laws. It is still unclear how this "direct democracy" experiment will function in practice and if this is a good idea at all.

[1] Statement from Minister Milososki for the news portal Time.mk, available at: http://www.time.mk/read/cbcf09afa7/ae14c1077d/index.html (last access: 20 March 2010).
[2] Part of these statements available at: http://www.dw-online.eu/dw/article/0,,4919103,00.html (last access: 27 April 2010).
[3] Analysis of the daily Biznis, available at: http://biznis24.com.mk/node/5161 (last access: 10 May 2010).

Malta

New posts for more coherence

Stephen Calleya*

The new President of the European Council is regarded as the individual who is supposed to bring further coherence to EU policy-making. As former Belgian Prime Minister, he is highly respected and was well received during his brief visit to Malta earlier this year. There is an assumption that his role will supersede the role previously held by the member state of the rotating presidency, but there is a great deal of ambiguity among public opinion about the exact extent to which the rotating presidency modality will be made redundant. The fact that the Spanish EU Presidency has adopted a more or less "business as usual" attitude when it comes to their presidency has not helped to clarify the precise role that the new President of the European Council is expected to play.

The new High Representative of the Union for Foreign Affairs and Security Policy is regarded as an important new actor that should provide a more coherent foreign policy perspective to the EU decision-making process. Criticism of Catherine Ashton in the international media has not been mirrored in the Maltese press. Most of the attention has focused on the policy platform that she is seeking to introduce in line with the Lisbon Treaty agenda with a particular focus on reform of the EU's diplomatic service.

The establishment of the European External Action Service (EEAS) is regarded as a positive development as it should bring more coherence to the EU's diplomatic representation globally. An issue of concern is the extent to which every EU member state will have sufficient representation in the future EEAS. Similar to other small states in the European Union, the major concern of Malta's government is that a future EEAS should not be set up at the expense of small states being underrepresented in the new EEAS. Malta is thus lobbying to ensure that a significant number of diplomats from Malta are selected to also play a direct role in a future EEAS.

Malta would also like to see future EEAS diplomatic training provide a focus on issues pertaining to the Mediterranean. The Mediterranean Academy of Diplomatic Studies, which has provided post-graduate training to more than six hundred diplomats since opening its doors in 1990, has been identified as a venue where such training can take place.[1]

The European Citizens' Initiative (ECI) has not been widely discussed in Malta. The media and certain civil society spokespersons regularly refer to the importance of the EU addressing its democratic deficit. In this respect, if the ECI can offer a clear and transparent mechanism through which the voice of citizens of the EU can be heard, then it would be a welcome development.

[1] Hon. Dr. Tonio Borg, Deputy Prime Minister and Minister of Foreign Affairs of Malta, speech, seminar on the Spanish Presidency of the EU and the Mediterranean, 18 March 2010.

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Netherlands

The Netherlands and the implementation of the Lisbon Treaty: a wait and see attitude

Simone Wolters*

Herman Van Rompuy

With regard to the appointment of the President of the European Council, the Dutch media speculated about the Dutch Prime Minister, Jan Peter Balkenende, as a rival to Van Rompuy.[1] Balkenende himself denied that there was an active lobby from his side to obtain the position.[2] The national parliament debated about the position of Balkenende in this procedure. The opposition stated that the credibility of the Dutch Prime Minister was downgraded by his apparent ambition to become the first President of the European Council. Politicians in The Hague had mixed feelings about the appointment of Van Rompuy. However, they share a positive view on the appointment of a representative of a small member state.[3]

Little reference has been made in the last months to the role and person of Van Rompuy. The attitude of the Dutch press could be interpreted as an attitude of "wait and see". The few articles that refer to Van Rompuy himself describe him as a calm consensus seeking person and a pragmatic.[4] In the Netherlands, the idea of more European Council summits, as proposed at the informal summit in February 2010, was not received well. The Dutch Prime Minister has stated that in his opinion four summits should be sufficient.[5]

Several newspapers and both chambers of parliament are paying attention to the new division of power between the European Commission, the European Parliament and the European Council as a result of the entering into force of the Treaty of Lisbon. A monthly summit would give the heads of state and government more possibility to take initiative at the expense of the European Commission. As one of the smaller EU member states, the Netherlands is historically in favour of a strong Commission.[6] It is feared that the new function of the President of the European Council could result in a shift towards a more intergovernmental European Union.[7]

The new role of the rotating presidency

The EU presidency of Spain is viewed as a test case for the new constellation of the rotating presidency under Lisbon.[8] Because of the new and more specific role for the presidency, the achievements and tasks are less visible for the public and the media than before.[9]

Catherine Ashton

Minister of Foreign Affairs Maxime Verhagen has made the observation that a well functioning High Representative of the Union for Foreign Affairs and Security Policy and European External Action Service (EEAS) are in the Dutch interest because they promote the possibility to speak with one voice.[10] To make sure that the High Representative can carry out a clear, strong and unified standpoint, the member states should be prepared to work constructively on common visions on important dossiers. Verhagen underlined the necessity for Catherine Ashton to have enough financial assets and instruments at her disposal to make sure that she can work in an effective way. The Dutch Foreign Minister states that she needs the possibility to appoint deputies because in practice it is impossible to be in three places at the same time. These should be high placed people within the EEAS, for example the Secretary General or his deputies. Ashton would be politically responsible for her deputies.[11]

With regard to Catharine Ashton, there has been even less attention than for the President of the European Council. In February, former Dutch State Secretary of Defence Jack de Vries stated on Twitter that "she is conspicuous by her absence."[12] The Dutch media reported some criticism of Ashton.[13] Minister Verhagen defended Ashton during the Summit in Cordoba and talked about the growing pains of her function: "It is something completely new. It has to settle down." He acknowledged that a considerable number of member states and media pose questions about the

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functioning of the High Representative: “But it is in the interest of the Netherlands to have a strong High Representative. I do not believe that it is useful to join the choir of criticism.”[14]

The Netherlands are reasonably satisfied with the draft decision on the EEAS

Foreign Minister Verhagen holds the view that member states have to be prepared to compromise with regard to the Union’s external policy. Efficiency in formulating an external EU policy is vital.[15] According to Verhagen, the Netherlands are reasonably satisfied with the draft decision on the EEAS because the proposal is closer to the line of action of October 2009 than was anticipated. It provides room to the High Representative to fill in some of the details at a later stage.

The Dutch government wants more certainty on the outline of the EEAS before approving the proposal. The Foreign Minister will not give a carte blanche without a clear view of how certain positions will be filled and how the EEAS will be financed. It is also important to know how the top of the organisation will function, internally and externally, including its relation to the European Parliament.[16]

The Dutch government sticks firmly to its position that one third of the functions of the EEAS should be filled by EU member states. There are several reasons for this. First of all, this allows for the appointment of already highly experienced diplomats from each member state. Secondly, combining experience in the civil service and foreign policy will contribute to a high quality of common European external policy. Importantly, this does not mean that quality should come second to equal geographic spreading, i.e., allowing all member states to appoint a certain share of personnel.[17] It is of vital importance to the Dutch government that the EEAS will present a coherent and integrated external EU policy to the outside world. After the final implementation of the EEAS, the Netherlands expect to employ 15-25 of its diplomats in the service of the EEAS.[18] The status of agent temporaire will assure that all employees of the EEAS will have the same rights and duties. This has been an important point for the Dutch government.

As a result of the Lisbon Treaty, EU delegations can operate in international organisations and third countries under the directive of the High Representative. According to the Netherlands, this is important for the coherence of external EU actions. The draft-decision states that Union delegations should be able to assist member states in their diplomatic relations and give consular protection to EU citizens. The Netherlands is satisfied with the option of giving the EEAS consular tasks, and will push for a speeding up of its introduction. In addition, the Dutch government is a supporter of a transfer of the former tasks of the rotating presidencies to Union delegations. This will include tasks such as external representation of the EU and internal coordination of foreign policy positions.[19]

The Netherlands deems it essential that the deputies of the High Representative are clearly organised. The Secretary General of the EEAS and his deputies are seen as possible representatives of the High Commissioner. The Netherlands does not oppose deputies of the High Representative to be directly answerable in the European Parliament, although this should not be the standard situation. The Dutch government is in favour of the transition of the geographic desks from the Commission and the Council Secretariat to the EEAS to prevent duplication. It is also emphasised that there should be enough capacity at the EEAS to perform its programming tasks, for example in the case of development aid.[20]

In line with these positions, the government has demonstrated its favour regarding a proper balance between the readiness of the EEAS – by giving it its own capacity and by using the capacities of the Council Secretariat – and the services of the Commission. The Dutch government stresses the need to continuously evaluate the implementation process leading to the formation of the EEAS in order to identify and solve insufficiencies (like the unification of institutions and shifts between institutions and budgets). Preferably, the High Representative would report to the European Council on the functioning of the EEAS. According to the Dutch government, the 2014 evaluation should be as broad as possible. Besides this, the Netherlands attaches much importance to budgetary control of the EEAS by the European Parliament.[21]

According to Foreign Minister Verhagen the coordination of development aid will become easier because the EEAS will also set the strategic programming of the EU.[22] The Netherlands highly values EU development aid and emphasises that the EEAS should take care of setting the development priorities. The Dutch government stresses that enough attention should be given to specific development aid policy guidelines.[23]

European Citizens' Initiative, discussion about numbers

The Netherlands is a supporter of the European Citizens' Initiative because the introduction of this instrument could lead to more involvement of citizens within the EU. The government underlines that the instrument should be as simple and workable as possible. The Dutch government feels the current proposal is in line with these requirements. At the same time, the Netherlands will closely watch the balance between, on the one hand, accessibility, and, on the other hand, representation. The possibility to register declarations of support online, improving the accessibility of the instrument, is appreciated. However, the Netherlands is critical towards the rules, which force the initiators and supporters to provide a multitude of information. This acts contrary to the accessibility of the instrument. It is also deemed unnecessary because of the introduction by the Commission of a receptivity test after 30,000 signatures are collected.

The Dutch government agrees with the current proposal that 1,000,000 necessary signatures must be collected within one year and should be from at least one third of the member states. But the Netherlands is critical about the minimum amount of signatures required per member state. The Green Paper originally stated that the minimum would be 0.2 percent of the population per member state, but the proposal determines the minimum amount of signatures per member state by multiplying the number of Members of European Parliament (MEPs) from the member state by 750. That would amount to the same as 19,500 signatures from the Netherlands (approximately 0.12 percent of the population). The Netherlands would prefer to set the minimum amount of signatures from its own country at 40,000 (around 0.2 percent of the population).

Finally, the Netherlands and the Commission share the opinion that the responsibility of the authenticity check lies with the member states. The privacy aspect will have the full attention of the Dutch government during the development and implementation of the European Citizens' Initiative.[24]

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[1] Ron Meerhof: Balkenende voorkwam in Brussel 'eindeloos gedoe', De Volkskrant, 21 November 2009.
[2] NRC Handelsblad: Premier erkent dat zijn naam viel, 2 December 2009.
[3] De Volkskrant: Gemengde reacties op benoeming Van Rompuy, 20 November 2009.
[4] Martin Visser: Homo pragmaticus in roerige tijden, Het Financieele Dagblad, 10 April 2010.
[5] Jeroen van der Kris: EU-leider wil vaker topoverleg, NRC Handelsblad, 13-14 February 2010.
[6] Ibid.
[7] Eerste Kamer: Algemene Europese beschouwingen, 20 April 2010, 26-1080; Eerste Kamer: Algemene Europese beschouwingen, 20 April 2010, 26-1110.
[8] Leonoor Kuijk: Roulerend voorzitter voortaan ondergeschikt aan nieuwe EU-president: EU-voorzitter Spanje is proefkonijn, Trouw, 19 December 2009.
[9] Iñaki Oñorbe Genovesi: Een discrete voorzitter, maar vooral onzichtbaar, De Volkskrant, 19 April 2010.
[10] Tweede Kamer: vergaderjaar 2009-2010, 21 501-02, nr. 958, 18-19.
[11] Eerste Kamer: Algemene Europese beschouwingen, 20 April 2010, 26-1111.
[12] Petra de Koning: Wrevel over optreden Ashton groeit: In ogen van regeringen kan EU-buitenlandchef weinig goed doen, NRC Handelsblad, 26 February 2010.
[13] Ibid; Marc Peeperkorn: Buitenlands gezicht van EU worstelt met Imago, De Volkskrant, 24 February 2010.
[14] De Volkskrant: Verhagen neemt 't op voor Ashton, 5 March 2010.
[15] Eerste Kamer: Algemene Europese beschouwingen, 20 April 2010, 26-1116.
[16] Tweede Kamer: vergaderjaar 2009-2010, 21501-02 nr. 962, p. 1-6, Kabinetsappreciatie EDEO, 19 April 2010.
[17] Eerste Kamer: Algemene Europese beschouwingen, 20 April 2010, 26-1113.
[18] Tweede Kamer: vergaderjaar 2009-2010, 31 384 (R1850), nr. 28, 5.
[19] Tweede Kamer: vergaderjaar 2009-2010, 21501-02 nr. 962, p. 1-6, Kabinetsappreciatie EDEO, 19 April 2010.
[20] Ibid.
[21] Ibid.
[22] Eerste Kamer: Algemene Europese beschouwingen, 20 April 2010, 26-1114.
[23] Tweede Kamer: vergaderjaar 2009-2010, 21501-02 nr. 962, p. 1-6; Kabinetsappreciatie EDEO, 19 April 2010.
[24] Tweede Kamer: vergaderjaar 2009-2010, 21501-02 nr. 960, p. 1 and 5; Eerste Kamer: Algemene Europese beschouwingen, 20 April 2010, 26-1112.

Poland

Willing to play a leading role in Europe

Maria Karasinska-Fendler·

The issue of the Lisbon Treaty on political leadership is of high salience in Poland. The government has an ambition of playing an important and sometimes even leading role in the enlarged EU, commensurate with its size and growing potential. The Treaty poses certain questions concerning the future of the institutional triangle that no one is ready to respond to at this very moment. Particular attention is given to the following questions: does the Lisbon Treaty really strengthen the community method, what will the relations between the President of the Commission and the President of the Council look like, and what would be in practice the character of the new European External Action Service (EEAS). Most experts agree that a lot will depend on implementation; therefore, the Polish government is still considering all the options and no ready position has been published yet. According to informal interviews, Polish politicians are worried that the new presidency format will deprive Poland of a chance of influencing the EU agenda. The newcomers, as demonstrated some time ago by the Czechs, would be very keen on exercising a full presidency, which, in their understanding, would allow them to promote their interests more effectively. The attitude towards political leadership is dependent on the attitude towards integration as such. Whereas the Law and Justice Party (Prawo i Sprawiedliwość – PiS) would generally like the EU to be as intergovernmental as possible and is simultaneously afraid that an enlarged EU would be dominated by the Germans and the French, the governing Civic Platform (Platforma Obywatelska – PO) is much keener on strengthening the supranational institutions and much less concerned with the claim that the new treaty would strengthen the biggest member states.

Poland's perception of the new EU leaders, the President of the European Council, Herman Van Rompuy, and the High Representative of the Union for Foreign Affairs and Security Policy, Catherine Ashton, was not positive. These nominations were seen by the Polish government as a victory for Germany and France and as a defeat for Poland, which had wanted a more transparent selection process. It is worth noticing that this critical view was presented to the public in a rather equilibrated way with a focus on future expectations linked to the functions of the new EU leaders, whose roles – according to the Lisbon Treaty – could reinforce the common EU voice in the world. The press was far more critical, especially in the context of persons who were nominated to these eminent positions. Conservative daily Rzeczpospolita mocked the choice in an editorial entitled "Mr. Nothing to Say and Baroness No Experience" by saying: "The nominations mean nothing good for Europe. Europe's President is a man who will have nothing to say on the international stage, while the foreign minister is a woman who has no experience in diplomacy."[1]

An intensive exchange of views published on the non-governmental political blog portal showed a deeply negative picture presented by internet interlocutors. In a summary of a debate on President Van Rompuy we could read: "President Van Rompuy? Not in Poland. We are sure every EU citizen who is reading about this appointment is asking the question: Is this really our new President? In Poland, the answer is "No". Here he will be formally known not as President Van Rompuy but rather as a "chairman".[2] The first President of the European Council, Herman Van Rompuy, made his first short working visit to Warsaw when he met Prime Minister Donald Tusk. The politicians discussed issues connected with the summit of the European Council scheduled for 11 February 2010 as well as the EU's new economic strategy until 2020. Among other issues discussed during this meeting were climate change and preparations for Poland to take over the rotating presidency of the EU in the second half of 2011. This visit was barely commented by the media and did not raise substantial interest in society.

Catherine Ashton, much criticised as chief of the EU's foreign policy, made her first visit to Warsaw on 31 May 2010. Ashton stopped in Warsaw on her way to a two-day EU-Russia summit in Rostov-on-Don, southern Russia. She met with Poland's Foreign Minister, Radek Sikorski, acting President Bronislaw Komorowski and Defence Minister Bogdan Klich. During the short press conference, Minister Sikorski said: "We had talks on the Eastern Partnership, as we had some proposals for Baroness Ashton, and we also discussed priorities for Poland's six-month Presidency of the EU next

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year: energy security and strengthening European defence policy". Sikorski and Ashton also discussed possible Polish candidates for a deputy head of EU diplomacy, which could include European Minister Mikołaj Dowgielewicz or Member of the European Parliament Jacek Saryusz-Wolski, the EEAS, and EU-Russia relations. This visit did not attract the deeper interest of the Polish press nor of Polish public opinion. This is most probably due to the government's very modest and rather superficial information on the content and on the importance of these issues for Poland. After the UK's Daily Telegraph reported that "Baroness Aston – whose selection as EU High Representative of Foreign Policy last year made many in Brussels scratch their heads in disbelief – such was her inexperience at this level – will leave her post this year, forced out after heavy criticism", Polish Radio organised a public debate, in which Karel Lannoo from the Centre for European Policy Studies (CEPS) in Brussels participated. This debate concluded that the news should only to be expected, as Ashton had repeatedly shown an inability to present a common voice for the European Union to the world. The most common example was the earthquake in Haiti, after which EU aid was not coordinated.

Since the entry into force of the Lisbon Treaty at the beginning of the year, European institutions have been adjusting to the new framework and taking steps to make necessary changes. One of the new elements to have been introduced by the treaty is the establishment of the EEAS, which is under the control of the High Representative Catherine Ashton. Ashton submitted a proposal for the EEAS on 25 March 2010, and, since then, Brussels has been full of discussion on the proposal's practical applications. In Poland, this proposal was not submitted to deeper public debate, probably for two reasons: it was published just before Easter, which is a four day celebration in Poland, and, more importantly, since 10 April 2010, the crash of a Polish aircraft and death of 96 victims, including the Polish President and his wife, several ministers, members of Polish parliament, heads of important public institutions (including the Head of the Polish National Bank), monopolised Polish political life for several weeks. The need for the acceleration of the presidential elections and heavy floods focused politicians, press and public opinion on internal issues. However, one could notice a scientific debate on EEAS issues. Within this debate there were suggestions that the EEAS should contribute to the programming and management of external cooperation programmes that fall under development policy. Experts assert that the proposal actually breaches the Lisbon Treaty on legal grounds and goes against the interests of both the EU and the world's poorest people. Some lawyers say that the role of the EEAS is restricted to the Common Foreign and Security Policy (CFSP), which is just a part of the EU's external action. This does not extend to development policy, which is the "sole competence" of the European Commission, as defined by the treaties.

As concerns the European Citizens' Initiative (ECI), it drew the attention of a great number of NGOs, especially those dealing with environmental issues, humanitarian aid, health and women's support. Several organisations and citizens took part in the internet debate on its shape and potential facilities. Poland took 5th place in a ranking of number of reactions addressed to this site counted by nationality of interlocutors. In the first half of this year, there were two visible areas of citizens' action. The first, stimulated and supported by the church and conservative parties, concerned the citizens' right to be free of work on Sundays. It includes a civic initiative to introduce a new law imposing the closure of all shops (and especially of all supermarkets), in order to provide families space for more diversified ways of spending time. This proposal divided Polish public opinion and raised a parallel civic action against this law. The second, most recent action took aim at the registration of soft drugs. During the last weekend of May 2010, there were several events and a major demonstration in Warsaw (with participation of approximately 6,000 young people) supporting this initiative. Again, this action raised a large reaction against this proposal (82 percent of Poles, according to public opinion polls).

[1] Rzeczpospolita, 29 November 2009.
[2] Available at: http://www.Blogs.wsj.com (last access: 28 July 2010).

Portugal

The Implementation of the Lisbon Treaty from a Portuguese perspective

Luis Pais Antunes·

The instability which resulted from the new political scenario[1] together with the worsening of economic and social conditions clearly marked the first semester of 2010 and, most probably, will continue to be at the centre of Portuguese politics until next year's summer.[2] As a result of this, the European debate in Portugal was far from active in most recent times and, to a large extent, limited to Europe's response to the economic and financial turmoil.

Initial reaction to the appointments of Herman Van Rompuy, as the new President of the European Council, and of Catherine Ashton, as the new High Representative of the Union for Foreign Affairs and Security Policy, was far from enthusiastic. Some spoke about "perplexity" and "shock" all over Europe, while others considered that the real problem did not lie in the personalities which were chosen but in the Treaty of Lisbon itself, as it did not simplify the functioning of European institutions, but instead added new European top representatives to the existing ones, i.e., the President of the Commission and the head of state or government of the member state holding each rotating presidency.[3]

Since that initial moment, things do not seem to have substantially changed. The general impression is that Europe is facing a very complicated period in its life and appears to be incapable of adopting the necessary measures to move forward. This is particularly true from an institutional point of view, as there are no real signs that the new "balance of powers" resulting from the Lisbon Treaty has come into force. The main feeling is that the existence of a new President of the European Council and of a new High Representative of the Union for Foreign Affairs and Security Policy – who is also the Vice-President of the European Commission – just added two new players to an already complicated puzzle where there are too many people in the driver's seat.

Former President Mário Soares[4] expressly states that Europe has no single command, "the confusion being now even greater" with the new President Van Rompuy, "the English diplomat, Catherine Ashton", the President of the Commission, Barroso, and the transition between Zapatero and Leterme in the framework of the rotating presidencies. He accuses the 27 member states of the Union and the 16 of the Eurozone, in particular Germany, France, and the United Kingdom, as well as Spain and Poland, of being incapable of reaching a convergent and concerted strategy to face the crisis. The governor of the European Central Bank, Jean-Claude Trichet, qualified as being "a Frenchman who is pretty much in favour of Germany". He is also accused of adopting very restrictive measures to reduce the deficits and public and private debts, as well as forgetting the people, the rising unemployment, poverty and social exclusion.

Using different words, the President of the Portuguese Republic, Anibal Cavaco Silva, also addressed the same issues at the 25th anniversary of the signature of Portugal and Spain Accession Treaties by stating that "the European integration is weakened by the lack of a strategic direction and failures of responsibility and solidarity both by member states and European institutions", concluding that it is necessary to give an impulse to the economic union ("the weakest link of the European Union") and to the Euro, without which "the survival of the European project may be at risk".

One of greatest uncertainties created by the entering into force of the Lisbon Treaty was the outcome of the rotating presidencies in the new institutional scenario. It is true that no substantial changes were expected from the very beginning and 2010 was already anticipated as being a sort of "transitional period", but there was some curiosity on how this "two-headed" presidency would work in practical terms. It is still too soon to draw any conclusions. The Spanish Presidency seemed to be quite distant from the expectations, which might be explained by the country's very complex internal situation with a rate of unemployment over 20 percent, a significant economic downturn and substantial problems in public finance. In any case, the European agenda in this first semester was clearly dominated by the "Greek problem" and the need to find a prompt response to the severe challenges that most – not to say all – European economies are facing. This is clearly the kind of situation where the role of a rotating presidency could be secondary.

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Apparently, everybody is very cautious about the future of rotating presidencies and it seems that there is a consensus that we will have to wait sometime before being in a position to draw any definitive conclusions. Ultimately, the success of this model will depend on the affirmativeness of the President of the European Council and on the finding of a sound balance between his powers, the powers of the High Representative – who chairs the Council for Foreign Affairs – and the powers of the heads of state and government of the presiding member state. Any significant breach of this balance will, inevitably, lead to an institutional crisis and to the risk of "parallel diplomacy".

Contrary to some other member states, the setting up of the European External Action Service (EEAS)[5] was not a matter of great debate in Portugal, as it was generally seen as complementary to national diplomacy. As explained by the Minister for Foreign Affairs, Luis Amado, at the beginning of the year, "we do not see the European [External Action] Service as a limitation to the action of the member states, but rather as a complement that may reinforce said action. For a country like Portugal, it is possible to express its interests through that service in several regions of the world. It is true that the great member states will have more relevance in the projection of their interest, but that's the reality".[6]

It is expected, however, that some controversy may arise after the designation of the future European ambassadors, in particular if the final result of this exercise does not recognise the privileged relationship which exists between Portugal and some regions of Africa and South America or if it is considered as a "downgrade" when compared to the actual situation (the current heads of the European Commission delegations, for instance, in Angola and in Brazil are Portuguese nationals).

More recently, Amado also addressed this issue in another interview where he stressed the fact that thirty Portuguese diplomats were among the candidates to the EEAS and that he is expecting that the designations will be based upon their merits and respect for a sound balance between the different member states. In particular, Amado stated that, besides João Vale de Almeida, former chief cabinet of the President of the Commission and now EU Ambassador to the USA in Washington, the Portuguese government would be pleased to stay represented in Angola and Brazil, although it recognises that it is not directly involved in the selection procedure.[7]

The debate on the European Citizens' Initiative (ECI)[8] is almost inexistent so far. Apart from some few articles published in the press or in blogs[9] after the European Commission presented the proposal defining the rules and procedures for the ECI at the end of March 2010, it is quite difficult to find any references to the initiative and even official institutions appear not to pay great attention to this subject. Recent experiences – such as the 2009 European Citizens' Consultation organised in Portugal by the Instituto de Estudos Estratégicos e Internacionais (IEEI) – tend to show that, although this kind of initiatives is highly appreciated, the degree of effective participation is clearly below expectations.

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[1] See the Portuguese chapter on current issues.
[2] The five year term of the President of the Republic, Aníbal Cavaco Silva, is coming to its end, a new election is scheduled for the beginning of 2011. The Portuguese Constitution does not allow for the dissolution of Parliament and a subsequent general election during the last six months of the presidential term.
[3] Teresa de Sousa/Isabel Arriaga e Cunha, Publico, 21 November 2009. Former President Mário Soares also criticised the appointment of Herman van Rompuy by stating that "Europeans in general don't know who he is, and that's a bad thing".
[4] Visão: Europe: from bad to worst, 15 July.
[5] Proposal for a Council Decision establishing the organisation and functioning of the European External Action Service, 25 March 2010, available at: http://eeas.europa.eu/docs/eeas_draft_decision_250310_en.pdf (last access: 30 March 2010).
[6] Interview in the newspaper Público, 3 January 2010.
[7] Interview in the newspaper Expresso, 24 July 2010.
[8] European Commission: Proposal for a Regulation of the European Parliament and of the Council on the citizens' initiative, COM (2010) 119, available at: http://ec.europa.eu/dgs/secretariat_general/citizens_initiative/docs/com_2010_119_en.pdf (last access: 6 April 2010).
[9] See, for instance, Eva Gaspar: Quer fazer uma nova lei europeia?, Jornal de Negócios, 31 March 2010; Isabel Estrada: Iniciativa de Cidadania Europeia - precisamos mesmo de mais instrumentos?, Correio do Minho, 25 March 2010; Cidadania Europeia: O Novo Direito de Iniciativa Popular, Jovem Socialista, the official blog of the Socialist Youth newspaper.

Romania

A Technical approach to the Lisbon Treaty

Mihai Sebe*

The European Council Presidency – between ignorance and disregard…

Romania faced the entering into force of the Lisbon Treaty on 1 December 2009 amid the turmoil of a fiercely disputed presidential election campaign, a fact that somehow reduced its direct impact over the population and specialised media. The Department of European Affairs (DEA), the central coordination authority at the national level in the area of European affairs, has adopted a technical approach. Thus, Bogdan Mănoiu, head of the DEA, stated in January 2010 that the main priority was to create and ensure the efficient functioning of an "internal mechanisms" design, to facilitate the implementation of the acquis communautaire and to eliminate the "elements contrary to the European compulsory demands".[1] Amidst the political and economic turmoil, Herman Van Rompuy's meeting with President Traian Basescu[2] dealt with the Danube Region Strategy, the relations with the Republic of Moldova and the economic crisis: the "exit strategy" that is going to be adopted by Romania after "the conclusion of the agreement with the" International Monetary Fund at the end of 2010. Analysts generally view Herman Van Rompuy (President of the European Council) and Catherine Ashton (High Representative of the Union for Foreign Affairs and Security Policy) as weak and insignificant leaders: "The critical voices already ask the question: to which extent can two anonymous politicians be the representatives whom the EU needs, in order to play in the premier league, next to the United States and China?"[3] For some journalists, such as Nicolae Filipescu, the result of the negotiations that led to Herman Van Rompuy's nomination can be described as a "disappointment" at least. Herman Van Rompuy is seen as a "little known and modest politician" who will not be able to impose the EU on the international scene. His weakness will make the functioning of the EU a difficult process and will incline the other world powers to initiate direct bilateral relations with the EU member states instead of speaking with the EU as a whole.[4] The Spanish Council Presidency was expected to set the precedent for further meetings. Paul Ivan, a political analyst, remains relatively optimistic with regard to the efficient functioning of the Union. In a policy memo dedicated to the analysis of the changes brought by the Lisbon Treaty, he succinctly describes the main changes emphasising the role of the Spanish Presidency: "It isn't clear how this separation will work in practice, but it is expected that the Spanish create practical precedents for the future."[5]

… the same for the High Representative

If Herman Van Rompuy received such negative reviews, the same thing is valid for Catherine Ashton. For authors such as Nicolae Filipescu, she is no more than a simple "public servant". An "obscure" minister of foreign affairs, she will do little next to nothing to promote the EU interests in front of the world powers, due to her lack of international reputation.[6] Others are more indulgent and see her as the fittest for the role, since Europe wants to develop its image as the world's greatest "soft superpower". A technocrat, she might prove herself "less sensitive to mass-media pressure", the main challenge for her being to show she has "substance" and not only technical abilities.

"Today, critics can be contradicted, and the mandate of Catherine Ashton can be more than a transitional episode, on the condition that the High Representative define herself more clearly as a political character, to enter in the complicated and frustrating game through which the EU vision regarding its role on the world scene is formed and reformed without cease."[7] Romania must also support an active external policy as regards the eastern neighbours of the Union. Analysts such as Paul Ivan claimed as early as the beginning of this year that we must support the differentiation between the "European neighbours" from the east and from the south.[8]

The European External Action Service – between hope and the "brain-drain" of Romanian diplomats

If neither Van Rompuy nor Ashton received high grades from the Romanian media, what about the new European External Action Service? Here once more we must differentiate between the official authorities and the media. For Teodor Baconschi, Romanian Foreign Affairs Minister, European diplomacy is "a complement to national diplomacies." It represents neither a threat, nor a competitor,

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but an efficient instrument of cooperation: "We must not see the appearance of the new European institution as a formula of replacement of the national voices in the 27 Club, but as a supplementary instrument through which the political coordination between the member states advances and some European positions, especially on major issues, can be drawn more easily."[9] However, there is a genuine concern at the official level as regards the staff that is to be employed by the newly created European External Action Service. As the economic crisis continues and taking into consideration the budgetary restraints, there exists the fear that the best and the brightest members of the Romanian diplomatic apparatus will prefer to go to work in this new service attracted by the prospect of more generous financial allocations. As early as the beginning of the year, the Romanian Foreign Ministry drafted a list containing approximately 70-80 eligible diplomats of which approximately 30 will work in the new service.[10] An extensive lobby is also underway in order to ensure the respect of certain principles as described by Teodor Baconschi in his meetings with Catherine Ashton. In March 2010, the Romanian Foreign Ministry reiterated the necessity to respect the meritocracy principle, to maintain a geographical balance and an equal treatment of all categories of staff, and to ensure an important role for the member states in the selection process."[11] These principles were doubled by what Teodor Baconschi called "an inventory of all the positions within the EU […] to which Romania could, reasonably, aspire to."[12] Romanian Members of the European Parliament (MEPs), such as Adrian Severin of the Socialist group, expressed a similar attitude as regards the European diplomacy stating in various press articles that we, as Europeans, need to create an "efficient External Action Service" as the "EU needs an active foreign policy, guided by common European objectives and based on our common values."[13]

Empowering the people – the European Citizen's Initiative

In order to counteract the accusations of the so-called "democratic deficit", the European Citizens' Initiative is designed to allow, for the first time, European citizens "to directly propose initiation of some new legislative measures". A topic of interest mainly for specialised legal sites, the main concerns regard its accessibility and democratic character: "It is important that this new characteristic of the democratic process be credible, ensure the full protection of personal character data and not allow abuse or fraud."[14] If those considerations are to be taken seriously and accomplished, then we are about to assist, in President's Traian Basescu view, a dramatic shift of power from the member state level to the grassroots, to the ordinary European citizen, who will be able from now on to take a more active role within the EU legislative process. "The efficient use of the new institutional framework depends both on each member state individually and on the manner in which it reports itself to the Union, and on the European citizens. They will be able to have an augmented involvement in European affairs. They will be able to use the innovations of the Lisbon Treaty, such as the European Citizens' Initiative. We must be ready to assume as active a role as possible in the European Union including at the citizen's level."[15]

All those high hopes must have a solid basis; otherwise, we will face a terrible disappointment, stated the Romanian socialist MEP Victor Boştinaru somewhat dramatically. The European Citizens' Initiative must become "an instrument of direct democracy and not a disappointment" and for that a new set of rules must be implemented. What will those new rules be? Here, Victor Boştinaru came with a concrete set of measures, designed, in his opinion, to ensure an efficient use of this new democratic tool: an "ex-ante" checking of the admissibility of the initiative; a clear and concrete definition of the areas in which the Initiative can be launched and where it cannot be used; clear and rigorous admissibility criteria; and an established impact of the initiative on the European Commission and European Parliament, including type and reaction time.[16] These detailed proposals were completed by another socialist MEP, Ioan Enciu, who recommended the necessity to consult the European Parliament before the European Commission drafts a legislative act based upon a European Citizens' Initiative in order to "harmonise, in the incipient status, the elaboration of the European policies and to prevent the doubling, or even the repetition of the legislative initiatives."[17]

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[1] Bogdan MĂNOIU, Minister, Department for European Affairs: Speech held on 21 January 2010, available at: http://www.dae.gov.ro/articol/787/bogdan-manoiu-a-participat-la-simpozionul-despre-tratatul-de-la-lisabona (last access: 17 May 2010).

[2] "Herman van Rompuy în vizită la Bucureşti", 18 January 2010, available at: http://www.rfi.ro/stiri/politica/Herman-van-Rompuy-in-vizita-la-Bucuresti.html (last access: 17 May 2010). The topics of interest were rather numerous with an accent on economic issues.

[3] Evenimentul Zilei: Motorul Lisabona propulsează visele europene, 1 January 1 2010, available at: http://www.evz.ro/detalii/stiri/motorul-lisabona-propulseaza-visele-europene-881221.html (last access: 17 May 2010).

[4] Nicolae FILIPESCU: Implementarea Tratatului de la Lisabona, Revista *22*, 9 February 2010, available at: http://www.revista22.ro/implementarea-tratatului-de-la-lisabona-7601.html (last access: 17 May 2010).
[5] Paul IVAN, Mihai PANAITE, Ciprian CIUCU, Robert UZUNĂ: Uniunea Europeană se adaptează din mers Tratatului de la Lisabona - Prioritățile preşedinției spaniole şi interesele României, Policy Memo no. 6, January 2009, available at: http://www.crpe.ro/library/files/crpe_policy_memo_6_ro.pdf (last access: 17 May 2010).
[6] Nicolae FILIPESCU: Implementarea Tratatului de la Lisabona, Revista *22*, 9 February 2010, available at: http://www.revista22.ro/implementarea-tratatului-de-la-lisabona-7601.html (last access: 17 May 2010).
[7] Lucian DARDALA: Un tehnocrat discret: Catherine Ashton, Ziarul de Iasi, 22 March 2010, available at: http://www.ziaruldeiasi.ro/opinii/un-tehnocrat-discret-catherine-ashton~ni684v (last access: 17 May 2010).
[8] Paul IVAN/Mihai PANAITE/Ciprian CIUCU/Robert UZUNA: Uniunea Europeană se adaptează din mers Tratatului de la Lisabona - Prioritățile preşedinției spaniole şi interesele României, Policy Memo no. 6, January 2009, available at: http://www.crpe.ro/library/files/crpe_policy_memo_6_ro.pdf (last access: 17 May 2010).
[9] Interview with Teodor Baconschi on 9 January 2010 at the Romanian State Television, available at: http://www.mae.ro/index.php?unde=doc&id=41792 (last access: 17 May 2010).
[10] Ibid.
[11] Ministry of Foreign Affairs, Press release: Întrevederile ministrului Afacerilor Externe cu Înaltul Reprezentant pentru Afaceri Externe şi Politica de Securitate şi cu comisarul european pentru extindere şi politica de vecinătate, 23 March 2010, available at: http://www.mae.ro/index.php?unde=doc&id=42834 (last access: 17 May 2010).
[12] Ministry of Foreign Affairs, Interview at the Romanian National Radio on 17 February 2010, available at: http://www.mae.ro/index.php?unde=doc&id=42241 (last access: 17 May 2010).
[13] Maria CORA: Parlamentul European: un rol mai puternic în definirea şi aplicarea politicii externe a UE, Curierul National, 12 March 2010, available at: http://www.curierulnational.ro/Opinii/2010-03-12/Parlamentul+European:+un+rol+mai++puternic+in+definirea+si+aplicarea+politicii+externe+a+UE (last access: 17 May 2010).
[14] Avocatnet.ro: Cetățenii europeni vor putea avea inițiativă legislativă, 31 March 2010, available at: http://www.avocatnet.ro/content/articles/id_18904/Cetatenii-europeni-vor-putea-avea-initiativa-legislativa.html (last access: 17 May 2010).
[15] President Traian Băsescu's Speech at the reception offered on the occasion of Europe's Day, 7 May 2010, available at: http://www.presidency.ro/index.php?_RID=det&tb=date&id=12087&_PRID=search (last access: 17 May 2010).
[16] Social Democrat Party website: Boştinaru on the Citizen's Initiative: An instrument of direct democracy and not a disappointment, 28 January 2010, available at: http://www.psd.ro/newsroom.php?newi_id=3115 (last access: 17 May 2010).
[17] Ioan ENCIU: EP must be consulted by the EC with regard to the pertinence of a Citizen's Initiative proposal, Bruxelles, 15 April 2010, available at: http://www.psd.ro/newsroom.php?newi_id=3350 (last access: 17 May 2010).

Slovakia

Close scrutiny of rotating presidency in light of Slovakia's turn in 2016

Vladimír Bilčík*

Since the Lisbon Treaty entered into force in December 2009, Slovakia's representatives have been assessing the practical changes in the EU's institutional architecture rather sporadically. Slovakia's politicians were consumed with the domestic agenda while campaigning before the country's parliamentary elections on 12 June 2010. EU institutional issues did not figure prominently in Slovakia's political debates in the months before the elections. Rather, the salient topics included questions about managing the economic crisis, including, for instance, intensive debates about the financial situation in Greece. Interest in EU institutional reform was largely confined to Slovakia's diplomats and foreign policy-makers, especially those who are present in Brussels either at the country's Permanent Representation or in other institutions such as the European Parliament and the European Commission.

Slovakia will take over the EU presidency in 2016, so planning and preparations for this task are in embryonic stages. However, Slovakia's diplomats are keenly watching the changes in the work and responsibility of the rotating presidency with the introduction of the post of the new President of the European Council held by Herman Van Rompuy. As one senior Slovak diplomat observed, apart from fundamental changes to the field of foreign and security policy, the rotating presidency has kept its important functions in all major policy fields. Hence, preparations for Slovakia's Presidency will have to begin early – perhaps in 2011 – in order to prepare the country's administrative structures for this challenge.[1]

While it is still too early to make any comprehensive assessment of the work of Herman Van Rompuy, one Slovak Member of the European Parliament (MEP) stated, "[V]an Rompuy is proving [to be] a very good manager."[2] This positive statement contrasts somewhat with questions about the work and responsibilities of the new High Representative of the Union for Foreign Affairs and Security Policy Catherine Ashton. Slovakia's representatives have been keenly watching the developments regarding the establishment of the European External Action Service (EEAS), whose shape and mandate are going to provide us more clues with respect to Ashton's role within the European Commission and her relationship with the Council of the European Union. According to Ivan Korčok, head of Slovakia's Permanent Representation to the EU, Slovakia wants to preserve the Council of the European Union as the main source of EU foreign policy. Korčok argues that the task of the EEAS is to function as an executive service – not as an institution or political organ – in order to serve the High Representative in the implementation of foreign policy.[3]

In February 2010, Slovakia, together with partners from Poland, Hungary and the Czech Republic, circulated an informal paper in Brussels in which the four Visegrad countries (V4) argued that "[t]he eventual lack of [member states'] involvement in shaping and implementing policies could lead to the loss of their interest in EU foreign policy and could even result in a widening gap between EU and national policies."[4] According to this paper, Slovakia, together with its Visegrad neighbours, considers "it necessary to ensure an adequate geographical balance and a meaningful presence of nationals from all EU member states in order to ensure that the service could draw from a wide variety of diplomatic culture and experience." Specifically, Slovakia and the other V4 countries emphasised that geographical balance "should be incorporated in the staff regulation as a binding principle [...and] requires regular monitoring through [...] e.g., yearly reports." It is worth noting that also Austria, the Baltic countries, Bulgaria, Cyprus, Greece, Malta, Portugal, Romania and Slovenia broadly allied themselves with this position in early March 2010 before the publication of the official "Proposal for a Council Decision establishing the organisation and functioning of the European External Action Service"[5] on 25 March 2010.[6]

In contrast to the future of the EEAS, the proposal defining the rules and procedures for the European Citizens' Initiative has received little notice in Slovakia. The notable exceptions are the position of Maroš Šefčovič, Slovakia's nominee and current Vice-President of the European Commission, who is responsible for coming up with these rules. Also, Slovakia's MEP Monika Flašíková-Beňová generally welcomed the initiative in a public speech, calling it a breakthrough in European democracy. However,

* Slovak Foreign Policy Association.

she also warned against its misuse by lobbyists and organised interests. Hence, she called for some strict rules that would ensure the initiative's administratively and financially simple implementation.[7]

More broadly, the launch of the Lisbon Treaty perhaps most acutely reopened the domestic debate on the future of EU policy-making in Slovakia. In April 2010 at an annual conference on Slovakia's foreign policy, several politicians called for more effective coordination and leadership in the formation and articulation of Slovakia's preferences in the EU. Commissioner Maroš Šefčovič suggested during the conference that Slovakia's foreign ministry should get a new name – Ministry of Foreign and European Affairs. He also called for an audit of EU policy-making across Slovakia's ministries in order to identify the country's strengths and weaknesses. State Secretary Diana Štrofová also underlined the need for a greater coordinating role of the foreign ministry in EU affairs, whereas MEP Eduard Kukan called for stronger links between the European Parliament and national parliaments, as both institutions have gained new powers thanks to the Lisbon Treaty.[8]

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[1] Interview with a senior diplomat, Slovakia's Permanent Representation to the EU, Brussels, 6 May 2010.
[2] Interview with a member of the European Parliament, Brussels, 5 May 2010.
[3] Euractiv.sk: Ivan Korčok: Východná Európa žiada férové zastúpenie v Európskej zahraničnej službe, 25 March 2010, available at: http://www.euractiv.sk/obrana-a-bezpecnost/interview/vychodna-europa-ziada-ferove-zastupenie-v-europskej-zahranicnej-sluzbe-014799 (last access: 30 June 2010).
[4] A. Rettman: New EU States Make Bid for more Diplomatic Clout, EUObserver, 10 March 2010, available at: http://euobserver.com/9/29651 (last access: 29 June 2010).
[5] Proposal for a Council Decision establishing the organisation and functioning of the European External Action Service, 25 March 2010, available at: http://eeas.europa.eu/docs/eeas_draft_decision_250310_en.pdf (last access: 30 March 2010).
[6] A. Rettman: New EU States Make Bid for more Diplomatic Clout, EUObserver, 10 March 2010, available at http://euobserver.com/9/29651 (last access: 29 June 2010).
[7] Speech by MEP Monika Flašíková-Beňová at the conference "Wake up Brussels: How a Million People Can Change Brussels", Brussels, 15 April 2010, available at: http://monikaflasikovabenova.sk/sk/aktivity/detail/prejav-na-konferencii-o-europskej-obcianskej-iniciative (last access: 29 June 2010).
[8] Euractiv.cz: Slovensko bilancuje svoju zahraničnú politiku, 12 April 2010, available at: http://www.euractiv.sk/obrana-a-bezpecnost/clanok/slovensko-bilancuje-svoju-zahranicnu-politiku-014900 (last access: 29 June 2010).

Slovenia

General support with selective criticism for new EU officials

Maja Cimerman and Jure Požgan*

Good relations with Van Rompuy restored

The President of the European Council, Herman Van Rompuy, visited Slovenia on 1 December 2009, the day when the Treaty of Lisbon entered into force. On that occasion, the Slovenian Prime Minister (PM) Borut Pahor expressed his conviction that Herman Van Rompuy will "cope with the task" and will be able to "slowly slowly" build a new European institution. During the press conference with Herman Van Rompuy, the Slovenian Prime Minister also explained that he first endorsed the former British PM Tony Blair for the position of the new President of the European Council, because he believed that the European Union needed a leader with a strong political personality who will empower this new EU post. However, with European countries predominantly supporting Herman Van Rompuy, Slovenia backed the Belgian candidate as well. Borut Pahor also emphasised the importance of having a person with a sense for social dialogue and social questions leading the European Council.[1]

In March 2010, Herman Van Rompuy was invited to attend the Western Balkan conference organised jointly by Slovenia and Croatia. His presence was deemed necessary for the recognition of the importance of the conference. When Van Rompuy announced that he would not be attending the conference because of the absence of the President of the Republic of Serbia, this was seen as a "slap in the face" for the organisers by the media. Although the Slovenian Prime Minister Borut Pahor explicitly stressed that Slovenia "will not judge anyone who does not attend the conference", Zijad Bećirović, the director of the International Institute for Middle East and Balkan Studies, commented that Van Rompuy's abstention sent a clear message that there was no point in organising and attending the conference.[2]

A few days after the conference, the Slovenian PM visited the President of the European Council in Brussels, where, at the press conference, he admitted there was some resentment between them concerning Van Rompuy's absence at the Western Balkan conference, but that they "have managed to restore the previous trust."[3]

As for the changing role of the rotating presidency, there is no official statement by the government of the Republic of Slovenia and there are no comments made regarding it by the interested public.

Support for Catherine Ashton

Despite expressing some disagreement with Catherine Ashton's vision of the European External Action Service (EEAS), the Slovenian Minister of Foreign Affairs, Samuel Žbogar, announced full support for the new High Representative of the Union for Foreign Affairs and Security Policy in mid-March 2010. He characterised her work as "passionate with an understanding of the responsibility to build this new function she is the first to hold."[4]

The support for Ashton was also expressed by one of the Slovenian Members of European Parliament (MEP), Zoran Thaler, who is a member of the Progressive Alliance of Socialists and Democrats (S&D) in the European Parliament. Thaler assessed Catherine Ashton after her first address to the European Parliament as "promising", describing her as a "determined, moderate and principal leader." On the same occasion, another Slovenian central left MEP, Ivo Vajgl (member of Alliance of Liberals and Democrats for Europe – ALDE), somewhat criticised Ashton, assuming that she would give more consideration to the member states than the European Parliament in her work.[5]

As for her role as the Vice-President of the European Commission, Slovenian Minister of Foreign Affairs Samuel Žbogar commented upon it in the context of the EEAS and will be discussed below.

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Concerns about equal representation in the EEAS

Slovenia supports the political agreement on the structure of the EEAS reached on 26 April 2010 in Luxembourg. Slovenian Minister of Foreign Affairs Samuel Žbogar actively engaged in the debates about the structure and role of the EEAS by emphasising the importance of adequate representation of smaller member states. Concerned that the interests of the smaller countries will not be recognised in the EEAS, Slovenian Minister of Foreign Affairs Samuel Žbogar, along with the Ministers of Foreign Affairs from Lithuania, Latvia and Cyprus, sent a letter to the High Representative of the Union for Foreign Affairs and Security Policy Catherine Ashton urging her to bear in mind the "geographical balance and adequate representation of all EU members" when setting up the new European diplomatic service.[6] Before the meeting of the EU ministers of foreign affairs in Cordoba in March 2010, Samuel Žbogar spoke of a "feeling among member states that the European Commission wants to take over the EEAS." According to Žbogar, the perception is that the European Commission is filling the diplomatic posts even before the European diplomatic service is fully established, and is creating unnecessary tensions between itself and the member states. He also pointed to the idea of Catherine Ashton "sitting on two chairs" concerning her double role.[7]

Furthermore, Žbogar also expressed the necessity that the member states positively accept the EEAS and feel represented in it, as "national embassies will be under the auspices of the diplomatic service."[8] Unofficially, Slovenia applied to lead delegations in Macedonia, Bosnia and Herzegovina, Albania and Beijing.[9]

European Citizens' Initiative

The government of the Republic of Slovenia welcomes the institution of the European Citizens' Initiative (ECI) and sees its importance in giving the citizens greater decision-making powers within the EU. Concerning the admissibility criterion, the position of the government of the Republic of Slovenia is that it is necessary to decide on the admissibility of the initiative before its registration. Accordingly, every initiative should be checked whether its purpose does not oppose the values of the EU and whether the EU has jurisdiction over the matter of the initiative. In the view of the Slovenian government, it is especially important to ensure a transparent financing of the ECI in order to prevent potential abuses. In this respect, additional legislation is necessary and should prevent public financing of the ECI in order to strengthen the independence of the Initiative and the role of the citizens.[10]

On the other hand, Sabina Kajnč, a Slovenian academic, expressed doubts regarding the democratic character of the ECI. She stressed that there are currently too many checks installed in the institution of the Initiative so that it is highly unlikely to expect the ECI to be invoked on many occasions.[11]

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[1] Slovenian Press Agency (STA): Pahor: pomemben dan v zgodovini Evrope (Pahor: An important day in the history of Europe), 1 December 2009, available at: http://www.sta.si/vest.php?s=s&id=1454712&q=HERMAN+VAN+ROMPUY (last access: 16 May 2010).
[2] Dnevnik: Konferenca o zahodnem Balkanu v okrnjeni zasedbi (Western Balkan Conference in a truncated composition), 20 March 2010, available at: http://www.dnevnik.si/novice/svet/1042346357 (last access: 16 May 2010).
[3] STA: Van Rompuy in Pahor zgladila odnose (Van Rompuy and Pahor restored their relationship), 26 March 2010, available at: http://www.sta.si/vest.php?s=s&id=1496064&q=HERMAN+VAN+ROMPUY (last access: 16 May 2010).
[4] STA: Zunanji ministri EU Ashtonovi izrekli vso podporo (EU Ministers of Foreign Affairs expressed their full support to Ashton), 6 March 2010, available at: http://www.sta.si/vest.php?s=s&id=1488217&q=CATHER+ASHTON (last access: 17 May 2010).
[5] STA: Ashtonova na prvem kvizu Evropskega parlamenta v defenzivi (Ashton defensive at her first European Parliament quiz), 2 December 2009, available at: http://www.sta.si/vest.php?s=s&id=1455197&q=CATHER+ASHTON (last access: 17 May 2010).
[6] STA: Slovenija in še tri države Ashtonovo pozivajo k geografskemu ravnovesju v diplomatski službi EU (Slovenia and three more countries call on Ashton to geographically balance European Diplomatic Service), 5 March 2010, available at: http://www.sta.si/vest.php?s=s&id=1487830&q=EEAS (last access: 18 March 2010).
[7] STA: Žbogar: Občutek je, da si hoče komisija prisvojiti novo zunanjo službo EU (Žbogar: There is a feeling the Commission wants to take over the new EU foreign service), 5 March 2010, available at: http://www.sta.si/vest.php?s=s&id=1487976&q=EEAS (last access: 18 March 2010).
[8] STA: Žbogar: 800-članska diplomatska služba EU absolutno premajhna (Žbogar: 800-member EU diplomatic sevice absolutely too small), 22 March 2010, available at: http://www.sta.si/vest.php?s=s&id=1494165&q=EEAS (last access: 19 March 2010).
[9] STA: Velika konkurenca za mesta v evropski diplomatski službi (Great competition for spots in European Diplomatic Service), 11 May 2010, available at: http://www.sta.si/vest.php?s=s&id=1511470&q=EVROPS+DIPL+SLU%C5%BDB (last access: 18 May 2010).
[10] Government of the Republic of Slovenia: Stališče vlade o Evropski zakonodajni pobudi (Government position on European Citizens' Initiative), 6 May 2010, available at: www2.gov.si/upv/vladnagradiva-08.nsf/.../$FILE/BESEDILO.RTF (last access: 18 May 2010).

[11] STA: V EU konec institucionalnih razprav, zdaj čas za dejanja (EU ends institutional discussions, time for action), 30 December 2010, available at: http://www.sta.si/vest.php?s=s&id=1462206&q=KAJN%C4%8C (last access: 18 May 2010).

Spain

Implementation of the Lisbon Treaty under the Spanish Presidency

Ignacio Molina*

Spain chaired the EU Council of ministers during the first semester of 2010,[1] thus completing the first rotating presidency of the EU to be held under the Lisbon Treaty. From an institutional point of view – and much more from a substantive point of view, as is analysed in other sections of this EU-27 Watch report considering the rough economic circumstances of Europe and Spain – the task was not easy at all.

First of all, the Spanish Presidency was responsible for the implementation of very important innovations included in the new Treaty, such as the launching of the European External Action Service (EEAS), the approval of the European Citizens' Initiative (ECI) or the way itself in which the rotating presidency exercises its functions: a completely new scheme of functions with less political leeway and media visibility, but with a greater need to ensure coordination of the entire inter-institutional system.

Secondly, even if the two new permanent EU top jobs – the President of the European Council and the High Representative of the Union for Foreign Affairs and Security Policy – had already been appointed in November 2009 under the Swedish Presidency, the definition of the role and the goals of both Herman Van Rompuy and, particularly, Catherine Ashton remained unclear until the first months of 2010.

Finally, uncertainties in the EU's institutional workings worsened further because of the two-month delay in getting the new European Commission under José Manuel Durão Barroso up and running. This caused a subsequent delay in all legislative initiatives for implementing Lisbon.

Nevertheless, despite these three obstacles, the terms of the Lisbon Treaty began to be applied smoothly in the first half of the year, and the institutional goals of the Spanish Presidency's ambitious programme were achieved almost completely.

Despite some minor incidents involving a lack of coordination and small clashes in the distribution of functions among the new officials – conveniently blown out of proportion by some media that confused the complexities of the new system with alleged rivalries between Van Rompuy and the Spanish Prime Minister, Jose Luis Rodriguez Zapatero, or between Ashton and the Spanish Foreign Minister Miguel Ángel Moratinos – this semester established a good precedent for co-habitation between the permanent and rotating presidencies. The link between the General Affairs Council and the European Council worked, and the Spanish Prime Minister accepted Van Rompuy's role of leadership and mediation among heads of state or government, appearing with him – and the President of the Commission – at news conferences after the European Council or summits with other countries when they were held in Spain. The holding of direct, personal meetings before major European or international events cleared the way for the two men to work well together.[2] In any case, this harmony should consolidate further in future presidencies.

The agreement establishing the EEAS was probably the major institutional achievement of the Spanish Presidency. On 26 April 2010, the Council approved a political agreement on the broad outlines of the service, based on a draft presented in March 2010 by the High Representative. In May and June 2010, on behalf of the Council, Ashton and Moratinos negotiated the issues of political control, budget and staffing with the main groups in the European Parliament. Finally, an accord was reached in Madrid on 21 June 2010 that might be ratified by a plenary session of the Parliament and thus possibly allow for the EEAS to be launched on 1 December of this year, coinciding with the first anniversary of the Treaty of Lisbon's coming into force. The plan creating the service calls for deploying more than 6,000 people in 138 diplomatic missions around the world over the next five years.[3]

While the EEAS was being negotiated – and, thus, not yet up and running – the Spanish Presidency had to undertake a transitional semester in terms of foreign policy. The two new authorities

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established by the Treaty had not yet been able to define their own goals. For this reason, the Spanish Prime Minister and Foreign Minister played a greater role than their colleagues of future rotating presidencies will. On the other hand, and little by little, the Commission's delegations abroad were being transformed into official delegations of the EU, but, consequently, the network of Spanish embassies continued to represent the EU in a special way in several places around the world.

Another interesting achievement of the semester was the regulation of the ECI called for in the Treaty. Here, the Presidency deserves credit for having pressed the new European Commission, which was not formed until February, to make up for lost time. Thanks to this pressure, on 31 March 2010 the Commission presented the draft on regulating the European Citizens' Initiative, a month ahead of schedule. Now it has to work its way through the European Parliament and the Council in the usual procedure. This timetable means that definitive approval will come some time after the Spanish Presidency is over. Still, no major changes in the draft are expected. Thus, European citizens will be able to propose legislative reforms directly to the Commission as long as they come up with a million signatures in the space of one year from a third of the member states, representing at least 0.2 percent of the population of each of those states.[4]

[1] With the exception of the External Affairs Council, which is no longer chaired by the rotating Presidency, but by the High Representative.
[2] The Spanish Prime Minister Zapatero and President Van Rompuy met twice, in Madrid and Brussels, before the start of the semester to clarify their respective functions. They also co-signed an op-ed article, published in Europe's leading newspapers in early January, to present to the Union's public opinion the new institutional order established by the Treaty; the article was titled '2010, a Good Year for the Union'. It is available at: https://www.eu2010.es/export/sites/presidencia/comun/descargas/noticias/Artxculo_integro_zapatero-rompuy-EN-pdf-pdf.pdf (last access: 29 July 2010).
[3] See the agreement on the European diplomatic service by the Council at: www.consilium.europa.eu/uedocs/cms_data/docs/pressdata/EN/genaff/114045.pdf (last access: 29 July 2010).
[4] See the Commission proposal for a Regulation of the European Parliament and of the Council on the citizens' initiative at: http://ec.europa.eu/dgs/secretariat_general/citizens_initiative/docs/com_2010_119_en.pdf (last access: 29 July 2010).

Sweden

Implementation of the Lisbon Treaty and the Swedish Presidency's contribution

Gunilla Herolf*

Herman Van Rompuy was initially described as a person about whom little was known outside Belgium. Prime Minister Fredrik Reinfeldt, when asked in March 2010 about his opinion concerning Van Rompuy, indicated that he did not know him too well as of yet.[1] Among the newspapers, judgments about Van Rompuy have gone from wait-and-see to describing him more and more often, in the words of one newspaper, as "an accomplished player in the power game, determined to take a lead position in Brussels."[2] Within a very short time, he has, among other things, built up a cabinet of experienced Belgian diplomats, called EU heads of state and government to an extra meeting and suggested far-reaching proposals on EU policy.[3]

Fredrik Reinfeldt, when asked about the changes taking place after the Lisbon Treaty, brought up the fact that he saw only heads of state and government around the table as compared to the previous situation in which foreign ministers were present. A positive consequence of having fewer persons present, as he saw it, was that the discussion became freer. Another positive consequence expected to take place with a President of the European Council, appointed for two years, is to have greater continuity. This effect is, of course, not yet possible to see. A not so positive consequence of the present set-up, according to Reinfeldt, was the discussion on who should be present at which meetings in which the presence of Van Rompuy and José Manuel Barroso were set up against each other. At this early stage, most of the changes have, however, not yet come into place and not much more can be said at this point.[4]

Generally, the Swedish comments about Catherine Ashton have centred on describing her tasks as very difficult and the situation surrounding her position as a tough fight for power in which different actors do their utmost to increase their own influence over the new European External Action Service (EEAS). Foreign Minister Carl Bildt was, however, highly critical after her appointment of Barroso's aide, João Vale de Almeida, as EU Ambassador to the United States. He referred to the fact that member states had not been consulted and to the break of an "understanding" reached in 2004 that the Washington position should go to "a person with experience from a high political post." Bildt repeated his criticism at the following foreign ministers' meeting in Brussels, at which Ashton defended the appointment, claiming that she had followed exactly the right procedure.[5] Together with then British Foreign Minister David Miliband, Bildt wrote another letter to her, just before the foreign ministers' meeting in Cordoba in early March 2010. In this letter, the two gave her advice on which competences they believed that the EEAS should have. "We want to strengthen Ashton vis-à-vis the Commission. This is how the letter should be seen", said Bildt. Indirectly, however, the letter contained criticism towards her.[6] Clearly, the Swedish Foreign Minister prefers to have Ashton's position close to the Council rather than to the Commission.

Sweden, having the Presidency of the EU during the autumn of 2009, was also the author of the report outlining the EEAS. Two important factors included in this report, which was accepted by the European Council in late October 2009, were the need for budget restriction and the manning of the EEAS. According to the EEAS report, one third of the personnel were to be member state representatives. As described by State Secretary Frank Belfrage to the parliamentary committee on EU affairs, these two principles are an absolute demand from member states, including Sweden. As he saw it, it would both be costly and lead to a loss of expertise if, by not sticking to the level of one-third being manned by present diplomats, experienced diplomats would be left outside the EEAS. Member states, again including Sweden, do not agree with the European Parliament's idea that Ashton should also have three political aides in order to give the EEAS the possibility to devote more time to the Parliament. Belfrage expressed the hope that this could be settled early and that rivalry among institutions would not delay this question longer.[7]

On the proposal for a European Citizens' Initiative (ECI), the Swedish standpoint in the debate in the Council of the European Union has been that it has to be user-friendly. Sweden is therefore arguing for a simpler model than the one proposed by the Commission. The risk with the present proposal, Sweden argues, is that the initiative becomes so complicated that it might lose its power as a new

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democratic tool. In particular, the so called “control stations” are seen as overly bureaucratic. This view also found support among the parties in the parliamentary committee on European affairs. As stated by members, the issues included in such European Citizens’ Initiatives would be restricted to those that are within the competence area of the Union (or actually of the Commission), but it was seen as important that the mechanism for deciding this would not be of the kind in which considerations of political nature might play a part.[8]

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[1] Fredrik Reinfeldt before the Parliamentary Committee on EU Affairs, 30 March 2010, p. 3.
[2] Ingrid Hedström: Rompuy tar rodret [Rompuy takes the helm], Dagens Nyheter, 27 March 2010.
[3] Henrik Brors: Smutsig maktkamp om EU:s utrikespolitik [Dirty power fight about the foreign policy of the EU], Dagens Nyheter, 5 March 2010.
[4] Fredrik Reinfeldt before the Parliamentary Committee on EU Affairs, 30 March 2010, p. 3.
[5] Toby Vogel: Swedish Minister criticises Washington appointment, European Voice.com, 22 February 2010, available at: www.europeanvoice.com/article/2010/02/swedish-minister-criticises-washington-appointment/67223.aspx (last access: 8 July 2010).
[6] Henrik Brors: Pressad Ashton fick stöd efter hård kritik [Ashton under pressure got support after hard criticism], Dagens Nyheter, 6 March 2010; David Charter: David Miliband tells EU’s foreign chief how to do the job he rejected, TimesOnline, 5 March 2010.
[7] Frank Belfrage before the Parliamentary Committee on EU Affairs, 23 April, p. 7.
[8] Ibid., p. 8.

Turkey

Implications for Turkey: a full-fledged accession strategy needed

Zerrin Torun*

In Turkey, the Lisbon Treaty was regarded as a necessary step for an EU that is less introspective and more open to challenges which may arise from enlargement.[1] It was argued that the treaty would bring the EU closer to a political unity, which would be in the interest of each and every candidate country, with the warning that Turkey now needs a full-fledged accession strategy, as the political identity of the Union is getting stronger.[2]

However, it is hard to say that the implications of the treaty for Turkey received significant attention in the press or in the public debate. Factors leading to this lack of attention were listed as the failure of the former Constitutional Treaty and the perception that the Lisbon Treaty is a watered-down version of it; changes in Turkish foreign policy, which shifted Turkey's attention elsewhere, mainly to the Middle East and Asia; the frustration and disappointment with the EU, as well as a general feeling of aloofness from the EU and Europe resulting from the problems in the Turkish accession process to the EU.[3] Analyses of the results of the Lisbon Treaty and their implications for Turkey came from research institutes and think tanks, mostly focusing on future enlargement. In an exception by the Turkish parliament's external relations and protocol administration's briefing report, the treaty was seen as necessary for the Union to adjust its institutional structure for new enlargements, while attention was also drawn to the system of enhanced cooperation as a potential tool in the hands of those who argue in favour of a privileged partnership with Turkey instead of full Turkish membership to the EU.[4] For instance, a report by the Economic Policy Research Foundation of Turkey (TEPAV) argued that the double majority voting system brought about by the treaty could alleviate some of the concerns regarding Turkey's "potential weight" in the Council. In addition, increasing involvement of national parliaments in the EU's decision-making received a positive note in the report, as this would work towards calming down a segment of Turkish society which associates EU membership with loss of sovereignty,[5] but this was also seen as something that might obstruct Turkish accession to the EU in the aforementioned briefing report. Another commentary, however, drew attention to the potential impact of the double majority voting on Turkish accession to the EU, arguing that the system would prevent the votes against Turkish EU membership of any three of the four larger EU member states (France, the United Kingdom, Germany and Italy) from prevailing.[6]

As for the new faces of the Union, referring to the President of the European Council and the High Representative of the Union for Foreign Affairs and Security Policy, the decision in favour of Herman Van Rompuy was seen as a victory of those in the Union who argue for a privileged partnership with Turkey instead of its full membership to the EU. His past statements against Turkish EU membership, which also included the view that Turkish membership to the EU would undermine current universal values in Europe which are also fundamental Christian values, received major attention. His appointment led to comments that even regarded this as a confirmation of the idea that the EU is a civilisation project in which Turkey's belonging is questioned.[7] In an interview, the deputy secretary-general of the Economic Development Foundation (IKV) has pointed out that Van Rompuy's personal ideas on Turkey may make a difference, especially at critical junctures when important decisions concerning Turkey are to be given, since even his neutrality or abstaining from influencing the European Council's decisions may be interpreted as a negative sign.[8] The ideas of Van Rompuy were interpreted as "the textbook definition of anachronism", which will exacerbate the problems of Europe in the 21st Century.[9] In addition, Van Rompuy's appointment as President of the European Council was seen as a choice for a low-profile, moderate voice that would prioritise the role of a moderator within the EU instead of being the leader the EU needs in order to have a greater say in global affairs.[10]

As for Catherine Ashton as the High Representative, her statement before the European Parliament before her appointment received attention, as she referred to Turkey as just one of the important countries with which the EU has to engage in an effective cooperation.[11] On the other hand, an earlier analysis of the implications of the treaty for the Common Security and Defence Policy of the EU drew attention to the possibility of conflict between the High Representative of the Union (due to the role

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within the European Commission) and the President of the European Council in terms of blurred lines of authority in representing the Union.[12]

The "Proposal for a Council Decision establishing the organisation and functioning of the European External Action Service"[13] and the European Commission proposal defining the rules and procedures for the European Citizens' Initiative (ECI)[14] received limited attention in the form of informative news. It can be safely concluded that the aforementioned factors which led to the lack of attention towards the implications of the Lisbon Treaty also resulted in the lack of attention towards the subsequent new working style and structure of the EU in Turkey.

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[1] The Journal of Turkish Weekly: The Failure of the Lisbon Treaty? Consequences for Turkey's Accession Process, 28 June 2008, available at: http://www.turkishweekly.net/print.asp?type=3&id=2381 (last access: 26 April 2010).
[2] Bahadır Kaleağası (Coordinator of the Turkish Industrialists' and Businessmen's Association (TUSIAD) quoted in Hürriyet Daily News, 19 November 2009.
[3] IKV's Nas: EU Future with Lisbon Treaty Should Concern Turkey, Interview with Çiğdem Nas by Yasemin Poyraz Doğan, Today's Zaman, 21 December 2009, available at: http://www.todayszaman.com/tz-web/news-196138-8-ikvs-nas-eus-future-with-lisbon-treaty-should-concern-turkey.html (last access: 17 May 2010).
[4] Sumru Bilcen: AB'de Onemli Bir Adim: Lisbon Antlasmasi, TBMM Dış İlişkiler ve Protokol Müdürlüğü, 24 April 2010.
[5] Nilgün Arısan Eralp: Lisbon Treaty and Turkey at a First Glance, TEPAV Evaluation Note, December 2009.
[6] Cuneyt Yuksel: Lisbon'dan Sonraki Birlik ve Türkiye, 16 October 2009, available at: http://www.abhaber.com/ozelhaber.php?id=4457 (last access: 26 April 2010).
[7] Hilmi Yavuz: Avrupa Birligi Bir Medeniyet Projesidir, Zaman Online, 22 November 2009, http://www.zaman.com.tr/yazar.do?yazino=918811 (last access: 26 April 2010).
[8] IKV's Nas: EU Future with Lisbon Treaty Should Concern Turkey, Interview with Çiğdem Nas by Yasemin Poyraz Doğan, Today's Zaman, 21 December 2009, available at: http://www.todayszaman.com/tz-web/news-196138-8-ikvs-nas-eus-future-with-lisbon-treaty-should-concern-turkey.html (last access: 17 May 2010).
[9] Mustafa Kutlay: A New EU in the Making: Reflections from Turkey, The Journal of Turkish Weekly, 23 November 2009, available at: http://www.turkishweekly.net/columnist/3230/a-new-eu-in-the-making-reflections-from-turkey.html,%20last%20access%2012%20July2010 (last access: 12 July 2010).
[10] Hilmi Yavuz: Avrupa Birligi Bir Medeniyet Projesidir, Zaman Online, 22 November 2009, available at: http://www.zaman.com.tr/yazar.do?yazino=918811 (last access: 26 April 2010).
[11] AP'den Catherine Ashton'a Onay, 12 January 2010, available at: http://www.euroacademic.org.tr/index.php?act=show&code=guncel&resume=0&id=506&id_page=0 (last access: 17 May 2010).
[12] Ömer Kurtbağ: ATAUM AB Analiz, 26 November 2009, available at: http://www.ataum.tk (last access: 26 April 2010).
[13] Proposal for a Council Decision establishing the organisation and functioning of the European External Action Service, 25 March 2010, available at: http://eeas.europa.eu/docs/eeas_draft_decision_250310_en.pdf (last access: 30 March 2010).
[14] European Commission: Proposal for a Regulation of the European Parliament and of the Council on the citizens' initiative, COM (2010) 119, available at: http://ec.europa.eu/dgs/secretariat_general/citizens_initiative/docs/com_2010_119_en.pdf (last access: 6 April 2010).

United Kingdom

New post and institutions: building-blocks for a European Superstate?

Brendan Donnelly*

European institutional questions are usually discussed in the United Kingdom primarily in ideological rather than practical terms. The ratification of the Lisbon Treaty led at the end of 2009 to a certain amount of polemical discussion in this country concerning the new posts and institutions set up by the Treaty. The almost exclusive focus of this discussion was however the question of how far these posts and insitutions should or should not be seen as building-blocks for a European superstate. This polemical discussion has now largely disappeared. The day to day workings of the posts and institutions set up by the Lisbon Treaty, on which the questionnaire concentrates, have proved to be of limited interest in the United Kingdom, except to specialists. British political discussion over the past six months has moreover been largely monopolised by the general election, in the campaign for which European questions played only a subordinate role. These circumstances militating against detailed discussion of European institutional questions in the United Kingdom will inevitably be reflected in the following answers, which may well be unsatisfactory, but are not on that account inaccurate.

Presidency of the European Council

There is nothing in the United Kingdom which could remotely be described as an "assessment" of Van Rompuy's work. A widely-reported speech of personal criticism against Van Rompuy by the British Member of the European Parliament Nigel Farage earlier this year aroused a certain amount of public comment at the time, but led to no serious general discussion of Van Rompuy's performance of his functions. At most, Farage was censured for his impoliteness towards Van Rompuy.[1] British journalists who have followed closely the evolution of the Greek crisis know and have reported that Van Rompuy has attempted over the past six months to coordinate the European Council's reaction to this crisis. They are also aware and have also reported that he has had limited success in doing so. These same specialists await with interest Van Rompuy's proposals for improving the governance of the Eurozone, to be presented in outline at the European Council of June 2010 and adopted formally in October 2010. If he is able to produce substantial reforms which the European Council is willing to adopt, then his personal prestige and that of his office will certainly be enhanced. Any increase in such prestige, or indeed in the prestige of Catherine Ashton, will reinforce the growing perception of those few who follow these matters in the United Kingdom that the rotating presidency of the European Union is now primarily a technical rather than political function. If Van Rompuy deals with the single currency and Catherine Ashton deals with the Union's external relations, there is little of high European policy left for the rotating presidency to administer.

The High Representative

In her new office, Catherine Ashton has made little impact on British public or political opinion. The widespread belief that she obtained her post only because her colleague David Miliband was unwilling to accept it has undoubtedly served to harm her credibility in British political circles.[2] Occasional newspaper articles have referred to the low esteem in which she is supposedly held by certain national governments, but the incoming coalition government has undertaken to work constructively with her, despite her membership of the Labour Party.[3] Much suspicion nevertheless remains of Catherine Ashton and her post from the radical Eurosceptic wing of the Conservative Party, which sees her new functions simply as undermining the independence of British foreign policy.[4] To analyse critically Catherine Ashton's role in terms of her dealings on the one hand with the Commission and on the other with the Council would be an effort beyond the capacity of British public and political opinion. In the general British debate on European issues, little or no distinction is made between the various institutions of the Union, a confusion which is probably more marked in the United Kingdom than elsewhere, but certainly not confined to this country.

European External Action Service

At the level of public discussion in the United Kingdom, the European External Action Service (EEAS) retains something of the image attributed to it by critics of the Lisbon Treaty, namely as a feared

* **Federal Trust for Education and Research.**

replacement for national diplomatic services in the context of a general movement towards a European "superstate".[5] Against this alarmist analysis, pragmatic economic or administrative arguments about the desirability of the new institution have made little popular headway. In so far as the precise workings of the EEAS exist in the collective British political perception, it is exclusively seen as a representative, not a coordinating body. This perception is reflected in the phrase usually used to refer to the new body, the "European diplomatic service." Within British governmental, or more precisely official circles, there is however considerable hope and expectation that the United Kingdom will able to play a leading, even dominant role within the new service. British officials are encouraged in that view by the predominantly intergovernmental nature of the structures for European external policy envisaged by the Lisbon Treaty.

European Citizens' Initiative

The European Citizens' Initative plays no role in the current British debate on the European Union. It has emphatically not yet fulfilled the hope of some among the drafters of the European Convention and the Lisbon Treaty that the initiative would act as a bridge of democratic consultation between the European institutions and the European citizens.

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[1] M. White: Farage was rude but right about Van Rompuy, Guardian blog, 25 February 2010.
[2] The Economist: Why did Lady Ashton take the EU's foreign policy job?, 25 January 2010.
[3] G. Meade: Baroness Ashton's EU role "gives Britain a powerful voice", The Independent, 9 November 2009.
[4] A. Pierce: How Cathy Ashton became the laughing stock of the EU, Daily Mail online, 9 March 2010.
[5] Waterfield, Daily Telegraph, 29 March 2009; B. Waterfield: More than 50 EU embassies open across the world, Daily Telegraph, 22 January 2010.

Enlargement and European Neighbourhood Policy

Austria

Austrian perspectives on EU enlargement and the European Neighbourhood Policy

Hakan Akbulut*

Given the changes brought about by the entering into force of the Lisbon Treaty and the repercussions of the Greek financial crisis, neither the enlargement issue nor the European Neighbourhood Policy were paid much attention to in the reporting period. Nevertheless, from an Austrian point of view, the candidates most likely to join the EU in the next enlargement round are Croatia and Iceland. Croatia's admission is strongly supported by the Austrian government. Foreign Minister Spindelegger asserted that the waiting-room policy vis-à-vis the Western Balkan countries had to be ended.[1] Even though certain countries could not recognise any benefits in Western Balkan countries joining the EU, the Union should stick to its plans irrespective of the current problems, the Foreign Minister added. He also emphasised the importance of countries like Serbia, Bosnia-Herzegovina and Croatia for Austrian investment and trade. Except for the latter, however, the inclusion of the Western Balkan countries was expected to be completed by 2020, Spindelegger argued.[2] Spindelegger also stated that Austria would assist these countries in the process of EU approximation. Since Croatia reached an agreement with Slovenia to refer the border dispute to an international court and the Commission offered the view that accession talks could be finalised in 2011, the country is anticipated to join the Union by 2012.[3] From the point of view of Andreas Mölzer, a Member of European Parliament from the Austrian Freedom Party (FPÖ) – a party which usually has strong reservations about EU enlargement – neither the border problems with Slovenia, nor any lack of cooperation with the tribunal in The Hague should be allowed to further delay Croatia's admission to the Union.[4] Croatia's inclusion is also strongly supported by the Austrian Federal Economic Chamber (WKO). Croatia's quick inclusion in the Union would be good for both Austria and Croatia, the President of the Chamber, Christoph Leitl, claimed.[5] With regard to Iceland, given positive signals from Brussels, it is expected to join in 2013.[6] The country's accession process does not attract much attention and is almost taken for granted. Even for the aforementioned FPÖ, Iceland's accession does not constitute any obvious problems. Therefore, in the view of Mölzer, Iceland's accession could proceed quickly as the country is European and meets EU standards.[7] Except for some problems related to the issue of fisheries, there are no stumbling blocks, Mölzer argued. However, according to a report by the daily Der Standard, Iceland is confronted with financial claims by the United Kingdom and the Netherlands as both had to compensate investors who lost their money when the banking system in Iceland crashed. Therefore, Iceland's response to these claims is expected to affect its membership prospects.

A candidate country that is not going to join the Union during the next enlargement round is obviously Turkey. Almost all political parties seem to have reservations against Turkish membership or categorically oppose it. Only the Greens seem to support Turkish accession to the Union – yet, insofar as Turkey fulfils the Copenhagen criteria, and only after the social, ecological and democratic integration of existing members has proceeded to higher levels.[8] Moreover, from the Greens' point of view, the countries of Southeast Europe have to be given priority in the enlargement process. The coalition government, comprising the Social Democratic Party and the People's Party, is in favour of negotiations with an open end and emphasises the prospect of a referendum on the issue should the negotiations be finalised.[9] However, their position is to some extent ambiguous, oscillating between a conditional "Yes" and a veiled "No".[10] As for the Freedom Party and the Alliance for the Future of Austria, both parties categorically oppose Turkish membership. Andreas Mölzer from the Freedom Party reiterated in April 2010 that negotiations with Turkey should be stopped immediately saying that Turkish membership would pose a threat to the Christian-occidental culture of Europe.[11] It is also worth mentioning that Austrians are generally known for their enlargement scepticism. Eurobarometer polls conducted in the period from 27 October 2009 to 13 November 2009 showed, for example, that only 28 percent of the public supported further enlargement while 65 percent opposed the idea.[12]

In the reporting period, the Union for the Mediterranean (UfM) and the Eastern Partnership (EaP) barely attracted any media coverage at all. Except for brief references to the difficulties Spain had in organising the next summit due to the refusal of Arab countries to participate in a conference where Israeli Foreign Minister Lieberman would also be present and the announcement that the summit had finally been postponed, there were no debates or elaborations on substance of the UfM.[13] As for the Eastern Partnership, even though there were no explicit references to the strategy as such, it is known

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that the Danube and Black Sea regions constitute core areas of interest to Foreign Minister Spindelegger. During a speech held in January 2010, Spindelegger reiterated the importance of both regions for Austria and Europe and maintained that due to an Austrian-Romanian co-initiative, the EU Commission was working on an EU Strategy for the Danube Region, which would be presented at the end of 2010.[14] Spindelegger also pointed to the importance of the Black Sea region, especially for investment and energy security.

[1] ORF.at: EU muss "auf Schiene bleiben", 14 May 2010, available at: http://orf.at/100512-51162/?href=http%3A%2F%2Forf.at%2F100512-51162%2F51163txt_story.html (last access: 19 May 2010).
[2] Der Standard, 21 January 2010.
[3] Der Standard, 14 October 2009; Der Standard, 8 November 2009.
[4] Freiheitlicher Parlamentsklub: Mölzer: EU-Beitrittsverhandlungen mit Kroatien so rasch wie möglich abschließen!, 5 May 2010, available at: http://www.ots.at/presseaussendung/OTS_20100505_OTS0047 (last access: 19 May 2010).
[5] WKO: EU Panorama, 16 October 2009, available at: http://portal.wko.at/wk/dok_detail_file.wk?AngID=1&DocID=1249660&ConID=444130&StID=530063&titel=EU-Panorama,vom,22.,J%C3%A4nner,2010 (last access: 22 May 2010).
[6] Der Standard, 24 February 2010.
[7] Freiheitlicher Parlamentsklub: Mölzer: EU-Beitrittskandidaten dürfen nicht alle in einen Topf geworfen werden!, 23 November 2009, available at: http://www.ots.at/presseaussendung/OTS_20091123_OTS0147/moelzer-eu-beitrittskandidaten-duerfen-nicht-alle-in-einen-topf-geworfen-werden (last access: 18 May 2010).
[8] Die Grünen: Türkei: EU-Beitrittsverhandlungen, available at: http://www.gruene.at/europaeische_union/tuerkei/ (last access: 23 May 2010).
[9] Bundeskanzleramt: Regierungsprogramm für die XXIV Gesetzgebungsperiode, 2 December 2008, available at: http://www.bundeskanzleramt.at/DocView.axd?CobId=32966 (last access: 18 May 2010).
[10] As the daily Der Standard reported, during the election campaign to the European Parliament, Ernst Strasser from the People's Party, for example, called for aborting the negotiations. See Der Standard, 22 May 2009.
[11] Freiheitlicher Parlamentsklub: Mölzer: Türkeibeitritt wäre Bedrohung für christlich-abendländische Kultur Europas, 7 April 2010, available at: http://www.ots.at/presseaussendung/OTS_20100407_OTS0051/moelzer-tuerkeibeitritt-waere-bedrohung-fuer-christlich-abendlaendische-kultur-europas (last access: 22 May 2010).
[12] Europäische Kommission: Eurobarometer 72. Herbst 2009, Nationaler Bericht Österreich, available at: http://ec.europa.eu/public_opinion/archives/eb/eb72/eb72_at_at_nat.pdf (last access: 28 May 2010).
[13] Die Presse, 11 May 2010; Die Presse, 21 May 2010.
[14] Bundesministerium für europäische und internationale Angelegenheiten (BmeiA): Rede von Bundesminister Dr. Michael Spindelegger zu den Schwerpunkten der österreichischen EU-Politik, 21 January 2010, available at: http://www.bmeia.gv.at/aussenministerium/aktuelles/reden-und-interviews/2010/rede-von-bundesminister-dr-michael-spindelegger-zu-den-schwerpunkten-der-oesterreichischen-eu-politik.html (last access: 15 May 2010).

Belgium

A priority of low salience

Nathalie Brack*

Although enlargement is one of the five priorities of the Belgian Presidency, it was not much discussed during the reporting period. During its Presidency, Belgium intends to be an "honest broker", i.e., by trying to find a consensus on enlargement and by trying to accelerate the rhythm of domestic reforms within candidate countries in matters such as democracy and peace.[1]

In general, the position of Belgium is that each candidate should respect the EU criteria and all should be treated equitably on the basis of their own merits by the EU institutions.

The next enlargement round is expected to be composed of Croatia and Iceland. The former is considered as having made good progress in terms of implementing the acquis communautaire and the latter already respects all the political criteria, but faces an economic crisis.[2]

Concerning the other candidate countries, the Belgian Prime Minister declared that the Balkans' future resides in the European Union and that all those countries should, in the long run, enter the EU. He argued that for Serbia it would be a long run process, especially because it first has to solve the issue of Kosovo's recognition. He promised that Belgium would try to find a consensus by the end of 2010 to grant Montenegro the status of candidate country, but stressed that it is very important, for Montenegro but also for Albania, to implement important reforms and respect the conditions for EU adhesion. He also insisted on the importance, for the stability and integration of the Balkans, that Kosovo one day become a member of the EU, although, for the above-mentioned countries, it would take time and no timeline was set.[3]

Belgium will encourage the pursuit of the reforms in Turkey but all candidates should meet the required criteria in terms of acquis communautaire, good governance and human rights. If this proves to be impossible, a sui generis form of collaboration will be necessary.[4]

Finally, as far as the Eastern Partnership is concerned, Belgium stressed its importance in the framework of the European Neighbourhood Policy. The Secretary of State for European Affairs, Olivier Chastel, highlighted the large potential of this partnership both for the European Union and the partner countries (Ukraine, Belarus, Moldova, Azerbaijan, Armenia and Georgia), and declared that Belgium is ready to envisage offering help or expertise in specific domains in order to ensure a successful implementation of the Eastern Partnership.[5]

[1] Report on the priorities of the Belgian EU Presidency, Senate and House of Representatives, 17 March 2010, doc. n° 4-1606/6 (Sénat).
[2] De Morgen, 24 February 2010, available at: www.demorgen.be (last access: 8 May 2010).
[3] De Standaard, 17 February 2010, available at: www.standaard.be (last access: 6 May 2010); De Morgen, 21 December 2009; De Morgen, 16 February 2010; De Morgen, 9 March 2010, all available at: www.demorgen.be (last access: 8 May 2010).
[4] Report on the priorities of the Belgian EU Presidency, Senate and House of Representatives, 17 March 2010, doc. n° 4-1606/6 (Sénat); De Morgen, 21 December 2009, available at: www.demorgen.be (last access: 8 May 2010).
[5] Olivier Chastel réaffirme la position de la Belgique à propos du partenariat oriental, press release, 2 March 2010, available at: http://diplomatie.belgium.be (last access: 20 May 2010).

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Bulgaria

Turkish membership perspective currently discussed

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Bulgaria has always declared support for the accession efforts of present day candidate countries. Although Iceland's membership does not constitute an issue in public debate, attention is focused on the steps undertaken by Turkey and Croatia to speed up their negotiations. Croatia is expected to lead the way to the next enlargement round. Government officials have declared Bulgaria's support for Croatia's membership several times. Moreover, public opinion leaders share the view that Croatia's accession will open up prospects for future concrete steps in the integration of the other Western Balkan countries.[1]

In parallel with this, the Foreign Ministry is starting a review of Bulgaria's policy towards the Western Balkans, which is one of the priority areas in Bulgarian foreign policy. Bulgaria is also ambitious to take part in the debate about a new approach towards the region, as well as to help the "the internal motors" of reform start in the countries there.

The question of Turkey's membership in the EU is a delicate and problematic issue for the Bulgarian general public because of historical, geographic, demographic and economic reasons. One political party – Internal Macedonian Revolutionary Organisation (IMRO) – is leading a "Stop Turkey's Road to the EU" campaign. Party bosses claim they have collected more than 320,000 signatures in support of their initiative.[2] IMRO was the first organisation in Bulgaria to take the opportunity envisaged in the Law on Direct Civic Participation in the state and local government, which empowers citizens to initiate consultations, and fought against Turkey's membership in the EU. The party failed to gather the 500,000 signatures binding the national assembly to call a referendum. Their petition involved 322,526 people and, since the threshold of 200,000 is overcome, the parliament now has three months to decide upon the initiative.

Experts assess the IMRO initiative as an attempt by IMRO to get out of public silence as it failed to get seats in the parliament after the last general elections held in July 2009. In such a context, the Minister of Foreign Affairs Nikolay Mladenov has made a few prudent statements that Turkey's road to joining the EU is "too long" and, as a new member state, Bulgaria is not going to lobby for any of the candidate countries.[3]

The general public in Bulgaria is aware that the issue of Turkey's accession is not in the current political agenda of the EU. The widespread view points out the fact that putting the cart before the horse and destroying neighbourhood relations with Turkey is a short-sighted policy in this situation.

The Eastern Partnership (EaP) and the Union for the Mediterranean are still assessed by experts as two interlinked projects whose development is very much dependant on the support big EU member states provide for one at the expense of the other.[4] The EaP is considered to be a tool for stabilisation of the EU neighbourhood in the East. An important deficiency of the tool is that it does not provide EU membership perspectives for the east European partners. Nevertheless, Bulgaria should focus on the economic and infrastructure aspects of the EaP as far as EU support for the pipeline and energy projects will provide for the further stabilisation of the region.

[1] Available at: http://www.expert-bdd.com/index.php?option=com_content&task=view&id=747&Itemid=38 (last access: 30 July 2010).
[2] Available at: http://dariknews.bg/view_article.php?article_id=561040 (last access: 30 July 2010).
[3] Available at: http://www.dnevnik.bg/evropa/razshiriavane (last access: 30 July 2010).
[4] Nikolov, Simeon: One Year Eastern Partnership: A Chance or a Risk?, in: Expert electronic journal, Bulgarian Diplomatic Association, available at: http://www.expert-bdd.com/index.php?option=com_content&task=view&id=889&Itemid=38 (last access: 30 July 2010).

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Croatia

Croatia will be next

Senada Šelo Šabić*

Unanimous belief that Croatia will be the 28th EU member

The political elite express confidence that Croatia will be the next member state of the EU. Prime Minister Jadranka Kosor underlines that it is her belief, and that of her government, that Croatia will conclude negotiations this year and is first in line for the next round of enlargement.[1] This belief is reiterated by EU officials. Stefan Füle expects Croatia to be able to conclude negotiations in 2010, which means that the entry year could be 2012.[2] All parliamentary parties subscribe to this view. Vesna Pusić,[3] the President of the National Committee for Monitoring Accession Negotiations, expressed conviction that Croatia could, but was doubtful whether this government can conclude negotiations this year.[4]

The conference "Croatia on the Eve of the EU Accession: the Path of Reform", which took place in Zagreb on 29 and 30 April 2010, also discussed the issue thoroughly. All participants supported Croatian EU membership, said to also have a positive effect on the Southeast European region, but more effort had to be invested in the fields of the judiciary, public administration, the fight against corruption, and competition policy.[5] The main problem was how to convince chief prosecutor of the International Criminal Tribunal for the former Yugoslavia (ICTY) Serge Brammertz that Croatia was not in the possession of the wartime artillery logbooks requested for the trial proceedings against the three Croatian generals.[6] Zoran Milanović, leader of the main opposition party, the Social Democrats (SDP), spoke about the need to differentiate between very important and less important issues at a meeting of European Socialists in Brussels. Implementing reforms[7] and depoliticising the judiciary and police is more important than locating artillery logbooks.[8] Vesna Pusić saw this as an ironic twist of fate for Croatia. In her opinion, Croatian society had matured to the point that nobody could win any votes on an issue whether five pages or five tons of documents were sent to the Hague Tribunal.[9]

On 14 June 2010, Brammertz reported that some of the requested documents were still missing, but concluded that this fact should no longer block Croatia's accession.[10] The remaining three chapters – Judiciary and Fundamental Rights, Competition Policy and Foreign, Security and Defence Policy – were opened on 30 June 2010.[11]

Goran Čular, who teaches Croatian politics at the Faculty of Political Science in Zagreb, discusses an awkward position in which the political elite in Croatia are in favour of joining the EU while public support remains around 50 percent. The government initiated changes in referendum procedures with the goal to increase the probability of securing the majority of votes for entry into the EU. Čular argues that this engineering process reduces the legitimacy of Croatian accession to the EU.[12]

On Iceland, the Ministry of Foreign Affairs and European Integration published the European Commission's information on the results of the referendum in which 93 percent of Iceland's citizens voted against refunding foreign citizens their savings in Icesave.[13] Banka Magazine stressed that Island's application for EU membership has been mainly urged by the harsh consequences of the economic and financial crisis.[14] The Enlargement Commissioner, Stefan Füle, when asked directly whether Iceland can enter the EU together with Croatia, answered very vaguely that "it is not the Commission's job to create timetables".[15] Most recently, the media published that the negotiations with Iceland would open in June 2010.[16]

It is in Croatia's interest that all countries in the European southeast join the EU

Croatian entry into the EU is seen as a positive pull for other Southeast European (SEE) countries.[17] At the summit of SEE leaders, Prime Minister Kosor supported a Euro-Atlantic perspective to the region of SEE.[18] David Hudson, Head of the Political Section of the EU Delegation to Croatia, speaking at the earlier mentioned conference "Croatia on the Eve of the EU Accession: the Path of Reform", said that the knowledge and understanding of the Western Balkans which Croatia brings into the EU is a strong asset. Dunja Jevak, Head of the Department for Bosnia and Herzegovina,

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Montenegro and Serbia at the Ministry of Foreign Affairs and European Integration, spoke about Croatia as a factor of stability in the region seen through regional incentives and NATO membership.[19]

Croatia interested in cooperation with the Union for the Mediterranean

Croatia, as a member of the Union for the Mediterranean, actively participates in ministerial conferences.[20] However, there is a perception that more could be done in strengthening the Union for the Mediterranean and making its framework more effective. 72 percent of Croatia's trade exchange is with Mediterranean countries, with exports worth 9.6 billion US-Dollars.[21] These facts underscore the interest the country has for different forums for cooperation within the Mediterranean region.

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[1] Marinko Petkovic: Croatia receives support on European path, Vjesnik, 9 April 2010; government of the Republic of Croatia: Prime Minister meets the Commissioner for Regional Policy, press release, available at: http://www.vlada.hr/en/aktualne_teme_i_projekti/aktualne_teme/hrvatska_i_eu (last access: 13 May 2010); government of the Republic of Croatia: Prime Minister receives European Parliament delegation, press release, available at: http://www.vlada.hr/en/naslovnica/priopcenja_za_javnost/2010/ozujak/predsjednica_vlade_s_izaslanstvom_europskog_parlamenta (last access: 13 May 2010).

[2] Jurica Köbler: Croatia first in line for enlargement, Vjesnik, 2 February 2010; Augustin Palokaj: Prime Minister Kosor and European Enlargement Commissioner Füle discuss completion of EU entry talks this year, Jutarnji list, 25 February 2010.

[3] Vesna Pusić is a former leader and now in the leadership of the Croatian People's Party. She was also a candidate in the last presidential elections, but lost in the first round.

[4] Vesna Pusić speaking in Varaždin at the event marking European Day and the 65th anniversary of the victory over fascism, 8 May 2010, available at: http://www.vesna-pusic.hns.hr/clanak.php?id=139250 (last access: 15 May 2010).

[5] A detailed report on the Conference is available at: http://www.imo.hr/node/825 (last access: 19 May 2010).

[6] Stojan de Prato: Because of artillery logbooks EU again waits for Brammertz, 14 April 2010, available at: http://www.vecernji.hr/vijesti/zbog-topnickih-dnevnika-eu-opet-ceka-brammertza-clanak-126059 (last access: 16 May 2010); Chief prosecutor of International Criminal Tribunal for the former Yugoslavia in The Hague, Serge Brammertz, said he still expected Croatia to deliver the documents sought by his office, adding that he would be able to make the final assessment of Croatia's cooperation with the tribunal only after visiting Zagreb in three weeks time, tportal.hr, 28 April 2010, available at: http://daily.tportal.hr/65699/Brammertz-says-will-assess-Croatia-s-cooperation-in-3-weeks.html (last access: 16 May 2010); Irena Frlan: From the Hague to the stars, Novi list, 1 February 2010.

[7] Considerable effort is invested to build the social consensus for extensive reform process. Talking to journalists on 12 January 2010 after the Economic and Social Council meeting in which he received the unanimous support from the Council to carry out justice reforms, Ivan Šimonivić, the Minister of Justice, said that such support is what builds consensus, the Union of the Autonomous Trade Unions in Croatia website, available at: http://www.sssh.hr/index.php?option=com_content&task=view&id=1597 (last access: 20 May 2010).

[8] SDP: In Chapter 23 to focus on necessary reforms, Brussels, 12 May 2010, available at: http://www.sdp.hr/vijesti/aktualno/u-poglavlju-23-usredotociti-se-na-nuzne-reforme (last access: 20 May 2010).

[9] She thinks that the government should do all it can to convince the chief prosecutor that Croatia is not in the possession of the requested documents and that it should do so in the next couple of months before the current Minister of Justice, Ivan Šimonović, who has been appointed a UN Deputy Secretary-General for human rights, will leave for New York in mid August. His presence in the negotiations adds to Croatia's credibility. Rozita Vuković: Liberals are not essential for the HNS-SDP coalition, Jutarnji list, 15 May 2010.

[10] In relation to the cooperation of Croatia, the prosecutor stated that the "the issue of the missing important documents related to Operation Storm in 1995 remains outstanding". The Prosecutor informed the Council that he had been assured by Croatian authorities that the activities suggested by his office one year ago will be undertaken and that Croatia will intensify its administrative investigation. He also expressed hope that these activities will result in effective action and concrete results and that Croatia will fully account for the missing documents. Prosecutor Brammertz's address before the Security Council, press release, ICTY, 18 June 2010, available at: http://www.icty.org/sid/10423 (last access: 09 July 2010); the chief prosecutor "gave us a pass, in spite of artillery logbooks", wrote Augustin Palokaj: Croatia opens remaining chapters on 30 June, Jutarnji list, 14 June 2010.

[11] "By opening the last three chapters […] Croatia made the step-of-no-return towards the membership", wrote Augusting Palokaj: The last three chapters opened, Jutarnji list, 1 July 2010; News section of *t-portal*: Croatia in the last 500 meters of the EU marathon, 30 June 2010, available at http://www.tportal.hr/vijesti/hrvatska/75079/Hrvatska-u-zadnjih-500-metara-EU-maratona.html (last access: 09 July 2010).

[12] Goran Čular: Decisions and rituals, Političke analize, Vol 1 No 1, February 2010, pp. 22-26.

[13] The European Commission stressed that Iceland's accession to the EU has nothing to do with the Icesave affair, 10 March 2010, available at: http://www.mvpei.hr/ei/default.asp?ru=1&gl=201003100000003&sid=&jezik=1 (last access: 18 May 2010).

[14] Deutsche Welle/Banka Magazine: Heavy crisis pushes Iceland to EU membership, 25 February 2010, available at: http://www.bankamagazine.hr/Naslovnica/Vijesti/Umre%C5%BEi/tabid/320/View/Details/ItemID/57840/ttl/Deutsche-Welle-Teska-kriza-tjera-Island-u-EU/Default.aspx (last access: 18 May 2010).

[15] Poslovni.hr: EU Commission recommended opening accession negotiations with Iceland, 24 February 2010, available at: http://www.poslovni.hr/140718.aspx (last access: 15 May 2010).

[16] The EC recommended opening negotiations with Iceland, however without a date, 11 May 2010, available at: http://dalje.com/hr-svijet/odluka-o-pregovorima-eu-i-islanda-u-lipnju/304963 (last access: 18 May 2010).

[17] At the meeting of liberal democratic parties from Western Balkans, held in Sarajevo on 7 May 2010, Vesna Pusić said that Croatia has a duty to use its experience to help countries in the region successfully carry out reforms required for EU membership. See: HRT: Liberal democrats for Western Balkans, available at: http://www.hrt.hr/index.php?id=48&tx_ttnews%5BbackPid%5D=23&tx_ttnews%5Btt_news%5D=72390&cHash=d8c5db1941 (last access: 15 May 2010).

[18] Serbian President Tadić did not attend the summit since Kosovo's Prime Minister was there. Kosor expressed hope that the next summit would include leaders from the entire region. Ivan Botteri: Kosor sent a message to Tadić: 'EU path requires some

courage', Slobodna dalmacija, 21 March 2010; media sees it as an act of goodwill and good neighbourly relations that Croatia has handed the translation of the acquis communautaire to its SEE neighbours, said to cost 8 million Euros.
[19] Available at: http://www.imo.hr/node/825 (last access: 19 May 2010).
[20] The last one was the Conference of Water Management Ministers in Barcelona, 13 April 2010.
[21] Jagoda Vukušić: Mediterranean is the biggest trade partner of Croatia, interview with Tonči Tadić, President of the Euro-Mediterranean Forum, Novi list, 7 January 2010.

Cyprus

Western Balkans to join the European family, Turkey to open its ports and airports

Nicoleta Athanasiadou, Costas Melakopides and Christos Xenophontos*

Following the Slovenians' vote in favour of their government's agreement to accept the verdict of an international panel in mediating the dispute on the Bay of Piran, Cypriot diplomats expressed the belief that Croatia will be able to complete its membership talks with Brussels in the coming year, putting the country on track to become the EU's 28th member in 2012.[1]

According to our Ministry of Foreign Affairs interlocutors, Cyprus supports the Western Balkans aspirations to join the European family, adding that the resolution of the maritime dispute between Croatia and Slovenia sends a significant message to other countries in the region that wish to become EU members: namely, to resolve any bilateral issues that might block their EU talks.[2] An obvious example is the name dispute between the Former Yugoslav Republic of Macedonia (FYROM) and Greece: an agreed upon settlement will definitely speed up FYROM's accession prospects.

The same applies to the case of Turkey. As is well known, Cyprus – banking on Turkey's "Europeanisation" – has supported its bid to become a full EU member, provided that Ankara complies with its EU obligations and commitments and adopts in full the European norms and values. Turkey, however, keeps refusing to open its ports and airports to Cyprus unless the so-called "isolation" of the Turkish Cypriots is lifted.[3] In this connection, it is noteworthy that EU Enlargement Commissioner, Štefan Füle, during his June 2010 meeting in Ankara with Turkish chief EU negotiator, Egemen Bağiş, acknowledged that Turkey holds the key for the opening of the "frozen chapters", since it refuses to implement the Ankara Protocol.[4] Füle observed that it is not yet time for Turkey's full EU accession, adding however that when that time comes, Turkey will be "a different country" from what it is today. On the same subject, Cypriot Member of the European Parliament Koullis Mauronikolas (Party of European Socialists – PES) emphasised that the issue of ratification of the Ankara Protocol does not constitute a Cyprus-Turkey dispute, but a clear issue of EU-Turkey relations. He added that, manifestly, the dispute between Cyprus and Turkey is the island's military occupation and the fair and functional settlement of the Cyprus problem.[5]

Following Egemen Bağiş' quip, that if he were a Cypriot he would work more for Ankara's accession than the Turkish negotiator, Cypriot government spokesman Stefanos Stefanou replied that Turkey cannot possibly demand a *carte blanche* in its EU progress, while it insists on violating the UN resolutions and international and European law in Cyprus.[6] Ankara, Stefanou added, is not working in practical terms towards a Cyprus settlement. If, he noted, Turkey fulfils its obligations to the EU and the Republic of Cyprus, then it will discover how supportive the Republic can be regarding its accession course.

Political analysts and press columnists have long been concurring that Turkey is far from being honest concerning its intentions about the Cyprus problem. This was reiterated forcefully after the April 2010 election of veteran nationalist politician, Derviş Eroğlu, as the new leader of the Turkish Cypriot Community. Eroğlu was essentially elected by the votes from illegal Turkish settlers who live in the occupied areas of Cyprus and whose number has rapidly increased after the Annan Plan referenda in April 2004.[7] After stating as self-evident that Turkey must consent to a fair and viable solution of the Cyprus problem if it wishes to become a full EU member state, they added a truism: that it would be scandalous if Turkey joined the EU while occupying – with around 40,000 troops – 37 percent of another EU member state. According to our interlocutors, it is "quite odd" to hear from the lips of President Gul, Prime Minister Erdoğan, and Minister of Foreign Affairs Davoutoğlu that they want a resolution of the conflict by the end of 2010, while Turkish Cypriot leader Eroğlu declares that the only solution of the Cyprus problem is the creation of either two different states or a confederation with two different economies. Needles to say, both alternatives contradict the UN Security Council resolutions and the current UN-supported negotiating framework.

Meanwhile, according to ANTENA TV's Brussels correspondent, the Cyprus government may consent to the opening of the food safety chapter for Turkey, either on 30 June 2010, at the end of the Spanish

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EU Presidency, or in July 2010, during the Belgian EU Presidency.[8] Were Nicosia to take this stance, it would wish to signal anew its own good will and its unceasing aspiration to facilitate the ongoing, albeit quite bumpy, Cyprus talks.

Iceland seems to Cypriot diplomats to potentially compete with Croatia for the status of the EU's 28th member state.[9] The Nordic country is well in line with European standards: it respects the rule of law and human rights and it has already adopted a significant proportion of EU legislation through its membership of the European Economic Area. Nevertheless, issues like fishing and whaling rights are expected to be a bit challenging in the country's EU accession trajectory.

The joint declaration at the Prague Eastern Partnership Summit between the EU member states and representatives of the Republics of Armenia, Azerbaijan, Belarus, Georgia, Moldova and Ukraine is expected by Cypriot political observers to foster closer political and economic ties between the parties involved.[10] According to them, this attempt aims at incorporating the EU's Foreign Policy towards Eastern Europe and the South Caucasus by developing a specific Eastern dimension of the European Neighbourhood Policy. The Eastern Partnership offers deeper bilateral relations and launches a new multilateral framework for cooperation, according to each partner's needs and ambitions, and is trying to create conditions for a more stable development, far from internal conflicts and disputes. This effort aims at boosting EU-inspired reforms, which would ultimately lead to more economic integration and a visa-free regime. According to Cypriot political analysts, this effort will be empowered with the direct involvement of the Russian Federation, given its strong influence in most of these counties.

Concerning the Union for the Mediterranean, Cypriot political analysts acknowledge that, until now, it has not produced any substantial results.[11] The laudable ambition of the Union for the Mediterranean is to deal with energy, security, counter-terrorism, immigration and trade issues. But all projects require approval by consensus among its 48 members, around half of which are EU member states. In addition, the Israeli-Palestinian conflict has blocked crucial policy issues in the entire region. Nevertheless, according to our interlocutors, the overall idea – i.e., EU member states coming together with Northern African and Middle Eastern states to discuss common problems – is praiseworthy and, therefore, it should be cultivated.

Since both initiatives – the Union for the Mediterranean and the Eastern Partnership – aim at enhancing the European Neighbourhood Policy by addressing internal problems and by promoting cooperation between third countries and the EU, they are perceived quite favourably from the Cypriot political and academic standpoint, as far as we were able to detect.

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[1] Interviews conducted by Christos Xenophontos, Ministry of Foreign Affairs, Nicosia, June 2010.
[2] Ibid.
[3] On the myth of the so-called „isolation" of the Turkish Cypriots see: Erato Kazakou Markoulli, former Cypriot Minister of Foreign Affairs, in: Costas Melakopides/Achilles Emilianides/Giorgos Kentas (eds.): The Cyprus Yearbook of International Relations 2007, Nicosia 2008).
[4] Štefan Füle, Eu Commissioner for Enlargement, Statements, Ankara, 23/06/2010 (as reported by all Cypriot Media).
[5] Koullis Mauronikolas, MEP: Statement, Nicosia, 24/06/2010 (as reported by the Cyprus News Agency).
[6] Stefanos Stefanou, Government Spokesman: Statements, Nicosia, 17/6/2010 (as reported by the Press and Information Office of the Republic of Cyprus).
[7] Interviews conducted by Christos Xenophontos and Nicoleta Athanasiadou, Nicosia, June 2010. It is crucial in this context to recall that, according to Council of Europe figures, the (illegal) Turkish settlers arriving in the occupied territory of northern Cypus have long exceeded the number of the indigenous Turkish Cypriots: "According to reliable estimates, their number curently amounts to 115,000. […The Turkish Cypriots'] number decreased from 118,000 in 1974 to an estimated 87,600 in 2001. In consequence, the settlers outnumber the indigenous Turkish Cypriot population in the northern part of the island." See Council of Europe: Colonization by Turkish settlers of the occupied part of Cyprus, Doc. 9799, 2 May 2003, p. 2. These figures for 2001 have worsened dramatically since the April 2004 referendum on the notorious "Annan plan".
[8] 23/05/2010 (as reported by ANTENA TV main evening news).
[9] Interviews conducted by Christos Xenophontos, Ministry of Foreign Affairs, Nicosia, early June 2010.
[10] Interviews conducted by Christos Xenophontos and Nicoleta Athanasiadou, Nicosia, June 2010.
[11] Ibid.

Czech Republic

The Czech Republic keeps an eye on Eastern Europe

Vít Beneš*

Further EU enlargement has been a long-term priority of the Czech Republic and a steady ingredient of Czech European policy.[1] In the past years, Czech diplomacy invested a good deal of political capital in the enlargement cause, trying to repulse the critique of the "enlargement-sceptical" governments. The Czech political elites tacitly agree on the merits of the EU enlargement in general. On the other hand, disputes arise when individual countries are being discussed. In fact, consensus is limited to the support of the Balkan countries' membership.[2] The negotiations with Croatia are unanimously supported by all political players. Even though the support for EU enlargement was not a topic of strong proclamations by the Czech political representation, Czech diplomacy continuously expressed its support.[3] Croatia's case is also unproblematic due to the popularity of the country as a tourist destination among the Czech population.

Other Balkan countries are subsumed under a general priority in the EU enlargement to the Balkans. Individual actors rarely express preferences regarding individual countries. The key political actors and experts do not seem to prioritise one Balkan country over another. Everybody acknowledges that Croatia will enter the EU separately, but other Balkan countries are expected to join the EU within a short time span or as a group. All Balkan countries are expected to join the EU in a mid-term perspective. At this time, the focus is on keeping the enlargement agenda alive so that the individual countries can enter the EU depending on their merits.

On the other hand, Turkey is clearly a particular case. On the political level, Turkey's accession is being discussed separately and more intensely, and the issue is controversial. The Czech Republic officially supports the accession of Turkey into the EU once all its entry conditions are met. The accession of Turkey into the EU is vocally supported by the Czech President.[4] Most parties either openly support the prospect of full membership or at least favour the continuation of negotiations.[5] The arguments voiced in the current debate often start with the observation that the suspension of talks by the EU would harm the reputation of the EU. Turkey is seen by supporters of its EU accession as an important partner in strengthening the EU's energy security or as an important asset for the EU as a global political actor. On the other hand, the opponents of Turkish membership (the Christian Democrats – KDU-ČSL – and other, smaller parties including Public Affairs – VV)[6] point to the cultural and civilisational differences ("non-Europeaness") of Turkey. Even though these parties are marginal on the political scene, their positions echo the attitudes of the silent majority of Czech citizens which oppose Turkey's EU membership. According to a 2007 poll, 57 percent were against Turkey's membership and only 27 percent were in favour of it.[7] Even though there are no newer opinion polls, we assume that this negative attitude persists.

In the examined period, the prospect of Iceland's accession into the EU has been discussed by the media and think tanks in the wake of Iceland's bid to join the EU. Since Iceland is a developed West European country, and there are no negative feelings towards it, the prospect of its membership is almost unequivocally accepted by all relevant actors. Czech political parties are ready to come up with innovative ideas when it comes to EU enlargement. For example, the right-wing parties seem to support the idea that, in the long-term period, Israel also should belong in the EU. On the opposite side of the political spectrum, communists dream about an EU "from Vancouver to Vancouver".[8]

Most of the Czech political parties officially support further EU enlargement in their programme documents.[9] Nevertheless, the issue of EU enlargement was not present in the election campaign. The same can be said about public attitudes: the Czech population supports further EU enlargement – according to the last Eurobarometer (Autumn 2009), 63 percent of Czech citizens support further EU enlargement while 31 percent oppose the policy, the Eurobarometer even recorded an increase in support.[10] On the other hand, support for further EU enlargement has not been manifested in public discussions.

In late 2009, the Czech Štefan Füle became Commissioner for Enlargement and European Neighbourhood Policy.[11] This appointment has been welcomed by all political actors as a natural

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expression of the Czech Republic's long-term interests in EU enlargement. Even though the daily activity of the European Commission is somehow remote to the Czech media, they continue reporting the steps taken by Commissioner Füle.[12] Nevertheless, the issue of EU enlargement has been sidelined by the Greek crisis and the subsequent discussion about the fate of the Eurozone. EU enlargement as such or the prospects of individual candidate countries have not been discussed in the public debate and thus we have recorded no shifts in the positions of relevant actors.

With regard to the eastern dimension of the European Neighbourhood Policy (ENP), we may argue that it consumed some of the energy and attention previously devoted to enlargement. Czech diplomats participated in several activities (seminars, forums) devoted to the Eastern Partnership.[13] The diplomacy of Mirek Topolánek's government focused its attention on the east, as it concentrated on fomenting a strong European position towards Russia on energy and other issues and towards the eastern neighbourhood in general. Fischer's government (in power since mid-2009) kept the focus on the Eastern Partnership, even though the discourse has somehow changed.

Originally, the Eastern Partnership was perceived as a counterbalance to France's Union for the Mediterranean,[14] which would ensure the EU's attention and presence in the region of Eastern Europe in times of more assertive Russian foreign policy. In the first half of 2010, the Czech discourse changed a bit; for example, the Minister of Foreign Affairs Jan Kohout and his German counterpart, Guido Westerwelle, stressed in a joint article that the Eastern Partnership is not a private club and that third countries like Russia and Turkey are most welcome to participate in it.[15]

Even though Czech political parties differ in their assessments of Russia and its foreign policy, the Eastern Partnership is unequivocally assessed positively.[16] There is a consensus among Czech politicians, the media and analysts that the initiative represents one of the successes of last year's Czech EU Presidency. On the other hand, the Eastern Partnership remains an "expert-driven" policy. As far as we can judge from the Czech media, the general public remains disinterested and uninformed in regard to it. In contrast to Poland, Czech society does not feel any deep emotional attachment to the region. As a consequence, the political parties rarely mention the Eastern Partnership as such in their electoral programmes, let alone in their election campaigns. The Eastern Partnership remains a domain of some party experts (the initiative fits into broader concerns over containing Russia and spreading democracy), professional diplomats and academics. While EU enlargement represents a tangible and understandable policy for the ordinary citizen, public awareness of the Eastern Partnership seems to be relatively low. The Union for the Mediterranean is not discussed in the media at all and it receives only limited (if any) attention from political parties, experts and academics.

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[2] Mediafax.cz: Balkán do EU patří, shodují se politické strany [Political parties agree: the Balkans belong in the EU], 29 April 2010, available at: http://www.mediafax.cz/politika/3032459-Balkan-do-EU-patri-shoduji-se-politicke-strany (last access: 24 June 2010).

[3] Government of the Czech Republic: J. Chmiel se setkal s chorvatským vyjednavačem pro vstup do EU [J. Chmiel met with the Croatian negotiator], 29 March 2010, available at: http://www.vlada.cz/cz/evropske-zalezitosti/tiskove-zpravy/j--chmiel-se-setkal-s-chorvatskym-vyjednavacem-pro-vstup-do-eu-70002/ (last access: 24 June 2010); Czech Social Democratic Party: ČSSD usiluje o co nejrychlejší vstup Chorvatska do EU [Social Democrats support a speedy entrance of Croatia into the EU], 17 May 2010, available at: http://www.socdem.cz/inews/video/cssd-usiluje-o-co-nejrychlejsi-vstup-chorvatska-do-eu (last access: 24 June 2010).

[4] Czech Television: Klaus a řecký prezident se shodli na rozšiřování EU i o Turecko [Klaus and the Greek president agreed on the EU enlargement including Turkey], 2 December 2009, available at: http://www.ct24.cz/domaci/74238-klaus-a-recky-prezident-se-shodli-na-rozsirovani-eu-i-o-turecko/ (last access: 24 June 2010).

[5] Eurozprávy.cz: Srovnání programů politických stran v neekonomických tématech [A comparison of the party programmes in non-economic areas], 6 May 2010, available at: http://domaci.eurozpravy.cz/politika/8490-srovnani-programu-politickych-stran-v-neekonomickych-tematech/ (last access: 24 June 2010).

[6] Mediafax.cz: Lidovci, Zemanovci a Věci veřejné nechtějí Turecko v Evropské unii [The Christian Democrats, Zeman's Party and Public Affairs do not want Turkey in the European Union], 25 April 2010, available at: http://www.mediafax.cz/politika/3030399-Lidovci-Zemanovci-a-Veci-verejne-nechteji-Turecko-v-Evropske-unii (last access: 24 June 2010).

[7] Public Opinion Research Centre: Postoje českých občanů k Evropské unii a jejímu rozšiřování [The attitudes of the Czech citizens towards the EU and its enlargement], 21 February 2007, available at: http://www.cvvm.cas.cz/upl/zpravy/100656s_pm70221.pdf (last access: 24 June 2010).

[8] Mediafax.cz: Balkán do EU patří, shodují se politické strany [The Balkans fits into the EU, political parties agree], 29 April 2010, available at: http://www.mediafax.cz/politika/3032459-Balkan-do-EU-patri-shoduji-se-politicke-strany (last access: 24 June 2010).

[9] Czech Social Democratic Party: Zahraniční politika [Foreign policy], Lubomír Zaorálek, shadow minister of foreign affairs, 30 January 2010, available at: http://www.cssd.cz/volby/oranzove-knihy/ (last access: 24 June 2010); Civic Democratic Party: Podrobný volební program [Detailed election programme], available at: http://www.ods.cz/volby2010/data/soubory-ke-stazeni/182/volebni-program-velky.pdf (last access: 24 June 2010); Tradition Responsibility Prosperity 09: Zahraniční politika [Foreign Policy], Election programme 2010, available at: http://www.top09.cz/proc-nas-volit/volebni-program/volebni-program-2010/?clanek=1352 (last access: 24 June 2010).
[10] Standard Eurobarometer 72, December 2009, available at: http://ec.europa.eu/public_opinion/archives/eb/eb72/eb72_en.htm (last access: 24 June 2010).
[11] Czech News Agency: Czech Fuele to be EU commissioner for enlargement, 27 November 2009, available at: http://www.ceskenoviny.cz/zpravy/czech-fuele-to-be-eu-commissioner-for-enlargement/409570&id_seznam=1800 (last access: 24 June 2010).
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[15] Westerwelle, Guido/Kohout, Jan: Joint article on the European Union's Eastern Partnership by Federal Foreign Minister Guido Westerwelle and the Minister of Foreign Affairs of the Czech Republic Jan Kohout, Financial Times Deutschland, 4 March 2010, available at: http://www.auswaertiges-amt.de/diplo/en/Infoservice/Presse/Interview/2010/100304-BM-Kohout-FTD.html (last access: 24 June 2010).
[16] See, e.g., Government of the Czech Republic: Achievements of the Czech Presidency: Europe without Barriers, September 2009, available at: http://www.eu2009.cz/scripts/file.php?id=61211&down=yes (last access: 24 June 2010); Král, David/Bartovic, Vladimír/Řiháčková, Věra: The 2009 Czech EU Presidency: Contested Leadership at a Time of Crisis, Stockholm: Swedish Institute for European Policy Studies, 2009.

Denmark

A neighbour in the EU

Julie Herschend Christoffersen*

The prospect of Icelandic membership into the EU is widely welcomed in Denmark. This will shift the balance in the EU towards the north and hence Denmark. Denmark has even offered assistance to prepare for some of the negotiations Iceland will be having with the EU. The social democrat Member of European Parliament (MEP) Dan Jørgensen is welcoming Iceland into the EU, as only common solutions can bring a way out of the crisis about.[1]

Public debates in the media are sympathetic to the present economic plight of Iceland, but there is a general consensus that Iceland will have to live up to its responsibility and pay for its mistakes. The Icelandic "No" to Icesave II[2] was seen as a way of "voting No to reality".[3] It is widely expected that Iceland will join the EU together with Croatia in spring 2012,[4] when Denmark is holding the Presidency of the Council.

Turning away from Europe?

A number of observers in the media have taken notice of a change in the Turkish attitude towards the EU. The general feeling concerning Turkey in the Danish media is that Turkey is turning away from Europe as a result of EU's indifferent attitude towards Turkey.[5] Turkey's new active foreign policy in the Middle East is largely perceived as a turning away from Europe. However, the Turkish embassy in Copenhagen has publicly contested this view and claimed that there is nothing in the new Turkish foreign policy that contradicts its possibilities for pursuing a European future.[6]

The second theme that has been present in the Turkish debate concerns the Armenian genocide. The Swedish declaration on the Armenian genocide sparked some debate concerning the need for recognition of the genocide in Turkey. However, the Danish Foreign Minister has stated that no similar vote will be held in the Danish parliament.[7]

A new Visa regime

The Western Balkans do not enjoy a lot of attention in the Danish debate. Apart from what is expected to be Croatia's accession within the coming years, not a lot of enthusiasm is linked to the prospects of EU-membership for the Western Balkan countries. The issue of visa liberalisation sparked some evaluations on the positive effects this will have on the development of the region, as well as the issue that Kosovo and Bosnia and Herzegovina are still stuck with visa demands.[8]

A forgotten policy

The European Neighbourhood Policy is something that is barely being mentioned in the Danish media and an assessment of these projects has not been very present in the debate. The Russian President Medvedev visited Denmark in May 2010 and therefore put more focus on the bilateral relationship with the big neighbour in the east rather than other relations between Denmark and Eastern Europe.

Denmark launched the "Arab Initiative" in 2003, which was created to strengthen dialogue concerning reform in the Middle East and Northern Africa.[9] The EU-backed Union for the Mediterranean is a central part of the multilateral "leg" in the "Arab Initiative", but the Initiative attracts far more attention than the EU's activities in this respect.

[1] Folkebladet: Velkommen Island, 27 February 2010.
[2] Icesave II was a bill that should approve a state guarantee on the debts of the Depositors' and Investors' Guarantee Fund. For information on Icesave in general see Wikipedia: Icesave dispute, 20 June 2010, available at: http://en.wikipedia.org/wiki/Icesave_dispute (last access: 6 July 2010).
[3] Politiken: Torskedumt, 6 January 2010.
[4] Information: Island i EU – en saga blot?, 28 February 2010.
[5] Jyllandsposten: Tyrkiets kurs, 28 December 2009; Politiken: Tyrkerne vender blikket mod øst, 25 Oktober 2009.

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[6] Jyllands-Posten: Fejlagtig analyse, 13 January 2010.
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Estonia

In favour of an open-door policy and an ambitious Eastern Partnership

Piret Ehin*

The Estonian government continues to support further enlargement, while emphasising that the process is dependent on progress made by each candidate state. According to Foreign Minister Urmas Paet, "Estonia is a supporter of the European Union's open-door policy so that nations that share common values and principles with our member states can be included in the Union."[1] The government faces no significant domestic constraints in pursuing this policy: according to the latest Eurobarometer survey, conducted in autumn 2009, 57 percent of Estonian respondents supported enlargement, compared to the EU average of 46 percent.[2]

Estonia maintains that accession negotiations with Iceland should be started as soon as possible and strongly backs Iceland's accession to the European Union. In April 2010, the Estonian Foreign Ministry held a seminar in Iceland, during which representatives and experts from Estonian government institutions shared Estonia's experiences with EU accession and membership. Foreign Ministry Secretary General Marten Kokk stated that "for any sectors in which Iceland is interested, Estonian experts will gladly share their experiences in joining the European Union."[3] This commitment reflects the history of bilateral relations: Iceland was the first country in the world to recognise the Republic of Estonia following the restoration of independence in August 1991. This bold step by a tiny nation is remembered with gratitude, and ensures Estonia's whole-hearted support to Iceland's EU aspirations.

Estonia's support to the accession of the Western Balkan countries remains similarly firm. In May 2010, Vladimir Drobnjak, Croatia's chief negotiator with the EU, visited Estonia. Estonian officials acknowledged Croatia's progress and expressed hope that Croatia "will soon be able to open the final chapters and complete the negotiations on the technical level this year."[4] According to the Estonian Foreign Ministry, "Croatia becoming a member of the European Union would be a positive sign to the entire Western Balkan region."[5]

During the meeting with Serbian Foreign Minister Vuk Jeremić in Tallinn in March 2010, Foreign Minister Paet confirmed that Estonia recognises Serbia's steps towards the EU and completely supports Serbia's reform efforts. Estonia regards the decision made by the EU in December 2009 to begin implementing an interim stabilisation and association agreement with Serbia as a significant step in the integration process.[6] EU's decision to extend visa-free travel to citizens of Serbia, Montenegro, and Macedonia consitutes another important and welcome development. Estonia attaches great significance to Serbia's cooperation with the International Criminal Tribunal for the former Yugoslavia.

Estonian officials share the general perception that, relative to the other Western Balkan countries, Bosnia and Herzegovina has fallen behind and needs to speed up the implementation of reforms, and the government needs to agree on a common vision regarding the general direction of the nation's Euro-Atlantic development.[7]

The EU's Eastern neighbourhood is an area of great importance to Estonia, and the country has been a keen observer and active participant in the development of the European Neighbourhood Policy (ENP). Estonia portrays itself as a proponent of an ambitious ENP and as a "principled, consistent, and strong, yet demanding, supporter of our Eastern Partners."[8] Estonia is keen to share its transition experiences with other countries, and has expanded activities designed to transfer transition know-how. It participated actively in the compiling of the Transition Compendium, an overview of the member states' transition experiences prepared by the European Commission. The Foreign Ministry is expanding its training programmes for the Eastern partners. A five-day training seminar for specialists and experts from Eastern Partnership target countries (Armenia, Azerbaijan, Georgia, Moldova, Ukraine, and Belarus) was organised in Tallinn in April 2010. It focused on matters related to good governance and public administration reform. In the longer perspective, Estonia is prepared to establish an Eastern Partnership training centre in Tallinn similar to the Mediterranean Academy in Malta.[9] Estonia also supports the Eastern neighbours by contributing to the Neighbourhood

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Investment Facility Trust Fund, and continues to implement bilateral development cooperation projects in its priority partner countries – Georgia, Ukraine, and Moldova, as well as in Belarus and Armenia.

Estonia's goal during the Spanish Presidency is the further development of the Eastern Partnership in accordance with goals specified in the Joint Declaration of the Prague Eastern Partnership Summit, and development of bilateral relations between the EU and the partner countries.[10] The government emphasises the importance of concluding deep and comprehensive free trade agreements, the ultimate objective being a common free trade area. It also supports the expansion of visa-free travel and prioritises close cooperation in energy and infrastructure matters. It notes that Ukraine, Moldova, and Georgia have already unilaterally dropped all visa obligations for EU citizens. According to Foreign Minister Paet, Estonia supports "the continuation of the visa dialogue with Ukraine, and the initiation of one with Moldova, as well as the speedy concluding of visa facilitation and readmission agreements with Georgia."[11] Paet also confirmed that Estonia will "do [its] best to reach a consensus on the association agreement negotiations mandates with Georgia, Armenia, and Azerbaijan" in the first half of 2010. Estonia also continues to emphasise the value dimension in relations with Eastern partners, arguing that the Eastern Partnership "must become a values-based policy that will provide effective aid to target countries in growing closer to the European Union and in developing democracy and building up the rule of law."[12]

Compared to the Eastern dimension of the ENP, Estonia has fewer contacts and experiences with the southern neighbours. The government recognises that "the EU's cooperation with neighbours to the south is equally important" but focuses its own attention mostly on the Eastern dimension. According to the Foreign Ministry, it is essential to ensure that financing for the neighbourhood programmes is allocated equally between the southern and eastern facets of European Neighbourhood Policy.[13]

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Finland

On biased negotiations, Balkan stereotypes and Arctic potential

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During the reporting period, a conflict between the official policy of Finland and popular sentiment in the country towards EU enlargement could be detected. The government held that enlargement benefited Finland politically and economically, and lay at the core of its EU policy. More specifically, "Finland supports the membership negotiations of Turkey and Croatia and the Western Balkans' closer proximity to the EU."[1] At the same time, according to a Eurobarometer survey conducted in autumn 2009, a majority (55 percent) of Finns were against enlargement of the EU in the coming years. Although two out of five (40 percent) were in favour of enlargement, Finns are somewhat more reserved on this than EU citizens on average. According to the survey, the cautiousness of Finns can be explained by the fact that a great majority feel that the EU has grown too quickly. However, judging from the Finnish press coverage, a more realistic explanation might be that, apart from Iceland, the candidate countries remain distant and unknown to Finns, and this causes uncertainty and some reservations. Also, ministerial level visits concentrated on Finland's neighbouring area, with even the Prime Minister's office admitting that the Mediterranean region and some new member states were being neglected.[2]

Iceland's EU membership was largely perceived as an open-and-shut affair, and, as such, separate from other current and awaiting applications. Indeed, comparisons with Bulgaria and Greece were made to argue that the EU criteria for membership favours some states over others; Iceland, the daily newspaper Helsingin Sanomat wrote in its main editorial, already implements EU legislation better than, for example, the aforementioned member states.[3] Iceland was expected to become a member of the EU in the next enlargement round, notwithstanding its economic turmoil and the Icesave dispute with the United Kingdom and the Netherlands. Foreign Minister Stubb believed that Croatia is already almost at the finishing line. He also envisaged that membership negotiations with the Former Yugoslav Republic of Macedonia could be opened this year. Referring to Turkey, Stubb strongly emphasised that the EU must treat all applicants equally and keep its promises.[4]

Reporting on the EU prospects of the Balkan candidate countries fluctuated between informing the readers about the largely unknown countries and reinforcing pre-existing stereotypes of the region being a "powder keg", where, in the words of Aamulehti journalist Veikko Vuorikoski, "the burden of history prevents the countries from becoming fully-fledged members of the European family."[5] Indeed, reporting tended to lean towards the negative, with Serbia only brought up to praise the EU for forcing the Serbian parliament to publicly condemn Srebrenica and to suggest that visa freedom for Serbs, Montenegrins and Macedonians has caused a wave of Albanians to arrive in the EU.[6] Turkey's role as a significant energy supplier to the EU was mentioned, as was Moldova's frustration with its slow progress towards EU membership.[7]

Partly overlapping with the debate on the prospective member states is the discussion on Finland's potential to become a flag bearer in the EU's Arctic policy, which has gained prominence. At the end of 2009, the parliamentary foreign affairs committee held a session on the relations between Finland and the Arctic region, concluding that it is important for Finland to profile itself as an Arctic and Northern state in order to reap all the political and economic benefits that the region has to offer. This sentiment is shared by researchers.[8] In a newspaper column, Social Democrat Member of the European Parliament Liisa Jaakonsaari emphasised that environmental and security issues, together with the living conditions of indigenous people, must be taken fully into account when planning Finland's policies towards the Arctic.[9]

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France

Mixed opinions on enlargement and the European Neighbourhood Policy

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Since the adoption of the Lisbon Treaty, the countries applying for EU membership "can breathe again", underlines Libération.[1] The further enlargement of the European Union had been closely linked to the adoption of the Lisbon Treaty: French President Nicolas Sarkozy, when serving as President of the European Council, had made it very clear that, in a Union that could not even agree on adopting more functional institutions, the accession of additional countries could only make the situation worse. The adoption of the treaty was therefore a sine qua non condition for further enlargement.

Iceland and Croatia, 28th and 29th EU member states?

Two countries are now expected to join the Union during the upcoming years, Croatia and Iceland. Some observers have been underlining Iceland's opportunism, arguing that the country had been ignoring the European Union for decades until the financial crisis finally allowed it to see the benefits it could find in the EU.[2] The fast adhesion process was, for a number of analysts, closely linked to the Icesave dossier; the rejection of the latter by 93 percent of the Icelandic population, in March 2010, led the same analysts to believe that it could undermine the country's chances of a fast adhesion to the EU, and isolate it on the international scene.[3] As previously mentioned, Croatia is expected to conclude the negotiation process soon, and to be part of the EU by 2012, at the latest. Its adhesion is strongly supported by the French government, which underlines the fact that it is important for the stabilisation of this part of Europe.

France has always been very supportive of the adhesion of the Balkan countries to the EU. In Le Monde, co-signed with his Italian homologue Franco Frattini, Foreign Affairs Minister Bernard Kouchner underlined, once again, his support for the adhesion of the Balkan countries, which *have vocation* to join the EU, as soon as they meet all the requirements.[4] But most analysts are now stressing the fact that all further adhesion processes are very likely to be delayed: the European leaders now have "more urgent matters to focus on". The Greek crisis is also very likely to have a negative impact, by making the adhesion criteria more demanding.[5]

Why keep refusing Turkey's accession?

The question of Turkey's accession has always been very controversial in France. French President Nicolas Sarkozy stands firmly against it, and took advantage of the French Presidency of the European Union to clearly reaffirm his position. He now advocates a privileged partnership, linking the European Union, Turkey and Russia, which would represent an alternative to its accession.[6] Meanwhile, former French President Jacques Chirac underlined the "shared destiny" between the two countries, and the necessity to develop the tightest links possible.[7] "Why keep refusing this adhesion?" asks Bernard Guetta from left-wing daily Libération, arguing that the latter would represent a good opportunity to prove to Muslim neighbour countries that the EU and Islam are not incompatible, and actually have a shared destiny. According to the economics daily Les Echos, "If Europe lacks the courage to propose a long-term strategic vision, the *Oriental temptation* will prevail and the country which we do not want *with* us now will be *against* us in the future. At which point, Europe will have the Turkey it deserves".[8]

European Neighbourhood Policy: the Union for the Mediterranean and the Eastern Partnership.

The Union for the Mediterranean (UfM) has enjoyed a lot of coverage in France, being one of Nicolas Sarkozy main projects during the French Presidency. The media have been underlining how difficult this project is, given the internal disagreements (a *string of mines* according to Le Figaro), and the lack of commitment of most heads of states;[9] under this context, the activism and determination of two countries, France and Spain, is quite unanimously recognised, and contrasts with the clear lack of political will from the Southern countries. According to an analyst, the Arabic countries will not commit to the Union for the Mediterranean unless they see clear political and/or economical benefits, and this is far from being the case so far. The Socialist MEP in charge of the parliamentary report on the UfM,

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Vincent Peillon, has a more optimistic point of view though; he considers that the Union for the Mediterranean is actually managing to work effectively towards peace building in the region through concrete projects and realisations. He nevertheless argues that the European Union needs to demonstrate its strong commitment by putting money on the table during the Barcelona Summit that was to be held in June 2010.[10] Finally, some observers criticise a certain lack of overall ambition. Economist Jean-Louis Guigou argues that, to be successful, the UfM cannot be the free trade zone proposed by José Manuel Barroso, but has to be a wider project including common social and environmental policies.[11]

The Eastern Partnership has received a lot less coverage in France. It has been described as a mere copy of the Union for the Mediterranean.[12] Some analysts question the novelty of this partnership and the existence of real advantages for the beneficiary countries.[13]

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Germany

Germany more realistic and less enthusiastic of further enlargements; Neighbourhood Policy projects assessed positively

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Of the three current accession candidates Croatia, Macedonia and Turkey, only Croatia is expected to be part of the next enlargement round. Macedonia is not mentioned much in the public debate and Turkey is a special case of concern in Germany due to the Turkish minority living in the country. In addition, Iceland is expected to join soon. As for future enlargements, the general opinion in Germany is that it has to be done "by the book", which means in a controlled and not turbo way. This resonates in the government's coalition agreement of the new conservative/liberal government which backs an "enlargement policy with a sense of proportion".[1]

Recently, less favourable voices are on the rise. In general, the German public views a membership of more than the current 27 member states critically. 66 percent of Germans (compared to 46 percent of Europeans in average) are against further enlargement of the EU.[2] For example, at his acceptance speech on the Sonning Prize, the German author Hans Magnus Enzensberger criticised the EU's enlargement frenzy.[3] However, the former Commissioner Günter Verheugen assumes that the enlargement waves will continue and cannot be stopped since the process has a dynamic of its own.[4]

Croatia – fighting corruption and privatisation seen as most urgent

After talking with the Croatian Prime Minister Jandranka Kosor, German Chancellor Angela Merkel pointed out that a date for accession will not be set before all criteria are fulfilled. The most important aspects to be dealt with are the fight against corruption and privatisation regulation. Overall, Chancellor Merkel is more reluctant than the other heads of state and government in the EU: "After Bulgaria and Romania's entry in 2007, landing the EU with unresolved corruption and organised crime problems, enlargement became deeply unpopular in Germany, and is considered a serious vote-loser in Ms Merkel's own Christian Democrat Party [CDU]."[5]

The internal changes and especially the presidential elections in Croatia have been the subject of many newspaper articles and analyses by political foundations.[6] For the whole region of the Western Balkans, Croatia's accession is seen as setting a good example, a view shared by German Members of European Parliaments (MEPs).[7]

Iceland – a newcomer welcomed warmly

In the case of Iceland, Germany's parliament (Bundestag) was the first to pave the way for opening membership talks.[8] It thus made use of the new Lisbon Treaty's accompanying law, according to which the government now has to ask the parliament's consent in order to agree to accession talks.[9]

Following a motion by the governing coalition's fractions, these latter gave their consent, while the Social Democrats (SPD) as well as the Greens abstained and the left-wing party DIE LINKE opposed the motion. Nevertheless, all five parties generally supported the beginning of membership negotiations[10] in motions of their own, which emphasised different aspects of Icelandic membership.[11] However, cautious voices could also be heard which appealed not to repeat earlier enlargements' mistakes, when new members were taken in too early.[12] More specifically, these voices addressed the fisheries, unanimously identified as the most problematic field for membership, in which Iceland should not be given opt-outs though possibilities for transition. In addition, it was seen as problematic that the Icelandic population, with a total of 93 percent, overwhelmingly voted "No" against an international agreement dealing with the Icesave case.[13]

On the whole, however, much like in the context of Croatia, the stance is generally positive.[14] Some German politicians underlined the fact that accession should be prepared under the strict conditionality of the Copenhagen criteria; moreover, no dates should be named too early and neither packet deals should be made nor enlargement waves envisaged too hastily.[15] Initially, the Christian Social Union

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(CSU) warned that it is not the EU's role to save bankrupt countries; however, it later supported Iceland's accession in the German parliament.[16]

Concerning the countries, which are not expected to become members in the next enlargement round, the accession process in the Western Balkan states is considered to be too slow and the membership negotiations with Turkey have slowed to a crawl due to various reservations from the EU member states, ranging from specificities concerning trade with Cyprus to the general question of membership.

Western Balkans – cautious enlargement at a snail's pace

Enlargement and stability in the Western Balkans region is in Germany's interest, an estimated 50 percent of deputies are said to be knowledgeable in the region.[17] However, in a discussion on a motion by the Social Democrats on the Western Balkan countries' European perspective, Marieluise Beck (Green Party) warned that there is a danger of the Western Balkan states being forgotten by the EU.[18] This motion stressed the need to continue pressing ahead with the political and economic stabilisation of the region. In addition, it asked to react quickly, but only if conditions are fulfilled.[19] The albeit slow progress shows the importance of a membership perspective for the stabilisation process in the Western Balkans. In this case as for future enlargements, the general opinion in the German political sphere is set both against short cuts on the fulfilment of the accession criteria and against an automated membership perspective.

Turkish accession remains point of contention

One of the countries not expected to become a member in the next enlargement round is Turkey, and discussions on the subject remain frequent and heated. In general, the government's coalition agreement sees the membership talks with Turkey as an open-ended process. Moreover, the question of Turkey's membership perspective is strongly combined with the process of integration of the three million strong Turkish minority into German society.

The German-Turkish interactions in the reporting period were intense due to a visit by Chancellor Merkel to Turkey in March 2010. This gained high visibility due to the word battle preceding the visit, where Recep Tayyip Erdoğan and Merkel continued to distance themselves from the other's opinion on Turkish schools in Germany, Turkish EU membership and sanctions against Iran.[20] Already on the way to Ankara and Istanbul, the German delegation struck a different tone, stressing the fact that the personal relations between the two politicians were excellent.[21] In a speech at the German-Turkish Economic Forum, Angela Merkel called for pragmatism concerning the question of Turkey's full membership to the EU.[22] Furthermore, she identified the Ankara Agreement as the largest barrier inhibiting the opening of negotiation chapters. Therefore, Turkey first has to clarify its situation with Cyprus.[23]

One statement by Angela Merkel has been repeated in German media many times, namely that she has now understood that the expression "privileged partnership" has a negative connotation in Turkey. This does not mean, however, that she is shying away from the concept,[24] which she understands as a special relationship – a better and more intensive one than with other third states. She also called for consideration on whether full membership should still be aspired to by Turkey or not.[25] However, despite the fact that her opinion on full membership differs from the Turkish one, she stressed the circumstance that "pacta sunt servanda" and that the negotiations should be continued.[26]

The German Foreign Minister Guido Westerwelle also spoke on the EU-Turkey relations, demanding the country's commitment to reforms.[27] Being from a party with a more positive stance towards Turkish EU-membership, he stressed the fact that Turkey has a right to fair negotiations and that the EU should stick to its contracts.[28] He also referred to the coalition agreement to point this out. Furthermore, he called for a new dynamic in the accession negotiations, which would have to start with settling the disagreements with Cyprus.[29] As for other German politicians, while Ruprecht Polenz (CDU) says that it would be better to have Turkey in the EU, but only if it fulfils the criteria,[30] the social democrat Frank-Walter Steinmeier (SPD) stresses the fact that there is a promise to be kept as regards Turkey.[31]

ENP and presidential elections in Ukraine

In general, the European Neighbourhood Policy (ENP) and its two regional projects, the Union for the Mediterranean and even more so the Eastern Partnership, are positively assessed in Germany. The

coalition agreement supports a further development of these policies, especially of the Eastern Partnership, based on common values.[32]

Due to the presidential elections in Ukraine, this country was a focal point concerning the ENP during the reporting period. In an article in the Financial Times Deutschland, Guido Westerwelle, together with the Czech Foreign Minister Jan Kohout, stressed the fact that the newly elected Ukrainian President, Viktor Yanukovych, wants to and should anchor Ukraine even more strongly within European norms and values.[33]

According to Cornelia Pieper, Minister of State at the Federal Foreign Office, the German government has a considerable interest in a stronger political and economic rapprochement of Ukraine to the EU and would welcome a near conclusion of the negotiations on an association agreement.[34] However, although Ukraine is an important partner in the Eastern Partnership, a membership perspective is not on the agenda.

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[27] Güsten, Susanne: Störfeuer aus Kreuth reicht bis nach Ankara, Tagesspiegel, 7 January 2010, available at: http://www.tagesspiegel.de/politik/international/stoerfeuer-aus-kreuth-reicht-bis-nach-ankara/1659932.html (last access: 19 May 2010); EurActiv: Westerwelle fordert Reformen von der Türkei, 7 January 2010, available at: http://www.euractiv.de/erweiterung-und-partnerschaft/artikel/westerwelle-mahnt-trkei-zu-reformen-002573 (last access: 19 May 2010).
[28] "Deutschland in Europa – eine Standortbestimmung" – Rede von Bundesaußenminister Guido Westerwelle an der Universität Bonn, 27 April 2010, available at: http://www.auswaertiges-amt.de/diplo/de/Infoservice/Presse/Reden/2010/100427-BM-D-in-Europa.html (last access: 19 May 2010).
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Greece

Greek Initiative for an agenda 2014 for enlargement

A.D. Papagiannidis and Nikos Frangakis·

Insofar as enlargement is concerned, the focus of attention in Greece lies in the efforts/expectations to bring around positive results for the Western Balkans by 2014 ("Agenda 2014"). This goal corresponds to intensive Greek efforts undertaken earlier on, which Greek Prime Minister George Papandreou (who is also Foreign Minister) publicly reiterated, i.a., in Athens in the course of a presentation at The Economist/Economist Intelligence Unit (EIU) conference of 29 April 2010. Still, Serb Prime Minister Mirko Cvetkovic, in this very same context, was clearly quite hesitant to hope for such a time-frame (while he stressed the pre-eminent importance of making the Serb economy and political context EU-compliant, rather than fight for accession). In May 2010, the Greek initiative for an "Agenda 2014" for the Western Balkans was mirrored by regional EU member states Bulgaria and Romania, at a meeting on the level of foreign ministers.

Within the same context of the Western Balkans, Greece hopes that the promise of EU accession would serve as a major political attraction so as to render Former Yugoslav Republic of Macedonia (FYROM) positions more adapted to Greek expectations in the never-ending name-cum-nationalism dispute of the two sides. In this matter, no positive evolution is to be noted.

This Greek "globalising" approach to the Western Balkans does not exclude Croat accession, which certainly looks more mature; earlier thoughts (surely not officially voiced) to block Croatia's accession, in order to enhance the chances of Serb participation in the enlargement process, should be considered unfounded, since the relative political stature of Greece in the EU has visibly shrunk.

The perspectives of Turkish EU accession are still central to Greek foreign policy. In a three-day visit of Turkish Prime Minister Recep Tayyip Erdogan to Athens (along with vice-Prime Minister Ali Babacan and Foreign Minister Ahmet Davutoglu and several other ministers) in May 2010, the leitmotiv of Greece's continuing support of Turkish accession was vividly present with the barely concealed hope that "the way from Ankara to Brussels" goes through Athens. This supposedly entails a bridging of the disputes over the Aegean, the minorities issue in Thrace and the Cyprus issue to a mutually acceptable solution. Still, whatever "low politics" matters were positively discussed in Athens, matters of "high politics" remained stubbornly blocked. Moreover, in his more extensive presentation of future Turkish priorities, Babacan clearly, though not aggressively, explained Turkey's centre of gravity shift eastwards. Thus, using EU-Turkish relations as a lever for Greek-Turkish (or sub-regional) equilibria to be restored looks less and less like a valid proposition.[1]

The main opposition party, centre-right New Democracy (ND), is currently shifting towards far more reluctant positions regarding the perspectives of Turkish accession. The far-right Popular Orthodox Rally (LAOS) is virulently opposed to the idea of "Turkey in Europe", mainly based on purported cultural differences.[2]

At the same time Greece keeps a low profile concerning the Union for the Mediterranean, notwithstanding the fact that this initiative is of French origin (and Greece tries to keep close to French moves) and that Athens was quite enthusiastic two years ago when the project was ceremoniously launched.[3]

· Greek Centre for European Studies and Research.

[1] Kostas Zepos: The Questionable Outcome of Turkey's Road towards the European Union [in Greek], in: International and European Politics (Vol.17), p. 71.
[2] For an overview of the opinions towards the Turkey's EU accession, see K. Zepos: The doubtful end of Turkey's road to the EU [in Greek], in: Vyron Theodoropoulos: The diplomat and the teacher, Papazissis/MFA [in Greek], Athens 2010, p. 39.
[3] See N. Frangakis: Turkey and the Union for the Mediterranean, in: N. Frangakis (ed.): Turkey, Europe, Mediterranean [in Greek], EKEME/Ant. N. Sakkoulas Publ. 2009, pp. 89-115; A.A. Fatouros: The Union for the Mediterranean: A new presence in our neighbourhood; P. Kasakos: The Mediterranean Union – vision, practical measures, limits; D.K. Xenakis/D.N. Chrysochoou: The Mediterranean in transition; A. Korakas: Agriculture and agricultural inlands in the Mediterranean [in Greek], in: N. Frangakis (ed.): Turkey, Europe, Mediterranean [in Greek], EKEME/Ant. N. Sakkoulas Publ. 2009, pp. 89-115.

Hungary

Hungary is looking to the east

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Croatian and Icelandic accession is expected and strongly supported

In the official Hungarian view, any enlargement of the European Union must happen once a country complies with membership criteria and accession negotiations should advance according to the candidate's performance. It seems that, after the recent 10+2 enlargement, the EU will not have "enlargement rounds" with several new member states anymore, but would rather continue the widening process by taking up newcomers one by one. The next new member state of the EU will undoubtedly be Croatia, whose accession treaty could be signed under the Hungarian Presidency enabling the country's entry in 2012. Croatian membership will be very much welcomed by Hungary, being a direct neighbour. Actually, Hungary is highly interested in the European integration of the whole Western Balkan region in the foreseeable future. Hungary is convinced that the Croatian example of preparations can serve as a model for the other candidates and potential candidates in the Western Balkans.

The other country relatively close to membership is Iceland. According to Hungarian high officials of the Ministry of Foreign Affairs,[1] Hungary expects a faster process given Iceland's preparedness and strong ties with the EU. Hungary would very much welcome an Icelandic accession, as this could become another success story of enlargement. Nevertheless, the outcome of this process will mainly depends on the commitment of the Nordic country to become a full member of the EU.

Turkey on a slow track, the Macedonian deadlock is regrettable

As was pointed out before, in Hungary the future widening of the EU is not really seen in "enlargement rounds". The perception is rather that new entrants will join one by one. In fact, negotiations go on with Turkey in a very slow and "cautious" way. According to the official Hungarian position, the negotiations should proceed according to Turkey's level of preparedness, and a clear perspective on the "finalité" of the accession talks should be formulated as soon as possible.

The next country queuing up for membership negotiations is (the Former Yugoslav Republic of) Macedonia (FYROM). In the opinion of a high official at the Hungarian Ministry of Foreign Affairs,[2] the Macedonian story is a sad one, where – due to the unsettled name-dispute with Greece – there seems to be a deadlock. Even though the European Commission released its positive conclusions on the FYROM in October 2009,[3] negotiations could not be launched. This is very much regretted by Hungary who is in favour of opening negotiations as soon as possible. Sadly, however, at the moment there seems to be no solution for the highly sensitive Greek-Macedonian dispute, and it is expected that the present financial crisis in Greece might turn Athens' attention away from this issue. In any case, this situation (similarly to the Slovenian-Croatian border dispute) points to the fact that – prior to enlargement/accession – good neighbourly relations are as important as any other preconditions and criteria. In any case, Hungary is encouraging and helping Macedonia to continue with the preparations for membership.

Regardless of all these challenges, Hungary is very supportive concerning further enlargements of the EU (especially towards the Western Balkans), and this official position is maintained no matter which political parties are ruling the country. Furthermore, this attitude is strongly shared by the public, as can be detected in public opinion polls.

Eastern Partnership: a high priority for Hungary

From the beginning of the European Neighbourhood Policy (ENP) Hungary was more interested in the eastern dimension of it than in its southern dimension, due to geographical and historical reasons. Accordingly, Hungary has always been in favour of a separate treatment of the two dimensions, arguing that eastern neighbours include European countries with a potential membership perspective while the group of southern neighbours has neither this option nor this kind of ambition. Based on this

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approach, the launch of the Eastern Partnership (EaP) one year ago was welcomed in Hungary. In this framework the EU is assisting six countries to adapt to the EU acquis and to its fundamental values. Budapest is extremely interested in the development of EU-Ukrainian relations and is rather active in forming EU-Moldavian relations, too, representing two partner countries from among the six within the EaP initiative. Besides, Hungary is interested in the further strengthening of relations between the EU and the trans-Caucasian countries that are either potential energy sources (Azerbaijan) or future important energy transit countries (Georgia, Azerbaijan).

It is important to emphasise that the Hungarian assessment of the EaP is positive in general, so there is no dividing line on that issue between major parties or between the departing and incoming governments. Concrete proof of this attitude lies in the fact that the EaP was included in the priorities of the Hungarian 2011 presidency programme prepared by the outgoing socialist government (in power until the end of May 2010) and can equally be found among the major regional priorities of the conservative coalition parties (the Hungarian Civic Union and the Christian Democratic People's Party – FIDESZ-KDNP) entering office at the very end of May 2010. One important aim of Hungary, holding the Visegrad-4 presidency in 2010, has been to look for real content in the EaP framework.[4] Regarding the most important EaP partner country for Hungary, Ukraine, there is a broad consensus on the necessity of maintaining the option of a future EU membership. Also, visa-facilitation with the potential final aim of total liberalisation is a common goal within the Hungarian political elite,[5] implying that Hungary is among those EU member states that may find the recent promises and substance of the EaP insufficient.

However, there might be some smaller differences between the two governments' (and/or party) emphases and approaches regarding the EaP. The new government being formed by the centre-right FIDESZ-KDNP alliance will probably be more focused on developing ties with the energy-abundant Azerbaijan, and, even more importantly, may be less regardful towards Russia's reservations vis-à-vis the EaP initiative. The new government's policy might include more determined support for Georgia, which it sees rather as a victim than an irresponsible initiator of the 2008 Georgian-Russian conflict. Beyond the different evaluation of the Eastern Partnership, the general approach of the old and new governments to Russia is also rather different, although the Russia-policy of FIDESZ seems to have been "softened" during the past years moving from "value-orientation" towards pragmatism.[6] The third important political force in the new parliament, the radical right-wing Movement for a Better Hungary, commonly known as Jobbik, calls for developing stronger ties with Russia, seen as a major European power.

The EaP itself is not widely known within the Hungarian public and there is no important pressure group, neither in favour, nor against Hungarian participation in it. The public media is rather neutral on the subject; however, it sometimes highlights the Eastern Partnership initiative as an EU project "against" Russia or more explicitly as a concrete element of competition between the European Union and Russia over their "common post-Soviet neighbourhood". The brand new EaP is a popular theme in academic circles; several conferences, workshops and research projects have already been dedicated to it since its birth in 2008 and official launch in May 2009.

The ultimate aim of Hungary is to conclude a new generation of association agreements with all EaP members. Budapest is already preparing for the first EaP summit, which will take place in May 2011, under the Hungarian Council Presidency.

Union for the Mediterranean: Hungary is rather a policy-taker

The Mediterranean region has never been a priority in Hungarian foreign policy over the past decades, and was especially sidelined prior to Hungary's EU membership. Thus, the Hungarian national attitude towards the Euro-Mediterranean Partnership (EMP), the Union for the Mediterranean (UfM) and the Mediterranean as a whole has evolved in the context of the country's EU integration process.

As far as the Spanish-Belgian-Hungarian trio presidency is concerned, it was logical that due to geographical reasons from among the three countries, Spain put Mediterranean issues highest on the agenda. This does not mean that Hungary could not formulate Mediterranean-related issues of its own interest, but Budapest is more likely to join the already ongoing Mediterranean projects than initiate such.

According to Hungarian interests and position, the EU should strike an even balance in representing and promoting the eastern and the southern dimensions of its Neighbourhood Policy.[7] Furthermore,

this should also be reflected in a rebalancing of the financial envelope leading to a 50-50 percent share instead of the current one third and two thirds division. Hungary participates actively in all the relevant structures and activities of the EMP, but its capabilities are rather limited not only because of its location but also for economic reasons. Public awareness of the EMP or the UfM is still very limited in Hungary, and outside the official circles it is debated only in a relatively restricted academic context.

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[1] Interview done at the Ministry of Foreign Affairs on 12 May 2010.
[2] Interview done at the Ministry of Foreign Affairs on 12 May 2010.
[3] European Commission: The Former Yugoslav Republic of Macedonia, 2009 Progress Report. Communication from the Commission to the European Parliament and the Council, Brussels, COM (2009) 533, available at: http://ec.europa.eu/enlargement/pdf/key_documents/2009/mk_rapport_2009_en.pdf (last access: 10 June 2010).
[4] Based on a communication from the Hungarian Ministry of Foreign Affairs, 12 February 2010, available at: http://www.kulugyminiszterium.hu/kum/hu/bal/Aktualis/Szovivoi_nyilatkozatok/FJ_MInszk_20100212.htm (last access: 17 May 2010).
[5] See: Ministry of Foreign Affairs of the Republic of Hungary: Directions and tasks of the Europe-policy strategy of the government, 2007, available at: http://www.kulugyminiszterium.hu/kum/hu/bal/eu/kormany_eupolitikai_strategiaja/ (last access: 17 May 2010).
[6] See the interview in the Hungarian newspaper “Magyar Nemzet” with János Martonyi, appointed foreign minister of FIDESZ, 8 April 2010, available at: http://www.mno.hu/portal/printable?contentID=705754&sourceType=MN (last access: 17 May 2010).
[7] Erzsébet N. Rózsa: From Barcelona to the Union for Mediterranean. Northern and Southern Shore Dimensions of the Partnership, HIIA Papers, April 2010.

Iceland

A quest for speedy accession and inclusion of the North West European Region

Pia Hansson[*] and Baldur Thorhallsson[+]

The EU has changed a great deal since it was established with only a few founding members. It has become a different Union. The Council of Europe (CoE) has 44 member states including Iceland. In recent years the EU is gradually becoming more similar to the CoE. This development is more positive then negative. It upholds this collective unity which promotes peace in the continent and greater balance in living standards within the Union. Also there seems to exists no well-founded reason for keeping the applicant European states outside the EU.[1] Today, Iceland finds itself negotiating for EU entry alongside a group of seven candidates and potential candidates from the Western Balkans. Iceland, not having experienced recent conflicts and political motives and circumstances, is very different from these other states.[2] The perception in Iceland is that Croatia will be granted membership before Iceland. Iceland is, however, already ahead of Macedonia, which before Iceland's application seemed to be next in line, and there is even more work remaining for the rest of the applicants. Therefore, Iceland would likely follow Croatia – if it is to join.[3] Regardless of who wins the race in South-Eastern Europe, it seems only a coincidence that Iceland's application finds itself on the table for processing alongside those of three small-to-medium-sized Western Balkan states and with four more close behind in the queue. Iceland's existing relations with the Union are undoubtedly closer and on a more equal basis, thanks mainly to the country's membership of the European Economic Area (EEA) for the past 16 years and of the European Free Trade Association (EFTA) since 1970.[4] When Iceland applied for EU membership in July 2009, the local perception was indeed that, due to Iceland's EFTA membership and participation in the EEA agreement, the process would not have to be long. Although Iceland has experienced a total bank collapse and is going through a recession, Iceland's economic development and situation today still leaves Iceland in a good position to enter into negotiations. The process has, nevertheless, been longer and more complicated than what was initially expected.[5]

In general, Iceland is positive towards enlargement, as long as the countries fulfil the criteria set forth by the Union. The EU should maintain an open-door policy true to its origin. All countries that have applied should therefore become members, but may have to work hard to fulfil the criteria before this can happen. Membership in the future will probably occur on an individual basis though, not in groups like in 2004 and 2007. Understandably, the EU is more cautious at this point, because of the current economic crisis and the deteriorating situation in Greece. This can even be categorised as enlargement fatigue.[6]

The Icelandic government wholeheartedly supports initiatives such as the Eastern Partnership. Promoting democracy and good governance, economic reform and environmental issues are all issues that are seen as extremely important, and the EU should reach out to the neighbourhood, offering assistance and leadership in policy making and development. Such initiatives also offer EU member states the opportunity to provide leadership and guidance. International and interpersonal relations are strengthened by such initiatives. But it is not enough to present one more initiative; it needs to be followed through with the necessary political backing. It should never be thought of as a one-way street or a charity project; the EU can and should also gain from this both in experience and better understanding.[7]

As for the Union for the Mediterranean (UfM), for the most part, the same applies. It should, however, be noted that there is concern that the UfM works well as a forum for dialogue on issues such as the environment, energy and civil protection, but has not been able to handle the issue of security which remains a concern. The Arab/Israeli conflict continues to paralyse all real efforts at increased cooperation around the Mediterranean Sea. This does not mean that an initiative such as the UfM should be abandoned, but it may be more successful if its limitations are clear from the beginning.[8]

That said, some Icelandic politicians, public officials and Europeanists are concerned that the north-west region of Europe, Iceland, Norway, the Faroe Islands and Greenland, is being overlooked and even sidelined as the EU attempts to reach out to the east and south. The north-western region

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consists of inhabitants who are, at present, relatively negative toward European integration and participation in the European project. A question has been raised whether the EU does not have the responsibility to reach out to this part of Europe in the name of European solidarity based on the European ideology. For instance, this could be done in the fields of fisheries, agriculture and rural and regional development. Hence, there is a call for "a comprehensive EU neighbouring policy" towards the North-West.[9]

[1] Telephone interview with a member of the Left-Green movement now in government.
[2] Alyson J. K. Bailes/Jóhanna María Þórdísardóttir: Iceland's neighbours in the EU Entry Queue: Contrasts or Parallels in EU Enlargement to the North and the South-East, 2009, available at: http://stjornmalogstjornsysla.is/images/stories/fg2009h/alyson.pdf (last access: 12 July 2010).
[3] Telephone interview with a member of the Left-Green movement currently in government.
[4] Alyson J. K. Bailes/Jóhanna María Þórdísardóttir: Iceland's neighbours in the EU Entry Queue: Contrasts or Parallels in EU Enlargement to the North and the South-East 2009, available at: http://stjornmalogstjornsysla.is/images/stories/fg2009h/alyson.pdf (last access: 12 July 2010).
[5] Interview with a government official at the Ministry for Foreign Affairs from the office of EEA-agreement and European Affairs.
[6] Interview with a government official at the Ministry for Foreign Affairs from the office of Information Affairs.
[7] Interview with a government official at the Ministry for Foreign Affairs from the office of Information Affairs.
[8] Interview with a government official at the Ministry for Foreign Affairs from the office of Information Affairs.
[9] Interview with a government official at the Ministry for Foreign Affairs from the office of Information Affairs.

Ireland

Enlarging Ireland

Shane Fitzgerald*

The government's stated position is that "the accession process provides strong encouragement for political and economic reform and that future enlargement will help to promote stability, security and prosperity in Europe."[1] While the accession of ten new member states in 2004 was greeted with great fanfare and celebration in Ireland, there is also a keen awareness that enlargement creates greater competition for foreign investment, which has been a key driver of Irish economic growth in recent years.[2] The fact that the newer member states are closer to the main EU markets and have lower labour costs has already damaged Irish interests as major multinationals shift their manufacturing operations from Ireland to Poland and elsewhere.[3] This awareness is somewhat balanced by the knowledge that Ireland benefited greatly from the labour and skills pool of the new member states during its recent boom and that further eastward expansion provides an opportunity to diversify its trade patterns in an enlarged European single market. But, in a climate of economic recession and renewed emigration, a degree of scepticism about the benefits of further enlargement is likely to remain.

Croatian accession is likely to prove unproblematic from an Irish perspective. However, key issues – such as the ability of Albania, Bosnia, Serbia and Montenegro to meet the accession requirements, the status of Kosovo, the ongoing name dispute between Greece and the Former Yugoslav Republic of Macedonia, and unresolved tensions between Cyprus and Turkey – represent obstacles which must be overcome before further eastern expansion is likely to be wholeheartedly welcomed from an Irish perspective. Assuming a resolution of the name dispute, Macedonian accession will probably pass with little comment from Irish sources. Turkish membership, for the same reasons that are familiar across Europe, might prove a harder sell, though the Minister for Foreign Affairs describes Ireland's approach to Turkey's candidacy as "supportive". He also notes that there are "potential gains to the single market and to trade through the accession of a country of Turkey's size" and that "[t]he Union's reach and influence in the Middle East and Central Asia could be enhanced through Turkish accession".[4] The prospect of Turkish accession was raised in a negative light during the two Lisbon referendums, but it is not clear what effect, if any, this negative campaigning had on voting patterns.

Perhaps because of Ireland's geographic location in the north-western corner of Europe, European Neighbourhood Policy and the Euro-Mediterranean Partnership have not gained much traction in the public discourse. However, an increasing awareness of the importance of Europe's eastern and southern neighbourhood, particularly in terms of energy security, is beginning to raise the profile of these initiatives. Strong bilateral relationships with Moldova and Georgia also play a significant role in terms of perceptions of developments in frozen conflicts.

There is much general sympathy in Ireland for Iceland's difficulties and in bilateral contacts the Irish government has told the government of Iceland that it is supportive of its application for EU membership.[5]

Because Ireland has had, on balance, a generally positive experience with migration from Eastern Europe, and with the integration of communities of "New Irish", there is little objection in principle to European enlargement to encompass many of the former Balkan and Baltic states. However, what will be looked for, especially in the wake of the Greek debt crisis with its contagion effects for Ireland, is solid evidence of each candidate country's fiscal solvency and political stability.

The next Irish general election must take place by 2012 at the latest. It is difficult to say if immigration will become an issue in that contest, but, as has been the case elsewhere in Europe, we can anticipate that, at some stage, the issue will become more politicised, with consequent effects for how the prospect of further enlargement is viewed. However, as many European immigrants have returned home in response to the Irish recession, the potential negative employment effects of immigration have been muted up to now.

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[1] Dáil written answers: Tuesday, 15 December 2009. Department of Foreign Affairs: EU Enlargement, available at: http://www.kildarestreet.com/wrans/?id=2009-12-15.1541.0 (last access: 10 May 2010).
[2] Department of Foreign Affairs: EU Enlargement – Ireland Leading the Way, available at: www.dfa.ie/home/index.aspx?id=28462 (last access: 10 May 2010).
[3] See for example this statement from Dell: Dell to Migrate Manufacturing Operations from Ireland to Poland and Partners by Early 2010, available at: http://www.dell.com/content/topics/global.aspx/corp/pressoffice/en/2009/2009_01_08_rr_000?c=us&l=en (last access: 10 May 2010).
[4] Dáil written answers: Tuesday, 30 March 2010. Department of Foreign Affairs: EU Enlargement, available at: http://www.kildarestreet.com/wrans/?id=2010-03-30.696.0 (last access: 10 May 2010).
[5] Dáil written answers: Tuesday, 22 September 2009. Department of Foreign Affairs: EU Enlargement, available at: http://www.kildarestreet.com/wrans/?id=2009-09-22.1244.0 (last access: 10 May 2010).

Italy

Inclusive attitude towards possible new members

Jacopo Leone*

In the Italian debate, it is common opinion that Croatia and Macedonia are the best candidates to enter the EU in the next enlargement round. In this regard, comments are usually positive. Indeed, the national political establishment has traditionally supported the access of the Balkan countries to the EU. In the words of Italian Foreign Minister Frattini, Croatia and Macedonia have both overcome several obstacles, and it seems legitimate to imagine Zagreb in the EU in the course of 2011.[1] The same opinion is expressed by the research community, which noticed how the recent election of Ivo Josipović as Croatian President substantially increased the odds of the country joining the EU.[2]

The case of Macedonia appears more problematic. The Italian government is striving to push Brussels to open negotiations as soon as possible, leaving aside the thorny debate with Greece over the name of the former Yugoslav Republic.[3]

The forthcoming European membership of both Croatia and Macedonia are thus considered with favour by the Italian political parties and public opinion. As reported in the National Strategic Concept of the Ministry of Defense, the reason is manly geostrategic.[4] This approach is therefore likely to remain consistent in the near future, concerning the whole Balkan area.

The inclusive attitude towards possible new European member states is maintained by Italy also in regard of other, more problematic, candidates. Montenegro, Albania and Serbia are all examples of this state of affairs. Although there are still concerns about their political/economic performance, the Italian government and the Foreign Minister Frattini have demanded a rapid solution concerning their admission requests, raising their chances to join the EU significantly.[5]

The case of Kosovo appears, however, to be more complex. Diplomatic divisions over its fresh independence still persist in Europe, and a solution seems improbable in the short term.[6] Nevertheless, Frattini recently stated that Kosovo has a European future, acknowledging at the same time the need for a more balanced rule of law system in the country.[7] The same position is also maintained on the European future of Serbia, for which Prime Minister Berlusconi hoped a rapid admission into the EU.[8]

Interestingly enough, however, the last available Eurobarometer shows that the Italian public, thinking that the EU has enlarged too rapidly in recent years, remains against new enlargement rounds.[9]

In addition, it is important to underline here the Italian position regarding the controversial candidature of Turkey. Although the issue remains divisive at the national political level, the government recently restated its support to an eventual entrance of Turkey into the EU.[10]

The Mediterranean Sea is an important geostrategic region for Italy. This interest was recently restated when Foreign Minister Frattini called, in an article appearing in one of the most important national newspapers, for the creation of an economic community in the Mediterranean, able to mirror the European project and further the creation of future common values and political stability.[11] Therefore, Italian support for the Union for the Mediterranean (UfM) seems rather natural. Even if the project is going through a phase of deep reflection, the Italian government renewed during a meeting with the French President Sarkozy its support for the UfM and its will to working for the successful implementation of its activities.[12]

Uneasiness towards the poor results of the initiative has been expressed by the President of the Italian Republic Giorgio Napolitano, who highlighted that its unexpressed potentialities continue to prevail over tangible results.[13] Moreover, the Italian research community also expressed scepticism, noting how the UfM continues to exist only on paper, far away from the goal included in the Euro-Mediterranean Partnership of the creation of a free-trade area in the Mediterranean.[14] The upcoming conference in Barcelona, scheduled for June 2010, will probably give more information regarding

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these difficulties and the future of the UfM, although the usual contrasts between Israel and Arab countries risk to frustrate any potential improvement.

On the other hand, less interest has been expressed on the Eastern Partnership. Indeed, the subject has been somewhat sidelined by the Italian press and public debate, and few declarations have been made by the Foreign Minister Frattini. During a meeting with his Moldavian counterpart, Frattini reaffirmed Italy's great interest in the Eastern Partnership, hoping to transform this cooperation tool through several association agreements with the Caucasian countries, which had been previously done with Moldova and Ukraine.[15] The same position had been maintained before in regard of Belarus.[16]

For its part, some members of the Italian research community preferred to highlight the weak influence the Eastern Partnership has on several latent conflicts in its geographical area. In this regard, the foundation of a stronger cooperation between Brussels and Moscow is ultimately suggested as a possible way forward. The role for Italy is to favour this complicated political dialogue with Russia, and assess whether the role of non-governmental actors within the Eastern Partnership is possible.[17]

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[1] Franco Frattini: Intervento del Ministro Franco Frattini all'International Desk Forum sugli "Scenari di sviluppo dell'Area Adriatico-Balcanica", Ministero degli Affari Esteri, 8 March 2010, available at: http://www.esteri.it/MAE/IT/Sala_Stampa/ArchivioNotizie/Interventi/2010/03/20100308_InternationalDesk.htm (last access: 21 April 2010).
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Latvia

Latvia endorses EU Enlargement and the European Neighbourhood Policy

Dzintra Bungs*

Latvia firmly believes in the further enlargement of the European Union. As the erstwhile Latvian Minister of Foreign Affairs Māris Riekstiņš told Turkey's Minister of European Affairs and chief EU negotiator Egemen Bagiş on 26 February 2010, "[A]ny European country which has demonstrated its desire to join the European Union and has committed itself to carrying out the internal reforms and fulfilling the essential criteria must be given this opportunity."[1] An important reason for this, as Riekstiņš has stressed on other occasions, is the significance of the enlargement policy in securing stability in Europe.[2] Latvia endorses enlargement if it is grounded in an *individual approach* and the *fulfilment of EU membership criteria.*

Considering the four EU membership candidate countries, Croatia, Iceland, Macedonia and Turkey, Latvia anticipates that Croatia could become eligible for membership by the next enlargement round, especially since the border dispute with Slovenia appears to be close to settlement. Macedonia and Turkey have not made as much progress toward fulfilling the Copenhagen criteria. Moreover, a conspicuous factor standing in the way of Macedonia's progress toward EU accession is the unresolved quarrel with Greece over the name "Macedonia". According to the Enlargement Commissioner Štefan Füle, in May 2010 Turkey had opened 12 of the 35 negotiating chapters and closed one; more chapters could be opened up for negotiation this year provided it meets the opening benchmarks. It should be noted here that Latvia supports Turkey's EU integration efforts, even if a number of EU member states have profound reservations about the idea of Turkey's membership of the Union.

Of the potential candidates for EU membership, Latvian observers tend to only consider Iceland as a possible candidate for the next round of enlargement, provided the accession negotiations start promptly and proceed smoothly. They point out that, despite Iceland's severe economic crisis in 2008 from which it is gradually recovering, Iceland has a fine record of good governance and democratic practices and is already well integrated into many EU processes, programmes, and agencies. For those Latvians who know their history, Iceland is quite special in that it was the first country to officially recognise Latvia after it regained its independence in August 1991.

While Latvia clearly supports the EU perspective of the Western Balkan countries, Latvia also recognises that these countries have much ground to cover in order to advance to the status of candidates for EU membership. Since each potential candidate country has its own particular hurdles to surmount, it is difficult to predict which one will make the speediest progress and when a particular country might become eligible for EU membership. At the same time, as Riekstiņš has pointed out, united EU support to the European integration efforts of the Western Balkan countries is essential for the success and continuity of their reform process.[3]

Latvia fully supports the European Union's active interest in its neighbourhood, and, therefore, "especially appreciates the two initiatives of 2008 in the framework of the European Neighbourhood Policy (ENP), namely the Eastern Partnership (EaP) and the Union for the Mediterranean. For Latvia, it is particularly important to continue to develop close relations with the eastern neighbours by way of implementing joint projects in the framework of the EaP and lending support to each of the EaP countries".[4] Such a choice is natural, given Latvia's location and the resources available. Furthermore, like Latvia, the EaP countries – Armenia, Azerbaijan, Belarus, Georgia, Moldova, and Ukraine – were once a part of the Soviet Union. Since regaining its independence, Latvia has developed active bilateral relations with these countries and encouraged their European orientation. This is borne out by the activities of the Ministry of Foreign Affairs and the Economics Ministry.[5]

The views expressed above by Māris Riekstiņš on the EaP and the ENP are shared by Aivis Ronis, who succeeded Riekstiņš as Minister of Foreign Affairs on 29 April 2010. Addressing a meeting of foreign ministers of EU member states and EaP countries in Sopot, Poland on 24 May 2010, Ronis stressed the positive role of the EaP initiative in strengthening the reform processes in neighbouring countries and noted that successful development of the initiative requires appropriate financing,

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including investments earmarked for structural reforms in these countries. Ronis also emphasised the importance of promoting active engagement of each EaP country in the EaP process and the necessity to evaluate the progress of each country individually.[6]

Because of Latvia's focus on the EaP, more specific observations, based on actual experience, can be offered here only about the EaP. The most recent comprehensive assessment by Latvia of the initiative was offered by its Minister of Foreign Affairs, Māris Riekstiņš, on 8 December 2009 at a plenary session of the foreign ministers of EU and EaP countries in Brussels. The next such meeting is being planned for late 2010. At the plenary session, Riekstiņš argued that the achievements of the EaP are connected with the joint abilities of the participating countries to create *tangible* results of practical cooperation, thus also deepening the political relations. The results achieved so far serve as a good foundation for further action, whether bilateral or multilateral. Noting the progress of the Eastern partners in the realm of economic integration, Riekstiņš urged for a speedy conclusion of the talks regarding the deep and comprehensive free trade area.[7] In the realm of energy, Riekstiņš welcomed the intensification of cooperation between the EU and EaP countries and reported about the conference for experts on energy efficiency and renewable energy, which took place in Riga on 26 November 2009.[8] Concerning the comprehensive institution building programme, Riekstiņš affirmed his country's readiness to continue its successfully launched projects of sharing bilaterally with the EaP countries Latvia's experience and know-how in areas such as border control and customs, environment, phytosanitary standards, and consumers' rights.[9]

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Lithuania

Looking east, looking north

Jurga Valančiūtė*

Iceland's accession is strongly supported and the Croatian accession negotiations should be finished as soon as possible

Lithuanian officials favour further EU enlargement and are convinced that bilateral disagreements should not influence the accession negotiations of the candidate countries – former Lithuanian Foreign Affairs Minister Vygaudas Usackas expressed his support for the European Commission's estimation that Croatian accession negotiations can be finished in 2010.[1] Lithuanian Foreign Affairs Vice-Minister Asta Skaisgiryte Liauskiene recently said that the Croatian accession negotiations should be finished as soon as possible.[2]

Iceland was the first state to recognise Lithuania's independence 20 years ago. Today Lithuania favours the integration of this state into the EU and, as Lithuanian President Dalia Grybauskaite said, "Lithuania strongly supports the aspiration of Iceland to become an EU member state and is willing to provide all the necessary support for Iceland's accession negotiations."[3]

Regarding other countries, Lithuanian Foreign Affairs Minister Vygaudas Usackas expressed Lithuanian support for the European Commission's proposal to start accession negotiations with Macedonia. He expressed his hope that the European Commission will positively evaluate the applications for EU membership by Albania and Montenegro. He hoped that in 2011, when Lithuania will hold the Presidency for the Organization for Security and Co-operation in Europe (OSCE), and later in 2013, when Lithuania will hold the council presidency, there would be a significant move towards the creation of a free and united Europe.[4]

Concerning Turkey, Lithuanian Foreign Affairs Minister Audronius Azubalis urged Turkey to continue implementing EU reforms and to seek progress in the accession negotiations. He reiterated that Lithuania is ready to help Turkey on its way into the EU.[5]

Active participation in the Eastern Partnership – a Lithuanian foreign policy priority

While the Union for Mediterranean is a low salience issue in Lithuania, the Eastern Partnership attracts a lot of attention and is one of the most important current EU initiatives to Lithuania, because, as a former Soviet Republic, Lithuania can share its experience on how to develop relations with the EU's eastern neighbours. Both former and current Lithuanian Foreign Affairs Ministers claim that, since its membership in the EU, Lithuania has consequently supported and initiated such partnerships between the EU and its eastern neighbours.[6]

Lithuanian officials recognise the high importance of the new EU initiative. According to the Foreign Affairs Minister Audronius Azubalis, "[the] Eastern Partnership embodies a new era of the relationship with eastern neighbours and it is an important measure fostering the reforms and economic integration in these states and helping to facilitate the movement of people."[7] Former Lithuanian Foreign Affairs Minister Vygaudas Usackas expressed his belief that the "independence, security and stability of Belarus, Ukraine, Georgia and other states participating in the Eastern Partnership is not only a premise for the security and stability of the three Baltic states, but also a premise for the stability and security of the whole Europe."[8] Audronius Azubalis says that the active participation of Lithuania in the Eastern Partnership programme has become one of the top priority fields of Lithuanian Foreign policy.[9]

All necessary material support must be provided

Lithuanian Minister of Foreign Affairs Audronius Azubalis emphasised that it is important to start implementing specific projects with the Eastern Partnership countries as soon as possible.[10] He urged EU member states to provide a perspective of visa free regimes for Georgia, Moldova and Ukraine. He also emphasised that it is important to provide the necessary financial resources for the

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implementation of Eastern Partnership projects.[11] The Foreign Affairs Minister also urged eastern EU neighbours participating in this initiative to fully use all the Eastern Partnership instruments and measures – association agreements, free trade agreements and visa facilitation agreements – and to cooperate more intensively in the field of energy.

Visas for Belarusian citizens should be cheaper

The Former Lithuanian Foreign Affairs Minister Vygaudas Usackas said he was especially worried about the development of the EU's and Lithuania's relations with Belarus. According to the former Minister, Lithuania would like to see an independent and stable Belarus moving towards the establishment of an open democratic society and functioning market economy. He urged the stopping of discriminatory policy towards the citizens of Belarus, who have to pay twice as much for a visa to enter the EU compared with citizens of other Eastern Partnership states.[12]

Lithuania actively provided proposals for the development of the Eastern Partnership

Lithuania finds the Eastern Partnership an important field of action where it can provide different unilateral and multilateral proposals for the development of this initiative. At the end of 2009, Lithuania, together with Ukraine and Belarus, prepared a wide list of possible common projects and continues to provide concrete suggestions to the European Commission for the support of the eastern neighbours, implements common projects with these states and shares its EU integration experience with them.[13] The committee on foreign affairs of Lithuanian parliament also proposes to develop the parliamentary dimension of the Eastern Partnership.[14]

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[2] Foreign Affairs Ministry: Lithuania supports the Croatian aspiration to finish the accession negotiations soon (Lietuva remia Kroatijos siekį baigti derybas dėl narystės ES artimiausiu metu), press release, 10 May 2010, available at: http://www.alfa.lt/straipsnis/10358663/?Lietuva.remia.Kroatijos.sieki.baigti.derybas.del.narystes.ES.artimiausiu.metu=2010-05-19_15-10 (last access: 9 June 2010).

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[4] Foreign Affairs Ministry: V. Usackas: The progress in the Western Balkans is evident, but to achieve the goal there is a need to concentrate the efforts (V. Ušackas: Vakarų Balkanuose pažanga akivaizdi, tačiau dėl tikslo dar reikia susitelkti), press release, 8 December 2009, available at: http://www.urm.gov.lt/index.php?-154276899 (last access: 9 June 2010).

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[14] Foreign Affairs Ministry: Lithuanian, Belarusian and Ukrainian trilateral projects of the EU Eastern partnership have been presented in Brussels (Briuselyje pristatyti Lietuvos, Baltarusijos ir Ukrainos trišaliai projektai ES Rytų kaimynystei), press release, 8 December 2009, available at: http://www.esnaujienos.lt/index.php?option=com_content&view=article&id=1665:briuselyje-pristatyti-lietuvos-baltarusijos-ir-ukrainos-trialiai-projektai-es-ryt-partnerystei-&catid=86:lietuvos-atstovavimas-es-institucijose&Itemid=95 (last access: 9 June 2010).

Luxembourg

Positive stance towards Iceland – public opposition to Turkey

Jean-Marie Majerus*

Luxembourg's government has a positive attitude concerning the Icelandic application for EU membership. However, Iceland, as every other candidate state, has to pass the normal accession procedure. In fact, this will be much easier since Iceland, as a member of the Nordic Union, is already a member of the Schengen Information System and the European Economic Area. As Eurobarometer polls show, Luxembourg's population has no problems admitting Icelanders, which might not only be explained by the presence of an Icelandic community in Luxembourg, but also because Icelandic Airways used Luxembourg's Findel Airport as a hub for its continental European flights. The bad performance of some Icelandic banks in the most recent financial crisis did not really jeopardise this positive approach.

Luxembourg's Minister of Foreign Affairs, Jean Asselborn, visited the Western Balkans in February 2010 and used this opportunity to explain the Luxembourgish approach towards EU enlargement in the Western Balkans. After his meeting with Foreign Affairs Minister Milan Rocen from Montenegro, Asselborn praised the efforts made by this Western Balkans' nation to come closer to the EU. Asselborn especially praised the efforts made over the past years in the field of visa free entrance into Schengen-countries, and he recalled the stabilisation pact signed by Montenegro in 2007. Furthermore, the efforts made by Montenegro to respond to the EU questionnaire were also highly appreciated. Asselborn reaffirmed Luxembourg's firm commitment to offer the Balkan states a place inside the EU. He reiterated his encouragement to Western Balkan nations to reinforce their reform process and to strengthen their regional cooperation.

In Skopje, capital of (the Former Yugoslav Republic of) Macedonia (FYROM) the Ministers of Foreign Affairs Asselborn and Milososki underlined the positive character of the progress reports presented by the European Commission. Obviously, the debate on the official name of FYROM continues to be the main obstacle to the EU membership of Macedonia. Asselborn could not present a magician's solution to this most difficult problem. However, he compared the Greek-Macedonian conflict with German-French relations after World War II: "Only a resolute future-oriented spirit may be able to offer a solution. This solution will neither be dictated in Paris nor in Berlin and certainly not in Luxembourg."[1] Macedonian Foreign Minister Antonio Milososki tried to compare the Macedonian situation with relations between the Grand Duchy of Luxembourg and the Belgian province of Luxembourg.[2] Asselborn was satisfied with the significant progress made by Macedonia in the fields of justice and police affairs. Furthermore, the government of Macedonia stabilised, in his eyes, the national institutions respecting fundamental rights and common law.[3]

Asselborn's position reflects the general opinion of the Luxembourgish public as it is expressed in the press and parliament. [4]

As the Eurobarometer opinion surveys taken over the past years confirm, there is an outright majority in Luxembourg's public opinion which opposes any admission of Turkey into the EU in the foreseeable future.[5] Luxembourg has nevertheless accepted, like its partners, to start an open-ended negotiation process leading to possible Turkish EU membership. So far, this situation has not changed. There are political and economic analysts in Luxembourg who do see advantages in a possible Turkish membership.[6] Generally speaking, the membership perspectives of Turkey or other countries which are not included in the next enlargement round are not a topic on the political agenda of the public opinion and political class in Luxembourg. In general, Luxembourg's voters do not like any further enlargement of the EU before consolidation of the last one.[7]

In his last declaration on foreign and European policy, Minister Asselborn pointed out that he supports all efforts to create stability and prosperity beyond the EU's outside borders in the Mediterranean and Eastern Europe. Luxembourg wants to offer the necessary diplomatic, financial, economic and political instruments within the framework of the European Neighbourhood Policy. Luxembourg gives equal importance to relations with the south, meaning the Union for the Mediterranean and the Barcelona

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Process, as it gives to the Eastern Partnership. In the Luxembourgish parliament, no political party contested this point from the Minister of Foreign Affairs' declaration.[8]

[1] Europaforum.lu: Les questions européennes au centre du "tour des Balkans" de Jean Asselborn, 9-11 February 2010, available at: http://www.europaforum.public.lu/fr/actualites/2010/02/asselborn-balkans/index.html (last access: 22 June 2010).
[2] In fact both situations cannot be compared for historical, geographical and political reasons. See: RTL Radio Letzebuerg: Den Ausseminister op Viste am Balkan, 10 February 2010.
[3] Europaforum.lu: Les questions européennes au centre du "tour des Balkans" de Jean Asselborn, 9-11 February 2010, available at: http://www.europaforum.public.lu/fr/actualites/2010/02/asselborn-balkans/index.html (last access: 22 June 2010).
[4] La Voix: L'ARYM aux portes de l'UE, 11 February 2010; Tageblatt: Die schwierige Überwindung der Vergangenheit, 11 February 2010.
[5] Eurobaromètre 69: L'opinion publique dans l'Union européenne, printemps 2008, Luxembourg.
[6] Serge Kennerknecht: Gestärkt, geschwächt, Tageblatt, 31 March 2010.
[7] Eurobaromètre 69: L'opinion publique dans l'Union européenne, printemps 2008, Luxembourg.
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Macedonia

In front of the gates of Europe

Biljana Janeva*

The Republic of Macedonia strongly supports the EU enlargement process for all Western Balkan countries. The Western Balkan region is the only region which is bordered by the EU on all sides. However, not only its geography, but also its multiculturalism and rich multiethnic history make it only natural that it belongs to Europe.

Since Croatia solved the bilateral issue with Slovenia, it is clear that it is advancing to the EU's doorstep. The Republic of Macedonia was also part of the package for accession into the EU, and, having spent five years as a candidate country, it has so far fulfilled the conditions and benchmarks set by the EU and received a recommendation by the EU Commission in order to obtain a start date for the accession negotiations. The only remaining obstacle keeping the Republic of Macedonia from receiving a start date from the EU is the bilateral issue with its southern neighbour – an absurd dispute over Macedonia's constitutional name imposed by Greece. Yet, the Republic of Macedonia is willing to cooperate and to solve this issue in order to take a step further and start negotiations. Nevertheless, the name issue is a very sensitive issue for the Macedonian people, touching their identity and language.

There was huge disappointment expressed by the Macedonian public after the Council of Ministers failed to give a start date for the accession negotiations, and there was general dissatisfaction from the "double standards" imposed on Macedonia and it not being judged by its merits.

"On the 60th anniversary of the day when Schuman presented the proposal for a United Europe, Macedonia is the best example that the EU forgets that his idea was that Europe be open to those who want to join, and also forgets the idea of Jean Monnet that the veto requires a strong reason and the ability to look past the national egoism", writes the daily Nova Makedonija. "Macedonia will pass yet another year put aside by the unprincipled politics of the EU, which is distant from the ideals of its visionaries. Macedonia is the best example that the basic ideas of the founders of the EU are being ignored today, being blocked on its way toward European integration by one member country. If the founding fathers would be alive, they would have been disappointed that bilateral issues stand in the way of enlargement", say the Macedonian experts consulted by the newspaper. It quotes the Minister for Foreign Affairs of Macedonia, Antonio Milososki, that the dream of the founders of the EU – a Europe whole and united – can never be realised without the Balkans.[1] With the help of the EU, Macedonia has so far successfully built a functional model of democracy in a multiethnic society, which can serve as an example for the region and abroad.

Having the close historical and cultural connections in mind, the Macedonian model is of great importance for the other Balkan countries, and it has a positive contribution to regional stability. That is why the accession process in Macedonia should be viewed in its larger context, not only trough the prism of the solution of the name issue with Greece. "We are not looking for a shorter way, but a steady process which will enable us to advance on the basis of the Copenhagen criteria. The start of the negotiations for Macedonia will be a win-win solution for all", said Milososki.[2]

The attitudes in Macedonia regarding its European integration agenda are moving from total disappointment due to the fact that its future is blocked by a member state of the EU (which can last for several years), trough encouragement because of the fact that if the country focuses on the EU agenda (the reforms foreseen in the negotiation chapters and the legislation approximation) it can shorten the length of the negotiation process even while sitting in the EU "waiting room", to positive views that the name issue will be resolved and Macedonia is ready to immediately start working on the negotiation chapters.[3]

Another issue, which is becoming more and more obvious, is that EU officials do not even use Macedonia's name any more. Being aware of the name dispute between Macedonia and Greece, and even knowing that the country has a temporary name reference – "The Former Yugoslav Republic of Macedonia" or FYR of Macedonia in short – EU officials, either from ignorance or from respect

* OHRID Institute for Economic Strategies and International Affairs.

towards their Greek colleagues, refer to the country as "FYROM" (which is perceived as offensive by the Macedonian people) or as "the country", "your country" or, simply, the Former Yugoslav Republic.[4]

After the bad news from Brussels that Macedonia was not given a date for opening negotiations, the government blamed the EU for not setting a firm agenda for Macedonia. "The EU, in the same amount as Greece, will be guilty if Macedonia doesn't get a date for starting negotiations in June" was the message sent by both the Minister for Foreign Affairs and the Vice-Prime Minister for European integration. Both of them called upon the EU to keep its credibility and be principled in its decision to start negotiations for Macedonia.

The opposition, on the other hand, says that the government is ignoring the clear messages from the EU that there is no other way for membership except through a compromise in the name dispute with Greece. According to the opposition, by doing that, the government is trying to cover up its own responsibility for the failure, regardless of all the consequences Macedonia might face both internally and externally. The opposition leader Crvenkovski said that this is another failure by the government, another missed chance for Macedonia, which has been waiting for 20 months. "Self pity doesn't move the country forward", says Crvenkovski. "The prime minister should deal with the problems, not tell us how hard it is for him and who is to blame for his failure".[5]

Membership perspectives

Regarding the prognosis of the membership perspectives of the countries aspiring towards EU membership, public opinion is clear and realistic. Croatia will undoubtedly become a member state. Iceland will start its negotiations process. Serbia, Albania and Montenegro will receive candidate statuses (and maybe start negotiations for membership before Macedonia). Turkey is already negotiating and still has some issues, but is actively included in the Union for the Mediterranean. The neighbouring states are already planned in the new Europe 2020 Strategy. Where is Macedonia in all of this? was the conclusion drawn by a political talk show on A1 TV.[6]

The biggest fear in Macedonia is that it will be "stuck" waiting for Serbia, Montenegro and Kosovo so that these countries can join together. Clearly, they aren't on the same level of development and the delay could only worsen the fragile situation in the country.

At the moment, public opinion in Macedonia is not so certain there will be a next round of enlargement after Croatia, or, if there will be, when it would happen. The uncertainty comes mostly from the EU's "tiredness" concerning enlargement and its will to resolve its own problems before further enlargement. Also, with European economic recovery in question, it is still uncertain if the EU has the capacity to enlarge at the moment.

Unfortunately, that is not what the candidate and accession countries want to hear. The future looks much grimmer without an EU integration perspective. It is a question of stability, economic prosperity, access to markets and, above all, peace and security. Not having a clear signal from the EU has a demotivating and demoralising influence on the people: it attracts Euroscepticism, instability and uncertainty.

For Macedonia, the undesirable outcome of every EU meeting has consequences in its political and interethnic relations, as well as in the economy. Social and economic tensions are rising and there is only one subject in the internal discussion – the name issue.

There should be a clear and firm rule in the EU that one member state should not, in any condition, use its position to "bully" a candidate country which has fulfilled all the conditions necessary for the next step in its accession process. It should be reiterated that bilateral issues of any nature are only bilateral issues between the two countries, not between the EU as a whole and that country. Or, if there is a rule that all bilateral issues are indeed EU issues, then the EU should show true leadership and arbitrate all bilateral issues, present and potential, between all member countries and candidate countries.[7]

The Eastern Partnership and the Union for the Mediterranean

The general opinion in Macedonia regarding the Eastern Partnership (EaP) and the Union for the Mediterranean is that the EU should focus more on its own "backyard" – the Western Balkans. The EU should deal with the closest issues first, as the Balkan region is not even a backyard. It belongs to the

EU: it is surrounded on all sides by the EU, but it is not in the EU. With regard to the EaP, the debate revolves around whether the EU will focus more attention on the EaP countries from 2011 onward and forget Macedonia or force it to wait for the other Western Balkan states (Serbia, Albania, Montenegro and Kosovo). "The Western Balkans were the focus in 2009, now it is Iceland and the new neighbourhood countries will be next. Is Macedonia lost? In any case, there will be a change in the policy of the EU regarding enlargement", analyses the Dnevnik daily newspaper.[8]

The countries from the EaP are regarded as having more support in the EU, especially among the new member states (from the 2004 and 2007 enlargement). This will also be evident in the instrument for pre-accession assistance (IPA), which will probably be diminished or conjoined with the European Neighbourhood Policy Instrument (ENPI), which will pit Macedonia against bigger competition, prognoses the daily Dnevnik. Most discussions in public regarding the EaP are in correlation to the Macedonian position and standpoint.

The creation of the Union for the Mediterranean was considered by many as a utopian and false hope for connecting the Mediterranean countries and for creating a greater influence of European politics. The functioning of the Union for the Mediterranean is only monitored and reported in Macedonia.

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[1] Interviews of the newspaper Nova Makedonija, EU forgets about the ideals of Monet and Shuman, available at: http://www.novamakedonija.com.mk/NewsDetal.asp?vest=5810918166&id=9&setIzdanie=21978 (last access: 8 May 2010).
[2] Speech by the Minister for Foreign Affairs of Macedonia, Antonio Milososki at a conference in Sweden, available at: http://www.vlada.mk/?q=node/5406 (last access: 21 May 2010).
[3] Even without a date we can negotiate with EU, analyses Nova Makedonija daily newspaper, available at: http://www.novamakedonija.com.mk/NewsDetal.asp?vest=5710102918&id=9&setIzdanie=21977 (last access: 7 May 2010).
[4] Analysis by the time.mk news portal, available at: http://www.time.mk/read/cbcf0afa7/ae14c1077d/index.html (last access: 20 May 2010).
[5] Analysis and interviews by A1 TV: Macedonia asks for principality by the EU, available at: http://www.a1.com.mk/vesti/default.aspx?VestID=123988 (last access: 20 May 2010).
[6] From Studio 2 vo 20, aired on the 10 May 2010, available at: http://a1.com.mk/default.aspx (last access: 20 July 2010).
[7] In the OHRID Institute's Leadership Monitoring Report N 2, p. 43.
[8] Available at: http://www.dnevnik.com.mk/default.asp?ItemID=DEBE6D4BCAA39995BD97D9006920FD74 (last access: 18 May 2010).

Malta

Croatia's membership promoted

Stephen Calleya*

The government of Malta has been a consistent proponent of Croatia's membership application. The foreign ministries of both Croatia and Malta have interacted regularly in an effort to promote Croatia's membership bid. Thus, Malta believes Croatia will become a member of the EU in the next round of enlargement. Such a development will have a positive impact on strengthening stability across the Balkans and further enhance the Mediterranean dimension of the European Union.

Malta is also supportive of the EU applications of Montenegro and Iceland.[1] Malta's Ministry of Foreign Affairs has also been in close contact with both countries and offered support to further their EU accession negotiations.

Discussion regarding EU membership applications is primarily carried out at a governmental level with the Office of the Prime Minister and the Ministry of Foreign Affairs publicly commenting on this issue. There is a consensus across the political spectrum in Malta that only those states that fully meet the Copenhagen Criteria should be allowed to join the European Union. No consideration should be given entertaining transitional phases of enlargement when it comes to countries that have yet to carry out the necessary political and economic reforms.

At a civil society level, the membership of Turkey is also often discussed. A significant proportion of people are uncertain about the eligibility of Turkey to conduct further EU accession negotiations due to geographic and political issues. Issues of concern include Turkey's Middle East geographic dimension, Turkey's human rights' track record and Turkey's stance towards the Cypriot issue.

Located in the centre of the Mediterranean, Malta's main foreign policy focus has been on supporting the evolution of the Union for the Mediterranean (UfM) as a complementary mechanism to the Euro-Mediterranean Partnership (EMP) that was launched in November 1995.

It is fundamentally clear that the Euro-Med Partnership coupled with the Union for the Mediterranean offer a unique opportunity to strengthen political, economic and cultural ties across the Euro-Mediterranean area. But such progress will only be registered if all the Euro-Med countries direct their actions at the causes rather than the symptoms of contemporary disparities and security risks. This is not to say that humanitarian and development assistance is not essential, but this should not become a substitute for efforts that are geared towards increasing higher levels of cooperation between the countries of the Mediterranean.

The Union for the Mediterranean offers the blueprint to address the physical architectural deficit that has prevented the Mediterranean area from becoming a coherent functional economic regional space. The specific project areas that have been highlighted, including those concerning renewable energy, de-pollution of the sea, better transport connections and a civil protection network, focus on improving the physical dimension of the regional framework that to date has been lacking.

The launching of an enhanced political dialogue through the Union for the Mediterranean provides the EU with an excellent opportunity to introduce two basic features that have been absent from the EMP: responsibility and accountability. Both will upgrade the Mediterranean states participation in the UfM. Responsibility and accountability will provide the Mediterranean with a sense of ownership of a process that has to date been largely EU driven. It will also assist in eliminating the "us and them" perception that the Mediterranean countries have had of the EMP.

The Union for the Mediterranean must thus be seen as a litmus test of the European Union's objective of assisting the improvement of livelihoods in states that border its own member states. Moreover, the UfM track record will also have a major bearing on the extent to which the European Union is able to positively influence development in Africa and the Middle East.

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Parallel to the UfM economic targets, it is essential to re-visit the headline goal of the Barcelona Process to establish a common security agenda and mechanism for the Mediterranean. More than a decade has passed since the Guidelines for a Security Charter were published at the Euro-Med foreign ministerial meeting in Stuttgart in April 1999.

Economic development as envisaged by the Union for the Mediterranean will only take place if investors believe they are committing themselves to a strategic environment where the rule of law and security are guaranteed. The re-launching of a political dialogue that seeks to build a common security platform to address the long list of security risks and threats, including terrorism, the proliferation of weapons of mass destruction, drug trafficking, organised crime, and environmental degradation, will create a more conducive strategic context within which UfM goals can be pursued and achieved.

If the EU wants to increase security in the Mediterranean at a human level, it needs to decide whether it is going to export more jobs to its southern neighbours or whether it is prepared to absorb some of the excess employment capacity that is due to grow further in the next decade. Current projections estimate that the population of North Africa and the Middle East is due to grow from 200 million to 300 million by 2020.

Unless the countries along the southern shores of the Mediterranean are able to significantly increase their economic growth to above six percent per annum, unemployment figures in this part of the world are scheduled to increase rapidly in the next ten years. This demographic time bomb is, therefore, certain to be a source of instability in the Euro-Mediterranean area if not tackled in a concerted manner in the near future.

The Union for the Mediterranean therefore provides a very important strategic re-assessment of the EU's policy towards its southern neighbourhood. When all the hoopla surrounding the multilateral initiative launched by France is done away with, the UfM boils down to being a vehicle that seeks to correct the numerous deficits that the Euro-Med Partnership has suffered since its inception. These include addressing the issue of co-ownership, enhancing visibility of the process and focusing on delivering more tangible results in the form of numerous regional projects that are crucial to connecting the Mediterranean to the larger international system.

The Union for the Mediterranean introduces a very important perspective that to date has been absent when it comes to promoting regional integration in the Mediterranean. The UfM project will enhance Euro-Mediterranean interdependence, a prerequisite to being able to encourage confidence and eventual trust between states in the area. The rising political and economic interests and stakes will serve as an insurance policy against self-centred and myopic policy-making that for too long has hindered trans-Mediterranean integration.

The Eastern Partnership is also regarded positively as a vehicle that can enhance stability along Europe's eastern borders. This dimension of the European Neighbourhood Policy is, however, much less discussed when compared to its southern dimension, given the dominance of Mediterranean security issues on the agenda in Malta.

[1] Ministry of Foreign Affairs, 7 April 2010, available at: http://www.foreign.gov.mt/default.aspx?MDIS=21&NWID=974 (last access: 12 July 2010).

Netherlands

The Netherlands: "firm but fair" towards new EU member states

Simone Wolters*

The Netherlands' position is lukewarm towards further EU enlargement. Many political parties hold sceptical views towards a possible accession of new member states. All political parties have clear standpoints regarding the possible accession of certain countries or regions to the EU. During last year's elections for the European Parliament and in the upcoming national elections the possible accession of Turkey to the EU is a point of discussion, with the Party for Freedom (PVV) being particularly vocal about its opposition to Turkish EU membership. Almost all political parties state specific standpoints on EU enlargement on their websites and a majority of these websites report on possible enlargement with certain countries. Regarding a possible EU enlargement, some political parties raise the issue of the EU's absorption capacity and the necessity to increase this absorption capacity before new countries can enter the Union.[1]

The countries of the Western Balkan are a special case. The Netherlands sees cooperation with the International Criminal Tribunal for the former Yugoslavia (ICTY) as a condition for entry into the EU. Foreign Minister Verhagen stated furthermore that the Netherlands would be firm but fair regarding the Copenhagen criteria, in the sense that countries that want to access the EU have to fulfil these criteria as well as implement the acquis.[2]

The "Icesave case"

Dutch public opinion and media are critical towards Iceland's application for EU membership. The prime reason is the bankruptcy of Iceland's banking sector, which affected Dutch consumers and local authorities with savings on Icelandic banks. The popular Icesave bank may be seen as an example. Initially, the Dutch government, which had agreed on a repayment scheme with the Icelandic government, compensated Dutch victims of Icesave's bankruptcy. However, in March 2010, the Icelandic people voted against the agreement to pay back compensation loans to the Netherlands and the United Kingdom in a referendum. This has had a negative effect on relations between Iceland and the Netherlands.[3]

Foreign Minister Verhagen has made two considerations regarding the application for EU membership by Iceland. Firstly, without the Icesave discussion there would not have been a discussion about Iceland's application for EU membership. Secondly, if Iceland wants to become an EU member, the country should apply the acquis communautaire like every other candidate state. Part of the duties that arise from the acquis are the duties regarding the European Economic Area (EEA) of which Iceland is a member. The compliance with the directive on deposit-guarantee schemes is part of the duties of the EEA. At this moment, the Netherlands is waiting for Iceland to return to the negotiation table. The Netherlands is prepared to talk about the provisions under which Iceland will be able to fulfil its duties. Some parties state that accession talks could create a framework and be used as additional instruments to call Iceland to order and accept its duties according to the acquis in a European context.

The Dutch government stated that it is absolutely out of the question that Iceland will join the EU without fulfilling the whole acquis communautaire, including the duties based on the deposit-guarantee scheme.[4] The best way for Iceland to join the EU is to show the ability to meet its commitments regarding the deposit-guarantee scheme and to agree to the reimbursement of the loans of the Netherlands and the United Kingdom regarding the Icesave dispute.[5]

Special emphasis on the Western Balkan

The Netherlands perceives considerable pressure to accept the Balkan states as EU members.[6] Regarding a possible accession of the Balkans, the Minister of Foreign Affairs does not mention dates. Rather, fulfilment of the criteria will be needed. He also opposes EU enlargement in groups. Every country should be judged on its own merits.[7]

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According to Minister Verhagen, Serbia is working seriously on the reforms needed for accession. This is clearly marked in the progress report of the Commission. In his opinion, Serbia has the most professional government of all countries in the Western Balkans. Serbia has an actual modernisation agenda and the capacity to execute these modernisations. The Dutch government considers complete cooperation with the ICTY as an important condition for possible accession.

The Dutch government is concerned about the increasing nationalistic rhetoric and political tensions in Bosnia and Herzegovina. According to Minister Verhagen, the Dayton Treaty brought peace, but the state structure and the Dayton constitution are making the country ungovernable and dysfunctional. At the same time, the patience of the international community is wearing thin. The political leaders have to take more responsibility: "We have to urge them and convince the parties that mutual cooperation is the only option. However, already promising Bosnia that it will one day be able to join the NATO or the EU could have an adverse effect."[8]

Turkey important during elections

Political parties in the Netherlands are very critical towards a possible entry of Turkey into the EU and possible accession was even considered an important discussion topic during the 2009 elections for the European Parliament. In political debates during election time, right-wing PVV has been especially opposed to Turkish accession to the EU. Other parties except for the Greens and Liberal Democrats (GroenLinks and D66), are critical on their websites and in their election programmes of an eventual accession of Turkey to the EU. On a possible accession of Turkey, Minister Verhagen stated that Turkey could have an important bridging function and could contribute to a dialogue between cultures instead of a "clash of civilisations". According to the Netherlands, the reform process in Turkey has been delayed in the last few years. The speed of these reforms should be accelerated. According to Minister Verhagen, Turkey should be aware of the fact that the negotiations are an open-ended process and Turkey has to make a move. The Dutch goal remains that accession talks are directed at accession, without the outcome being fixed.[9]

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[1] See the websites of the different political parties, available at: www.cda.nl; www.pvda.nl; www.vvd.nl; www.d66.nl; www.groenlinks.nl; www.Sp.nl; www.pvv.nl; www.cu.nl; www.sgp.nl (last access: 22 June 2010).
[2] Eerste Kamer: Algemene Europese beschouwingen, 20 April 2010, 26-1117.
[3] Melle Garschagen: Bevolking IJsland wijst Icesave-akkoord af, NRC Handelsblad, 6 March 2010.
[4] Tweede Kamer: vergaderjaar 2009-2010, 21 501-02, nr. 958, 14-17.
[5] Tweede Kamer: Vergaderjaar 2009-2010, 23 987, nr. 107, 3.
[6] Eerste Kamer: Algemene Europese beschouwingen, 20 April 2010, 26-1081.
[7] Ibid., 26-1117.
[8] Ibid., 20 April 2010, 26-1118.
[9] Ibid.

Poland

Enlargement and ENP remain key priorities

Maria Karasinska-Fendler·

Support for further enlargements and for the European Neighbourhood Policy (ENP) remain key priorities of the Polish government and the main political parties – including the opposition. There is also a general public opinion interest in developing good relations with all neighbours who are not members of the EU. Non-governmental organisations are deeply involved in aid for the development of democracy in those countries which were formerly members of the Soviet Union. On 27 January 2010, Foreign Minister Radosław Sikorski delivered the opening address at the Madrid seminar "The Future of the Eastern Partnership: Challenges and Opportunities". Minister Sikorski's speech was followed by a meeting of foreign ministers from the Republic of Poland, the Kingdom of Spain and the Czech Republic. The Madrid seminar, organised jointly by the Spanish Presidency, Poland and the Czech Republic, reviewed the state of implementation of the Eastern Partnership (EaP) in its bi- and multilateral dimensions, as well as examining the challenges ahead. The participants also appraised the EaP's development perspectives and discussed ways to further consolidate it through deeper involvement of international financial actors, private sector institutions and NGOs. The seminar was attended by the representatives of the EU member states, the six partner states (Armenia, Azerbaijan, Belarus, Georgia, Moldova and Ukraine), EU institutions, international financial institutions (the European Bank for Reconstruction and Development, the European Investment Bank, the World Bank) and European think tanks. The next and more concrete steps to promote the realisation of the EaP's aims were discussed in Sopot, a Polish Baltic Sea resort. On 24 May 2010, at the invitation of Minister Sikorski, EU foreign ministers met in Poland for an EaP debate. First, the EaP was underlined as the first comprehensive initiative to bring Armenia, Azerbaijan, Belarus, Georgia, Moldova and Ukraine closer to the EU. The initiative aims to help those countries integrate with the EU. "Poland has proposed to create a "group of friends" for the Eastern Partnership, bringing together countries like Russia that want to participate in programmes related to the Partnership and be informed about them", Sikorski told reporters after an EU ministerial meeting on the EaP. The "group of friends" would also include "such countries as Norway, Canada, the United States and Japan as well as others", he said. It is aimed at facilitating multi-lateral meetings, the progressive liberalisation of EU visa regimes and the creation of a free-trade zone, as well as using EU funds for various projects in the region. The Partnership is "everything except a 'cordon sanitaire' against Russia", France's European Affairs Minister Pierre Lellouche told AFP after the meeting. It can be well seen that Poland wants to play a leading role in developing the EaP strategy and in its realisation. It is worth noticing that the Union for the Mediterranean is not perceived as a competitive but as a cohesive way of building up common EU relations with its partners. For that reason, Poland supports all Mediterranean projects, expecting in return support from a majority of EU members for its efforts on the eastern border.

· **Foundation for European Studies – European Institute.**

Portugal

Portugal: a supporter of further enlargement

Luis Pais Antunes·

Portuguese support to the accession of new member states, in particular in the cases of Iceland and Croatia, is clearly not a priority in these difficult times. There are several reasons for this. Of course, the feeling that Europe should find the most adequate instruments to face the current crisis before opening its doors again is probably the main one. But the fact that we are talking about distant countries may also justify this apparent lack of interest. In the last available Eurobarometer, Portuguese level of support to the accession of Iceland and Croatia was clearly below the EU-27 average. One of the few cases where the Portuguese level of support was greater than the EU-27 average was Turkey (with around 50 percent compared to 45 percent).

Among the government and the main political parties there is an apparent consensus over the fact that no candidate should be in a privileged position and that the normal procedures have to be respected. Delegations of candidate countries often pay a visit to Portuguese institutions (not only parliament and government, but also civil society organisations) and receive encouragements on their quest.

A very recent statement of the Minister for Foreign Affairs, Luis Amado – on the request of Equatorial Guinea to enter the Community of Portuguese Language Countries (CPLP) – seemed to confirm the official position of the Portuguese government. Amado stated that it would have to follow the same path as Turkey and Croatia are following, by adopting the necessary reforms to adapt themselves to the requirements imposed by the European Union.[1] But the lack of a specific reference to Iceland at this point in time could also be interpreted as a turning point vis-à-vis last year's declaration when Amado stated that there was no short track for Iceland, being in a similar position as any other candidate, such as Croatia, Serbia or Turkey.

[1] Newspaper "i", 23 July 2010.

· **Instituto de Estudos Estratégicos e Internacionais.**

Romania

Croatia, Iceland, Turkey, Moldova

Agnes Nicolescu*

Croatia most likely to join the EU

As reflected in the Romanian press,[1] the most likely country to join the EU is Croatia, followed by Serbia, despite the lagging dispute over Kosovo. The focus is on the economic progress achieved by Croatia so far, as compared to countries like Romania and Bulgaria – which are already members of the EU – and on the fact that interruptions and delays in Zagreb's path towards EU membership were mostly connected to the consequences of the armed conflicts in the early 1990s. Some experts suggest that, should it not have been for the territorial disputes with Slovenia, Croatia would have become an EU member in 2004.[2]

Croatia's efforts to meet the accession criteria are viewed in a positive light by Romanian officials. On the occasion of a meeting between Romanian Minister of Foreign Affairs Teodor Baconschi with Gordan Jandroković, Minister of Foreign Affairs and European Integration of the Republic of Croatia, the head of Romanian diplomacy "appreciated the accelerated pace of negotiations for accession to the European Union, emphasising the important role the Republic of Croatia plays in the region."[3]

The High Representative of the European Union for Foreign Affairs and Security Policy, Catherine Ashton, underlined[4] the importance of the presence of Serbian president Boris Tadić at a summit of Balkan countries, organised following a joint Slovenian-Croatian proposal.

As far as Iceland's EU application is concerned, the Romanian mass media underlines that, despite serious economic and financial difficulties, Brussels considers Reykjavik a strong candidate for EU membership. Materials tackling this topic focus on the recommendations given by the EU for the opening of accession negotiations on grounds that Iceland could almost immediately finalise 24 out of 35 negotiation chapters. Through Iceland, the EU could gain access to the Arctic region, which holds "strategic importance"[5] due to its mineral resources.

Still No Perspectives for Turkey's EU membership aspirations

The Romanian press points to Germany's and France's strong stances against Turkey's EU bid as a major factor which obstructs Ankara's European path. The German Chancellor Angela Merkel has reiterated a "privileged partnership" status for Turkey, which, however, does not mean anything more than already exists. The liberal Member of the European Parliament (MEP) Alexander Graf Lambsdorff has even suggested that the EU should introduce for certain countries – such as Turkey or Ukraine – an intermediary membership status superior to the so-called privileged partnership quality.[6]

Romanian media dealing with the visit of Turkish Prime Minister Recep Tayyip Erdogan to Paris quote Cengiz Aktar of Bahcesehir University in Istanbul, who believes "that the most important result of the encounter was the fact that President Sarkozy accepted the invitation to [go to] Turkey at the end of this year."[7] Unlike his predecessor, Jacques Chirac, under whose mandate Ankara started accession negotiations to the EU, Nicolas Sarkozy has blocked the opening of five out of the 35 mandatory chapters of the accession talks. Other countries, among which are Spain, Italy and the United Kingdom, are strongly in favour of Turkey's EU application, welcoming its geostrategic role as a link to Islamic civilisations.

Moldova must maintain the current fast pace of reforms

The Eastern Partnership holds a particular strategic significance for both Romanian decision-makers and the public opinion, being viewed as a chance to bring Ukraine and Moldova closer to the EU, which can only increase Romania's and the EU's security and stability in the eastern area. Romanian officials strongly support the Eastern Partnership and, particularly, Moldova's Europeanization efforts and, ultimately, EU membership aspirations, although the process is deemed by most analysts as full of challenges. Experts from think tanks maintain a reserved yet reasonably optimistic view on

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Moldova's recent progress, stressing the need for it to continue its current fast pace of reforms as set in the "Rethink Moldova" strategy. Cristian Ghinea and Victor Chirilă[8] believe this strategy of "pre-emptive implementation" adopted by Moldova will pay off in the medium and long-term, as Chişinău has already adopted the set of pre-conditions needed for a visa liberalisation road map, without being asked to. The Romanian President Basescu is more optimistic about Moldova's European destiny, emphasising the strategic partnership between the Republic of Moldova and Romania and aiming to support Moldova's European integration.[9]

The Romanian journalist Flavius Ţone analyses some of the findings of a report by Andrew Wilson, who recommends the stimulation of a positive competition between Ukraine and Moldova and a refraining from any hostile actions against Romania.[10] Particular attention is also paid to the contradictions surrounding Ukraine's European aspirations, in a context in which Kyiv seems set to choose a *pragmatic rapprochement* to Russia instead of the time-consuming EU accession process.

As far as the Union for the Mediterranean is concerned, press coverage has focused on identifying connections between the Black Sea and the Mediterranean, highlighting the need for an integrated approach to European maritime security (Black Sea – Mediterranean Sea – Baltic Sea).[11] This topic is tackled from the perspective of the concrete solutions it could offer for regional issues of shared interest, such as the Arab-Israeli peace process.

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[1] Claudia SILAGHI: Croaţia la portile Uniunii Europene. Ne dati ori nu ne daţi?, 29 March 2010, available at: http://www.hotnews.ro/stiri-international-7078414-croatia-portile-uniunii-europene-dati-ori-nu-dati.htm (last access: 17 May 2010).
[2] Ibid.
[3] Ministry of Foreign Affairs: Romanian Minister of Foreign Affairs Teodor Baconschi meets with Croatian Minister of Foreign Affairs Gordan Jandroković, press release, 30 April 2010, available at: http://www.mae.ro/index.php?unde=doc&id=15386&idlnk=2&cat=4 (last access: 18 May 2010).
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[5] Cristina OROVEANU: Islanda în UE: datorie contra energie, Adevărul, 25 February 2010, available at: http://www.adevarul.ro/international/europa/Islanda_in_UE-_datorie_contra_energie_0_214779013.html (last access: 17 May 2010).
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Slovakia

Enlargement favoured but not at any price

Vladimír Bilčík*

Historically, Slovakia has been a strong supporter of enlargement, though in recent years the country's position has become more nuanced. Most consistently, Slovakia's politicians have supported Croatia's bid to enter the European Union. Shortly after Slovakia's accession to the EU, the country was unhappy with the initial Council's decision to postpone the opening of accession talks with Croatia beyond March 2004. The then Prime Minister Mikuláš Dzurinda was a vocal advocate and one of the driving forces of Croatia's swift incorporation into the Union. Slovakia's diplomacy thus continued to push for a re-examination of the Council's decision and was happy to welcome the compromise solution whereby both Croatia and Turkey officially began their respective accession talks on 3 October (or the early hours of 4 October) 2005. In the aftermath of the launch of official talks with the two countries, Prime Minister Dzurinda stated during his press conference that Slovakia would offer Croatia cooperation in negotiations on the various chapters of the acquis. At the same time, the Prime Minister said that Slovakia would try to see both Ukraine and Serbia and Montenegro enter the same path of European integration.[1]

Today, Slovakia is still in favour of enlargement, but not at any price and not to all flanks of Europe. Turkey has always been a specific case, as Slovakia's former Foreign Minister Eduard Kukan highlighted by saying that the negotiations with Ankara "will be demanding and very, very long."[2] But even apart from Turkey, support for enlargement has somewhat waned. On an official visit to Germany on 3 November 2005, the then Slovak Prime Minister Mikulas Dzurinda stated rather surprisingly that the absorption capacity of the European Union had its limits and that the EU needed a "pause" in its further enlargement.[3] The government of Prime Minister Robert Fico (2006-2010) continued to support Croatia's accession process as well as the ambitions to join the EU articulated by other Western Balkan countries. It also had a more open attitude to Turkey's difficult accession process and endorsed the application of Iceland. Realistically, Slovakia's politicians expect Croatia to join the EU in the near future. They also hope for advancements in the accession process of other countries in the Western Balkans, especially Serbia and Montenegro, and are keen on stable developments in Bosnia and Herzegovina and in Macedonia. Slovakia has the least intensive bilateral relations with Albania and, moreover, it is among the EU member states that do not recognise the independent state of Kosovo.

At the same time, Slovakia's politicians have been less enthusiastic about Ukraine's EU aspirations. Today, nobody in Slovakia openly ponders Ukraine's chances to join the EU. Although, to an important extent, this has more to do with the wasted domestic political opportunity offered by the Orange Revolution to Ukraine, Slovak-Ukrainian relations have also suffered from bilateral conflicts during the gas crisis of 2009 and over the state of the border regime along the Schengen border between Slovakia and Ukraine. Thus, Slovakia is a good case of a more nuanced attitude during the launching of the Eastern Partnership Initiative by Poland and Sweden in June 2008 and the subsequent elaboration of the Eastern Partnership by the European Commission in December 2008. The experience with the gas crisis when Russia stopped its deliveries of natural gas due to a conflict with Ukraine has made Slovakia's diplomacy more lukewarm to Ukraine's ambitions to ultimately achieve both EU and NATO membership. Most Slovak governing politicians and the Slovak public blamed Ukraine for the crisis in deliveries of natural gas.[4] In a public radio discussion, the political director general of the Foreign Ministry, Igor Slobodník, questioned whether "the strategic culture of this country [Ukraine] has reached the state when it could be a reliable and responsible ally in this moment in 2009 and the answer is unclear."[5] While Slovakia's official position vis-à-vis Ukraine has not changed and Slovakia actively supports Kiev's ambitions to work more closely with the EU and NATO (for example, Slovakia's embassy in Kiev serves as the contact point for NATO),[6] Slobodník underlined that Slovakia would be more critical in its evaluation of Ukraine's ability to digest Slovakia's technical assistance. In short, Slovakia is likely to be more demanding in relation to Ukraine since Ukraine's credibility has suffered as a consequence of the recent gas crisis.

Within the framework of the Eastern Partnership, Slovakia's diplomacy recently showed its keen interest in engaging with Moldova's pro-reform government. Foreign Minister Miroslav Lajčák visited

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Chişinău on 7 May 2010 and underlined Slovakia's support for domestic changes in Moldova by announcing Slovakia's contribution to the modernisation of Moldova's TV station Tele Radio Moldova and by underlining broader opportunities for Slovakia's bilateral engagement through new projects of official development assistance.[7] Slovakia does not have any vocal or specific preferences with respect to the Union for the Mediterranean.

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Slovenia

Croatia and Iceland first, Turkey and Macedonia to follow

Andreja Slomšek and Jure Požgan*

Slovenia expects two new members

The EU enlargement, and especially the EU enlargement in the Western Balkans, remains a priority foreign policy action for Slovenia. As a consequence, Slovenia will continue to work towards the convergence and integration of, above all, Western Balkan countries (Croatia, Macedonia, Montenegro, Albania, Serbia, Bosnia and Herzegovina, Kosovo), but also Turkey and Iceland into the EU.[1] According to the statements of the Slovenian PM Borut Pahor in the media, Slovenia expects that, in the next enlargement round, the new member states of the EU will be Croatia and Iceland. As stressed by Pahor in December 2009, the EU should, however, not postpone this process after this enlargement round. His estimation was that in 2011 the EU will probably have 29 members.[2]

According to the Slovenian national assembly, Croatia has started a crucial stage of accession negotiations. Despite the forecasts by the European Commission that Croatia should be able to finish the accession negotiations by the end of 2010, Slovenia stresses that the pace of negotiations and their potential conclusion entirely depend on the Croatian ability to fulfil the conditions for closing the remaining negotiating chapters. Based on the progress already made, Croatia needs to further strengthen its efforts in the areas of judicial reform, public administration, the fight against corruption and organised crime, the rights of minorities (including refugee return), and the trial for war crimes. Above all, the issue of granting the International Criminal Tribunal access to the documents of the former Yugoslavia remains vital. Croatia should also actively strive for good neighbourly relations and regional cooperation, including progress towards the elimination of bilateral issues, particularly open border issues with Bosnia and Herzegovina, Serbia and Slovenia.

Slovenia also supports the accession of Iceland. According to the Ministry of Foreign Affairs of the Republic of Slovenia, Iceland fulfils the political criteria for EU membership. Its economy is already largely integrated into the EU internal market through its participation in the European Economic Area. However, the Ministry of Foreign Affairs of the Republic of Slovenia has stressed in its press release on the Commission's enlargement package that each membership application must be considered on an equal footing and that the principle of equal treatment also needs to be respected in the case of Iceland.[3]

Membership of Turkey and Macedonia in the next enlargement round is being questioned

Regarding the countries that are not expected to become full member states in the next enlargement round, the Slovenian National Assembly evaluates that the accession negotiations with Turkey have reached an advanced stage that calls for strengthening the efforts to meet the necessary enlargement conditions. Turkey has to improve in a number of areas in order to fully meet the Copenhagen criteria, including freedom of expression, freedom of speech and religious tolerance. The accession process with the EU gives Turkey a strong incentive to further strengthen democracy, respect for human rights and further modernise the country. Turkey plays a key role in facilitating regional security and enabling the EU's energy supply. In view of these facts, Slovenia will continue to support the commitment of this country for EU membership.[4]

According to the Ministry of Foreign Affairs of the Republic of Slovenia,[5] Slovenia supports the European Commission's decision, based on Macedonia's achievements, to recommend that the Council of the EU begin accession negotiations. This decision is an important incentive and gives renewed impetus to the fulfilment of recommendations, which provides stability and progress for the country. Slovenia will strive for these negotiations to begin within a reasonable time.

Need for strengthening and building relationships to the south and east

Regarding the Eastern Partnership and the Union for the Mediterranean, Slovenia is highly aware of its historic and geographic connections with the Mediterranean and the Eastern European EU

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neighbourhood. Therefore, Slovenia is interested in further strengthening the relations between the EU and the group of countries included in the European Neighbourhood Policy (ENP). According to the Secretariat-General of the Government of the Republic of Slovenia, Slovenia will continue to support the principle of differentiation as a key principle within the ENP and to strengthen the relations with third countries bordering the EU.[6]

Regarding the Union for the Mediterranean, the Slovenian national assembly stressed that it is of a great importance for Slovenia to pave the way for the establishment of the Euro-Mediterranean University (EMUNI) as the original Mediterranean Union project, which contributes to the deepening of intercultural dialogue, mobility and the establishment of a Euro-Mediterranean area of higher education and research.[7] Since the EMUNI, founded in June 2008, is based in Piran, Slovenia, more attention is paid to the Union for the Mediterranean. According to Ivo Vajgl, Slovenian Member of European Parliament and a member of the political party Zares, which is, since 2008, part of the ruling coalition, the Union for the Mediterranean could significantly contribute to maritime connections, the setting up of energy infrastructure, decreasing pollution of the Mediterranean Sea, and boosting the intercultural dialogue. Also, the level of mutual understanding and tolerance among different cultures could be raised through cooperation in higher education.[8]

As for the eastern dimension, it is important that the Eastern Partnership countries are offered mechanisms and instruments that have been identified during its creation, in order to continue their reform process and possible EU integration.[9] The President of Slovenia, Danilo Türk, assessed the Eastern Partnership as a positive process and underlined that Slovenia "would like to see the Eastern Partnership be strengthened." In his opinion, it is important to take into consideration the possibilities and capabilities of each individual partner state. Furthermore, it would be inappropriate to reduce the relationship with the eastern neighbours only to the issue of energy: "We need to look at a variety of other areas, including the question of strengthening the democracy and the cooperation between different religions."[10]

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Spain

Spain backs future EU enlargements

Ignacio Molina*

Having only joined the European Communities in 1986, thirty years after the signature of the Rome Treaty and ten years after the end of Franco's dictatorship, Spain's official position has always backed the idea that enlargement is a central element of the EU integration process and that further enlargement towards relatively new democracies in the Western Balkans and Turkey is a political priority that will contribute to peace and stability in Europe. Notwithstanding this, it must also be stressed that, in general, enlargement is a topic without relevance in the mass media and in domestic political debate.[1] Even so, the programme of the Spanish EU Presidency was also ambitious on this dimension.[2]

Successive Spanish governments – whether conservative or socialist – have backed Turkey's entry to the EU for a number of different reasons which have to do with the EU's general political, economic and security interests, while not considering questions of cultural or religious identity to be central to the issue. Prime Minister Rodriguez Zapatero told his Turkish counterpart, Recept Tayyip Erdogan, during a summit held in Madrid last February that he wanted to open as many EU accession chapters as possible and boost Ankara's bid to join the EU. However, despite Spanish diplomatic efforts, the expectations of opening up at least four negotiation chapters with Turkey came nowhere near being fulfilled – mainly because of Turkey's delays in carrying out reforms. It was finally accepted that only one technical chapter could be opened during the semester, although Turkey is expected to open one or two additional chapters during the remaining presidencies of the Trio team: Belgium and Hungary.

Concerning Croatia, in contrast with the limited progress made in its membership negotiations in 2009, two negotiation chapters were successfully concluded in 2010. The Spanish government supports the near conclusion of all negotiations considering that Croatia's future membership will be a decisive factor of stability for the Balkan region. Spain has a political commitment towards the entire Western Balkans – in particular towards Serbia because of a peculiar combination of factors – and backs the idea that their future should only be within the EU. During its Presidency, Spain organised a successful and pragmatic meeting in Sarajevo in which it was able to bring together representatives of Serbia and Kosovo, despite being one of the five EU member states that obstinately rejects recognising the new independent state.

Finally, in the accession negotiations with Iceland – expected to start in autumn 2010 – Spain is willing to participate actively in the preparations of common positions related to the first negotiation chapters. One of the most important topics for both Iceland and the EU will be the negotiations on the fishing chapter, a very sensitive issue for Spanish economic interests. The Secretary of State for the European Union, Diego López Garrido, expressed that "Spain is in favour of enlargement" although "the positive answer to the request of Iceland can not be detrimental to the requests of other countries to do the same, especially those countries that are in the area of the Western Balkans".[3] Lopez Garrido admitted "that the negotiation process (with Iceland) will go relatively quickly". It must be remembered that Iceland "meets most of the acquis communautaire and is part of the EEA and the Schengen zone". However, the results of Iceland's referendum held last March 2010, in which 93.5 percent of voters voted "No" to the plans to reimburse the Netherlands and the UK for monies lost following the collapse of online bank Icesave, could undermine the country's application to join the European Union.

Another missed opportunity to reinvigorate EU-Mediterranean relations

The boost of the European Neighbourhood Policy, both to the east and in the Mediterranean area, was also considered a priority of the Spanish Presidency in the first semester of 2010. However, Spain has no strategic interests in the Eastern European vicinity, as its nearest geopolitical area of interest is the Mediterranean – the second national foreign policy priority after Latin America.

Spanish academic experts believe that the Eastern Partnership (EaP) does not constitute a direct threat to Spanish interests in the Mediterranean region. However, it is true that the EaP competes with

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Mediterranean initiatives. In this context, Spain is trying to guarantee that the EaP does not substrate economic resources from the Union for the Mediterranean (UfM) project and will not interfere in the rapprochement between the EU and Russia.[4] Nevertheless, Miguel Angel Moratinos, in his role as Spanish Foreign Minister during the Spanish Presidency, stressed the importance of the EU policy of strengthening relations with both Eastern Europe and the Southern Caucasus regions, emphasising the significance of them not as "sanitary belts", but rather as areas of cooperation and interaction with the European Union.

Regarding the UfM, established at French instigation in July 2008, the Spanish initial reaction to the initiative was not enthusiastic at all. Spain's main concern was that the initiative could damage the Barcelona Process launched in 1995. After these initial hesitations, Spain has backed this project as a way to reinvigorate EU-Mediterranean cooperation. Traditionally, during Spanish presidencies, the southern Mediterranean has been given special attention, and Spain has sought to impulse European action in this area. However, this time, the escalation of the Israeli-Palestinian conflict has created great difficulties for the Spanish Presidency of the EU. Despite this negative environment, Jordanian Ahmed Khalaf Masad was appointed as the Secretary-General of the UfM, and the statutes of the Secretariat, which will be based in Barcelona, were finally approved. Nevertheless, the first warning over the difficulties to adopt any kind of agreement could be seen in April, with the failure of the adoption of a water-management strategy, it had to be dropped after a dispute over references to the Palestinian territories occupied by Israel.[5]

Spain had included the celebration of the second Heads of State Euromediterranean Summit in its presidency programme with the aim to address the main topics on the global agenda (economic crisis, climate change, energy, food security, etc.) from the Mediterranean standpoint. Regardless of the intense diplomatic work, Spain had to postpone the summit that was scheduled to take place in Barcelona on 7 June 2010. The postponement was agreed by Spain and co-chair nations France and Egypt. The Spanish government said the move was intended to give more time for indirect negotiations between Israel and the Palestinians, which began on 19 May 2010 after more than a year.[6]

It must be noted that the preparations for the summit had been overshadowed by a threat by some Arab governments to abstain if Israel's Foreign Minister was to attend. Spain did not want to celebrate a Mediterranean summit without the attendance of the main Mediterranean leaders. The summit has now been tentatively scheduled for the third week in November 2010 with the aim to coincide with the 15th anniversary of the 1995 Barcelona Summit. The postponement produced disappointment and was received by the mass media as a new diplomatic setback for Spain's EU Presidency, since an EU-U.S. summit that was to have been held in May in Madrid was also called off months ago when Washington announced that President Barack Obama would not attend. Besides the frustration of seeing the cancellation of the two main summits, the meeting held in Granada with Morocco cannot be considered a success either, if one judges it by the weight of the issues that were dealt with.[7]

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[1] Even in the case of Turkey, there is no significant debate about the advantages and disadvantages of Turkish membership or of its consequences for Spain. According to the 23rd Wave of the Elcano barometer (March 2010), 44 percent of the Spaniards support Turkey's future membership. See: www.realinstitutoelcano.org (last access: 29 July 2010).

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[6] See: http://www.eu2010.es/en/documentosynoticias/noticias/may23_moratinosupm.html (last access: 29 July 2010).

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Sweden

Sweden in favour of enlargements and co-initiator of the Eastern Partnership

Gunilla Herolf*

The Swedish government is strongly in favour of the continued enlargement of the EU and sought to bring the process of enlargement forward as much as possible during its Presidency in the latter half of 2009. The Western Balkan countries are seen to be the closest to accession, albeit some are further ahead than others. Icelandic talks are hoped to be initiated soon as well.

For the first country in line, Croatia, Sweden acted to facilitate the agreement to take the border dispute between Slovenia and Croatia to a court of arbitration. Nine out of 35 Croatian negotiation chapters were closed during autumn 2009. Furthermore, Iceland submitted its application for EU membership in July 2009 and Serbia did the same in December 2009. An important step in the process of integration leading to membership is visa-free travelling. In July 2009, citizens of Macedonia, Montenegro and Serbia, effective from 19 December 2009, were allowed to travel freely in most of Europe.[1]

Bosnia and Herzegovina has fallen behind the other countries in the Western Balkans. Carl Bildt, in an interview, described how he had warned Bosnia and Herzegovina that if they did not get their act together speeding up reforms, other countries would move ahead of them in visa liberalisation and then again in the membership application process. Still, Bosnia did not do so and the country was consequently not included among those to receive visa liberalisation. As the foreign minister sees it, Bosnia and Herzegovina risks falling a number of years behind. One factor that makes it even more risky is the upcoming parliamentary election scheduled for October 2010. Elections are by nature divisive in every country, but, in Bosnia and Herzegovina, they are divisive along ethnic lines, which makes the situation worse. This is, however, a problem that the Bosnians must be able to solve themselves: “The EU is a union of sovereign democracies, not protectorates. Bosnian leaders need to demonstrate that they are a country and they can only do so by working among themselves. All in all, the EU has gotten the Balkans moving forward and Bosnia should be able to move forward as well.”[2]

Carl Bildt sees the South Caucasus region as having a European perspective; however, in his mind, it is at this stage too early to say whether this will ever lead to membership. Georgia is considerably ahead of the other two South Caucasian countries, but it is not at EU standard. It has also been handling economic issues relatively well, but, in the words of the Foreign Minister, one should not underestimate the economic difficulties ahead in the economy. The Abkhazia and South Ossetia problems will take time to resolve, Bildt believes. The EU will stay firmly committed to Georgia’s territorial integrity, but we will have to wait “for the constellation of stars to change in some sort of way” for a full solution to be achieved. In the meantime, Georgia should concentrate on democratic and economic reforms towards Europeanisation. This would also, he thinks, provide the best possible grounds for the solution of the Abkhazia and South Ossetia problems.[3]

Azerbaijan and Armenia will also need to be involved, as the EU has no wish to create divisions in the area. Association Agreements with all three countries are therefore now on the agenda, according to Bildt. The hope is that these agreements would create incentives for the countries to move forward with the necessary economic and political reforms. In addition, it could also, hopefully, create an incentive for the resolution of regional disputes. All three countries would clearly have much to gain from working together, also in economic terms.[4]

Sweden is also in favour of Turkish membership. During the Swedish Presidency, negotiations with the EU were opened on 21 December 2009 on the chapter of environment. According to newspapers, it took place only after strong pressure by Carl Bildt.[5]

Sweden, however, sees Turkish membership as an issue for the future, after considerable reforms have been made in Turkey towards fulfilling the Copenhagen Criteria. Carl Bildt expressed the Swedish view in the following way in the annual foreign policy declaration:

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"We welcome the continued democratic transition in Turkey. We view arrests of democratically elected politicians with concern and see the country's reforms – with their increased human rights protection – as a development of very great significance for the future. Although much remains to be achieved, not least a new and modern constitution with greater protection for political rights, we are convinced that the European Union will be both more dynamic economically and stronger politically with Turkey as a member. This would show even more clearly that our European cooperation can bridge the antagonisms that in times past characterised our continent's history, and continue to characterise parts of our world."[6]

Sweden has given Turkey some praise but also serious criticism for policies undertaken during recent times, the criticism directed at certain acts by the political leadership, the Turkish Constitutional Court and the Turkish Army. Carl Bildt saw it, for example, as disturbing that the vote to outlaw the Kurdish Social Democratic Party was taken by unanimity within the constitutional court. The Kurdish issue is seen as the most critical one in the modernisation and Europeanisation of Turkey. Cyprus is another issue, which, although not formally connected to the Turkish accession process, is seen as very critical for it. Reaching an agreement is in both Turkey's and Greece's interests and the essential requirement is now seen to be leadership in Turkey and Greece.[7]

The Eastern Partnership (EaP), being originally a Swedish-Polish proposal launched in 2008 and accepted by the EU in May 2009, continues to be a strong Swedish interest. The EaP is considered important for the continued good cooperation with and integration of the six countries of Armenia, Azerbaijan, Belarus, Georgia, Moldova and Ukraine. The original proposal was, however, watered down in order to be accepted by the EU: two of the most important elements – visa free travelling and free trade areas – were no longer included. The former met opposition based on the fear of illegal workers and criminal elements taking advantage of it. The Swedish efforts during its Presidency were therefore limited to making visa processes simpler and less bureaucratic. The latter was seen by some countries as leading to too much competition for their own agricultural products, and its introduction was therefore postponed to a future stage of the EaP. Another difference was in the perception of the EaP and related to timing: after the Georgia conflict of August 2008, many countries came to interpret the EaP as a kind of bulwark against Russia, which increased support for it, but was far from the original idea of the Polish-Swedish proposal.

In the annual foreign policy declaration, the Minister for Foreign Affairs declared that, apart from the important steps taken during the Swedish Presidency for the implementation of the EaP, the government will also contribute to its further development during 2010 in order to promote reforms and EU integration among these countries. According to Carl Bildt, "funding of necessary reforms in our partner countries, simpler opportunities for travel and work to and within the EU, trade liberalisation and a strengthened role for civil society are all priority areas."[8]

Foreign Minister Carl Bildt has brought up the visa issue as regards Ukraine in the EU. This was done in connection with the Spanish proposal for visa-free regulation as concerns Russia. Bildt did not object to this, but argued that there has to be a regional approach to the whole set of problems regarding visa-free regulations. For example, we should have approximately the same approach towards the east as we have towards the Balkans. As concerns the Balkans, we have put up criteria for visa-free travelling, saying to them that if they comply with these criteria they will get visa free travelling. Sweden argues that this should also concern countries like Russia, Ukraine, Moldova, Georgia and, theoretically, also Belarus. This will probably ultimately be the European policy too but not yet. Right now, Bildt argues that this is a politicised issue. Russia has a better arrangement than Ukraine, in spite of the fact that EU citizens are not required to have visas when visiting Ukraine, whereas the difficulties for EU citizens visiting Russia have increased during the last few years. The Swedish claim is that this situation should be harmonised.[9]

In May 2010, Carl Bildt acted together with the Polish Foreign Minister to gather a number of EU foreign ministers and the Ukrainian Foreign Minister to a meeting to learn more about how the Ukrainian government sees its relationship with the EU.[10]

The Union for the Mediterranean as it looks today is considered an important part of the EU's broad Neighbourhood Policy. The version first launched by France was criticised in Sweden as in several other countries, but, in the present version anchored within the EU, it is seen as having a positive impact. In the words of Carl Bildt: "Cooperation with partner countries around the Mediterranean is multifaceted and of strategic importance for the European Union. It also means better opportunities for

strong European commitment within areas that are important to Sweden, such as human rights, democracy, gender equality, trade, investment and the environment."[11]

[1] European Union @ United Nations: Croatia and Slovenia agreed on border issue – EU closer to enlargement, 4 November 2009, available at: http://www.eu-un.europa.eu/articles/en/article_9199_en.htm (last access: 16 June 2010); EurActiv: Balkan visa deal hailed as 'giant step' for Macedonia, 16 July 2009, available at: www.euractiv.com/en/enlargement/balkan-eu-visa-deal-hailed-giant-step-macedonia/article-184185 (last access: 8 July 2019).
[2] Carl Bildt: Intervju med Carl Bildt in Turkish Policy Quarterly [Interview with Carl Bildt in Turkish Policy Quarterly], 14 December 2009.
[3] Ibid.
[4] Ibid.
[5] Dagens Nyheter, 12 December 2009.
[6] Carl Bildt, Minister for Foreign Affairs: Statement of Government Policy in the Parliamentary Debate on Foreign Affairs, Government Offices of Sweden, 17 February 2010, p. 5.
[7] Carl Bildt: Intervju med Carl Bildt in Turkish Policy Quarterly [Interview with Carl Bildt in Turkish Policy Quarterly], 14 December 2009.
[8] Carl Bildt, Minister for Foreign Affairs: Statement of Government Policy in the Parliamentary Debate on Foreign Affairs, Government Offices of Sweden, 17 February 2010, p. 5.
[9] Parliamentary Committee on EU Affairs, 7 May 2010, p. 8.
[10] Ibid., p. 11.
[11] Carl Bildt, Minister for Foreign Affairs: Statement of Government Policy in the Parliamentary Debate on Foreign Affairs, Government Offices of Sweden, 17 February 2010, p. 6.

Turkey

Union for the Mediterranean must not be an alternative to Turkish membership

Çiğdem Üstün*

Enlargement

Turkey started its accession negotiations in 2005 and since then Turkey has been more interested in its accession process than the enlargement debate regarding other countries, i.e., Iceland and Croatia. It has been perceived that Turkey's accession to the EU is not considered part of any previous enlargement rounds (i.e., 2004, 2007) or any future enlargements either. In this framework, Iceland's membership to the EU was not widely discussed in Turkey. Iceland's membership has been seen as a consequence of the economic crisis affecting the whole world and Europe as part of it. It has been argued that Iceland's integration to the EU would have a minimum effect on the EU's governance structures due to its small size. The main problems seen in the accession negotiations are related to agricultural and fisheries policies due to the common market and regulations on fishing, i.e., whales.[1]

Turkey has been supportive of the EU's enlargement to the Balkans, and, therefore, Croatia's membership to the EU has been perceived as a positive step towards unifying Europe. However, Croatia's faster accession negotiations have been disappointing for Turkey. As Croatia and Turkey started the accession negotiations at the same time, there had been hesitation and negotiations came to a halt frequently in Turkey's case. It has been argued that the main reasons for slowing down Turkey's accession negotiations and speeding up Croatia's are: population, relatively easy integration of Croatia in the EU, cultural and religious values, and identity.[2]

European Neighbourhood Policy

Turkey has been attentive to European Union's policies towards the Mediterranean and Black Sea regions. When the Mediterranean Union debates started after Nicolas Sarkozy suggested a separate union for the Mediterranean countries, Turkey perceived this as an alternative to its EU membership and opposed this idea. The Turkish government, the Ministry of Foreign Affairs, civil society organisations and the public in general criticised the Mediterranean Union. Sarkozy's opposition to Turkish membership in the EU and Sarkozy's statements, such as "Turkey would instead form the backbone of the new Mediterranean Union", created discomfort and disappointment in Turkey. Turkish President Abdullah Gül stated, "Turkey is a country that has started [accession] negotiations with the European Union. The negotiations started on the basis of a [European Union] decision which was taken unanimously, including France."[3] However, after France gave assurance that the Mediterranean Union is not an alternative for Turkey and would not hamper Turkey's accession negotiations, Turkey, as a Mediterranean country which does not want to be excluded from the regional cooperation mechanisms, decided to join the Union for the Mediterranean (UfM). In the statement given by the Prime Ministry of Turkey it is clearly stated that the UfM is a continuation of the Barcelona Process and that "Turkey decided to participate in the Barcelona Process and the Union for the Mediterranean project, which has been established by the EU for rendering the Barcelona Process stronger and more effective."[4] Although Turkey has accepted to participate in the UfM, the criticism over this mechanism continues. The assurances given by Sarkozy and the French government are not perceived as totally convincing;[5] however, as a Mediterranean country, Turkey feels it necessary to participate in international mechanisms such as the UfM.

Regarding the Black Sea region, Turkey welcomed the EU's efforts to establish more cooperative relations with the Black Sea Economic Cooperation (BSEC) as part of the Black Sea Synergy which was initiated in 2008. It has been argued that stronger cooperation between the EU and the BSEC could bring stable relations between EU and non-EU Black sea countries, including Russia and the Caucasus. However, the EU's ensuing steps establishing the Eastern Partnership (EaP) have been criticised by Turkey because the partnership initially excluded Turkey and Russia. It has been the general perception that any policy which excludes these two countries is doomed to be unsuccessful. After negotiations between Turkey and the EU, the EU decided to include Turkey as well as Russia in some projects. However, this attempt by the EU was not enough to change the Turkish attitude

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towards the EaP. Turkey still supports the Black Sea Synergy and closer relations between the EU and BSEC in the region. It has been argued that it is important to keep the relations between the EU and Black Sea regions at an institutional level, which would not disturb any of the countries' interests in the region, including Russia. Turkey's policies towards the region aimed to keep the status quo which prevents the EU from creating a sphere of influence around its borders which may clash with the interests of Russia and create disturbances in the region as a whole.

[1] AB Haber EU-Turkey News Network: İzlanda AB Yolunda, available at: http://www.abhaber.com/haber.php?id=26752 (last access: 31 May 2010).
[2] S. İdiz: Hırvatistan AB'de niçin Türkiye'nin önüne geçti?, Milliyet, available at: http://www.milliyet.com.tr/2007/06/02/yazar/idiz.html (last access: 31 May 2010).
[3] Renata Goldirova: Turkey Slams Sarko's "Mediterranean Union", businessweek.com, 18 May 2007, available at: http://www.businessweek.com/globalbiz/content/may2007/gb20070518_262522.htm?campaign_id=rss_daily (last access: 31 May 2010).
[4] Turkey assured, ready to join Mediterranean Union, 12 July 2008, available at: http://www.todayszaman.com/tz-web/detaylar.do?load=detay&link=147343 (last access: 31 May 2010).
[5] Mensur Akgün: Akdeniz Birliği'ne katılmasak ne olur?, Referans Daily, available at: http://www.referansgazetesi.com/haber.aspx?HBR_KOD=99276&YZR_KOD=11 (last access 31 May 2010).

United Kingdom

Public attitudes on enlargement mixed

Brendan Donnelly*

Enlargement and related questions for the future of the European Union are rarely discussed at a popular level in the United Kingdom. To the extent that they are, public attitudes are mixed, with concern about competition for jobs from Eastern European workers gaining salience. At the political and official level, the question of the Union's enlargement is one of much greater interest, not least because it has traditionally been regarded by British political circles as a policy which would undermine Franco-German leadership within the European Union and act as a brake on the deepening of political integration. Both these goals have seen desirable aspirations to successive British governments of recent decades.

The next round of enlargement

The British government expects Croatia to be the next country to join the European Union, possibly with Iceland.[1] The British government supports Croatia's candidature, but it is not yet clear whether British willingness to support Icelandic entry to the Union is dependent upon a settlement of outstanding financial issues between the two countries. British depositors who regard themselves as having been badly treated by the Icelandic banks could well form a powerful political lobby arguing against Icelandic membership before their claims have been satisfactorily settled. The accession of Croatia is unlikely to provoke any great interest or controversy in the United Kingdom, except in the unlikely event of a referendum being held on the subject. It is almost inconceivable that any British government could win any referendum on any European topic in the foreseeable future, with the possible exception of a referendum about wholesale British withdrawal from the European Union, in which the government campaigned against withdrawal.

Future enlargement

For the same reasons as weighed with its predecessors, the new British government is likely to regard Turkish accession to the Union as an important goal of policy.[2] This view will be reinforced by a general belief among the United Kingdom's political classes that Turkey would be stabilised as a secular democracy, playing a constructive role in the Middle East, if it were anchored in the European Union. British public opinion on the subject of Turkish accession to the European Union remains largely untested. It should certainly not be assumed that non-elite opinion in the United Kingdom would be favourable to Turkish accession if the question ever became a pressing one. The accession of other potential candidate countries, for instance from the Western Balkans, is likely to remain of only marginal interest to the British government in comparison with the Turkish candidature.

The Union's neighbours

The new British government is likely to seek good relations between the European Union and its neighbours such as the Ukraine, without encouraging the view that membership of the Union for such countries is a realistic possibility in current or foreseeable circumstances.

Neighbourhood policy and the Mediterranean Union

Neither the European Neighbourhood Policy nor the Union for the Mediterranean play any discernible part in pubic or political discourse on the European Union in the United Kingdom.

[1] Conservative General Election Manifesto 2010.
[2] Ibid.

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European economic policy and the financial and economic crisis

Austria

The Greek tragedy, European economic policy and Austria

Hakan Akbulut*

The ruling Social Democratic Party (SPÖ) and the People's Party (ÖVP) have been defending the aid package to Greece, saying it was a necessary and indispensable measure. They have also repeated that not only Greece but also the Euro was at stake and that not helping Greece would be much costlier than providing the levels of aid agreed upon.[1] Finance Minister Josef Pröll from the ÖVP pointed to credits granted by Austrian banks to Greece amounting to 5 billion Euros in order to underline the necessity of the aid package, while the Governor of Austria's Central Bank (OeNB), Thomas Nowotny, termed the package a "vaccination" which should help others forgo infection.[2] The ruling parties also emphasised that Greece had agreed to adopt and implement "harsh" austerity measures, which constituted a pre-condition for receiving the aid promised. Both the Alliance for the Future of Austria (BZÖ) and the Freedom Party (FPÖ) opposed the aid package, arguing that Greece would never be able to pay back the money of the Austrian taxpayers. In contrast, the Greens welcomed the aid package, arguing that otherwise a chain reaction could be set off entailing the necessity for additional aid packages for banks and leading to a devaluation of the Euro.[3] The President of the Austrian Trade Chamber (WKO), Christoph Leitl, also publicly supported the aid package, warning against a possible conflagration.[4] As for the public, according to a poll conducted among 500 Austrians for the magazine Profil, they are divided on the issue.[5] While 48 percent of the respondents stated that they supported financial aid to EU countries facing severe problems, 42 percent indicated that they opposed the idea.

Whereas the way the EU finance ministers reached the decision on Greece was not a topic of controversy in the related debate, the question arose as to whether the government could make such financial commitments without involving the parliament. The coalition partners ÖVP und SPÖ argued that the so-called *Zahlungsbilanzstabilisierungsgesetz* – a federal law adopted in 2009 in the face of the banking crisis which allows the finance minister to offer financial aid to countries Austria is economically closely associated with – provided the legal basis for the commitments made.[6] However, as the bill only allowed for transfers amounting to 2 billion Euros to a single country and Austria had accepted a credit line of 2.3 billion Euros in the case of Greece, the bill required amending. The opposition parties, on the other hand, argued that the aforementioned bill did not authorise the government to make such financial commitments and that additional parliamentary authorisation – that is to say a new law – was required. The Freedom Party had even been demanding a referendum on the issue. Nevertheless, the government, having the majority in parliament, changed the bill raising the credit line to 2.3 billion Euros.[7]

Both FPÖ and BZÖ have been claiming that Greece had joined and remained in the Monetary Union by providing false data to the Union. Moreover, from the very beginning of the crisis, the FPÖ has been demanding that Greece should be ejected from the Monetary Union. Member of European Parliament (MEP) Andreas Mölzer (FPÖ) argued that the current system was not viable and maintained that two different currency areas should be established – a hard currency region including countries like Germany, Austria and the Netherlands vs. a soft currency region with members like Greece, Spain or Portugal.[8] From the point of view of the BZÖ, Greece should leave the Monetary Union, though on a voluntary basis. While the ruling parties do not support the idea of throwing countries out of the Monetary Union, the German proposal to revoke the voting rights of countries that do not stick to the stability criteria is not rejected. Overall, all political actors have been calling for better control and monitoring mechanisms. In line with this, Finance Minister Josef Pröll (ÖVP) called for more powers for Eurostat and for the ECB to scrutinise the budgetary situation of member states and the data they provide, which should enable the Eurogroup to propose corrective measures at an early stage.[9]

There seems to exist a general understanding that further fiscal and economic coordination and stricter supervision are required on a European level. MEP Hannes Swoboda even stated that a common economic government constituted a necessity.[10] In a similar fashion, the President of the Austrian Federal Economic Chamber, Christoph Leitl, called for a common and binding economic policy.[11] At the same time, phrases such as deepening coordination and cooperation seem to require

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further specification and detailing, except for when used with general demands and ideas such as establishing a financial market supervision system on a European level, introducing a financial transaction tax and founding a European rating agency and an EU Monetary Fund. However, as the discussions on the Europe 2020 Strategy show, too much interference in budgetary and economic affairs does not seem to be desired.

While the reaction of the ruling parties to the Europe 2020 Strategy was positive in general, together with the opposition parties they criticised certain centralistic tendencies in the paper.[12] Ewald Stadler (BZÖ) argued the paper was reminiscent of economic plans presented by the communist party in the former Soviet Union. In the view of MEP Mölzer (FPÖ), the strategy de facto introduced a European economic government.[13] Apart from that, the parties in the parliament concurred that social aspects (especially poverty) were not paid due attention in the Strategy. According to the Green MEP Lunacek, the Strategy constitutes a repetition of the very same ideas and defects of the Lisbon Strategy by focusing on Gross Domestic Product growth, neglecting social aspects, and lacking binding goals.[14] In a similar fashion, the Strategy was criticised by the Austrian Trade Union Federation (ÖGB) for not paying due attention to the creation of new jobs and to job quality.[15] The reaction of the WKO was in general positive.[16]

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[1] See for example Der Standard, 4 May 2010.
[2] Die Presse, 23 April 2010.
[3] Der Standard, 29 April 2010.
[4] WKO: Leitl zu Griechenland: "An gemeinsamer EU-Wirtschaftspolitik führt kein Weg mehr vorbei", 29 April 2010, available at: http://www.ots.at/presseaussendung/OTS_20100429_OTS0183/leitl-zu-griechenland-an-gemeinsamer-eu-wirtschaftspolitik-fuehrt-kein-weg-mehr-vorbei (last access: 4 May 2010).
[5] Cf. Die Presse, 20 May 2010.
[6] Der Standard, 29 April 2010.
[7] Die Presse, 19 May 2010.
[8] FPÖ: Mölzer: Kerneuropäische Hartwährungszone als Ausweg aus der Euro-Krise, 3 May 2010, available at: http://www.fpoe.at/news/detail/news/moelzer-kerneuropaeische-hart/ (last access: 4 May 2010).
[9] Der Standard, 7 May 2010.
[10] Der Standard, 3 March 2010.
[11] Ibid.
[12] Parlament der Republik Österreich: Kritische Stimmen zur Strategie Europa 2020, 24 March 2010, available at: http://www.parlament.gv.at/PG/PR/JAHR_2010/PK0190/PK0190.shtml (last access: 20 May 2010).
[13] FPÖ-Parlmentsklub: Mölzer: EU2020-Stragie darf nicht nationalstaatliche Restsouveränität aushöhlen, 3 March 2010, available at: http://www.ots.at/presseaussendung/OTS_20100303_OTS0141/moelzer-eu2020-stragie-darf-nicht-nationalstaatliche-restsouveraenitaet-aushoehlen (last access: 4 May 2010).
[14] Die Grünen: Lunacek zu Barroso: Alte Lissabon-Ideen statt Grüner New Deal, 3 March 2010, available at: http://www.gruene.at/europaeische_union/artikel/lesen/56208/ (last access: 10 May 2010).
[15] ÖGB Europabüro: DGB und ÖGB kritisieren geplante Ausgestaltung von EU 2020-Strategie, 23 April 2010, available at: http://www.oegb-eu.at/servlet/ContentServer?pagename=S05/Page/Index&n=S05_6.2.a&cid=1271946129681 (last access: 4 May 2010).
[16] Der Standard, 3 March 2010.

Belgium

Economic policy: more coordination, more solidarity

Régis Dandoy*

Greek crisis: an almost unconditional solidarity

Belgium largely agreed to contribute to the European effort to financially sustain Greece, and very few political parties expressed their opposition. The Belgian aid will take the form of coordinated bilateral loans and will constitute 3.58 percent of the global effort. The Minister of Finances, Didier Reynders, assessed the Belgian contribution to 1,074 billion Euros.[1] But although Belgium's solidarity with the Greek people and government was not much discussed,[2] there is a concern that this contribution would have a significant impact on the Belgian public debt (which is estimated to be about 109 percent of Gross Domestic Product in 2013). The fear, shared by many political parties, is that Belgium itself would be in the same situation as Greece, because of the important public debt and the current political and institutional crisis. The federal government and particularly the Minister of Budget, Guy Vanhengel, restored confidence claiming that the Greek and Belgian public debts and economies are very different, as economic growth is larger in Belgium and its unemployment rate is smaller than Greece's.[3]

Much criticism was voiced in Belgium against the decision-making process at the EU level. For example, the former Prime Minister and current Member European Parliament, Guy Verhofstadt, criticised the slow decision-making process and European cacophony, as well as the overly long discussions on the way to solving this problem.[4] This position is shared by many other actors, who complained about the delayed reaction from EU institutions that deteriorated the situation in Greece, and many Members of Parliament, among others from the majority, Hendrik Bogaert (Christian Democratic and Flemish – CD&V) and Jean-Jacques Flahaux (Reformist Movement – MR), accused Germany for being responsible for this delay.[5] Belgium is, in fact, divided towards the German position in this regard. Many politicians criticised the doubts expressed by Angela Merkel – among them the Prime Minister, Yves Leterme, who publicly denounced the lack of responsibility displayed by Germany.[6]

A reinforced economic governance

There has not been much discussion on the eventual reform of the EU's economic policies and institutions, partly because the main political actors focused their attention on the political and institutional crisis at the federal level. Nonetheless, some political actors drew conclusions from the Greek case and stressed the need to review some of the processes. Even without making any substantive proposal, the Minister of Finance, Didier Reynders, thinks that the monetary pillar (that is linked to the policy of the European Central Bank) and the budgetary and economic pillar (still based on intergovernmental coordination) should both be better integrated. He is also in favour of the installation of a new subsidiary of the European Investment Bank, which could intervene in matters regarding the financial problems of member states.[7] According to Guy Verhofstadt, a new mechanism is needed at the European level, combining three elements: the creation of a European Monetary Fund, which would be controlled by the European Commission, the creation of a Euro Bond Market, and the development of a real economic pillar and strategy in the Eurozone. In addition, the European Commission should be given a real leadership and orientation capacity regarding the economic governance.[8]

Europe 2020: the lack of a social Europe

The main criticism that was addressed to the Europe 2020 Strategy is the lack of a real social pillar. Poverty should indeed become one of the main targets, but a social Europe should encompass other dimensions, such as strong social security, an inclusive labour market, a decent minimum salary and access to quality services.[9] In addition, the current poverty indicator should be completely revised and enlarged. As Belgium will hold the rotating presidency of the EU starting on 1 July 2010, poverty will be one of its transversal priorities by creating an authentic partnership with the field actors. Guy Verhofstadt also criticises the Europe 2020 Strategy that, in his eyes, is merely a new packaging of

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the “old” Lisbon Strategy. He predicts that this initiative of open coordination, based on good practices and peer pressure, will not lead to more success than previous initiatives.[10]

In the framework of the Europe 2020 Strategy, a Belgian version of this strategy was set up: the so-called BE 2020. An agreement was reached by the federal, regional and community governments on the priorities that Belgium will put forward as its contribution to the European ambitions: a competitive industrial policy; an innovative digital society; climate, energy and mobility; employment and formation; social cohesion; and the fight against poverty.[11] A support committee of the Lisbon Strategy was set up for the monitoring and execution of these priorities in the framework of the Europe 2020 and BE 2020 strategies. More accurate objectives will be jointly defined by the different governments by the end of June 2010.

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[1] De Morgen: Belgie bereid bij te dragen aan Europese lening Griekenland, 16 March 2010.
[2] The eurosceptic movements “No Euro for the Greeks” that appeared in several countries were denounced by all Belgian parties.
[3] Finance and Budget Committee, Federal Parliament, doc. CRABV 52 COM 794, 23 February 2010; De Standaard: De Gucht waarschuwt voor loze beloftes, 16 May 2010.
[4] Guy Verhostadt: Is de crisis rond de euro voorbij?, De Standaard, 9 April 2010; De Standaard: Verhofstadt wil dat Europese leiders stoppen met kakelen, 16 May 2010.
[5] Finance and Budget Committee: Parliamentary discussion on the law project allowing Belgium to make loans to Greece, doc. 52 2576/002, 5 May 2010; Plenary Session, doc. CRABV 52 PLEN 153, 5 May 2010.
[6] De Standaard: Leterme maant Merkel tot discretie over euro aan, 16 May 2010.
[7] De Morgen: Belgie bereid bij te dragen aan Europese lening Griekenland, 16 March 2010.
[8] Guy Verhostadt: Is de crisis rond de euro voorbij?, De Standaard, 9 April 2010.
[9] Committee on health, environment and social affairs: Les priorités de la présidence belge de l’Union européenne, report, doc. 52 2378/012.
[10] Guy Verhostadt: Is de crisi rond de euro voorbij?, De Standaard, 9 April 2010.
[11] Prime Minister office: BE2020 – Un agenda commun: de la crise à la croissance, press release, 19 March 2010.

Bulgaria

Weakness of the common currency is a monetary phenomenon

Katia Hristova*

Bulgarian experts and economists believe that the single currency was the victim of speculative attacks and its weakness during the first half of the year should be assessed as a momentary phenomenon. According to Lachezar Bogdanov from "Industry Watch",[1] the instability of the Euro is a negative trend that should be tackled in time by the European Central Bank and the governments of the Eurozone. The rescue package for Greece provoked an intense debate among experts and financial observers in Bulgaria. Some independent experts have assessed the package as pouring money into a bankrupt economy that would further weaken the Euro, others stressed the fact that the plan has the potential of providing a long-term remedy in case Greece will be ready to apply the envisaged drastic financial measures.[2] For the experts of Industry Watch, the Greek crisis uncovered public finance problems in Europe and has the potential to deteriorate Bulgaria's fiscal position rapidly.

The idea of "a strong coordination of economic policies in Europe" is mainly discussed by Bulgarian policy makers in the framework of their meetings with officials from other member states or EU institutions. During his visit to the European Parliament, former Prime Minister and leader of the parliamentary group of the Bulgarian Socialist Party (BSP) Sergey Stanishev expressed the view that the Europe 2020 Strategy should be much more ambitious. According to the leader of the Bulgarian Socialists, the EU should take much more courageous steps, such as raising the requirements for convergence of the national economies and economic policies of member states. Other measures should include the introduction of fees for financial transactions, allowing all citizens access to new information and communication technologies and the creation of "green jobs".[3]

Bulgaria still lacks a serious debate on the main priorities addressed in the Europe 2020 Strategy. In an attempt to overcome these deficiencies, a team of Bulgarian NGOs have tried to urge public discussions around the forum "Europe 2020 – The Civic Vision" held in Sofia on 29 and 30 January 2010. Recommendations from the civil society sector pointed out a list of needed further steps in strengthening the present social cohesion, the reform of the European employment policy, and the refocus of the solidarity policies towards concentrated investments in fields with growth potential.[4]

According to the Foreign Affairs Minister Nikolay Mladenov, Bulgaria has two priority areas in the framework of the Europe 2020 Strategy – education and innovation.[5] Bulgarian officials fear the country will not be ready to fulfil the fifth objective of the Europe 2020 Strategy on poverty reduction. Although the country supports the idea that economic growth and employment are important objectives in themselves, the target set in the Strategy for reducing the number of people living below the poverty line by 25 percent in 2020 is not a realistic one for Bulgaria.[6]

[1] Available at: www.iwatchbulgaria.com (last access: 30 July 2010).
[2] Available at: http://www.segabg.com/online/new/articlenew.asp?issueid=5795&sectionId=4&id=0000701 (last access: 30 July 2010).
[3] Available at: www.focus-news.net (last access: 30 July 2010).
[4] Available at: http://parliament.europe.bg/en/?id=26996&category=371 (last access: 30 July 2010).
[5] Available at: http://www.dnevnik.bg/evropa/novini_ot_es/2010/06/17/918748_nikolai_mladenov_obrazovanieto_i_inovaciite_sa/?ref=rss (last access: 30 July 2010).
[6] Available at: http://www.mfa.government.bg/bg/news/view/29867 (last access: 30 July 2010).

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Croatia

European economic policy, the financial and economic crisis and its consequence for Croatia

Valentina Vučković and Nevenka Čučković*

The financial package to assist Greece received with relief, but worries remain

The news on the Greek debt crisis was received by the Croatian government, business circles, and academic and financial analysts with great concerns and with fears of a spill over effect on the region. The fear was thereby stronger considering the fact that the crisis could endanger the whole monetary and economic architecture of the EU and cause the first exit of a country from the Economic and Monetary Union (EMU).[1] Croatian analysts and media closely monitored the sequence of events in the process of conciliating on the issue of the mechanism for helping Greece. Most of the initial debates and reports were focused on the reactions coming from Germany and whether the EU will react at all to provide help to Greece in order to avoid Greece's potential bankruptcy and prevent the crisis from spilling over to other countries.[2] At the beginning of discussions on the financial package, every report stressed that the EU does not foresee assistance for the Eurozone members on the verge of national bankruptcy and therefore the Greek financial crisis threatens not only the Eurozone, but also the entire EU.[3] Luka Brkić, professor at the Faculty of Political Science, Zagreb, was confident, however, that the EU will do everything possible in order to save Greece and prevent potential spill over of debt crises to other member states. He argues that the stake would otherwise be too high because the fall of the Euro would lead to the collapse of the EU. He considers the danger from a domino effect realistic, thus making this fear completely justified. Brkić also pointed out that there are some systemic errors in the foundations of the Economic and Monetary Union.[4] Borislav Škegro, former Minister of Finance of Croatia and one of the authors of the Croatian programme for economic recovery, stressed the fact that Greece consciously falsified its data, relying on the assumption that Germany would provide help with the main goal of saving the Euro.[5]

As elsewhere in the region, many Croatian experts especially focused on the issue of to which extent the Greek crisis would affect Croatia's economy. Željko Rohatinski, governor of the Croatian National Bank, pointed out that Croatia could draw some lessons from the most troubled countries at present – Greece, Spain, Portugal and Ireland – for long-term growth, which could not be driven solely on the expansion of domestic demand, the construction sector and international loans. According to Rohatinski, the situation in these countries highlighted the importance of the policies that the Croatian National Bank undertook in the last five to six years. Otherwise, the Croatian indicators would be very similar to the Greek ones. He stressed that there is no alternative to cutting government expenditures for the year of 2010.[6] Rohatinski also stated that the Greek example is a clear message that no one will help you if you are not capable of helping yourself.[7] Boris Vujčić, vice-governor of the Croatian National Bank, warns that the fear from the Greek scenario is not unjustified, but that Croatia is still not threatened by it and that the situation is currently stabilising.[8] Croatian Minister of Finance Ivan Šuker strongly holds that there will be no crisis spill over to Croatia, and that Croatia is not faced with the Greek syndrome.[9] On the other side, Zdeslav Šantić, economic analyst from Splitska Banka Societe Generale Group, believes that the Greek crisis will certainly have consequences in a wider range of countries.[10] Mirjana Turudić, Croatian Chamber of Economy, pointed out that spill over from the Greek crisis on the Croatian economy will be limited due to relatively small foreign trade with Greece.[11] Željko Perić, one of the advisors of Croatian Prime Minister Jadranka Kosor, stated that Croatia is not directly threatened by the Greek crisis and that the consequences could only be felt if this crisis significantly slows down the recovery of key EU economies or causes serious financial crisis in Europe. However, they will be directly reflected through the cost of future debts.[12]

The final agreement on the financial package combining bilateral loans from the Eurozone and financing through the International Monetary Fund has been received in Croatia with relief. Both economic and political analysts often emphasised that this is more of a political than monetary issue, which changes the rules of the game within the EU. From this aspect, Germany is no longer seen as accepting the role of European treasurer or cashier, while the opponents claim that Germany ignores the principles of solidarity and collectiveness. There was a lot of public attention focused on this issue.[13] Analysts assess that Angela Merkel has stood firm in her intention of dictating the terms of the resolution of the largest crisis in the Eurozone[14] and that Germany's motives are not just to prevent

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Greece from going bankrupt, but also to demonstrate its dedication to European ideals and to preserve the stability of the Euro.[15] The journalist Ines Sabalić of the Croatian business journal Banka elaborated the issue of German leadership within the context of the EU's disagreement concerning the Greek crisis. Sabalić stresses that criticism and demands toward Germany are somewhat contradictory – they all want it to lead, but not on the path designed by itself and perhaps with different goals on the agenda. Germans do not believe that their role as the strongest EU engine is respected enough.[16] In the end, Germany promised to participate in the financial package for Greece with the main motives of preserving the stability of the common currency and demonstrating its full dedication to European ideals.[17] The significance of the achieved agreement was also underlined by the political weekly Nacional by quoting the Member of the European Central Bank's (ECB) Executive Board, Bini Smaghi, who stated that the arrangement on helping Greece represents a turning point in the crisis, adding that the statements on the breaking up of the Eurozone and the inability of Greece in paying its debt are quite absurd.[18]

The Stability and Growth Pact shows visible cracks

The fundamental issues concerning reform of the pact's rules, by which any future crisis could be prevented and in the worst scenario some countries could be excluded from the EMU, were in Croatia more discussed by analysts and media then by the political elite, neither from the ruling government nor the opposition. It was often underlined that the EU must learn some lessons from the Greek case and to arrange institutional mechanism which would be in charge of dealing with such issues,[19] especially since there are some other EU countries whose large debts represent the latest aggravating point in the crisis. The reform of the Stability and Growth Pact is rather urgent, as it appeared to be inefficient and did not succeed in preventing the current situation. Charles Wyplosz, the leading expert for monetary issues, stressed in his article in Banka that the pact could primarily be strengthened by working towards a common fiscal EU policy. The only solution would then be to transfer part of the responsibility of national parliaments to the European Parliament, which would require a completely new pact.[20] Croatian analysts also stressed that adopting stricter International Monetary Fund (IMF) rules and effective penalties and measures for preventing large indebtedness must be ensured, even at the cost of reforming the Lisbon Treaty.[21] The media reactions also echoed how Angela Merkel often points out that the Greek crisis revealed defects within the Eurozone, since it endangered the stability of the Euro and that Germany does not back down from the complex reform of European agreements. The daily newspaper Poslovni dnevnik stressed that a reason why Germany initiated necessary changes of commitments to EU arrangements is precisely to increase surveillance and sanctioning of violation of budget deficit limitation. It is obvious that Merkel conditions financial help to Greece by changing the rules of Stabilization and Growth Pact.[22]

Europe in need of stronger coordination of economic policies: but in which form?

As seen by most economic analysts, the crisis revealed evidence that the Eurozone is an unfinished institutional agenda and that there should also be other instruments which could coordinate fiscal policy.[23] Vladimir Gligorov, economic analyst and advisor to the former Croatian President Mesić, argues that the EU definitely needs a stabilisation policy. He suggests two solutions: first, to increase the degree of fiscal interdependence, and second, to develop a fund which could intervene in the case of a crisis. However, at the moment, it is not quite clear how a potential instrument for such interventions should be designed.[24]

Politically, the global crisis represents an enormous challenge for the EU, since it has neither a common economic governance nor a fiscal policy.[25] Croatian media gave a lot of attention to French President Nicolas Sarkozy's opinion that Europe needs some form of economic governance that would act as a counterbalance to the European Central Bank (ECB). In the past, Germans have usually rejected those arguments, but the German Minister of Finance has now tabled the motion of forming a European Monetary Fund (EMF), which would function similarly to the IMF. The disadvantage of this motion is that it requires the reform of European treaties for which ratification in all states is needed. On the other hand, Howard Davies, former vice-governor of the Bank of England believes that European economic governance is not needed at all. What is needed is reaching the collective arrangement on fiscal discipline and revival of Stability and Growth Pact. Also Otmar Issing, chief economist of the ECB, argues that the Stability and Growth Pact has all the rules necessary for the functioning of the EMU, and that there is no need for macroeconomic policy coordination. Europe does not need a French plan for coordination of tax policy or another IMF. It needs fiscal discipline which would prevent other countries from getting by without any consequences.[26]

Considerable public attention in Croatia was given to the Spanish head of government José Luis Rodríguez Zapatero's proposal to establish the European economic governance as special representation for coordination of economic policies competent for introducing sanctions to those member states not complying with the Stability and Growth Pact (or the Europe 2020 Strategy). However, analysts consider such proposals as just testing the internal pulse of the EU. The media reported on the positions of José Manuel Barroso and Herman Van Rompuy, who do not support Zapatero in his idea of European economic government. Furthermore, Olli Rehn does not reject the idea of establishing a high committee for the economy, i.e., he supports the establishment of a specific body for monitoring and controlling economic movements. According to Rehn, there is a void in the systemic surveillance of economic risks, but filling it could potentially create anti-European public sentiments.[27] The Croatian Ministry of Foreign Affairs delivered an interview explaining Barroso position. He suggested a type of mechanism which would guarantee that individual countries could follow the fundamental principle of fiscal stability. He rejects Sarkozy's proposal on the establishment of an economic government and stresses that there will certainly not be one; the only thing that can be done is to improve the process of policy-making. In the interview, Barroso pointed out that by the act of establishing firmer economic governance, France would like to limit the role and independence of the European Central Bank.[28]

Europe 2020 Strategy – a good business plan, but needs more resolute implementation actions

The Croatian public was very much interested in the new Europe 2020 Strategy, which should replace the Lisbon Strategy accepted in 2000.[29] The Europe 2020 Strategy is presented in the media as a good business plan, but the question is whether it can be applied. The Strategy gives hope, at least on paper, since there are a lot of issues still to be discussed, but it is seen as useless if the main EU actors will not start with its implementation.[30] Comments frequently point out that the key for its success is monitoring individual countries' progress through instruments provided by the Strategy as well as through the Stability and Growth Pact.[31] In addition, the Europe 2020 Strategy is seen as a vision for the improvement of the European social market development model. To achieve the set goals, it will be necessary to take actions and initiatives on all – EU, member states and local – levels of governance, as well as to affirm leadership and credibility.[32] Their views on the Strategy are also shared by the Croatian employers association (HUP), pointing towards European competitiveness as the key to sustainable economic recovery. The European economic and social model offers a solid basis for transforming these challenges into opportunities for development. In order to achieve this, strong political leadership and firm commitment to reform are much needed.[33] The public interest was also directed towards the comparison of this Strategy versus the Lisbon Strategy. The novelties in this Strategy, in comparison with the Lisbon Strategy, are potential corrective measures, which would include reducing subsidies from EU funds. On the other hand, it is being recognised that such measures would erode public support from the EU. Furthermore, to induce member states to follow the set guidelines, the most appropriate solution would be to reward those member states which apply them through additional funds. Additionally, the European Commission could also send warnings to countries violating the common principles.[34]

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Cyprus

20 million Cypriot Euros for every 10 billion Euros for Greece

Nicoleta Athanasiadou, Costas Melakopides and Christos Xenophontos*

Upon the conclusion of the European Council on 26 March 2010, Cypriot President Demetris Christofias hoped that the mechanism approved by the EU will not need to come into force, but confirmed that, if it did, then for every 10 billion Euros for Greece, Cyprus would need to contribute 20 million Euros.[1] He declared that, given the close ties with Greece, Cyprus' willingness to contribute could not be questioned despite its presently difficult economic situation. President Christofias added his hope that the EU-presidency would establish fiscal discipline that would prevent other countries from having to face what Greece went through. At that time, the overwhelming majority of Cyprus' politicians, *in tandem* with the general public, were in favour of the creation of a solidarity policy on behalf of the EU member states towards Greece.[2]

When the Eurogroup Summit in May 2010 in Brussels decided to activate the 110 billion Euro bailout plan for Greece, its leaders also decided to set up a European stability mechanism to safeguard the integrity of the Eurozone. The summit was perceived by Cypriot academics and political commentators as allowing the EU-16 to send a decisive message of determination to weather the storm but also issue some substantial self-criticism regarding the dramatic inadequacies of the last months.[3] Simultaneously, the shared expectation was that the crisis might also result in the elaboration of stricter stability pact criteria while strengthening monitoring mechanisms.

As the European Commission released 14.5 billion Euros in aid to Greece to support the mechanism for the country's ailing economy, Cypriot politicians and economists expressed their relief: as they explained, the consequences of a possible breakdown of the Greek economy would directly affect all the economies of the Eurozone.[4] And yet, political analysts pointed out that this ailing economic situation will have, in the long run, positive effects on the EU integration process. In any event, they articulated the need for the creation of mechanisms that will better monitor and coordinate the national fiscal policies of the Eurozone members.[5]

Our interlocutors and others emphasised as obvious that the Greek experience, as well as the experience of members such as Spain, Portugal and Ireland, has taught us anew the manifest interconnectedness and interdependence of today's national economies. These facts apply not merely to the Eurozone member states, but to all EU economies. They also pointed out that EU leaders recently agreed to larger surveillance and coordination of national budgets, without, however, reaching a deal on any sanctions to be imposed on states in a weak financial position, an issue to be revisited at the end of this year.

The notion of imposing sanctions was accompanied by some precautions by Cypriot diplomats, who noted that any financial penalties would aggravate the economic problems of any member state.[6] Nevertheless, they agree with academic analysts that these EU mechanisms should achieve the compliance of the national governments with their EU commitments by providing incentives as well as a series of escalating sanctions. The latter, which do not necessarily have to be financial, *might* include the temporary prohibition of voting at the Economic Affairs Council.

Central Bank governor, Athanasios Orphanides, acknowledged that the financial crisis had revealed some of the Cypriot economy's structural weaknesses.[7] Speaking at the 12th Conference of Trade Union Organisations and Staff Associations representing the Personnel of the European National Central Banks, Orphanides warned that inflationary pressures were higher than in any other Eurozone country, a fact impacting the economy's competitiveness. Noting that the salaries of civil servants in Cyprus had increased by 5.7 percent in 2009 in comparison to 1.3 percent in other Eurozone states, the governor emphasised as basic goals the maintenance of steady employment and the monetary system's reform. Simultaneously, Minister of Labour, Soteroula Charalambous, underlined the need for balanced labour relations and a constructive dialogue of social actors throughout Europe, regarding this as essential to strengthening the system.[8] The head of the European National Central Bank Unions also noted that more effective coordination and analysis of information with improved social dialogue was needed.[9]

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On the Europe 2020 Strategy, President Christofias declared that Cyprus was within the range of its capacity of achieving the strategic targets, asserting that the five areas of action – knowledge, innovation, sustainable economy, high employment and dealing with social exclusion and reducing poverty – were "achievable" by the Republic.[10] Cyprus, he added, wants to see a people-centric Europe emerge from the implementation of the Treaty.

Also commenting on the Europe 2020 Strategy, Marios Vourgos, Director of the European Institute of Cyprus, stated that the crisis had neutralised the progress achieved in the EU over many years, culminating in a 4 percent slowdown in growth in 2009, a figure not seen since the 1930s.[11] On the crisis' causes, Vourgos said it was manifest that a series of fundamental issues that should have been dealt with – both globally and by the EU – had not been properly assessed and, although the indications were clear, these had been underappreciated. On Cyprus, Vourgos said its unemployment rate was around 6 percent, one of the lowest in the EU, when in some Baltic member states the figure exceeds 20 percent. On what should be done, Vourgos referred to three categories of targets: 1) growth based on knowledge and innovation; 2) growth based on social cohesion and high employment without exclusions; and 3) green growth. Finally, Director Vourgos noted optimistically an important difference compared with the past, acknowledging that the EU now has in place the necessary mechanisms to monitor the implementation of its goals.

Other political analysts referred to the DG Employment and Social Affairs' monthly labour monitor report, which revealed that unemployment in Cyprus still remained below the EU average but could exceed 7 percent in 2011. Such a figure would be a "historic high" for Cyprus. The current situation, according to them, is the worst recorded since 1974, following the Turkish invasion. However, our interlocutors expressed the belief that the new ten-year strategy, Europe 2020, provides important guidelines to the member states on how to proceed in the coming years in order to overcome the difficulties they face at present.[12]

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Czech Republic

The Czech Republic – a satisfied spectator

Mats Braun*

The Czech Republic has yet to introduce the Euro as the country's currency. However, so far there has been a lack of political will to fulfil the EU membership commitments on this point. The current crisis has strengthened the position of Euro reluctant voices in the country. Even if none of the established political parties are directly against the introduction of the Euro, primarily the Civic Democrats (the major rightist party – ODS) and the Communists have made it clear that early access to the Eurozone is not in their interest. The otherwise Europhile Social Democratic Party (ČSSD) is, on the other hand, not willing to accept the necessary economic reforms for the Czech membership in the third phase of the European Monetary Union (EMU).[1] The most prominent and also the most outspoken EMU sceptic in the country, President Václav Klaus, has used the crisis as an opportunity to state that his long-term criticism of the project has been proven correct. Klaus has, among others, blamed the current crisis in Greece on the country's choice to introduce the Euro.[2]

The country's position on the rescue package for Greece has been influenced mainly by three factors: the country's position as a non-member in the third phase of the EMU, the weak political mandate of the current caretaker cabinet and the ongoing national election campaign. The country's involvement in the rescue package is, due to the country's non-membership in the Eurozone, rather limited and only through the EU rescue fund. It is also important to mention that the current Czech government is largely a caretaker cabinet with an unclear political mandate and that it does not consider itself in the position to make any more long-term commitments on behalf of the Czech Republic; at the same time, the more prominent representatives of the political parties were more interested in the domestic election race than in saving the Euro. The upcoming elections to the Chamber of Deputies led to a situation where politicians, especially on the right side of the political spectrum, tended to use the crisis to win political points by warning the electorate that this is what would happen if the Socialists were to win the elections. If we look at the comments on the rescue package in the media, they, to a large degree, tend to reflect what is written in the European media as a whole, such as in The Economist. An often-stated point is that the agreement was reached too late, and that Germany is primarily to blame for this failure.[3]

The Czech reactions regarding what can be learned from the Greek crisis are mixed. During the Czech Council Presidency in the first half of 2009, the Czech message regarding the financial crisis was that the member states should maintain budgetary discipline and keep their commitments to the Stability and Growth Pact.[4] Simultaneously, the country has had difficulties in mastering its own budgetary situation. The Czech reactions regarding the future of the Stability and Growth Pact are generally positive towards stricter budgetary discipline, but simultaneously hesitant towards any step that could be interpreted as increasing the supranational aspects of the European integration project. This is in particular the view of the parties on the right side of the political spectrum. The initial Czech responses to the discussions on a special bank tax as well as regulation of hedge funds (especially concerning the points regarding third countries) have been reluctant and the government has sided with the United Kingdom on most of these issues.[5] However, the first comments regarding the possibility of some kind of EU surveillance of national budgets were rather positive.[6]

From the Czech perspective, the Europe 2020 Strategy was criticised in its original version for including too many numbers without any clear content. It was also criticised for lacking vision regarding competitiveness, a better climate for entrepreneurs and work productivity, which are viewed by central Czech actors as the key components for economic growth. The Minister for European Affairs has, among other things, stated that the intended goal of reduced energy dependency in the Czech Republic is unrealistic.[7] The Strategy has also been criticised by both the organised trade unions and business interests. Both Jaroslav Šulc from the Czech-Moravian Confederation of Trade Unions and Radek Špicar from Škoda cars have criticised the Strategy for failing to reflect why the Lisbon Strategy failed, and both have also questioned the lack of consequences for failing to fulfil the targets of the Strategy. However, there is a general agreement on the point that the EU member states need to invest more in research and science. The Czech Republic has also started working on a

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national road map to the Europe 2020 Strategy. Among the first steps in this direction was a conference held in the chamber of deputies in May 2010.[8]

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Denmark

Non Eurozone EU member state supports Greek financial package

Katrine Prytz Larsen*

In Denmark, the financial package for Greece was generally perceived to be a positive act: in the government's view, it was necessary to help Greece. Greece's potential withdrawal from the Euro is perceived as an existential threat to the Euro itself. The "Greek tragedy" is seen as a product of decades of neglect, corruption and unwillingness to reform the economy.[1] According to the financial newspaper Børsen, Denmark faces small problems compared to other European member states such as Greece and Spain. Foreign Minister Lene Espersen underscored Denmark's strong international position, but at the same time pointed to the need for a stronger Europe. She called for a modernisation of the single market and the creation of new e-trade solutions requiring strong coordination on both the EU and national levels.[2]

The Greek crisis triggered a debate about Denmark's position as a non-Euro country, giving rise to arguments from the governing parties that Denmark, for the time being, should keep its opt-out regarding the Economic and Monetary Union. EU Commissioner for Climate Action Connie Hedegaard, however, highlighted the possibility that the economic and financial crisis might result in a divided Europe with the Euro countries and the non-Euro countries moving at two different economic speeds. Denmark, as a non-Euro country, thus might risk being left out of future discussions about European financial and economic regulation.[3]

Priorities for the Europe 2020 Strategy

The government held a positive view towards the Europe 2020 Strategy. Prime Minister Lars Løkke Rasmussen stressed the need to focus on a different kind of crisis management by phasing out national aid packages and avoiding state aid.[4] Also EU Commissioner for Climate Action Connie Hedegaard and the Danish Chamber of Commerce voiced their optimism towards the Strategy.[5]

The financial and economic crisis was seen as a special chance to change the position of Europe globally through the creation of European economic growth. Reform, innovation and research were often mentioned as key components on which the Europe 2020 Strategy should focus. They were perceived as necessary to secure the future success of Europe as well as its influence on the global arena. Both the leader of the opposition party the Danish Social-Liberal Party, Margrethe Vestager, and the Danish Consumer Council highlighted the need for reform as an important tool to create economic growth as well as a greater focus on research and innovation in Europe.[6] Sofie Carsten Nielsen and Member of Parliament (MP) Lone Dybkjær of the Danish Social-Liberal Party called for a greater role for the Commission and said the Europe 2020 Strategy should be linked more closely to the EU budget to create a carrot-and-stick mechanism. Among the opposition parties, the debate was thus focused on expanded economic control and reform as the European way forward. Four Members of European Parliament (MEPs) representing the Social Democrats, the Socialist People's Party, the Conservatives, and Venstre, in line with Jesper Jespersen of the Roskilde University supported the idea of a European Monetary Fund. Hans Skov Christensen, head of the Confederation of Danish Industry (Dansk Industri – DI) conceived the crisis as a serious threat to Europe's role in the world economy and to Denmark as a country. He said the European Council would have to send a clear message to the Commission that it has to continue promoting reforms.[7] DI generally expressed its concern with problems existing within the EU, which challenge Europe's role in the world economy. DI thus put the increase of European productivity, initiatives to create growth and enhance competitiveness, and labour market reforms to match the demographic development as top priorities for the future EU strategy.[8] Furthermore, MEP Dan Jørgensen commented that the Europe 2020 Strategy lacks a focus on unemployment, climate change, and the opportunity to create green jobs.[9] The financial newspaper Børsen also voiced its critique of the EU's financial policy saying that the EU is not well enough coordinated when it comes to economic policy. Thus, the stronger economies in Europe are not obliged to secure growth in the EU by conducting expansive financial policies.[10]

* Danish Institute for International Studies.

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Estonia

Green light to Estonia's Euro-accession amidst tumult in the Eurozone

Piret Ehin*

In Estonia, as in the other European countries, the Greek crisis caused concerns about the stability of the Euro, and raised difficult questions about solidarity in the EU. But highest on Estonia's agenda was the question of how the Greek crisis would impact Estonia's own bid to join the Euro. Just as European leaders decided on a massive emergency rescue package to halt a festering sovereign debt crisis, Estonia eagerly waited for the European Commission's convergence report. Having followed a strict austerity programme since the beginning of the economic crisis (public spending in 2009 was a drastic 12 percent less than in 2008), Estonia was able to keep its budget deficit in 2009 at 1.7 percent despite a 15 percent drop in Gross Domestic Product (GDP). The country is the least indebted nation in the EU (its debt stood at 7.2 percent of GDP in 2009, well below the Eurozone average of 60 percent), and the economic crisis had helped bring down inflation. Having met all three Maastricht criteria, Estonia believed it was ready to adopt the Euro, but many feared that unprecedented turbulence in the Eurozone might bring the expansion of the single currency area to a halt, or lead to the introduction of new criteria. These fears were fed by reports that Jürgen Stark, a member of the Governing Board of the European Central Bank, believed Estonia was not prepared to join the Eurozone, despite meeting the Maastricht criteria, and favoured the introduction of additional criteria such as GDP per capita.[1]

For Estonia, the prospect of politics interfering with its accession to the Eurozone, just as years of prudent policies and hard work were expected to pay off, was a frustrating possibility. In the eyes of the Estonian public, the EU's decision on Estonia's Euro-eligibility constituted another test of the EU's ability and willingness to apply the same standards to old and new, large and small member states. "We don't think we have to convince somebody that Estonia is not Greece," said Prime Minister Andrus Ansip.[2] In an article that appeared in The Economist, Edward Lucas argued that making Estonia wait would send a "perverse message": "Estonia is almost the only country in the whole EU that actually meets the common currency's rules. All those that use the Euro have gaily breached the deficit and debt limits. The grit shown by Estonian politicians and the public in shrinking spending, raising taxes and cutting wages has been exemplary. Punishing Estonia, which obeyed the rules, while bailing out Greece, which has breached them flagrantly, would do little for the Euro's credibility with governments and investors alike."[3]

On 12 May 2010, the European Commission announced that Estonia has fulfilled the Maastricht criteria on inflation, debt, and the budget deficit, and no technical or financial barriers stand in the way of the country adopting the Euro on 1 January 2011. Provided that the final political decision follows in mid-July, Estonia will be the third post-communist country to adopt the common currency after Slovenia and Slovakia.

The Greek crisis and its impact on the Euro provided ample ammunition to domestic skeptics, who compared Estonia's prospective Eurozone accession to boarding a sinking ship. However, their calls had little resonance, as public support for the EU remains high, and the lesson Estonians seem to have drawn from the hard times is that they would be worse off without the European Union.

The Estonian government approves of the EU's rescue package for Greece and welcomes the creation of the European Stabilisation Mechanism. According to Finance Minister Jürgen Ligi, these decisions "sent an important message to the markets" at a difficult moment.[4] Prime Minister Andrus Ansip confirmed that Estonia is ready to buy Greek government bonds and to participate in the wider bailout: "If it will be decided that EU members outside the Eurozone can also participate, then yes, I'm for bigger solidarity inside the European Union and we never know when we could be asking for help."[5]

Several analysts have suggested that the Greek crisis could eventually be for the good, because it forced member state governments and EU institutions to finally face the multiple problems with the Stability and Growth Pact.[6] The Estonian government has for a long time emphasised the importance of strengthening the pact. In particular, this involves ensuring the sustainability of public finances,

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increasing the efficiency of government expenditure, and improving the quality of public revenue. According to the government's EU policy strategy document for 2007-2011, "[s]trong fiscal discipline, establishment of medium-term budgetary goals that are more ambitious than current goals, and strengthening the preventive part of the Stability and Growth Pact, both through increased responsibility of the member states as well as by developing a corresponding analytical framework, are important for achieving these goals."[7] Thus, the Estonian government will certainly stand behind proposals aimed at strengthening fiscal discipline and introducing tighter monitoring and permanent crisis prevention mechanisms. Indeed, the government appears to bask in assessments praising Estonia as "a model of the fiscal discipline that the EU now wants to bring to the entire Euro area."[8]

Estonia's position on the Europe 2020 Strategy is that it should focus on identical goals as the current Lisbon Strategy, i.e. on growth and jobs, taking also into consideration the need to reduce the impact of economic activities on the environment. To ensure more effective implementation than was the case with the Lisbon Strategy, implementation mechanisms must be strengthened and more power given to the European Commission, both in initiating legislation and in monitoring and assessing the implementation of the strategy. The priorities of the new strategy should be duly taken into account in the elaboration of the next EU financial perspective. The Europe 2020 Strategy should focus on a limited number of priority areas that have the greatest potential to improve EU's competitiveness. Main priority areas for Estonia are further development of the internal market, mobility and information society, R&D and innovation, education, creation of jobs, social cohesion, and promotion of the eco-efficient economy.[9] Prime Minister Ansip has expressed satisfaction with the fact that proposals by President of the European Council Herman Van Rompuy broadly coincide with Estonia's vision of the strategy's foundations.[10]

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Finland

The jury is still out on the outcomes of the economic turbulence

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At the beginning of the reporting period, Finnish discussion about economic governance was still heavily focused on national policies and the means for recovery. Lessons learned – or not learned – from, and comparisons with, the Finnish recession of the 1990s were the main point of reference. Only gradually did the Greek problems draw attention from the national to the European level.

The Commission, or more precisely the Commissioner for Economic and Monetary Affairs Olli Rehn, was widely supported by his compatriots and seen as a capable and decisive actor in the crisis from very early on.[1] The growing importance of the European Council and its President Van Rompuy was noted, contributing towards the overall impression in Finland that the EU is rising to its task.[2]

Thus, while the discussion began with a national focus, it gradually took a decisively more European turn. Rather surprisingly, it emerged that, in the eyes of many Finns, the crisis might not actually manifest fragility and internal fractures or differences in the Union, but could lead to a stronger Union, active in the field of economic policy. Even the plummeting Euro after the European Council in May 2010 did not lead to an immediate panic. Serious commentaries suggesting the dismantlement of the Euro were almost non-existent. Rather, the received opinion was that Finland was capable of bearing this burden. Some economists even maintained their pre-crisis expectations of the Finnish economy remaining on the path of moderate growth, fuelled by global recovery.[3] It was also widely noted that the Finnish export industries – crucial for the national economy – were benefiting from the weakened Euro.[4]

"Loans or recession are the options": the finance package for Greece accepted as the least harmful option

The initial consensus was to let Greece do "everything it can" by itself.[5] However, once the plans for supporting Greece started taking shape, the Finnish government quickly grew supportive of it. The parliament accepted the loan package after a long debate on 12 May 2010, with the opposition – led by the traditionally pro-EU Social Democrats – voting against the package. This sparked an argument between political parties with a degree of harshness not usual in the consensus-oriented country. Some commentators have argued that the crisis has turned the usual division in Finnish politics around, with the Social Democrats opposing the centre-right government's calls for "international solidarity" and more governance.[6] In reality, the shift of positions was not quite as stark as that. Throughout the debate, the government argued its policy in terms of national interest and as the least harmful option for Finland, emphasising that "this is not a pleasant decision."[7]

Both the public debate and policy makers' plans circled largely around lending as the measure for solving the Greek crisis. "Loans or Recession are the options that Europe is facing"[8] was the logic of the supporters of the loan package, whereas the majority of opponents focused on arguing against the loan, not on creating alternative routes – either realistic or utopian – out of the crisis.

A poll conducted in early May 2010 showed that almost half of Finns were willing to support another Euro member on a case-by-case basis, with another nine percent willing to lend support in every case.[9] The sentiment on internet forums and in letters to editors, however, was almost entirely against granting the loan package to the Greeks, with the majority arguing that the Greeks should find their own way out. This was expected to cause support for the package to melt away,[10] but another poll, asking specifically about the Greek case and conducted in 7-12 May 2010, when the debate had already been underway for several days and the size of the loan known, found 42 percent of Finns supporting the loan and 43 percent opposing it.[11]

Is the EU getting its act together? Improving European economic governance

The eagerness to strengthen the EU's role in the field of economic policy grew in the spring, as one commentator put it: "the crisis is an effective consultant."[12]

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The ambitions of improving economic governance were more modest at the beginning, with many commentators limiting their suggestions to, first and foremost, more effective use of the tools provided in the Stability and Growth Pact.[13] However, the scope of the ambitions soon grew. The Finnish government strongly supported sanctions – in the form of cutting EU subsidies – as a way of guaranteeing economic austerity in the future. Following the European Council in March 2010, then Prime Minister Vanhanen was of the opinion that this was feasible within the limits of the current treaties, preferring that as a faster alternative to opening treaty negotiations. However, as treaty amendments would allow for a less vague system to be established, he was willing to consider that alternative, too.[14]

The Finnish government expressed concerns about excessive supervision of the banking and financial sector, which – in its opinion – would lead to shrinking lending and, therefore, curtail recovery from the economic crisis. At the Ecofin meeting of 17 April 2010, Martti Hetemäki, Finland's representative at the meeting, called this risk a "supervision tsunami", saying that it was not only the banks, but also political decision-makers who were concerned about it.[15] However, as the main focus in the European discussion turned towards the public sector and strengthening the EU's position in governing that sector, Finland threw its weight behind the Commission's proposals. Finland's position was positive towards the proposal to review the draft budgets of EU member states before they are adopted at the national level. Jyrki Katainen, Minister of Finance, declared that "Finland has nothing to hide." Katainen felt that he would "feel safer" upon seeing the other member states' budgets in advance.[16] All in all, his emphasis was on strict budgetary discipline to be imposed by all member states.[17] Finland was also keen to improve the transparency and quality of statistical information about all EU member states' economic performance, as well as to increase comparisons between them.[18] At the same time, Finland was complacently reminding that it had been calling for budget rules to be strictly applied from much earlier on.[19]

With a number of initiatives floating around, the discussion on each of them would be too lengthy to report. Moreover, with most decisions still to be taken and it being too early to make a long-term assessment of the economic consequences, the general discussion soon focused instead on the general direction that the Union seemed to be taking. With the exception of the forces most staunchly opposed to the EU, Finns seemed to view a stronger EU economic policy as both very beneficial and long overdue. Even those political figures who had been around at the time of the decisions on the Euro and the Greek entry into the Eurozone were willing to publicly admit that corrections to the old model were necessary.[20] From very early on, the plans sparked a discussion on federalism. Traditionally, Finnish public opinion has been cautious of federalism – which, in fact, has been a rather central theme in the Finnish EU debate. In Finland, EU scepticism has been allayed by emphasising the ways in which the Union is different from a federation. However, a major part of identifiable anti-federalists are supporters of the Centre Party, the party of then Prime Minister Vanhanen and Commissioner Rehn. This may have contributed towards them largely accepting the general idea of more European economic governance as a necessity in this case. The emerging consensus seemed to be that, though this could be seen as a step towards more federalism, no-one "should think that a federation is being created".[21] Moreover, as mentioned above, Finland has already, prior to the crisis, been calling for better compliance of the Euro rules, and this is now easing the acceptance of greater control.

The decisions taken in mid-May were widely understood as emergency measures, designed to give a little extra time for the problem economies, as well as the whole EU, to gather strength before embarking on real changes. Nevertheless, the Union was generally commended for showing determination and "getting its act together". While commentators at one end of the discussion were reminding the public that the impact of the crisis was still largely unknown,[22] at the other they were rejoicing that the Union is finally working on legislation with substantial significance.[23] Last but not least, Estonia's entry into the Eurozone was generally warmly welcomed as a positive note amongst the financial disarray.[24]

Finns initially sceptical or indifferent towards the Europe 2020 Strategy

In Finland, the overall reception of the Europe 2020 Strategy was bordering on scepticism. While the goals of the strategy were seen as laudable, EU's ability to reach them was doubted. The failure of the Lisbon Strategy, in particular, was seen as grounds for scepticism: "Why would anything be different this time?"[25] The more positive voices suggested that Europe had learnt its lessons from the failure of the Lisbon Strategy: the Europe 2020 Strategy will be designed to be more down-to-earth, giving it a better chance of success.[26]

In its post-Council evaluation, the Finnish government emphasised, e.g., raising European productivity as a key means for recovery from the current economic crisis. Charts comparing member states' performance in this regard were seen as a means to improve awareness of differences in productivity.[27] From the point of view of implementing the Strategy, then Prime Minister Vanhanen did not envisage much extra effort. Rather, his emphasis was on boasting how far advanced Finland was with many of its goals, sometimes even surpassing them, for example, in the level of research and development inputs. The national plans – the beef of which is in the Europe 2020 Strategy – are still in the making at the time of writing, with the government promising more details before the European Council meeting in June 2010.[28] All in all, however, neither the strategy nor the national plans aroused much interest or debate in Finland.

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[7] Matti Vanhanen, Prime Minister: Press Briefing, 4 May 2010.
[8] Jyrki Katainen, Minister of Finance: Press Briefing, 4 May 2010.
[9] Helsingin Sanomat: Suomalaiset uskovat Euroon, 8 May 2010.
[10] Ibid.
[11] Uutispäivä Demari: Kansa ei hyväksy luottoa Kreikalle, 17 May 2010. This result is based on a proposition that, on the basis of financial consequences, Greece should be supported.
[12] Arto Aniluoto, Secretary General, European Movement in Finland, interviewed in the Finnish Broadcasting Company (YLE), 11 May 2010.
[13] Turun Sanomat: EU:n valuuttarahasto ei ehtisi Kreikan avuksi, 13 March 2010.
[14] Matti Vanhanen, Prime Minister: Press Briefing, 26 March 2010.
[15] Helsingin Sanomat: EU-päättäjät varoittivat liian tiukasta pankkien sääntelystä, 18 April 2010.
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[24] Helsingin Sanomat: Viro on ansainnut paikkansa eurossa, 9 May 2010.
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France

European economic policy and the financial and economic crisis: mixed responses

Aurélien Evrard*

The finance package for Greece: a façade agreement.

French official position regarding the finance package for Greece remained rather unclear. On the one hand, President Sarkozy supported since the beginning the idea of European initiatives in favour of Greece. He assumed that "we could not drop a member of the Eurozone, otherwise the Euro would be meaningless."[1] On the other hand, and partly following the German position, the Minister for the Economy, Christine Lagarde, assumed that Europe should not be indulgent towards Greece.[2] This position was strongly criticised by the Socialist Party (PS), regretting the "disappearance of political Europe" and the return of "national egoisms, whereas we were expecting a deed of generosity from most of European governments."[3] The agreement that was finally reached at the European Council (25 and 26 March 2010) was considered a "façade agreement". According to Jean-Pisani Ferry from economic think tank Bruegel: "what markets want, is a confirmation that the Eurozone members will not drop Greece, and this will only happen if they lend it money and if interest rates decrease, not before that."[4]

Reacting to the nature of this agreement, Jacques Delors, former President of the European Commission, confesses that he is "wounded by the intervention of the International Monetary Fund (IMF) […]. The European Union has the means to solve this crisis by herself and to demonstrate that the Euro foundations are strong."[5] Economists from the French progressive think tank Terra Nova share this admission of failure from the European Union. More pessimistic than Jacques Delors, they also assume that this crisis reveals the weakness of the EU. According to them, legal mechanisms to rescue Greece did not exist. Therefore, this agreement appears as an *arrangement ad hoc* that only avoided the worst scenario: a traditional/classical intervention from the IMF.[6]

The Stability and Growth Pact strongly criticised: the need for reform

Many critics have emerged against the Stability and Growth Pact. According to left-wing daily Libération, the Greek crisis has demonstrated that both the Maastricht Treaty and the Stability Pact have partially failed.[7] French economist Michel Aglietta assumes that, although European member states must display solidarity, the Stability Pact represents a serious constraint for all members of the Eurozone. It is necessary, he says, not to try to decrease the public deficit too rapidly. It would be impossible to come back to the rules of the Stability Pact before 2013. The priority is to reach a growth rate higher than the real interest rate.[8] As a matter of fact, the Minister for the Economy, Christine Lagarde, spoke out for reform of the Stability Pact, considering that all the criteria, notably the deficit and debt-to-GDP (Gross Domestic Product) ratios, are not in themselves sufficient to foster economic convergence within the Eurozone.[9] Economists from the progressive think tank Terra Nova agree wholeheartedly with her, even considering both criteria as "paper tigers, that are temporarily forgotten when a big state (France, Germany) might be sanctioned for an excessive deficit."[10] As a consequence, there is a need to reinforce the Stability Pact, for example, by opening the possibility to audit national budgets or applying sanctions to excessive deficits. Such an option considers that the Stability Pact represents the best compromise between national autonomy and the discipline needed to prevent free-riders strategies. However, according to both French experts, this option, which is close to the 2005 reform of the Stability Pact, will not alone allow the European stalemate to break.

Consensus on a need for a strong coordination of economic policies in Europe

A crucial explanation for this crisis lies, according to Jacques Delors, in the imbalance in favour of the monetary pillar, on which the Economic and Monetary Union was founded. In the absence of real coordination of economic policies, little attention has been paid to the financial evolution of many countries.[11] Thus, according to Dominique Strauss Kahn, IMF Managing Director, the Eurozone needs to make structural reforms and give a political signal to the markets. Consequently, this crisis provides an opportunity for Europe to strengthen and deepen its internal integration and cooperation in the economic field. This implies that not only a stronger coordination of economic policies is necessary,

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but also an integrated framework for crisis prevention and management and a concerted effort to stimulate growth and create jobs.[12]

Former right-wing Prime Minister Edouard Balladur shares this point of view. Eurozone membership, he assumes, cannot be restricted to the management of the currency, but must also include the economic management of the member states. The economy of the Eurozone will maintain its dynamism only if the single currency is supported by coordinated economic and budgetary policies. The time has come for the Eurogroup to step in to approve governmental financial plans before the respective governments submit them to their national parliaments. It is not a matter of going into the details of every single measure: assessing the global volume of public spending will suffice. The Eurogroup should be called upon to assess the validity of the figures that are presented. The members of the Eurogroup should reach a decision through a qualified majority vote. It should be the "real" second step of the Economic and Monetary Union.[13]

Economists from the progressive think tank Terra Nova also consider the coordination of economic policies as a policy option, observing that the Open Method of Coordination (OMC) that was used until now did not permit significant progress. Many options are identified in order to reinforce this coordination:

- Integrating new competences that have been, until now, preserved by member states (e.g., giving a compulsory objective for budget balance) or submitted to OMC (e.g., structural reforms such as labor market or higher education). A consensus is, however, lacking on this issue.
- Getting the Commission involved into the surveillance of member states' macroeconomic policies and not only of its public finance. Furthermore, the ECOFIN Council could be invited to discuss the cohesion of the Eurozone more often.
- Reinforcing the Eurogroup by organising steady meetings of heads of state and government, formalising its procedures, or even giving the president of the Eurogroup the competences to represent the group at the G8.

Europe 2020 Strategy: the story of an announced failure

The Europe 2020 Strategy did not occupy a crucial position in French public debate, and the Greek crisis is not the only explanation for this. According to Laurent Cohen-Tangui, the main reason is that the Europe 2020 Strategy is nothing but the same as the Lisbon Strategy that it is supposed to replace.[14] Considering the conditions of its formulation, economists from the think tank Terra Nova do not see how this failure could be avoided. Once more, it is to be expected that this strategy will remain a juxtaposition of national policies and rely on the member states' good will. Concerning the contents, the main issue should be the budget of the EU (increase of the budget, implementation of EU resources, etc.), but the Europe 2020 Strategy skips over it.[15] Pascal Canfin, a Green MEP, also criticises this strategy, which is "again only based on more growth." Rather than competition, Europe should have quality of life as an objective and build its strategy on sustainable economy and social welfare.[16] Thus, there seems to be a consensus on a global deception regarding this new project of the EU. Considering not only the contents but also the implementation procedure of Europe 2020 Strategy, its global assessment could be summarised by an expression given by Bruno Vever: "never change a loosing strategy."[17]

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Germany

Europe's paymaster is on a budget

Julian Plottka·

While the Eurozone is facing the most severe crisis since the founding of the Economic and Monetary Union (EMU), the economic situation in Germany seems to be recovering faster than expected. The newest estimations of the expected Gross Domestic Product (GDP) growth vary between 1.9 percent and 2.3 percent for 2010.[1] Experts expect the number of employees on short time work to decrease until the end of 2010 and the total unemployment to drop to the lowest level since 1991. Anyway, due to the costs of the economic stimulus programmes and decreased tax revenues, the German parliament, the Deutsche Bundestag, agreed to finance 80.2 billion Euros of the 2010 federal budget by revenue obtained by the borrowing of funds. This is the largest revenue obtained by the borrowing of funds in the history of the Federal Republic of Germany.[2] To fight the steadily increasing national debt, "limits of borrowing" were introduced into article 115 of the German basic law. According to this article, the "revenue obtained by the borrowing of funds [may] not exceed 0.35 percent in relation to the nominal gross domestic product." To comply with article 115 of the basic law, which enters into force on 1 January 2011, the federal government agreed on an austerity programme for the next four years. Opposition parties and labour unions criticised the austerity programme as being too burdensome for people with low and middle incomes, while wealthier people hardly contributed.[3] The German debate on European economic policy and the Euro crisis has to be judged against this background.

Government coalition did not stand up against populist debate

In Germany the published opinion on the Greek financial package had a quite populist undertone. Walter Wüllenweber wrote in the magazine Der Stern a letter of complaint to Greece. He blamed the Greek people for spending German money. Furthermore, he underlined that the only reason to rescue Greece is that in a Greek bankruptcy German banks would loose 30 billion Euros.[4] Even some politicians from the governing Christian Democrats (CDU) voiced populist ideas: the Member of Parliament (MP) Josef Schlarmann proposed that Greece could sell its islands to pay its debts.[5] Causing tensions between the German and Greek government, these blindfold ideas were not the core problem. Neither the opposition parties nor the government clearly argued against this populism. Renate Künast, leader of the Green faction in German parliament, asks, where was Ms Merkel? Why did she not say: "Not this way!"[6] One interpretation was that the government coalition was afraid to lose the regional elections in North Rhine-Westphalia.[7]

But the votes in the German parliament, the Deutscher Bundestag, on the so called Währungsunion-Finanzstabilitätsgesetz[8] make obvious that none of the two large parties (CDU and Social Democrats – SPD) took a clear stance on the financial help for Greece: 391 MPs voted for the law, 72 MPs were against the law, while 139 abstained from the vote. From the government coalition of the CDU, the Christian Social Union (CSU) and the Free Democratic Party (FDP), which had initiated the law, five MPs voted against the law. From the opposition SPD four MPs voted for the law while the others abstained from the vote. The SPD faction decided to abstain, because the coalition government was not willing to vote for a resolution calling for the introduction of a financial transaction tax.[9] From the other two opposition parties, the Greens (Bündnis 90/Die Grünen) voted for the financial package,[10] while the left-wing party Die Linke voted against it.[11] Four SPD MPs criticised their party indirectly: e.g., Eva Högel reasoned that she had to vote for the package agreed on, because there is no alternative to this solution and that it is necessary to send a signal of solidarity to Greece.[12]

Another type of criticism is the constitutional challenge to the European stabilisation mechanism currently hanging on at the federal constitutional court in Karlsruhe.[13] Most prominently Peter Gauweiler, CSU MP, who already filed a suit against the ratification of the Lisbon Treaty in Germany, challenges the mechanism as not being in line with the European primary law.[14] The federal constitutional court has not finally decided on the case, but refused to issue a temporary injection on the German parliament's agreement to the mechanism.[15] What will be interesting during the proceedings is the question, whether the German federal constitutional court will follow its path, started by its decision on the ratification of the Lisbon Treaty, to empower itself to decide on European

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law or not. Already in May 2010 the German federal constitutional court refused to issue a temporary injection on the first financial help granted to Greece. A group of professors, who had appealed to the German federal constitutional court in 1998 to stop the introduction of the common currency in 1999,[16] argued the financial package conflicts with the principal of the welfare state (article 20 basic law) and transforms the European Union into a federal state.[17]

Too late to help?

The evaluation of the decision making process is made on two levels. On a more general and theoretical level the trade off between output and input legitimacy is discussed. On a more concrete level the direct implications for the Eurozone are evaluated. On the theoretical level it is argued that the bargaining in Brussels and the parliamentary decisions later on take too much time to react to international financial markets.

Faster decisions are needed to give clear signals to the markets.[18] On the other hand, the time pressure on the German parliament was criticised: were the MPs able to deliberate and decide on the package for Greece and the European stabilisation mechanism or did they just do what the government told them?[19] Furthermore a debate on the unbalanced representation of consumers' interests and the interests of actors on the financial market started.[20] Some Members of the European Parliament (MEP), among them the German Green MEP Sven Giegold, started a "call for a finance watch". They try to create a consumers' rights organisation with expertise in the field of financial market regulation to counter balance the influence of the financial market actors on the decision-making processes.[21]

During the first half of 2010, the leadership of Chancellor Angela Merkel was criticised in general: during quarrels between the three parties of the government coalition, the debate on the austerity programme, and a nearly failed presidential election, many commentators missed Merkel's leadership.[22] That Merkel had to give up her position that the Union will not take any common measures to help Greece, but that everything had to be done on a bilateral basis during the negotiations on 9 May 2010, was regarded as a further sign of the decline of her leadership. Werner Mussler illustrated this by describing how Merkel left through the back door while French President Nicolas Sarkozy declared to journalists that the reached agreement contained 95 percent French ideas.[23] Furthermore, criticism has been voiced with regard to the preparations by the federal chancellery for the negotiations on the European level that all possible economic scenarios have not been taken into account.[24] During the electoral campaign to the regional elections, the SPD party leader, Sigmar Gabriel, accused Chancellor Merkel of lying to the voters. Gabriel presented her as an iron lady expecting reforms from the Greek government before negotiations on financial help start, while the Federal Minister for Finance Wolfgang Schäuble was already negotiating the financial package. Hans-Werner Sinn, head of the ifo institute Munich, agreed with the Chancellor's hesitant strategy to withhold financial help until Greece agreed on an internal austerity programme. According to him, the financial help is the only pressure to force the Greek government to save money.[25] Other economists criticised this strategy because it does not give a clear signal to the financial market that Europe is willing to support Greece.[26]

Lesson learned, but clear cut concepts still missing

On 6 May 2010 the French President and the German Chancellor declared in a common letter: "The next thing we have to do is strengthen economic policy coordination in the Eurozone."[27] Thus the German government does not reject the idea of "European economic governance" in general anymore. But as the agreed wording "cooperation" indicates that this closer cooperation in the field of European economic policy does not refer to the policy of "dirigisme" often associated with the French idea of "European economic governance". The opposition, e.g., the Green party, is in favour of the idea of European economic governance and called on Chancellor Merkel to not block this deepening of European integration in March 2010.[28] The Social Democrats are in favour of it, too, but put a special emphasis on the complementation of the European economic governance by a coordination of social policies.[29] But neither the government nor the opposition parties have yet presented a clear-cut concept on what they understand to be increased cooperation in European economic policy. For the opposition parties it is much easier to present ideas, as they do not have to face the other heads of state and government during the negotiations on European policies. Thus, the SPD together with the Party of European Socialists (PES) proposed ideas ranging from the harmonisation of tax policy to introducing a minimum wage in Europe.[30]

The German federal government fully supports the reform of the Stability and Growth Pact (SGP).[31] The Federal Minister of Finance, Wolfgang Schäuble, plans to discuss the following nine points in the task force on economic governance: 1) tightening budgetary control; 2) improving budget discipline in the Eurozone; 3) introducing limits of borrowing on the national level (like article 115 of the German basic law); 4) temporarily freezing structural funds for states not complying with the rules of the SGP; 5) introducing obligatory midterm budget objectives for states with debts higher than 60 percent of GDP; 6) suspension of the voting rights of states violating the rules of the SGP; 7) discussing aberration in terms of economic development more openly; 8) monitoring of economic policy in the member states could be more transparent and include possible sanctions; 9) a permanent stabilisation mechanism to cope with crises, which includes a procedure for state insolvencies.[32]

Some of these ideas are heavily contested. For example the Social Democratic ministers from the German Länder were against the limits of borrowing in article 115 of the German basic law, as they saw the budget right of the regional parliaments violated,[33] and the labour unions and the party Die Linke saw the ability of politicians to act decreasing.[34] Thus it seems to be unlikely that national parliaments all over Europe will accept such a limitation of their budget right. A second issue heavily debated in Germany is the question of introducing a financial transaction tax. The Social Democrats strongly support the introduction of a financial transaction tax. Together with the Austrian Social Democrats, the SPD even planed to initiate a European Citizens' Initiative on that issue.[35] After the opposition parties and the government coalition could not agree on a wording to introduce the financial transaction tax in the so called (monetary union financial stabilisation law), as mentioned before, the coalition parties convinced Chancellor Merkel to support such a type of tax on the global level.[36]

Europe 2020 Strategy: implementation will become crucial

Compared to the debate on the crisis the Eurozone is facing at present, the Europe 2020 Strategy is hardly discussed in Germany. Chancellor Merkel received some attention by criticising the draft version of the Strategy. Her major points of criticism were the high number of targets, the plan to introduce country specific objectives, and the close link of the Strategy's economic targets to compliance with the requirements of the SGP. According to a letter Merkel wrote to José Manuel Barosso, these steps "would make fiscal surveillance 'unnecessarily political'", as the media reported.[37] But the overall assessment of the renewed strategy by the German federal government was positive. Non-governmental organisations, such as the Europa Union Deutschland, debated the major failures of the old Lisbon Strategy: the unsolved compliance problem and the too narrow focus on growth and international competitiveness.[38] The Umbrella Organisation of German Industry (BDI) and the Federation of German Employers' Associations (BDA) contrarily point out that growth and international competitiveness are not self-sufficient but are the basis for social progress; however, they agree that the Lisbon Strategy failed to achieve its main objectives and that the question of compliance to the targets of the Europe 2020 Strategy will be crucial for its success.[39]

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Greece

More effective economic coordination to stabilise the Eurozone

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The acute debt crisis that Greece experienced in the first months of 2010, a crisis that almost brought about default for the country, has dominated public life and monopolised the interest of public opinion. The EC/ECB/IMF agreement[1] for a 110 billion Euro support package, with an extremely strict programme of fiscal retrenchment and structural change, was greeted with huge relief since it followed weeks of unprecedented aggression on part of the financial markets. This assault against Greek bonds caused their spreads to rise to over 400 basis points, while Credit Default Swaps (CDSs) for insurance against Greek default also soared, thus effectively shutting Greece out of the markets.[2] But the days of negotiation of the EC/ECB/IMF package deeply scarred public opinion, since they associated the sense of helplessness and risk at the hands of the markets with an abrupt reversal of deep stereotypes (according to which the IMF was "the scourge of peoples", etc.) and with a feeling of quasi hostility on the part of "Europe" or from segments of "Europe".[3] The position taken by Germany on the Greek issue – both from political circles and from populist media, if not from wider public opinion – constitutes the source of a deep change in Greece regarding the notion of European solidarity.[4] As soon as the extent of the budget cuts and of the labour law-and-pension reform included in the EC/ECB/IMF programme was realised, social unrest came to the surface. Not only the political left (the strict Communist Party of Greece – KKE and the ex-Eurocommunist Synaspismos – SYN) but most remarkably centre-right New Democracy voted against the EC/ECB/IMF package – with the result of being aggressively criticised by members of the European People's Party (EPP) in the European Parliament.

Both public sector and private sector unions are opposed to the stabilisation attempted. The tone of demonstrations in Greece gets more and more bellicose, while a firebombing of a bank has already claimed four victims. All the while, public opinion watches passively but unrest simmers just under the surface.[5]

The extreme prejudice that the debt crisis brought to Greece, a country that operated for almost a decade as a member of the Eurozone and under the Stability Pact, caused the realisation that more effective economic coordination would have to be established, if the Eurozone is to survive. Thus, the notion of "economic governance" is winning favour, notwithstanding the fact that the Greek economy would have to undergo even deeper structural change (and submit to closer scrutiny) in the future. The concept of "economic governance" supported by France is often discussed, but its effective content is construed in diverging ways according to the audience targeted.[6]

The Lisbon Strategy of 2000-2010 used to be cited as an important EU achievement in Greece, since it would lead to "the most competitive knowledge-based economy in the world". The fact that the Strategy had been derailed since the mid-2000s received little attention, partly because Greece constantly ranked near the bottom in "Lisbon achievements". Now, the wave of the financial crisis (and the specific impasse that Greece faces) has shifted attention to more pressing matters. Still, the perspective of a Europe 2020 Strategy is again greeted positively, since, due to the EC/ECB/IMF conditional assistance, the extensive, structural overhaul that will be undertaken makes it possible that, this time, the Lisbon approach will work for Greece.[7]

· Greek Centre for European Studies and Research.

[1] Agreement between the European Commission (EC), the European Central Bank (ECB) and the International Monetary Fund (IMF).
[2] See among others R. Someritis, in: TO VIMA, 25 March 20010; K. Iordanidis, in: KATHIMERINI, 25 March 2010; K. Botopoulos, in: METARRYTHMISSI, Vol. 35, May 2010.
[3] See A.D. Papayannidis: Europe "After Lisbon" and Greece as a Companion of Fate, in: International and European Politics (Vol. 17), p. 49; Eliza Papadaki, Before Greece defaulted it was the Institutional Framework of the Euro that Defaulted, p. 28.
[4] See G. Bakatsianos: International and European Cooperation in front of the financial crisis and Greece [in Greek], in: From Bush to Obama: International Politics in a Changing World, Papazissis, Athens 2010, p. 319.
[5] See, among many others, S. Kalyvas: Three (comfortable) myths about violence [in Greek], in: KATHIMERINI, 16 May 2010. Here a distinction is made between public unrest and violent acts perpetrated by small marginal groups who rely on the improbability of being arrested and punished.

[6] See G. Gounaris: Europe after the economic crisis: Institutional Reform and Strategic Options [in Greek], in: From Bush to Obama: International Politics in a Changing World, Papazissis, Athens 2010, p. 330.
[7] The topic raises an increasing interest among academics and a small circle of politicians and opinion makers on the occasion of various colloquia. EKEME organised on 14 May 2010 a symposium: From the current Crisis to Europe 2020: The EU and Greece in front of the Challenge of Economic Governance, with eminent speakers, including Defence Minister E. Venizelos and J.V. Louis.

Hungary

Faster and harder reforms without new treaty negotiations necessary

Krisztina Vida*

Rescue package welcome but too late

In the general Hungarian assessment, the solution of the Greek crisis is welcome, but it came too late. According to a high official of the Ministry of Foreign Affairs,[1] the declarations released prior to the March 2010 European Council were insufficient. In fact, a strong positive message was needed not only towards the markets but also towards all members of the Eurozone as well as towards other countries inside and outside the EU. The process leading to the European Council decision was a rather painful one and entailed, on the one hand, fast deterioration of the Greek situation, while at the same time caused an obvious weakening of the German government on the other (the voters' "punishing" of the Christian Democratic Union (CDU) in the recent elections for regional parliament in North Rhine Westphalia). This means that the long hesitation and late decision brought about tangible economic and political costs. The staggering attitude of EU decision-makers also increased the risks of other Euro countries' potential "collapse" (i.e., Portugal, Ireland, Italy, and Spain).

Stricter coordination and transparency are indispensable

The main lesson of the Greek case is that the budgetary policies of member states (both their planning and implementation) should be coordinated in a more efficient and strict way, as the present mechanisms proved to be too weak. All member states must match competitiveness with sustainability of public finances and nobody should be able to hide the real figures of the national budget. The key words in the future should be stricter coordination, transparency and also real sanctions.

Improved mechanisms and a European Monetary Fund are needed

As regards coordination of economic policies, we have to rely on the provisions of the Lisbon Treaty and use them to their utmost possible, as in the foreseeable future no new treaty modification can be expected. According to experts,[2] the strong coordination of economic policies coupled with a new early warning mechanism would be the right solution to preventing similar crises in the Eurozone. Another "must" is the setting up of a European Monetary Fund providing for immediate assistance to countries in trouble; however, these loans should be made conditional on budgetary reforms in the beneficiary country. In their view, a third key element would be the automatism of sanctions without exemptions.

When discussing the issue of European level economic governance, it must be recognised that the member states have very different approaches as regards the goals and tools of economic policy; therefore, economic policy-making as such cannot be "harmonised" at the EU level. As long as the EU is neither imposing taxes nor providing public goods, it also lacks the legitimacy of carrying out economic governance. The solution is to keep the strong supranational monetary pillar of Economic and Monetary Union (EMU) coupled with reinforced economic coordination, while continuing the completion of the internal market project coupled with gradual tax approximation. This would give a stronger background for the economic pillar of EMU, while the member states would still maintain their competences over the national budget.

Regarding the future role of the Eurogroup, Hungary would like to see the non-Eurozone countries take part as observers. This would be important, especially for those new member states that are preparing for the introduction of the single currency.

Competitiveness and territorial cohesion could have been linked in the new Strategy

The new Europe 2020 Strategy is, in general, welcomed by Hungary, although it has been criticised for its institutional weaknesses as well as for its general approach. As to the first issue, according to a high official at the Hungarian Ministry of Foreign Affairs,[3] it is regretted that no single and transparent institutional unit will be dealing with the Strategy within the Commission (similarly to the management of the Lisbon Strategy). As to the second issue, it is also regrettable that the first proposal did not

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mention “cohesion” explicitly. Although this aspect appears in the text indirectly, Hungary would have preferred a more direct link between territorial cohesion and competitiveness.

[1] Interview done at the Ministry of Foreign Affairs on 12 May 2010.
[2] See the interview in the Hungarian newspaper Világgazdaság with two experts: professor László Csaba, and research director Margit Rácz, 4 May 2010, available at: http://www.vg.hu/gazdasag/gazdasagpolitika/javitanak-a-fiskalis-fegyelmet-315790 (last access: 17 May 2010).
[3] Interview done at the Ministry of Foreign Affairs on 12 May 2010.

Iceland

The Greek problem seen from Iceland

Pia Hansson* and Baldur Thorhallsson+

In Iceland the current economic crisis in Europe is perceived as a very serious problem, not least because of the domestic bank collapse in the autumn of 2008. The European Central Bank has had substantial intervention in the bond market, by buying bonds from states that stand poorly. By doing that the Bank is gaining a new role in economic cooperation in Europe but perhaps simultaneously sacrificing its independence in the process.[1] Increasing stability in Europe is seen as a difficult project, and the understanding of that is high in Iceland, having already experienced severe economic and currency difficulties in the last two years.

The Icelandic media portrayed a tug of war on how much aid Greece would receive from the EU on the one hand and the International Monetary Fund (IMF) on the other, which in a way tainted the results of the matter. Great dissatisfaction was shown by the German nation, feeling they were expected to provide too much help. A risk of a Euro-collapse controlled the German government's movements. By granting the aid, they bought certain security and thus tried to prevent something else and much graver to happen.[2]

Much speculation on the consequences of the fall of the value of the Euro and whether the EU itself is under threat is going on in Europe. A decrease in cooperation is feared, although few believe it will be terminated completely. The actions that are being taken by the EU and the IMF serve as a deadline for the member states to deal with their economic problems. Germany and the European Central Bank are the voices of reason: cutbacks are necessary. Europe is now facing more economic controls and restrictions for future economic cooperation to flourish.[3] Icelandic economists wonder if Greece can do what needs to be done in order to rectify their financial situation, otherwise social instability could become a concern. Expectations and perceptions are very important in such cases because when people expect the worst to happen, the required rate of return will increase on individual debts, making it even harder for people to pay them and therefore it brings about the fear that was dreaded. On the contrary, if perceptions and expectations are kept positive in difficult times like Greece is experiencing, the country should be able to gain economic stability again. It all depends on the Greek social situation not deteriorating any further to the point of no return.[4] To the general public, it may seem weak that the EU is not able to assist Greece on its own, but needs to bring in the IMF which turned out essential for the aid package. On the other hand, Iceland is also accepting assistance from the IMF and may therefore have a better understanding of the situation. The graveness of the global economic recession has become apparent and increases a small state's perception of vulnerability. This is not a problem that has an easy solution, but the debate in Iceland will surely continue to focus, first and foremost, on the internal problems. Similar to most EU debates, the Icelandic "No" campaigners will use every opportunity to judge EU actions harshly and the fact that the Euro is in trouble has added fuel to the fire for the anti-EU campaign.[5]

Greece is an example of a state that did not follow many of the rules set forth in the Stability and Growth Pact. In hindsight, Greece should not have been allowed in the Eurozone, not having fulfilled the requirements. To better align the budget and the monetary policy of the EU is crucial. Stronger supervision and cooperation in the field of fiscal policy is necessary if the European countries intend to work together.[6] The idea of a strong coordination of economic policies can sound, to EU opponents, as an idea to have all member states present their fiscal budget to the EU for acceptance or decline.[7] People's opinions on European integration usually spill over to all matters concerning more interstate coordination. People who are for integration are therefore more likely to be more positive to the idea of a strong coordination of economic policies in Europe, while the people who are not for integration will find such actions prone to diminishing the opportunities of individual states.[8]

It has become clear to Icelandic policy-makers that being in the Eurozone does not absolve member states of responsibility towards their own economy and currency. Member states are still expected to act responsibly and rationally, and not exceed their national budgets. At the same time, the idea of increased controls, whether these controls stem from Brussels or not, may not be considered a bad

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idea. Icelanders have recently been brutally reminded of their small size and vulnerability in the international community, therefore increased financial regulations are deemed essential. Promoting good practices and stable economic governance can only be a positive thing. The EU debate in Iceland, however, is still very limited and in many ways immature.

The Europe 2020 Strategy that followed in the wake of the Lisbon Strategy has been well received in Iceland. Only time will tell, however, whether the ambitious goals set fort in the Strategy will be reached.[9] The Strategy is in fact a model upon which a local strategy has been designed.[10] This is welcomed in Iceland as local strategies have rarely adopted a long-term vision with long-term goals.[11] This open method of coordination is seen as a positive development offering encouragement. The new Europe 2020 Strategy seems to be simplified, which is a definite plus and can therefore be perceived as a better strategy. Country specific recommendations should provide the necessary push for those that want to participate, but may need guidance in pursuing this. Iceland, like the other EFTA countries, has done well in obtaining the goals, but is still lagging behind in school drop-out rates.[12]

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[1] Jón Þór Sturluson (economist and associate professor at the Reykjavik University): Radio interview on Spegillinn, current affairs program, National Broadcasting Corporation in Iceland, 17 May 2010.
[2] Telephone interview with a member of the Left-Green movement currently in government.
[3] Telephone interview with economist and associate professor Jón Þór Sturluson, 19 May 2010.
[4] Jón Þór Sturluson, economist and associate professor at the Reykjavik University: Radio interview on Spegillinn, current affairs program, National Broadcasting Corporation in Iceland, 17 May 2010.
[5] Telephone interview with economist and associate professor Jón Þór Sturluson, 19 May 2010.
[6] Jón Þór Sturluson, economist and associate professor at the Reykjavik University: Radio interview on Spegillinn, current affairs program, National Broadcasting Corporation in Iceland, 17 May 2010.
[7] Interview with government officials at the Ministry for Foreign Affairs, 19 May 2010.
[8] Telephone interview with a member of the Left-Green movement currently in government, 6 July 2010.
[9] Telephone interview with a member of the Left-Green movement currently in government, 6 July 2010.
[10] Information on the Iceland 2020 strategy, available at: http://www.island.is/endurreisn (last access: 12 July 2010).
[11] Telephone interview with a member of the Left-Green movement currently in government, 6 July 2010.
[12] Telephone Interview with a government official at the Ministry for Foreign Affairs and a member of the Icelandic negotiating team, 20 May 2010.

Ireland

Irish concerned about tax and treaties

Shane Fitzgerald*

The initial stabilisation achieved by the finance package agreed for Greece was broadly welcomed in Ireland. Contagion effects from the Greek debt crisis had begun to erode the gains made by the Irish government in reducing its cost of borrowing through austerity measures so steps to ameliorate the situation were viewed positively. The Taoiseach (Prime Minister) said he had "no hesitation" in signing up to the agreement.[1]

Owing to the sharp deterioration in its public finances since the onset of the financial crisis, Ireland remains on the target list of what has been described as a speculators' "wolfpack" that is currently circling the Eurozone herd. Ireland needs to borrow around 20 billion Euros annually to plug the gap in its finances. Happily, it succeeded in raising about 60 percent of its 2010 requirement before costs escalated in tandem with the Greek crisis, but any further prevarication could have proven disastrous for the Irish exchequer. In that context, expressions of European solidarity in the face of threat were gratefully received.

More recently, the Minister for Finance, Brian Lenihan, welcomed the announcement of the larger Eurozone stabilisation package on 9 May 2010, saying: "Member states are showing their resolve to support the overall European economy and the interests of all European citizens."[2] The Taoiseach meanwhile acknowledged that the Greek crisis and the Eurozone agreement means that economic governance will have to be pursued much more actively in the future.

Looking beyond the immediate public debt crisis of 2010, misgivings over the Eurozone's Stability and Growth Pact are to be found in Ireland as elsewhere. In an effort to slash the deficit, maintain a credible sovereign risk profile and renew commitment to the pact, harsh austerity measures have been taken by the government, resulting in a fiscal consolidation equivalent to 6 percent of the Gross Domestic Product since 2008. But Ireland still has a lot of cuts to implement if it is to get a deficit currently running at more than 14 percent down to the EU target of 3 percent by 2014. There is real concern that taking this much money out of the economy during a fragile recovery could have detrimental consequences. However, this concern is accompanied by the knowledge that even if the Commission decides to be lenient with Ireland on the deficit issue, the international bond markets will not. For example, former Irish European Commissioner Peter Sutherland argues that, regardless of the terms of the pact, further cuts are likely to be necessary on the basis of market confidence.[3]

Within Ireland, there is plenty of opposition to specific government measures, but a general sense prevails that severe belt-tightening is necessary if Ireland is to stabilise its economy and enjoy a recovery. The strongest opposition to the overall strategy in the European context has come from trade unions, some members of which have questioned why the government could not postpone the fiscal consolidation until the economy is in better health. The Greek crisis provides one answer to that question.

There is another important angle to the debt crisis from an Irish perspective, and that is the question of the Euro exchange rate. Last year, the Finance Minister, Brian Lenihan, accused the UK of a competitive devaluation of Sterling against the Euro, asserting that this was causing "immense difficulties" for Ireland.[4] In a letter to the Financial Times, Manus O'Riordan, Chief Economist of the Services, Industrial, Professional and Technical Union (SIPTU), noted that in the 24 months up to October 2009, sterling had devalued by 25 percent against the Euro. "If any other member state," he argued, "had sought to address its economic problems by slapping a de facto 25 percent tariff on imports from the rest of the EU, it would have been denounced as a rogue state."[5] In the context of these difficulties, John Whelan, of the Irish Exporters' Association, says that Irish exporters would be "quietly happy" with the Euro's recent sharp slide against the Dollar and Sterling. Ireland had 42.6 billion Euros worth of exports to the USA last year, and the shift in the exchange rate could be worth 6 billion Euros to the Irish economy.[6] Fears of a Sterling sell-off linked to an uncertain general election outcome did not materialise, providing another boon for Irish exports.

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The idea of a strong coordination of economic policies in Europe is received ambivalently in Ireland. Despite the Taoiseach's acknowledgement that better economic governance is necessary, Ireland will be reluctant to cooperate in any measures that compromise its budgetary and fiscal sovereignty at a time of great fragility. A key issue here is sovereignty over tax issues. Ireland's low corporate tax rate is seen as both a key driver of its recent economic growth and a necessary condition of its future economic recovery. Retention of unanimity in voting on taxation policy matters was an Irish priority during negotiations on the Lisbon Treaty. That aim was fully achieved, and was reiterated in the guarantees secured by the Irish government ahead of the second referendum on 2 October 2009.[7] Any attempt to revive discussions on a common consolidated corporate tax base is likely to be strongly resisted. The opposition Fine Gael party, traditionally a pro-European party, surprised many domestic commentators by coming out strongly against the recent Commission proposals on economic governance, saying they represented an erosion of national sovereignty and alleging that they had the potential to deny Ireland control over its corporate tax rate.

In response to this, and similar statements by the nationalist opposition party Sinn Féin,[8] Andrea Pappin, Executive Director of European Movement Ireland, called for an informed and adult debate on the issue, saying that it "is important to clarify […] that only an Irish government can change our corporate tax rate, no one else."[9] Pappin and the government are right to say that there is nothing in the Commission's proposals about tax harmonisation or a common consolidated corporate tax base, but, as they stand, these proposals do mean that if the Commission and EU finance ministers do not like Ireland's budget, and the state has already cut expenditure to the quick, then the government would be forced to raise taxes.

From an Irish perspective, another key issue in any discussion about greater economic governance in the EU or in the Eurozone is: will it necessitate treaty change? Any proposal that does will meet with great concern in Ireland as there is little appetite from any quarter for further referendum campaigns (Ireland is obliged by a Supreme Court ruling to hold a referendum on any international agreement that impinges on the state's constitutional sovereignty). If the EU can continue to find ways, such as the stabilisation fund, which deepen European economic cohesion without resort to new treaties, then Ireland will probably go along with them.

On the Lisbon Strategy and its successor, the Europe 2020 Strategy, the Fine Gael party noted that "[n]ot one of the Lisbon growth strategy objectives set by the EU has been met. Accelerated fiscal consolidation and a fund to act as a safety net are undoubtedly a significant step forward, but what is missing is a European growth strategy that can make an export-led recovery credible in highly indebted countries."[10] The government is supportive of the Europe 2020 Strategy, though it would like to see the agriculture and food sectors given more of an emphasis in the EU's common economic policy.[11] Neither one is included in EU 2020's five priority areas but both are central to Ireland's own economic plans. However, the emphasis on research and innovation in the Strategy chimes well with Ireland's own ambitions. The appointment of an Irish woman, Maire Geoghegan Quinn, as Commissioner for Research and Innovation was therefore viewed positively in Ireland.

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[1] Irish Times: Cowen says he had no hesitation in signing up to pact, 27 March 2010, available at: http://www.irishtimes.com/newspaper/world/2010/0327/1224267175393.html (last access: 18 May 2010).
[2] Reported by RTE News: Emergency EU funds won't solve long term problems, 10 May 2010, available at: http://www.rte.ie/news/2010/0510/euro_bailout.html (last access: 10 May 2010).
[3] Irish Times: Harry McGee: Ministers dismiss possibility of early budget due to Greek fiscal crisis, 10 May 2010, available at: http://www.irishtimes.com/newspaper/ireland/2010/0510/1224270049741.html (last access: 10 May 2010).
[4] Brendan Keenan: Lenihan attacks UK over slide in sterling, Irish Independent, 10 January 2010, available at: http://www.independent.ie/national-news/lenihan-attacks-uk-over-slide-in-sterling-1597840.html (last access: 18 May 2010).
[5] Accessed on the SIPTU website at: http://www.siptu.ie/PressRoom/TheEconomy/Name,11176,en.html (last access: 18 May 2010).
[6] Irish Times: Falling euro set to boost exports and growth, 18 May 2010, available at: http://www.irishtimes.com/newspaper/finance/2010/0518/1224270601272.html (last access: 18 May 2010).
[7] See for example: Institute of International and European Affairs: Lisbon: The Irish Guarantees Explained, available at: http://www.iiea.com/publications/lisbon-the-irish-guarantees-explained (last access: 18 May 2010).
[8] Irish Times: European Commission budget proposals deeply undemocratic, 17 May 2010, available at: http://www.irishtimes.com/newspaper/opinion/2010/0517/1224270548498.html (last access: 18 May 2010).
[9] Irish Times: European role in Irish budget, 18 May 2010, available at: http://www.irishtimes.com/newspaper/letters/2010/0518/1224270596195.html (last access: 18 May 2010).
[10] Fine Gael Policy Summary, available at: http://www.finegael.org/polcol/a/32/article (last access: 18 May 2010).
[11] Irish Times: Cowen says he had no hesitation in signing up to pact, 27 Match 2010, available at: http://www.irishtimes.com/newspaper/world/2010/0327/1224267175393.html (last access: 18 May 2010).

Italy

Unanimity rule paralysing European economic policy

Jacopo Leone*

Since the emergence of the Greek financial and economic crisis, Italy has always approved and encouraged an European coordinated action to resolve the situation. As Prime Minister Berlusconi maintained, if the EU is not willing to help a member of the Euro area afflicted by a severe economic crisis full of perilous potentials, then the EU has no reason to exist.[1] On the same line, the Italian Minister for Finance and Economy Giulio Tremonti, commented that the finance package to support Greece was the right thing to do.[2] More sceptical, however, was the opposition leader Enrico Letta, highlighting how the decision to involve the International Monetary Fund (IMF) undeniably discards the idea of a possible European Monetary Fund (EMF).

In this particular regard, the research community and various opinion-makers have adopted a rather severe and rigid position. Indeed, the agreement on the first rescue package, announced at the end of March 2010, has been described as a last minute solution, in which Germany seems to have obtained the most concessions.[3] According to a comment which appeared in the Italian leading economic journal Il Sole 24 Ore, the financial package was a reasonable outcome aimed at lowering the risk of moral hazard. Germany is right in its restrictive approach to the Greek situation, and to deem the creation of an EMF a futile and complicated operation.[4] Although necessary, Daniel Gros suggested that the IMF is not able to offer Greece enough money, and that the EU will probably have to participate with its own resources.[5] In conclusion, it has been noted that politicians should not confuse European patriotism with financial irresponsibility, since the future of the whole EU economic project is involved.[6]

Following the latest financial and political developments of the Greek crisis, including the tragic death of three people in Athens on 5 May 2010, an improved European rescue package has been promptly announced. With the realistic danger of a massive European financial infection, the Italian press shifted its attention to the political aspects of the crisis, asking for a substantial and rapid intervention, which indeed materialised.[7] In this regard, the Italian government expressed satisfaction with the 750 billion Euro agreement, with the President of the Italian Republic Giorgio Napolitano praising the Italian role during the political negotiations.[8] Nevertheless, some analysts noted that this solution represents only a second best, and that the EU ultimately needs to reform its economic institutions, creating automatic mechanisms to effectively control future crises.[9]

Mario Draghi, current Bank of Italy's governor and candidate to head the European Central Bank, noted that one of the main results of the Greek crisis has been to underline the need for a more robust and comprehensive Stability and Growth Pact (SGP).[10] Generally, the same opinion is shared by Italian politicians and public opinion. Stricter rules are deemed necessary, and the European Commission should be allowed to indicate targets/actions and, when required, impose the Europe 2020 Strategy.[11] But the reform of the SGP cannot be limited to sanctions. Indeed a structural approach able to offer a more solid and balanced European economic organisation is also needed.[12]

As has been highlighted, however, the Greek crisis is both economic and political. Therefore, any reform has to find a common political agreement among the EU member states, which seems to be, according to the last analysis, the main problem of an EU in which the current global financial crisis has brought an acute mutual distrust.[13]

The possibility of a European economic governance, which has been suggested on several occasions during the Greek financial crisis, has remained rather unexplored in Italy. Nevertheless, some ideas have emerged from the public debate. Finance Minister Tremonti, for instance, admitted the need for a European direction of public investments, the first step towards an improved coordination between member states' economic policies.[14] Moreover, the institution of new agencies aimed at the creation of a financial regulation system could be a complex development for the European economy, since such a system would have to be successfully applied to all the member states of the Eurozone. After all, the credibility of the whole EU is at stake, and the consequences that a failure or a weak system could trigger are indeed pervasive.[15]

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In a nutshell, a coordinated governance of the European economy is a vast political operation, in which all the European institutions should receive a precise and improved role. Italian researchers and politicians appear rather favourable in principle, but it will take time before a concrete agreement is going to be reached.[16]

Just after the release of the Commission's proposal for a new Europe 2020 Strategy, the Italian government expressed support for the document, in particular with regard to its references to innovation, the value of small/medium enterprises, and the attention posed on international markets.[17] The Italian Minister for Finance and Economy, Giulio Tremonti, called the text interesting, as long as it is not understood as an instrument to incentivise public expenditure by the member states.[18] Moreover, following the Franco-Italian summit of April 2010, both parties have argued that a stronger role for Common Agricultural Policy should be inserted in the final version of the Strategy.[19]

However, the economic provisions contained in the document are probably not enough. In fact, it appears to be indispensable to also deal with the structural weaknesses of the European economic project, like the unanimity rule, which is ultimately paralysing most present EU actions. Only in this way does a better and more coherent economic future for the EU seem achievable.[20]

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[2] La Repubblica: Atene alla prova bond: 16 miliardi entro Maggio, 26 March 2010, available at: http://ricerca.repubblica.it/repubblica/archivio/repubblica/2010/03/28/atene-alla-prova-bond-16-miliardi-entro-maggio.html (last access: 26 April 2010).
[3] Paolo Guerrieri: Europa delle patrie, AffarInternazionali, 29 March 2010, available at: http://www.affarinternazionali.it/articolo.asp?ID=1428 (last access: 26 April 2010).
[4] Alberto Alesina/Roberto Perotti: Processiamo le cicale greche non le formiche tedesche, Il Sole24Ore, 27 March 2010, available at: http://www.ilsole24ore.com/art/SoleOnLine4/dossier/Italia/2009/commenti-sole-24-ore/27-marzo-2010/salvataggio-grecia-accordo-francia-germania.shtml?uuid=f773d266-3978-11df-9fa9-1d4f0b3be0c7&DocRulesView=Libero&fromSearch (last access: 26 April 2010).
[5] Daniel Gros: Dilemmi Greci, La Voce, 23 March 2010, available at: http://www.lavoce.info/articoli/-europa/pagina1001622.html (last access: 26 April 2010).
[6] Francesco Giavazzi: Più che un fondo serve coraggio, Corriere della Sera, 11 March 2010, available at: http://www.corriere.it/editoriali/10_marzo_11/giavazzi_e253ab20-2cd2-11df-a00c-00144f02aabe.shtml (last access: 18 May 2010).
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Latvia

Latvia favours European Economic Governance and the Europe 2020 Strategy

Dzintra Bungs*

The economic and financial situation in Europe is undoubtedly an issue of high interest in Latvia. The principal reason for such interest has little to do with the dramatic eruptions of public sentiment in Greece, the disputes between some Europeans and the Icelanders over the consequences deriving from the banking and financial crisis in Iceland or the various efforts in other European capitals to cope with deficits and deep budget cuts, but rather with Latvia's own economic recession and the painful decisions that are being made in order to deal with the myriad of problems. Factual reports appear regularly in the Latvian media about the economic situation in other EU countries, but commentaries are rare. The sentiment in Latvia towards Greece and other EU member states facing serious economic and financial problems appears to be that of an interested observer, and clearly not that of a critic or an advisor. Latvians are too deeply aware of their own difficulties to pass judgement on others encountering similar difficulties. This is true both in the official and the public domain. At the same time, throughout this period of economic downturn, what has been stressed by many Latvians is the importance of EU solidarity and the Union's readiness to come to assist those members having problems. All these considerations should help explain why both Latvian officials and the media have avoided making assessments of the EU finance package for Greece, or expressing opinions about the way the agreement was reached. For those very same considerations, there have been no public discussions to speak of concerning the lessons that could or should have been drawn from the Greek case for further reforms of the Stability and Growth Pact. In this context, however, some Latvian observers have posed another question: would a more consistent observance of the guidelines and procedures stipulated in the existing Stability and Growth Pact not have prevented some of the economic and financial problems currently besetting many of the EU member states?

All these considerations, however, have not diminished Latvia's critical interest in the idea of "a strong coordination of economic policies in Europe", economic governance, and improvements in the Stability and Growth Pact. On 15 June 2010, the Latvian government announced its support for measures promoting stronger coordination and fiscal discipline at the EU level. So as not to foster a Europe of "two speeds", the Latvian government also urged that such measures be applied to all EU member states, regardless of the currency each state uses.[1] These measures should serve to strengthen the functioning of the Growth and Stability Pact and macroeconomic surveillance. Thus, Latvia favours across-the-board application of all measures, rather than singling out the Eurozone or any other group of countries for special roles. In general, Latvia also backs the idea of a "European semester", and the notion of annually presenting Stability and Convergence Programmes to the Commission for the upcoming years, starting in spring 2011. However, the backing comes with a note of reservation and some specific recommendations.[2] In a nutshell, the right balance should be found between EU surveillance and the preparation process of the national budget so as not to encroach upon the rights of the institutions of member states to determine and implement their chosen policy. Latvia, therefore, anticipates further discussions in the High Level Task Force about the strengthening of the coordination of economic policy before the Task Force presents its final report in October 2010.[3]

The Latvian government has consistently supported the Europe 2020 Strategy. It also supported the Lisbon Strategy, which preceded the Europe 2020 Strategy. The wide-ranging Lisbon Strategy, however, never caught the imagination of the general public and was of more interest to academics and policy advisers, rather than legislators and policymakers. Because of its specific and timely headline goals, the Europe 2020 Strategy appears to have better chances of success than its predecessor. Already on 9 February 2010, the Cabinet of Ministers announced that the EU 2020 Strategy deserves special attention among Latvia's national priorities during the Spanish Presidency of the EU.[4] Given Latvia's economic difficulties, it is understandable that stress is being placed on green growth and more jobs. In this context, Minister of Foreign Affairs Māris Riekstiņš informed his Swedish counterpart, Birgitta Ohlsson, that Latvia supports, in general, the Europe 2020 Strategy and noted that this Strategy should serve to diminish the socioeconomic differences between EU member states and raise the competitiveness of all.[5] Similar sentiments were expressed by Prime Minister Valdis Dombrovskis at the Council of the European Union meeting on 25-26 March 2010. Emphasising the importance of continuing efforts to reduce the economic differences between EU member states,

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Dombrovskis observed that salient instruments for this purpose are the Union's cohesion policies and improvements in the Union's commitment to competitiveness. Dombrovskis called for more attention to be devoted to issues, such as infrastructure, internal market and entrepreneurial environment, and urged for the continued analysis of the issues related to social integration.[6]

While the Europe 2020 Strategy has not yet caught the attention of the general public in Latvia, there is a clear awareness of the Strategy among the more informed populace. Regular reports by the media and some conferences, where the Strategy has been one of the topics of discussion, have served to further disseminate information about it. For example, at the seminar organised for journalists by the Ministry of Foreign Affairs on 28 April 2010, one session was devoted to an analysis of the Europe 2020 Strategy.

Among the segments of society which have knowledge of the Europe 2020 Strategy are also the farmers and the academics. On 29 and 30 April 2010, Agriculture Commissioner Dacian Cioloş visited Latvia to see the situation of farmers, agriculture, and rural development for himself and to promote participation in the public discussion and evaluation of the Common Agricultural Policy and how it should function in the future. The Latvian farmers were reminded of the Europe 2020 Strategy because one of the questions that interested the Commissioner was: what will the contribution of the Common Agricultural Policy (CAP) be to the Europe 2020 Strategy?[7]

Another example of the topicality and usefulness of the Europe 2020 Strategy in Latvia comes from the educators. In response to the news that the International Monetary Fund representatives were suggesting profound budget cuts in state funding of higher education, the rectors of state universities issued a joint statement of protest on 15 April 2010. Arguing against the cuts, they pointed out that the implementation of such plans would jeopardise Latvia's reaching of its higher education goals set in the Europe 2020 Strategy.[8]

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Lithuania

More financial discipline is necessary to avoid crisis in the future

Jurga Valančiūtė*

Greece should first prepare a stricter plan for saving

Lithuanian officials and society assert that Greece should expand its efforts against its economic troubles and that this should be a prerequisite for receiving aid from other EU member states.

Lithuanian President Dalia Grybauskaite said, the "Greek situation and the decision of the EU member states to provide aid for Greece together with the International Monetary Fund is a good lesson to all states that they should treat their public finances with responsibility."[1] According to the Lithuanian President, by "becoming a Eurozone member, Greece has adopted important obligations to conduct responsible fiscal and monetary policy. When in big economic trouble, a state has to make responsible but not populist financial decisions, look for the ways out and only then expect help from other member states."[2]

According to the results of a non-representative survey conducted after the financial package for Greece was adopted by the most popular news portal in Lithuanian Delfi.lt, 66.2 percent of 2,136 respondents, asked what help should be provided to Greece, said that, first of all Greece, should prepare a stricter plan for saving, 18.8 percent said that the EU does not have an obligation to take care of Greece's problems and 10.6 percent answered that EU member states should express their solidarity and lend Greece the necessary 110 billion Euros.[3]

Lithuania has also suffered from the economic crisis, with Gross Domestic Product drastically falling and the level of unemployment critically growing. As Lithuanian Member of European Parliament (MEP) Zigmantas Balcytis says, "it is not only Greece that is in a bad situation – Lithuania also takes loans with high interest rates." Therefore, according to this MEP, "there should be no distinction between EU member states belonging to the Eurozone and those not belonging to it, but the support should be provided to all member states depending on how much they have suffered from the crisis."[4]

Possible influence on the accession of new member states to the Eurozone

The general opinion in Lithuania is that the Greek case will influence the reform of the Stability and Growth Pact, although the concrete influences are not extensively indicated. The director of the Institute of International Relations and Political Science of Vilnius University, economist Ramunas Vilpisauskas, says that the Greek case can force the EU member states to correct the rules regarding the functioning of the Eurozone, which might influence the accession of new states to the Eurozone as well. According to him, "it is highly expected that this will have long term consequences for the coordination of the policy among Eurozone member states, its supervision and sanctions for violations of the Stability and Growth Pact."[5] Lithuanian President Dalia Grybauskaite pins her hope on a special working group: she said she was convinced that the decision of the March 2010 European Council to gather a special working group, which would provide the Council with concrete recommendations on improving financial discipline in the member states, will prevent similar crises in the future.[6]

More intensive conformation of budgetary indicators is desired but not the harmonisation of direct taxes

Ramunas Vilpisauskas says that the European Commission's proposals laid down in the communication on reinforcing economic policy coordination are quite radical and raise a number of questions. These questions, according to Ramunas Vilpsauskas, are not only associated with the possibility that these proposals might limit the member states' sovereignty in budgetary policy. Another discussable issue is an EU support fund for countries experiencing difficulties and the conditions upon which the financial resources would be provided, as this remains unclear. Finally, he says, it is not obvious how much these proposals would be applied to non-Eurozone member states or what their relation with the Europe 2020 Strategy, with the national reform programmes and with the EU financial perspective will be. According to him, "these proposals have both positive and negative consequences

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for Lithuania. On the one hand, it would limit the recent practice of politicians to waste money before elections, but on the other hand this means recognition of an inability to conduct a reasonable, independent budgetary policy." He questions whether a step towards the obligatory conformation procedures of national budgets would not lead to an obligatory conformation of taxes or budget expenditure in the future, as such a scenario would not be favourable to Lithuania, because it would limit our possibilities to conduct an independent policy. His conclusion is that "an area of a single currency should be related with a more intensive conformation of the budgetary indicators but should not be a basis for harmonisation of direct taxes."[7]

Europe 2020 Strategy – a basis for the recovery of the European economy

Lithuanian officials greatly welcome the Europe 2020 Strategy. Lithuanian President Dalia Grybauskaite said the Lithuanian goal to have an economically strong and competitive EU could only be achieved through the successful implementation of the Europe 2020 Strategy.[8] She also noted that the goals of the Strategy confirmed at the March European Council are of great importance to Lithuania.[9]

Europe 2020 Strategy is seen by most Lithuanian officials as a basis for the recovery of the European economy. Lithuanian Foreign Affairs Minister Audronius Azubalis said: "We have to use this Strategy as the instrument promoting quicker recovery of the EU and Lithuanian economies and fostering the most important structural reforms."[10] Former Lithuanian Foreign Affairs Minister Vygaudas Usackas mentioned that this Strategy will not only help the EU recover from this crisis, but also prevent crises in the future.[11]

Lithuanian officials express their support for the main elements of the Strategy. Vygaudas Usackas positively evaluated the main direction of the Strategy – to create knowledge based united and sustainable economy.[12] Lithuanian President Dalia Grybauskaite named the following Strategy goals as the most important to Lithuania – securing the growth of employment, limiting the level of poverty, decreasing social exclusion and securing investments in the economy which would be based on the achievements of modern science and highly qualified specialists.[13]

In the context of the new Strategy, special attention was paid to energy issues. Former Lithuanian Foreign Affairs Minister Vygaudas Usackas claimed, "it is extremely important to Lithuania that such priorities as diversification of energy resources, creation of an EU energy market and coordinated external EU energy policy would be included in the strategy."[14] After the adoption of the European Commission's communication, Lithuanian President Dalia Grybauskaite stressed that it is important that an obligation to develop the necessary infrastructure for growth, which would enable Lithuania to implement the energy interconnections that will eliminate Lithuanian energy isolation, are foreseen in the Strategy.[15]

While most Lithuanian officials are enthusiastic about the new Europe 2020 Strategy, Ramunas Vilpisauskas claimed that the new Strategy should be evaluated according to its ability to deal with the shortcomings of the Lisbon Strategy. He listed the numerous, differently defined and sometimes contradictory goals in most fields of public policy: the gap between the national and EU reform processes and non-binding nature of the implementation of the Strategy are among the major shortcomings of the new Strategy.[16] chairman of the committee on European affairs of Lithuanian parliament Ceslovas Vytautas Stankevicius said he wanted to see the social dimension strengthened in the Europe 2020 Strategy.[17]

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Luxembourg

Initial reluctance replaced by strong leadership

Jean-Marie Majerus*

Luxembourg's political class, as well as its Prime Minister and President of the Eurozone, seemed to ignore – at least at the beginning of the year 2010 – the real size of the Greek crisis. Jean-Claude Juncker declared on 5 March 2010: "I don't believe that the country [Greece] needs help from outside."[1] Luxembourg's public opinion had no understanding for xenophobe, populist headlines as they appeared in German popular press: "Greeks are lazy, corrupt and underdeveloped!"[2] Luxembourg's population also knows that European solidarity has its limits and it still remembers the loud and unfriendly, if not insulting, statements of German politicians made two years ago when Luxembourg's fiscal policy was their focus.

When the full extent of the Greek crisis became obvious in April 2010, even the Juncker-friendly Luxembourgish press blamed the President of the Euro group, recalling his overly optimistic declarations made in March 2010: "We have the torture instruments in the basement and we'll show them if necessary." The so-called "Greek conspiracy plotted by American hedge funds and investment banks" legend was forged by European politicians to divert public opinion's focus from their own failure.[3] This affirmation doesn't stem from a narrow-minded Marxist-Leninist ideologist, but was written by the editor of the Catholic Church owned, main Luxembourgish newspaper Luxemburger Wort.

In fact, the Luxembourgish taxpayer has to bear a heavier burden than his German counterpart, as Jean-Claude Juncker pointed out in an interview on a German radio station on 1 June 2010: "The net contribution of the Luxembourgish taxpayers for the Greek aid plan, as well as for whole Euro plan, is much higher than the average contribution a German taxpayer has to bear."[4] Even though the Luxembourgish constitution would have allowed Finance Minister Frieden to pass the Greek aid plan without a parliamentary debate, the Finance Minister did so because of the enormous amount.[5] There was no real contradictory debate on helping Greece in Luxembourg, unlike in Germany.

Altermondialist and communist analysts blame the international finance markets, which allow big banks to offer credit to Greece at higher interest rates and hence to make even bigger profits than before, at the expense of the working class people. They denounce the cruel austerity policy imposed on Greece. Only a radical reform of the system can help prevent another "Greek crisis."[6]

Green Members of Parliament and Members of the European Parliament sent an open letter to the President of the Euro group. They asked him to force banks to stick to their responsibilities and protect the Eurozone against unforeseeable, gambling financial markets, to create a public rating agency and tax financial transactions. Luxembourg, as a founding member of the European Communities, should be a vanguard in the coordinated European action against speculation.[7]

Jean-Claude Juncker himself wants to implement the Stability and Growth Pact with even more energy. Therefore, it is absolutely necessary, in his eyes, to consolidate the budgets of the Eurozone countries, decide structural reforms and to raise the competitiveness of the economy. In the end, this policy leads, according to Jean-Claude Juncker, to some kind of "European economic governance". The worst economic and financial crisis since World War II can only be solved, according to Jean-Claude Juncker, in a common effort.[8]

Does "a strong coordination of economic policies in Europe" mean a kind of "economic governance"? Some heads of government will not be very pleased with this perspective. Are the member states ready to coordinate their economic policies?[9] "Germany and France may both talk about enhanced economic governance but they mean very different things by it: for France, interventionism; for Germany, the harmonisation of rigour."[10]

Jean-Claude Juncker revealed that "he had to bring a lot of patience to reconcile French and German positions concerning the saving of the Euro."[11] Whereas Angela Merkel asks for an "economic

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government" for the whole European Union, Juncker wants to begin with the creation of a closer cooperation of the economic policies of the Eurozone countries.[12]

The economic governance of the Eurozone needs profound reshaping regarding the Euro crisis. After the finance ministers' meeting in Madrid, Juncker declared that he is on the same line as Olli Rehn: a strengthening of budget surveillance is absolutely necessary.[13]

Juncker said that the markets are reacting irrationally. "There are expectations that growth is slowing down because of the deficit cuts we have to take,"[14] Juncker said in Tokyo. "There is a certain reluctance to believe the Greeks can overcome the current crisis. I don't think the markets are behaving in a rational way." After hitting a four-year low, the Euro has edged higher. However, political divisions in Europe and fears of tighter financial regulations after Germany's unilateral move to ban naked short selling on some instruments kept investors edgy and stocks pressured. Juncker said, "I'm concerned because the rapidness of the fall of the Euro is impressive. I'm not concerned as far as the current exchange rate is concerned."[15]

Among the remedies discussed on the background of a dramatically deteriorating situation in the Eurozone countries is the introduction of a common bond. Jean-Claude Juncker has backed the idea of a common bond as a logical step forward in the development of the Eurozone.[16]

A communist political analyst was the only one to vigorously criticise Juncker's action as President of the Euro group.

In Luxembourg, political party leaders and civil society representatives acknowledge the importance of the Europe 2020 Strategy for the future development of the EU. But many questions remain to be answered: Who is going to coordinate the different strategies? What will be the responsibilities of this coordinator? Every member state can define its own way to achieve the Strategy. Who is going to coordinate the member states' ways to act?[17]

Luxembourg's Labour Minister Nicolas Schmit (Luxembourg Socialist Workers' Party – LSAP) fears a lack of coordination in the implementation of the Europe 2020 Strategy: "Will the traditional 'Schuman method' be replaced by a vague 'coordination of policies'?" If this happened, the success of the Europe 2020 Strategy would be seriously jeopardised.[18]

A communist political analyst was very sceptical concerning the success of the Europe 2020 Strategy: in his eyes, it is not ambition alone that is necessary to fight the rise of the unemployment rate.[19] Generally speaking, there is a great scepticism concerning the success of the new Strategy.

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[18] Europaforum.lu: Conseil EPSCO, 8 July 2010, available at: http://www.europaforum.public.lu/fr/actualites/2010/07/conseil-epsco-informel/index.html (last access: 14 July 2010).
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Macedonia

Crisis of Europe or Europe in Crisis?

Biljana Janeva*

Greece is assessed as always being the "bad boy" of the EU and being able to get away with anything. The developments of the economic crisis were closely followed in Macedonia, not only because Greece is the biggest foreign investor in Macedonia, with a share of 60 percent of total foreign direct investment (FDI) in Macedonia, but also because Macedonia wanted to see how the EU would react: would it decide to "punish" the "bad boy" or save it again? The debates mostly focused on the overall influence of the situation in Greece and how it would affect Macedonia. Greece received financial aid from the International Monetary Fund (IMF) and the European Union, but that does not mean that the authorities' headaches are gone. This also applies to Macedonia, which is most exposed to Greek capital, analyse the Macedonian newspapers.[1] According to the media, the Greek financial crisis arouses fear and anxiety in Macedonia.[2] The question, which is circuiting at all times, is: how big will the consequences be and how will Macedonia feel them? Having in mind that Greece is the biggest and most used port for exports, the constant strikes of Greek officials had large consequences on Macedonia's international business as well. The Greek crisis did not have any direct consequences at first, but Macedonian experts, authorities and businessmen were carefully following its progress. Other questions which are addressed by the Macedonian media are: "Why does the European Union discuss the billions of Euros needed to prevail a Greek bankruptcy? Why is nobody discussing sanctions, when Greece has violated all standards and procedures? Why hasn't Greece started selling its islands? Is it worth saving Greece? What will be the effect on the whole EU? Who will be next?" The Macedonian public believes that the EU public and authorities should start asking these questions.

The Macedonian media wrote that the first wave from Greece was felt in the textile industry. Some Greek companies closed, supposedly because Greece is bound to cutting expenses and rationalising its spending. The remaining Greek companies in Macedonia, due to the financial issues, are working with decreased capacity, and it is possible that there will be a further withdrawal of capital from Macedonia. In the following period, the Greek flight will be intensified. As said by the experts and the media, the monetary authorities in the Republic of Macedonia have already done analysis for the impact of the Greek crisis in Macedonia, and it is noted that those banks in Macedonia that are under Greek supervision are safe and stable. Taki Fiti says that the fact that Greek ratings fell to their lowest levels so far gives a bad impression for the entire region, especially for the closest countries.[3] As Fiti stated, the low Greek debt ratings will influence the perception of investors for the entire region, including Macedonia.

Prime Minister Gruevski showed serious concerns for the Greek crisis. According to the Prime Minister, the situation is on the verge of becoming dramatic and could have a bigger influence on the Macedonian economy. "We cautiously follow the situation in Greece, with hope that this issue will soon be closed and that the European Union will find a solution for stopping the progression of the issue in the EU and the region as well, because if it takes further negative directions, which is also possible, it might represent new shocks for our economy", said the Prime Minister.[4]

The political and expert opinion in Macedonia was also focused on comparing the situations in Macedonia and Greece – between a candidate country and a member state. The International Monetary Fund's visit in Macedonia and their views on the crisis were very lively discussed. Namely, the foreign position of Macedonia has improved. Exports are starting to increase and imports are still decreasing. The deficit is slowly decreasing and it is expected to fall to 2.5 percent of gross domestic product (GDP). The Minister of Finance Stavreski stated that Macedonia will accomplish its planned growth of 2 percent of GDP in 2010, and a moderate but successful recovery of domestic expenditure is expected, which will be especially prominent in the second half of this year.[5] Income was lower than planned and also decreased from last year, but improvements were noticed for the first time in April 2010. Stavreski said that he expects this trend to continue to the end of this year, and he announced careful policy in the expenditure side and its adaptation if needed. Gosev, Governor of the Central Bank in Macedonia, said that the recovery does not depend only on Macedonian policy, it is dependant on a worldwide recovery, and especially on the part with which Macedonia collaborates

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most. According to the estimates of Macedonian experts, Macedonia will lose more than 220 million US Dollars by 2014 as a consequence of the Greek crisis.[6]

The Macedonian media were occupied with the debate on whether the crisis in Greece is becoming a European crisis. With the worsening of credit ratings for Greece, Portugal and Spain, the crisis is spreading. Talk now centres on the overall economic growth of the Eurozone, the economic prospects of the EU as a whole and the means of dealing with the situation.

In that context, the perceptions of investors on Greece, but also on the Balkan region and Europe as a whole, are worsening, which undoubtedly has implications for the countries that are not directly affected by the crisis.[7]

The Macedonian media reported on the decision of the finance ministers in the Euro group to support Greece.[8] According to the media, the ministers stated that, although Athens has their support, it still needs to take responsibility for its own state finances. Also, although the Euro group supports Greece, it stills demands concrete measures for decreasing Greece's public debt. It is already clear that Greece will manage to "come out of the woods" with the 120 billion Euros it will get from the EU and the IMF in the next 3 years, but in return Greece had to pledge unseen cuts and measures, which will turn public opinion against the government and worsen the overall situation in the country and the region, analyse the experts in the Macedonian media.[9]

The newest economic strategy for sustainable growth, known as the Europe 2020 Strategy, appeared during the biggest economic crisis of the last decades. The strategy for innovation and green growth are part of the draft plan for competition and the proposals to strengthen the monitoring of national reform programmes.[10] Europe 2020 replaces the Lisbon Agenda from 2000, according to which the Union was supposed to become one of the most dynamic knowledge based economies by 2010. According to the Macedonian media, the success of Europe is possible only if the Union acts together, through a strategy which will secure a more efficient exit of the economic crisis, as well as securing a sustainable and inclusive economy, which will bring a high employment level, productivity and social cohesion. The media in Macedonia refer to the Europe 2020 Strategy as a base for the vision of the European social and market economy for the 21st century. The strategy has three priorities:

- strong growth through the development of a knowledge and innovation based economy;
- sustainable growth through resource promotion and a greener and more competitive economy; and
- strong economy growth with a high employment level and delivery of social and territory cohesion.

The development of these priorities will be measured through the success and accomplishments of certain measures.

The expert opinion in the Macedonian media is that the worldwide economic crisis brought many problems and unstable tendencies in the economy to surface, but, with this Strategy, the EU economy can be directed on the right track.[11]

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[1] Analysis by the daily newspaper Utrinski Vesnik, available at: http://www.utrinski.com.mk/?ItemID=9EF45F0B1F055949806E35D5D5C35CE5 (last access: 3 May 2010).
[2] Analysis by the Macedonian Edition of Deutsche Welle, available at: http://www.dw-world.de/dw/article/0,,5522196,00.html (last access: 30 April 2010).
[3] Analysis by the daily newspaper Utrinski Vesnik, available at: http://www.utrinski.com.mk/?ItemID=9EF45F0B1F055949806E35D5D5C35CE5 (last access: 3 May 2010).
[4] Interview of the Prime Minister Nikola Gruevski for TV Sitel's news, available at: http://www.sitel.com.mk/dnevnik/biznis/gruevski-grchkata-kriza-mozen-nov-shok-za-makedonskata-ekonomija (last access: 30 April 2010).
[5] The International Monetary Fund observations, and the address of the Minister of Finance. Stavreski, Macedonian Information Agency, available at: http://www.mia.mk/default.aspx?vId=73655519&lId=1&pmId (last access: 5 May 2010).
[6] Analysis and reportage from the daily newspaper Vreme, available at: http://www.vreme.com.mk/DesktopDefault.aspx?tabindex=7&tabid=1&EditionID=2047&ArticleID=142867 (last access: 10 May 2010).
[7] From the daily newspaper Utrinski Vesnik, available at: http://www.utrinski.com.mk/default.asp?ItemID=053C9ED46F1C7F45921A3E6E989C6CF6 (last access: 10 May 2010).
[8] From the TV Sitel news, available at: http://www.sitel.com.mk/dnevnik/biznis/evrogrupata-podgotvena-da-obezbedi-30-milijardi-evra-pomosh-za-grcija (last access 20 May 2010).
[9] From the daily newspaper Nova Makedonija, available at: http://www.novamakedonija.com.mk/NewsDetal.asp?vest=120101058271&id=11&setIzdanie=21888 (last access: 20 May 2010).

[10] According to the official information from the Assembly of Republic of Macedonia available at: http://www.sobranie.mk/default.asp?ItemID=5222EE77E5736F4BAAE5772654471CD6 (last access: 09.05.2010).
[11] From the Alsat TV, available at: http://alsat.mk/svet/242414.html?print (last access: 21 May 2010).

Malta

Rigorous monitoring mechanisms necessary

Stephen Calleya*

There is a general consensus that the action taken to address the deteriorating economic situation in Greece was necessary to shore up the single currency. There is, however, also a clear understanding at a political and civil societal level that economic assistance must be coupled with rigorous monitoring mechanisms to ensure that reforms and restructuring are actually implemented.

It is clear that a more accountable and transparent system of economic surveillance at a European level is required to safeguard against future Greek style economic collapses. It is not enough to have clearly defined economic criteria to manage the economies of Eurozone member states. Enforcement of the criteria must also occur if mismanagement of certain economies is to be avoided. At a governmental level, there is also support for a contingency fund to further strengthen the position of the Euro.

There is a positive attitude towards having strong coordination of economic policies in Europe. The principle of solidarity is often referred to when it comes to supporting those states that are under economic pressure, especially those states that are part of the Euro group. One area where there is reluctance to introduce closer economic cooperation is taxation.

With regards the Europe 2020 Strategy, Malta is fully in favour of such an approach as it is very much the plan of action it is seeking to implement through its own Vision 2015 policy document. As highlighted on the Office of the Prime Minister's web site www.opm.gov.mt, this policy perspective is the main focus of all policy planning in Malta at the moment. A summary of the Vision 2015 document can be found on the OPM web site.

The Europe 2020 Strategy has been widely welcomed by all in the political sector and also the private sector. The main focus has been on introducing the necessary measures to develop a green economy that will result in a more environmentally friendly country and also a more technologically innovative industrial sector. Earmarking more research and development resources for scientific measures is regarded as a high priority if Europe is to become more competitive in the future. Learning from the previous Lisbon Strategy's lessons is also seen as essential if the Europe 2020 Strategy is to become a more effective policy vehicle during the decade ahead.

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Netherlands

Dutch strict towards Greek aid package

Simone Wolters and Arnout Mijs*

Ever since the full extent of the Greek deficit crisis has become clear, the Dutch government has been a proponent of the involvement of the International Monetary Fund (IMF) in case of emergency aid.[1] After the informal Council summit in February 2010, the Dutch parliament stated that Greece is the only one to blame for its high budget deficit and financial support would be inappropriate. Former Finance Minister Bos agreed on this point and shared the opinion that Greece carries the responsibility for solving this crisis.[2]

In March 2010, the Netherlands, together with Germany, stated its opposition to direct emergency aid for Greece by the Eurogroup member states. According to the Dutch government, Greece should first introduce severe budget cuts and request IMF support.[3] Prime Minister Jan Peter Balkenende stated that in case of financial support "the IMF always has to take part."He underlined that Greece created its own financial problems and should solve them by taking drastic measures.[4] Both houses of parliament also favoured IMF interference. On 18 March 2010, the parliament did not give permission to negotiate on a European solution for the Greek problem. Both chambers stated that IMF intervention should take place first, and only if it does should help be offered by the Eurozone countries.[5]

On 7 May 2010, the second chamber had to come back from spring recess to vote on the European support package for the Greeks. The agreement to support Greece with 4.7 billion Euros was sensitive, because the political parties tried to stave off the appearance that Greece was rewarded for what they considered financial misbehaviour. The Christian Democrats (Christian Democratic Appeal – CDA), Social Democrats (Dutch Labour Party – PvdA) and Greens stated that financial aid to Greece was inevitable.[6] On 7 May 2010, Prime Minister Balkenende, at the Eurogroup summit, called the support package "inevitable and necessary."[7] Support was needed to keep the Euro stable. He stressed that Greece has to take enormous measures in return for the loans. According to Balkenende, more severe punishment of countries that do not adhere to the EU-budget rules would be a good signal.[8]

On 10 May 2010, the Dutch parliament gave its support to the emergency aid plan of 720 billion Euros aimed at stabilising the Euro despite critical remarks from a large part of the opposition (PvdA, the Socialist Party – SP, Party for Freedom – PVV, and GroenLinks).[9] The Dutch political parties see the rescue package as a necessary evil and demand certain guarantees from EU member states with big budget deficits in exchange for their support. The Netherlands will guarantee 26 billion Euros in loans.[10] During the negotiations in the night of 9 to 10 May 2010, the Dutch government refused to give a blank cheque to save what they consider the financially irresponsible Mediterranean countries. As a result, the decision on bank guarantees will have to be taken by unanimity.[11] The Netherlands is against EU involvement in national budget policy.

In General, the Dutch media has devoted considerable attention to the developments of the Greek deficit crisis. A considerable number of articles give an overview of the measures taken and opinions prevailing in other EU member states.

According to Foreign Minister Verhagen, the Stability and Growth Pact (SGP) has not been able to avoid the escalation of the budgetary situation in certain member states, including Greece: "This indicates that we will actually need more SGP instead of less".[12] Reinforcement of the SGP could be accomplished by stronger supervision, a stronger and independent role for Eurostat and a tightening of sanctions. The nature of these sanctions and the moment of their application should be discussed by the taskforce of the President of the European Council Herman Van Rompuy.[13]

Economic governance

Finance Minister Jan Kees De Jager is an opponent of the proposal to give the Commission more rights in supervising the national budgets of member states. According to De Jager, the national

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budget sovereignty of the EU member states would be infringed upon by implementing these kinds of measures. Giving the Commission insight into Dutch long-range budget estimates would not be a problem. The Finance Minister underlined that member states with large budget deficits should be dealt with much more severely. De Jager is a proponent of handing over control of budget rules to an independent institution in order to take the issue out of the political realm.[14]

According to Minister Verhagen, it is necessary to take measures that will make the existing rules more respected. This is much more important than thinking about new institutions like a European Monetary Fund. Economic cooperation in the EU will ask for a fundamental debate. Verhagen is in favour of automatic enforcement of penalties/fines when the SGP is violated, instead of the current decision making procedure by the Council. He is a supporter of freezing cohesion funds when needed. The Minister has a critical opinion on a permanent emergency fund because this will relieve the responsibility of the member states for healthy government budgets.[15]

Europe 2020 overshadowed by current events

The Dutch government welcomes the Europe 2020 Strategy: "In particular, it welcomes the focus on education, knowledge and (green) innovation, the importance of employment policy and macro-economic imbalances."[16]

On growth and jobs, the Dutch government was happy to note that the Strategy, corresponding to their own wishes, focuses on sustainable growth and jobs, and has a limited number of ambitious goals. However, the question remains whether the goals are achievable. The Dutch government is concerned about the poverty goal. According to the government, a higher employment rate is instrumental to social inclusion and reduction of poverty. On top of this, it offers support for social welfare. This is where the emphasis should be. Therefore, the poverty goal is superfluous. The Dutch government also remarked that no goal has been set as to the priority of competitiveness.

The government underlines the crucial importance of a balanced state budget as the basis for sustainable and stable growth. It agrees with the Commission that difficult reforms will be needed to strengthen the economic structure as well as public finance. On governance, the Dutch government considered the Lisbon Strategy to be too non-compulsory.[17] However, the Dutch government is positive about the option available to the Commission to give a warning, and about the strengthened role of the European Council. This will enhance the effectiveness of the Strategy. The Netherlands opposes financial sanctions as an instrument of the Europe 2020 Strategy.[18] In its reaction, the government acknowledges the advantages of a synchronised evaluation of the SGP and the Europe 2020 Strategy. However, they will stay alert in order to prevent recommendations for the Europe 2020 Strategy from becoming an alibi to evade the criteria and procedures of the SGP.[19]

Furthermore, the Netherlands is a supporter of the reform and modernisation of the EU budget. Its focus must be on competitiveness, sustainable growth, and jobs. The government also stresses the importance of a partnership approach. The role of social partners, provinces, municipalities, cities, regions and research institutions is vital towards labour participation, innovation, and climate change.[20]

In discussions in the national parliament, the Europe 2020 debate has been overshadowed by the Greek crisis. Members of Parliament (MPs) usually only make some general remarks on the Europe 2020 Strategy. The different parties concur with the government that there has to be a limited number of set goals and that these goals have to be realistic. They worry about whether and how these goals can be attained. They expect that the current and new instruments are insufficient. There is also worry about "ownership" of the Strategy. The CDA and a smaller Christian orthodox party SGP (Political Reformed Party) point to agriculture as an important factor in smart and sustainable economic growth. This sector does not get the attention it deserves.

In the media, most attention was devoted to the fall of the Dutch government on 20 February 2010. In the brief media coverage, a sense of urgency to develop a viable strategy to counter the recession prevailed. However, parallels are often drawn between the Europe 2020 Strategy and its predecessor, the Lisbon Strategy. Even before the launch of the Strategy, a side notation of an article expressed: "Lisbon is dead. Long live Lisbon."[21] After the launch of the Europe 2020 Strategy, news articles explained its very ambitious goals. Still – and maybe because of "Lisbon" – questions arose on the degree of enforceability. Dutch Member of the European Parliament Sophie in 't Veld was quoted in saying, "I do not yet see how Barroso thinks to realise these beautiful plans this time."[22] Individual Ministers also reacted on the Strategy in the media. The Minister of Economic Affairs Maria van der

Hoeven expressed the opinion that poverty reduction does not need to be an explicit goal, for if you provide people with jobs and if they are well educated, that is also a type of poverty reduction. In reaction to the Europe 2020 Strategy, Minister of Social Affairs Piet-Hein Donner stated that he was disappointed about the retirement age of 64. He would have liked to see an increase of this age. Currently a fierce debate is underway in the Netherlands about raising the retirement age from 65 to 67. This debate will continue within the new coalition after the general elections of 9 June 2010.

[1] Martin Visser: Brussel ziet grote onzekerheden rond Griekse bezuinigingsplannen; Commissaris Almunia: eurolanden kunnen problemen aan zonder hulp van IMF, Financieel Dagblad, 4 February 2010; Financieel Dagblad: EU zint op Grieks noodplan: Duitsers overwegen financiële steun, Trichet schuift aan bij Europese top, 10 February 2010.
[2] Melle Garschagen: Geen Cent voor de Grieken, NRC Next, 12 February 2010.
[3] Marc Peeperkorn: Confrontatie over Griekse noodhulp, De Volkskrant, 25 March 2010.
[4] De Volkskrant: Frans-Duits compromis over hulp aan Griekenland, 25 March 2010.
[5] Eerste Kamer, Algemene Europese beschouwingen, 20 April 2010, 26-1082.
[6] Marc Peeperkorn: EU-Leiders vechten voor de eurozone, De Volkskrant, 6 March 2010.
[7] De Volkskrant: Leiders eurolanden willen paniek bezweren, 7 May 2010.
[8] Ibid.
[9] De Volkskrant: CDA en VVD steunen noodplan Europese Unie, 10 May 2010.
[10] De Volkskrant: Kamer steunt reddingsplan euro, 11 May 2010.
[11] Marc Peeperkorn: Hoofdrol voor De Jager bij operatie 'Geen blanco cheque', De Volkskrant, 11 May 2010.
[12] Eerste Kamer: Algemene Europese beschouwingen, 20 April 2010, 26-1119.
[13] Tweede Kamer: vergaderjaar 2009-2010, 21 501-02, nr. 958, 6-11.
[14] NRC Handelsblad: Geen controle begroting EU-landen door Brussel, 18 May 2010.
[15] Eerste Kamer: Algemene Europese beschouwingen, 20 April 2010, 26-1120.
[16] Kamerstukken I 2009 – 2010, 22112, DP, p. 2-3.
[17] Kamerstukken II 2009 – 2010, 21501-02, nr. 958, p. 10-11.
[18] Ibid.
[19] Kamerstukken I 2009 – 2010, 22112, DP, p. 2-3.
[20] Ibid., p. 15.
[21] Financieel Dagblad: Europa zoekt economisch doel na mislukte Lissabon-strategie, 9 January 2010.
[22] Financieel Dagblad: Veel kritiek op nieuwe EU-doelen, 4 March 2010.

Poland

Poland survives crisis relatively unscathed

Maria Karasinska-Fendler·

During the recent financial crisis, sound macroeconomic and financial management allowed Poland to emerge relatively unscathed. Indeed, Poland was the only economy in the EU to register positive economic growth in 2009 and expects to reach a growth rate of more than 2 percent in 2010. The recent crisis has laid bare some troubling weaknesses in Europe's institutional framework. As Europe works to reshape its institutions now – making them stronger, more resilient, and better able to promote balanced and sustained growth – these weaknesses must be repaired. For Poland, after the painful early years of transition, economic growth took off, trade flourished, and stable institutions took root. Growing economic and financial ties with Western Europe accelerated this process and boosted foreign investment. All these produced a remarkable rise in living standards, with incomes beginning to converge toward Western European levels. This is the most important development: integration has improved the quality of people's lives. The Polish government and economists are convinced that European institutions and mechanisms were able to provide some cushion from the crisis.

For members of the Eurozone, monetary integration proved a valuable safeguard, providing protection against additional disturbances from destabilising currency gyrations. In addition, the European Central Bank (ECB) made emergency liquidity facilities available, extending a financial lifeline to banks in the Euro area.

EU structural funds helped bolster investment in new member states, including Poland, and thus support economic growth. Countries outside the Eurozone facing external financing difficulties could make use of the EU's balance of payments facility. Finally, through the European Bank Coordination Initiative, western parent banks agreed to maintain exposures in a number of emerging European countries. However, it is well seen that what mattered more for how Europe's economies fared during the crisis were domestic factors – including macroeconomic fundamentals, financial sector policies, and political will. Naturally, given the tremendous diversity in the region, countries in emerging Europe have experienced the crisis very differently – ranging from Poland, which virtually escaped recession altogether, to Ukraine, the Baltic States, Romania and Hungary – all of which suffered severe downturns. What has made the difference in terms of a country's response to the crisis has been the quality of its economic policies and institutions. In this regard, Poland stands out. Thanks to strong economic institutions and commendable policy management, Poland has avoided the excesses seen in many other countries in recent years. And because there was sufficient fiscal space to adopt temporary stimulus measures, the impact of the crisis on growth was lessened. Indeed, as the largest economy in the region, Poland is leading the economic recovery.

At the same time Poland is very interested in the reinforcement of institutional and financial tools like the envisaged establishment of a European Systemic Risk Board and a European System of Financial Supervisors, increasing the EU's ability to monitor financial sector risks – and hence to prevent crises. From the Polish point of view, Europe should also strengthen economic policy coordination. Currently, the major policy frameworks in Europe – macroeconomic, financial, and structural – are relatively independent of one another. One of the crisis' lessons in Europe is that a single currency without enough economic policy coordination may lead to huge imbalances. To sustain growth over the longer run, competitiveness must be increased. Reforms that tackle rigidities in labor and product markets, as set out in the Europe 2020 Strategy, should be accelerated. In fact, more effective labor markets are allowing many emerging European economies to recover more rapidly from the crisis and should provide a boost to their competitiveness for many years to come.

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Portugal

Greek situation discussed for a long time

Luis Pais Antunes·

The Greek situation and the possible consequences of the severe economic and financial crisis that Europe is facing are amongst the most discussed subjects in Portugal since our country's accession to the European Union. Opinion makers, economic analysts and political parties spread their views on these topics on an almost daily basis. The main reason for this lies in the fact that, although there are substantial differences between the Greek and the Portuguese situation, it is common sense that the Portuguese economy is quite fragile and may be affected by the spill-over effects of financial markets' instability in the Eurozone.

The main concern of the Portuguese authorities at the time the Greek case was reported was to highlight the differences between the two countries. This strategy – which was endorsed almost unanimously – proved to be correct, as it appears now that the said differences were recognised by the market, notwithstanding the generalised downgrade of Portuguese public debt by the main rating agencies. However, this strategy forced the Portuguese authorities – also as a result of the pressure from the Commission and the biggest member states – to adopt very strict budgetary measures, which created social instability and a significant concern about economic growth perspectives. This was only possible as a result of an agreement between the Socialist Party minority government and the newly elected leader of the main opposition party, Partido Social Democrata (PSD).

The immediate reaction to the approval of the finance package for Greece was a feeling of relief, although some considered that this could lead market speculators to change the direction of their attacks towards the Portuguese markets. But the overall opinion is that Europe was too slow in finding the necessary consensus and in adopting the required measures to tackle the Greek case with the risk of creating a very complicated situation for the Eurozone as a whole. As previously mentioned, special emphasis was put on the lack of coordination between member states, Germany, but also France, being regarded as the main responsible parties for this situation. In any case, most analysts seem to consider that the way Europe responded to the need to find a Euro(pean) solution for the Greek case was clear evidence that, mainly in times of crisis, member states still focus on national interests instead of concentrating their efforts on a global solution.

The Greek case clearly illustrated the need to strengthen the Stability and Growth Pact (SGP), in particular its preventive side, and showed that without creating instruments that take account of the general interest of the Euro area and the European Union as a whole, the future of the Monetary Union could be at risk. But the Greek case also demonstrated Europe's weaknesses in dealing with "systemic crisis", as it seemed too paralysed at the time to adopt effective crisis-management mechanisms.

The reform of the SGP is seen as an urgent need, not only in order to ensure greater budgetary discipline, but also to find new ways to reduce disparities in competitiveness between member states' economies. As a matter of fact, there is some criticism as to the level of importance which is attributed to the "G element" of the SGP, considered by some as not being duly taken into consideration.

It is also worth mentioning the suggestion made by Minister for Foreign Affairs, Luis Amado, in an interview[1] for the introduction of a specific provision in the Portuguese Constitution establishing limits to the levels of deficit and public debt. But this suggestion was rapidly rejected both by Prime Minister Sócrates and the opposition parties.[2]

The idea of "a strong coordination of economic policies in Europe" seems to be quite well received in Portugal. There is a broad consensus over the fact that it is necessary to give a real impulse to the economic union and to strengthen economic governance. This is not really new as many in the past have pointed out that a single monetary policy would hardly survive without an equivalent level of coordination of economic policies.

· **Instituto de Estudos Estratégicos e Internacionais.**

Former Minister of Finance and current President of the Court of Auditors, Guilherme d'Oliveira Martins, strongly pleaded in favour of an effective coordination of economic policies which still do not exist in the European Union and stated that this failure to coordinate economic policies is the result of "a lack of boldness" of member states and European institutions.[3] Several voices also point to the need of ensuring a greater social cohesion within the European Union and are afraid that the reforms in progress will not take this issue in due consideration.[4]

Apparently, the key objectives which were defined by the task force on economic governance, which met for the first time on 21 May 2010, are broadly accepted. But it is common ground to say that they are still too vague and one should wait for more detailed information before coming to any conclusions. The debate on the possible solutions to be adopted only began at end of June 2010, when the first concrete measures were outlined. New penalties, either financial or non-financial, were already expected and did not raise any special concerns. The new budgetary procedure, providing for some coordination between the member states on the basis of the budget guidelines each one will have to submit by the end of the first semester, seemed to be quite well accepted.

Contrary to its predecessor – the Lisbon Agenda – the Europe 2020 Strategy seemed not to be a preferred topic for discussion, to say the least. The reason for this lies probably in the fact that everyone is paying too much attention to the economic and financial crisis, as referred by former European Commissioner António Vitorino.[5]

Social and economic priorities for the next ten years in terms of economic growth and job creation are crucial for the future of the European social model, Vitorino says. But the fact is that very few seem aware of the importance of this debate. João Cravinho, former Minister in several Socialist governments and currently member of the board of the European Bank for Reconstruction and Development (EBDR) has recently made severe critiques of the lack of debate on the Europe 2020 Strategy in his weekly programme at Rádio Renascença.[6] He said that it is very strange that this subject is being totally ignored, including by the government. Cravinho urges the government to take the lead and to promote a great public discussion on this subject. So far, there is nothing but silence. Not even the agreement on the new strategy reached by the European Council on 17 June 2010 or its public announcement changed the situation. Apart from the news published in the press, there is still no sign of any debate.

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[1] Newspaper Diário Económico, 17 May 2010
[2] Newspaper Diário Económico, 18 May 2010.
[3] Lusa news agency, 31 May 2010.
[4] As it is the case of former President Soares, cited above, or presidential candidate Manuel Alegre in several public speeches in his ongoing campaign (namely in Bragança, 19 March 2010, in the candidate's blog).
[5] António Vitorino: Condenados a entenderem-se, Diário de Notícias, 18 June 2010.
[6] Available at: http://www.rr.pt/informacao_prog_detalhe.aspx?fid=114&did=94077 (last access: 27 July 2010).

Romania

Romania is not Greece

Mihai Sebe*

Giving gifts to the Greeks or helping the prodigal son

Greece's economic situation is regarded with acute seriousness by many Romanian analysts due to the close geographic proximity and the important number of Greek banks in the Romanian banking system. Many often wonder what would happen if the Romanian banks with Greek capital or the Greek banks operating directly in the Romanian market would face serious solvency problems. The main fear of the financial analysts was and still is that "the Greek banks with an important presence on the Romanian market [a 25 percent share of the Romanian banking market] could reduce the volume of credit as they will have to rely more on scarce, local resources."[1] However, the National Bank of Romania believes that there is no such risk; as a National Bank official clearly stated, "there is no threat for the Romanian banking system as a result of the Greek crisis."[2] Even if the situation of the Greek economy will not directly affect the banks, for many Romanian officials, Greece remains the perfect "scarecrow" used to justify austerity measures. In President Traian Băsescu's words, "contrary to the televised gaiety, that Romania is like Greece, I tell you that we have 2011 and 2012, if we were to continue in this rhythm, in order to reach Greek 'performances'. There, we still have time to take actions so that nothing bad happens."[3] Although the Greek situation is a difficult one, for many economists it is clear that Greece will not fall down, as its fall would seriously affect the Eurozone. The financial package directed toward sustaining Greece was seen with relief in Bucharest. In Lidia Moise's words, "Romania breathes more easily as the pressure over the Romanian Leu attenuates."[4]

When neighbouring countries require similar solutions

If Romania is neither Greece, nor will it reach its situation, then there will at least be a side effect of the lessons learned by the Romanian authorities. Even if the numbers differ and Greece has some structural advantages related to its economy, geographic location, etc., we still have some "bad" habits in common: "growth on debt, fiscal evasion, politicisation of the public apparatus, 'buying off' the trade unions' silence." For the economic analyst Dan Suciu, the last trait that can set us different from Greece will be just that – that the Romanian authorities do not have to buy the trade unions' "silence" at the cost of budgetary deficits.[5] Aurelian Dochia, a renowned Romanian economist, also draws a series of warnings for Romania which must not be ignored by the government. Firstly, when the issue in question is money, even "the most harmonious family relations deteriorate rapidly" and, secondly, Romania will be forced to restructure its public sector or its pension system.[6]

The financial Big Brother – a necessary step?

In various financial and intellectual media there is, in a way, hope that the strong measures, which are to be taken by the European Union in order to obtain a stronger coordination of economic policies in Europe, will represent a plus for Romania, who will be, therefore, obliged to adopt stricter financial control of the national budget. This idea resides clearly from a policy memo of a Romanian think tank, the document's title being "We must not be afraid of the European Monetary Fund". The authors draw a straightforward conclusion "it will be in our best interest that the EU creates stronger mechanisms of economic supervision – we would simply put together/import fiscal responsibility, a thing that lacks us."[7] One of the main ideas resulting from this study is the necessity of the completion of the common currency by a method of harmonisation of economic policies. As the European economies are so interconnected, this idea seems to be the best next step in order to avoid further economic problems.

The struggle for a better future: Europe 2020 – a dream in the making?

The Europe 2020 Strategy enjoyed a great deal of success in public debates unlike other European issues due to the current economic and social crisis. For many, it represents the chance of a lifetime for assuring Romania's renewal on the economic and social side. For the analysts, Romania's current status is a poor one, and only a coherent European strategy could help our development. Far from helping to consolidate the European average toward the established level, Romania finds itself once

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more, "among the less advanced states."[8] Aware of this *état d'arrieration* in development, the Department for European Affairs initiated on 3 March 2010 a public consultation regarding the Europe 2020 Strategy addressed to all the actors of society, a process meant to build consensus over the decisions and actions to be followed.[9] The main result of this consultation process will be the adoption of a "Memorandum regarding the Approval of Romania's preliminary position with regard to the Europe 2010 Strategy".[10] It sets the main objectives that Romania wants to achieve as well as a set of preliminary measures designed to help achieve those objectives. One such measure was the constitution of a high level work group designed to elaborate, until May 2010, a proposal for the Romanian government in order to achieve its national objectives as well as a timetable at the national level.[11]

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[1] Vasile POP-COMAN: Băncile greceşti din România: "drobul de sare" sau „călcâiul lui Ahile"?, Săptămâna Financiară, 22 February 2010, available at: http://www.sfin.ro/articol_19073/bancile_grecesti_din_romania_%E2%80%9Edrobul_de_sare%E2%80%9C_sau_%E2%80%9Ecalcaiul_lui_ahile%E2%80%9C.html (last access: 18 May 2010).
[2] Ibid.
[3] President Traian Băsescu press conference, 13 May 2010, available at: http://www.presidency.ro/?_RID=det&tb=date&id=12098&_PRID=ag (last access: 18 May 2010).
[4] Lidia MOISE: "Bani la Atena, efect calmant la Bucureşti", Revista *22*, 13 April 2010, available at: http://www.revista22.ro/bani-la-atena-efect-calmant-la-bucure351ti-7976.html (last access: 18 May 2010).
[5] Dan SUCIU: Grecizarea Romaniei, Revista *22*, 16 March 2010, available at: http://www.revista22.ro/articol-7816.html (last access: 18 May 2010).
[6] Aurelian DOCHIA: Poveste de familie, România Liberă, 8 February 2010, available at: http://www.romanialibera.ro/opinii/comentarii/poveste-de-familie-176821.html (last access: 18 May 2010).
[7] Cristian GHINEA/Mihai PANAITE/Paul IVAN: Să nu ne fie frică de Fondul Monetar European - comentarii pe marginea Consiliului European, CRPE Policy Memo no. 9, March 2010, available at: http://www.crpe.ro/library/files/crpe_policy_memo_9_ro.pdf (last access: 18 May 2010).
[8] Alina GIRBEA: Noi în anul 2020 sau întoarcerea la plan, Europuls, 17 March 2010, available at: http://europuls.ro/index.php?option=com_content&view=article&id=423:noi-in-anul-2020&catid=103:pol-soc&Itemid=1234 (last access: 18 May 2010).
[9] Department for European Affairs, Departamentul pentru Afaceri Europene lansează o consultare publică pe tema proiectului de strategie "Europa 2020" al Comisiei Europene, 3 March 2010, available at: http://www.dae.gov.ro/articol/833/departamentul-pentru-afaceri-europene-lanseaz-o-consultare-public-pe-tema-proiectului-de-strategie-bdquo-europa-2020-rdquo-al-comisiei-europene (last access: 18 May 2010).
[10] Department for European Affairs, Memorandumul privind Aprobarea poziției preliminare a României cu privire la Strategia EUROPA 2020, 12 May 2010, available at: http://www.dae.gov.ro/admin/files/Memorandumul%20privind%20Aprobarea%20poziției%20preliminare%20a%20României%20cu% (last access: 18 May 2010).
[11] Department for European Affairs: Strategia EUROPA 2020 la nivel național, 12 May 2010, available at: http://www.dae.gov.ro/articol/961/strategia-europa-2020-la-nivel-na-ional (last access: 18 May 2010).

Slovakia

A stabilising factor of Slovakia's financial sector got into crisis

Vladimír Bilčík*

Despite initial estimates in late 2008 that did not expect very considerable influence of the financial crisis on Slovakia's economy, Slovakia recorded a deep dip in its economic performance in 2009. In addition, the Euro, which brought comparable stability to Slovakia's financial sector with the finalisation of Slovakia's Eurozone entry, was suddenly in a crisis caused by the dire economic and financial situation in Greece. In 2009, Slovakia followed the path of other Eurozone countries when it introduced the unlimited deposit guarantee immediately after the proposal by the European Commission. Although several possibilities were discussed as alternatives to the unlimited deposit guarantee, the overpowering explanation for the unlimited deposit guarantee were the similar reactions of other EU countries and thus an attempt at sustaining Slovakia's competitive edge.[1]

In 2010, Slovakia reacted with a lot more caution to proposals which were to deal with the economic crisis. With its parliamentary elections held on 12 June 2010, Slovakia's government, led by Prime Minister Fico, agreed to the framework decision on the finance package for Greece, but left the final stamp of approval on the country's bilateral loan to Slovakia's new parliament. However, at least three of the four political parties that are to form Slovakia's new government and hold new parliamentary majority have either rejected or been sceptical toward the adoption of the package. These include the Slovak Democratic and Christian Union (SDKÚ-DS) of Slovakia's newly designated Prime Minister Iveta Radičová and two new parties (the liberal Sloboda a Solidarita, Freedom and Solidarity – SAS, and the new Hungarian party Most-Híd – Bridge). Their arguments were mainly twofold: that such loan would undermine the already unhealthy state of public finance in Slovakia and that it is irresponsible to lend more money to the notoriously irresponsible Greek state (especially articulated by Freedom and Solidarity). Only the Christian Democratic Movement (KDH), the fourth party of the expected coalition, has been willing to consider supporting the finance package for Greece. Hence, Slovakia's support for its bilateral loan to Greece in the context of the finance package for Greece is questionable and at the moment it does not look likely that Slovakia will lend money to Greece, though once the winners of the parliamentary elections take over their governmental responsibilities, they may also reconsider their initially firm positions.

Similarly, the outgoing Prime Minister Robert Fico articulated his support for the creation of the European Stabilisation Mechanism, but he is leaving the binding decision to the parties of the new governing coalition. The point is that Slovakia's signature is necessary in order to activate this new stability mechanism and both in the run-up to and right after the parliamentary elections on 12 June 2010 the majority of the winning parties (SDKÚ-DS, SAS and Bridge) rejected the proposed European Stabilisation Mechanism. Only the KDH indicated lukewarm support for the new mechanism, though the parties of the new government have been less willing to comment on their positions toward the stability mechanism since elections took place, arguing that they need more time to study the details and implications for Slovakia. In the latter half of June 2010, it looked a bit more likely that Slovakia would ultimately sign up to the new European Stabilisation Mechanism, though it might not disperse its bilateral loan to Greece.[2]

In Slovakia, the main lesson of the current crisis for the Stability and Growth Pact is a shared call to become serious and consequential about the existing rules. Also, Slovakia in principal accepted the proposed role of the European Commission, which puts it in control of the member states' national budgets. The State Secretary of the Ministry of Finance Peter Kažimír even welcomed this new role for the European Commission, though he also suggested that the Commission would have to undergo reform in order to take up this controlling function effectively.[3] There was little discussion of the Europe 2020 Strategy in Slovakia, though two points are worth stressing. Slovakia's representatives called for the replacement of the term "poverty" with the word "cohesion", since, according to Eurostat numbers, Slovakia has the fourth lowest level of poverty in the EU, yet wages and social standards are lower than in most other EU member states. Moreover, the eradication of poverty should be one of the by-products of the Europe 2020 Strategy whose main goal should be enhancement of economic growth.[4] Second, it is a long-term strategy whose language is not as extravagant as that of the Lisbon Strategy, but whose overall goals are hardly realistic from Slovakia's current perspective.

* Slovak Foreign Policy Association.

[1] SME: Garancia sú na papieri. Banky sú zdravé, 9 January 2009.
[2] See Euractiv.sk: Slovensko zatiaľ nemá jasné stanovisko k pôžičke Grécku, 17 June 2010, available at: http://www.euractiv.sk/buducnost-eu/clanok/slovensko-zatial-nema-jasne-stanovisko-k-pozicke-grecku-015338 (last access: 29 June 2010).
[3] Euractiv.sk: Peter Kažimír: Kontrola rozpočtov nie je ohrozením suverenity, available at: http://www.euractiv.sk/ekonomika-a-euro/interview/kontrola-rozpoctov-nie-je-ohrozenim-suverenity-015131 (last access: 29 June 2010).
[4] Euractiv.sk: Ivan Korčok: Východná Európa žiada férové zastúpenie v Európskej zahraničnej službe, available at: http://www.euractiv.sk/obrana-a-bezpecnost/interview/vychodna-europa-ziada-ferove-zastupenie-v-europskej-zahranicnej-sluzbe-014799 (last access: 29 June 2010).

Slovenia

Situation in Greece widely discussed: strict adherence to obligations demanded

Andreja Slomšek and Jure Požgan*

The economic and financial crisis in Greece has been among the most often discussed issues in Slovenia, not only by the media, but also by a number of economy experts as well as by trade unions and politicians. Regarding the financial aid package for Greece from the EU, the government of the Republic of Slovenia, along with other Eurozone members, supports the motion to assist Greece in order to ensure the stability of the Euro area, in which Slovenia has recognised and realised its vital economic and export interests. The Slovenian government supports the assistance, because the country's key markets are in the Euro area, hence the destabilisation of this area would be particularly detrimental to the small, open and inter-connected Slovenian economy. However, Slovenia has not yet decided to grant its assistance to Greece unconditionally; namely, as part of the Greek programme, Slovenia calls for strict adherence to the obligations arising from the aid programme and a transparent timeline that will be verified by the European Commission. Individual amounts of financial assistance released by the Commission should be subject to Greece meeting its obligations.[1]

Slovenian political parties are even more sceptical about the financial aid package for Greece. One of the coalition parties, Zares, called on the Slovenian government to carefully deliberate the financial assistance to Greece, since it will represent a major financial burden for Slovenia. Zares also believes that the reason for the Greek financial crisis is its irresponsible behaviour. This is why Zares called for "responsible mutual solidarity." The opposition parties are even more critical in this respect. The leader of the Slovenian Democratic Party (SDS) and former PM, Janez Janša, assessed the financial assistance to Greece from other Euro member states as inefficient and unfair if compared to Slovenian, Slovakian and other European workers that have lower average salaries than workers in Greece. In addition, the Slovenian National Party (SNS) is strongly opposed to the "generous" financial aid of Slovenia for Greece, since Slovenia is itself facing a budget deficit and increasing public debt. The President of the Slovenian People's Party (SLS), Radovan Žerjav, is also opposed to the aid for Greece, if given without "drastic savings, immediate reforms and an end of street vandalism" in Greece itself. According to Radovan Žerjav, the loan to Greece is extremely risky and could further strain the already poor state of Slovenian public finances and public debt. The SLS highlighted that Slovenia has no budget funds to help Greece, assuming that the Slovenian government will seek out additional borrowing, to which the SLS is strongly opposed.[2]

The government's decision to approve financial aid to Greece has also caused a thunderous response from the Association of Free Trade Unions of Slovenia. Dušan Semolič, the President of the Association of Free Trade Unions, is convinced that, in the case of Greece, the "disaster" is a result of irresponsible, speculative and immoral behaviour of those who have led and managed Greece. Therefore, trade unions strongly oppose the aid package, since it is only intended "to help those institutions and politicians who have caused this crisis, while the Greek workers will not benefit from the aid."[3]

On the other hand, leading Slovenian economists do not entirely share this opinion. Bogomir Kovač, a professor at the Faculty of Economics, University of Ljubljana, believes that it was a step in the right direction, where the EU as an institution came to the forefront and was able to develop its own agenda for addressing the problem. In contrast, Jože Mencinger, a professor at the chair of Legal and Economic Science at the Law Faculty, University of Ljubljana, is not so sure about the appropriateness of the action taken. In his opinion, it was adopted in panic and aims to reverse financial speculation.[4]

Lessons for a reform of the Stability and Growth Pact

Given its experience regarding the Eurozone's functioning in accordance with the Maastricht rules, the Slovenian government has found that these rules have not been followed strictly enough. Therefore, Slovenia is in favour of a reform of the Stability and Growth Pact as follows: tighter controls must be put in place within the EU, particularly within the Eurozone, to monitor implementation of the Stability and Growth Pact. This especially refers to the monitoring of measures in order to stabilise public

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finances in Greece and other countries with excessive deficits and debts. This situation calls for immediate institutional changes to the Stability and Growth Pact, which must include both clear provisions regarding the accession of new members and mechanisms for expulsion from the common currency area in the event of regulatory breaches. The fiscal policies of Eurozone member states, particularly in regard to indirect taxation, must be better coordinated. Private financial institutions, which are creditors of the Greek national debt, should take on a proportional share of responsibility for ensuring implementation of the Greek programme. The Eurozone should establish tougher mechanisms to maintain a stable currency. As part of the Greek programme, Slovenia calls for strict adherence to the obligations and deadlines arising from the programme.[5]

Euro area needs a serious shift in the way it organises mutual cooperation

By focusing on Greece and the financial aid package, the idea of "a stronger coordination of economic policies in Europe" has not been publicly discussed. But, according to the government, Slovenia believes that immediate institutional changes to the Stability and Growth Pact are needed, and, more importantly, they must include both clear provisions regarding the accession of new members and mechanisms for expulsion from the common currency area in the event of regulatory breaches. Also, the fiscal policies of Eurozone member states, particularly in regard to indirect taxation, must be better coordinated.[6]

Janez Potočnik, the European Commissioner for the Environment, has held the lecture "Current challenges of globalised Europe" at the International Forum at the Law Faculty in Ljubljana on 7 May 2010, where he pointed out that the Euro area needs a serious shift in the way it organises mutual cooperation. He stressed that more movement in the area of coordination of economic policies (macroeconomic, fiscal and structural) is needed at the European level. "Since we have the same currency, we have the same orientation, or compass", he illustrated. And, according to Potočnik, "the Greek trouble" is forcing everyone to rethink what is sustainable and which systems are required in order to maintain stability.[7]

Europe 2020 Strategy: A step in the right direction

The Europe 2020 Strategy has, so far, not been much discussed in Slovenia. The Government Office for Development and European Affairs assessed the proposal for the new economic Europe 2020 Strategy as a step in the right direction. It should add to the endeavour of the member states and the European Commission to achieve the objectives that will enable the EU to compete with other important economic areas in the world. In this respect, Slovenia welcomes the Europe 2020 Strategy and hopes that this Strategy will be more successful than the Lisbon Strategy of the last decade. On the other hand, Slovenia has some serious comments regarding its content. It considers the Strategy to be only the initial proposal that the member states need to examine carefully and, above all, establish which elements – of both the Strategy and the national reform strategies of the individual member states – could lead to the actual implementation of objectives and priorities. In order to achieve real progress, there is need for detailed specification and measurability of the objectives, as well as a correlation and harmonisation of EU objectives with the national programmes. As shown by past experiences, the Lisbon Strategy has been poorly managed. This is why Slovenia expects that the institutional arrangement for Strategy implementation will be improved.[8] Slovenia does not expect to have problems with the majority of proposed targets, although not all of them can be achieved at the moment. Targets that represent major challenges are: the "20/20/20" climate/energy target, 3 percent of gross domestic product (GDP) investment in R&D, 75 percent employment rate of the population aged 20-64, 40 percent of the younger population with a tertiary degree, and a reduction of poverty, especially the "at-risk-of-poverty" rate.[9]

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[2] Dnevnik: Obdobje krize ali priložnosti za EU? Finančna pomoč Grčiji sproža mešane odzive (The period of crisis or opportunity for the EU? Financial aid to Greece raises mixed reactions), 5 May 2010, available at: http://www.dnevnik.si/novice/eu/1042357229 (last access: 18 May 2010).
[3] Delo: Grški delavci od pomoči ne bodo dobili nič (Greek workers will not get anything from the aid), 7 May 2010, available at: http://www.delo.si/clanek/105724 (last access: 18 May 2010).
[4] STA: Odločitev finančnih ministrov EU naj bi pomerila trge, ekonomisti različnih mnenj (Decision of financial ministers of the EU should reassure the markets, economists do not share the same view), 10 May 2010, available at: http://www.sta.si/vest.php?s=s&id=1511350&q=EKONOMIS+O+RE%C5%A0EV+GR%C4%8CIJ (last access: 18 May 2010).
[5] Government of the Republic of Slovenia: Government's position on financial assistance to Greece, 6 May 2010, available at: http://www.vlada.si/en/news/press_releases/press_release/article/5/9537/c2838d536e/ (last access: 17 May 2010).

[6] Ibid.
[7] Dnevnik: Potočnik o grški krizi: Stanje je v Evropi in na območju Evra zelo resno (Potočnik about the Greek crisis: The situation in Europe in Eurozone is very serious), 7 May 2010, available at: http://www.dnevnik.si/novice/aktualne_zgodbe/1042357736 (last access: 18 May 2010).
[8] Government Office for Development and European Affairs: Statement for the media by Minister Mitja Gaspari on the "Europe 2020" Strategy proposal, 3 May 2010, available at: http://www.svrez.gov.si/nc/en/splosno/cns/news/article/2028/2403/ (last access: 18 May 2010).
[9] Government Office for Development and European Affairs: Strategy Europe 2020: A New Strategy for Jobs and Growth, 4 May 2010, available at: http://www.svrez.gov.si/en/activities/strategy_europe_2020/ (last access: 18 May 2010).

Spain

Greek debt crisis effects Spain indirectly

Ignacio Molina*

After the implementation of the institutional innovations included in the Treaty, the second big priority of the Spanish EU Presidency was coordinating economic policies so as to encourage recovery.[1] However, the unprecedented Greek debt crisis dominated the semester and it ended up affecting Spain indirectly. It is true that crises usually provide an opportunity for rotating presidencies to enhance their leadership roles, but that was not the case this time. Spain's troubled economic situation prevented this from happening, or at least blocked it. Spain's fiscal situation was never nearly as serious as Greece's. Still, that did not stop people from comparing the two countries, thus raising doubts about Spain's neutrality and its authority for leading the debate on how to address the Greek problem or on how to reform European economic governance.[2]

Nevertheless, the single biggest result of the Spanish Presidency was the decision to articulate a joint response aimed at defending the stability of the Euro and enhancing economic coordination among EU countries. Although it would not be accurate to say that the Spanish Presidency played the main role in producing this important outcome – as said, the Spanish government had to act in a reactive, defensive way, yielding the leading role to France, Germany and the Eurogroup Presidency – the truth is that the final outcome of the Presidency with regard to economic decisions has undoubtedly been outstanding.

Spain began its Presidency by raising the possibility of strengthening the EU's say over how member states run their economies, and, although the initial reaction from Germany and the UK was negative, the Spanish term ultimately made important strides in this direction. It is true that in January the Spanish government was not thinking so much about a more forceful role for European institutions in short-term fiscal consolidation as in medium- and long-term mechanisms for financial supervision and coordination of structural reforms. But the dramatic developments in the public debt markets during this six-month period led things toward the former of the two options. Despite the wavering and lack of leadership seen in February and April, the EU finally decided to bail out Greece. And what is more important, Ecofin, holding an extraordinary meeting on 9-10 May 2010, adopted the key decision to create a 750 billion Euro financial stability fund for troubled governments, moving to give a firm response to speculators. It is an impressive system geared towards protecting the Euro, to the point where a European monetary union can finally be considered complete and, what is even more novel, a true economic union is now beginning to take shape. Many member states, in particular Spain, have clearly seen the new, direct link that has been established during this Presidency between the creation of the new fund, rigorous application of the deficit limits of the Stability and Growth Pact and the adoption of economic reforms encouraged by Brussels in areas that, in principle, fall outside EU jurisdiction: the labour market, savings banks, pay for civil servants and retirement ages and pensions.

But on the economy there was even more during the semester. While the financial oversight mechanisms agreed in late 2009 – the European Systemic Risk Board and three additional measures – are close to being approved by the European Parliament, the Council added complementary measures on hedge funds and credit-ratings agencies during this Presidency.

As for approval of the Europe 2020 Strategy, which replaces the semi-failed Lisbon Agenda of 2000, the climate of economic urgency has caused it to go relatively unnoticed, even though it was the main declared priority of the Spanish Presidency and the other Trio Presidency members, Belgium and Hungary. In any case, on the basis of the Commission's proposal in early March 2010, the European Councils of March and June 2010 approved the broad outlines of a new and more sustainable productive model for the entire EU for ensuring economic growth and job creation in the future .[3] It identifies five basic goals and national plans to achieve them in the areas of employment, innovation, education, sustainability and the fight against poverty. But it remains to be seen how seriously member states and EU institutions will take these goals and what the consequences will be if they fail to do so.

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[1] It has been discussed to what extent this should be the first and not the second priority of the semester. Financial Times published an editorial titled 'A stumbling Spain must guide Europe', with the subtitle 'Message for Zapatero: forget London, it's the economy!' The editorial called the programme proposed by the Spanish Presidency 'remarkably anodyne' and said it was a big mistake to focus on the fine-tuning of institutional reforms rather than address the problems of the 'real world', such as the economic crisis.

[2] Because of the Greek crisis and the poor state of the Spanish economy – deep recession, soaring unemployment, a bloated budget deficit and a swift increase in public debt – the Spanish officials tasked with leading the Ecofin had to spend a lot of time reassuring international investors or denying that Spain could be compared with Greece

[3] According to the president Van Rompuy, who chaired the European Council meeting on 25-26 March, the strategy sums up the European model of social market economy with a strong environmental dimension. "To protect this model, economic performance should be very strong." It remains to be seen if the new strategy have sharper and more realistic goals than the Lisbon Agenda.

Sweden

A Eurozone outsider ready to give financial support

Gunilla Herolf*

The financial package regarding Greece, which was agreed on by the Euro countries at the European Council meeting on 25/26 March 2010, and their preparedness to support Greece if asked to do so was assessed positively. Prime Minister Fredrik Reinfeldt, when commenting on this agreement, also saw IMF participation in such a rescue operation as very positive, since the International Monetary Fund (IMF) has the expertise needed and is a long-term partner that can assist a country in need of vast and difficult reforms. He had problems, he said, in understanding why some countries were against this, not least since Iceland and Latvia, as well as other countries, are already using IMF programmes. Sweden, being outside the Euro area, had minimal influence on the package; nonetheless, the Prime Minister was quite content with the substance of this agreement.[1]

On 10 May 2010, Sweden declared itself ready to give financial support to countries now in a crisis situation. This was in addition to the joint EU support to which Sweden had contributed a few days earlier. If seeking loans from Sweden, countries in need would, however, be required to take action of a kind that would protect Swedish taxpayers' money. Previously, large loans had been given to Iceland and to Latvia. Finance Minister Anders Borg explained this offer with the Swedish dependence on export, which is higher than that of many other countries. Without functioning credit markets in Europe, no Scania trucks could be sold, he declared. The present agreements were, however, not sufficient: "We have gained some time, but if we do not solve the underlying problems we will be back in the same situation within a year or two", the Finance Minister claimed.[2]

Lessons to be drawn for reform of the Stability and Growth Pact?

Much has been written in Swedish newspapers about the Greek problems, including corruption, its early retirement age, etc., but also about the way in which Euro countries have disregarded the stipulations of the Stability and Growth Pact already from its inception. As the newspapers have described it, the disregard for the rules was the main problem behind the fact that Greece was allowed to sink to this level before any action was taken. Germany and France were among the first countries to break the rules of the Stability and Growth Pact. The Greek problems had been well known for years without any action taken. Today, all 16 Eurozone countries have a budget deficit above three percent of Gross Domestic product (GDP) and 12 of 16 have a national debt that is higher than 60 percent of GDP.[3] (Sweden has a budget deficit of 0.8 percent of GDP and a national debt that amounts to 42.8 percent of GDP.[4]) Criticism has also been directed towards the rating agencies (Spain still has an AAA rating with one of them) and against the European Central Bank (ECB), whose main task is said to be to check on the effects that the different developments in different Euro countries would have on credit.[5]

On a more positive note, it is also foreseen that, while the crisis in Greece has made clear the weaknesses of the Euro with more rules, more control and deeper financial cooperation, the Monetary Union can actually be strengthened. In addition, one should also consider that the present crisis is not only due to laxity of the EU's control mechanism but also to structural problems that may look different in different countries and therefore need different remedies.[6]

Coordination of economic policies

The Prime Minister referred to voices arguing for stronger economic coordination, but saw this as primarily relevant for the Euro countries. The Swedish view, he said, was that we should use the means that the treaty and the regulations give us. Within this framework, Sweden positively regards good coordination. Furthermore, he saw it as unlikely that any person who had been involved in the last few years' events would come forward with an initiative to start a process of treaty changes. The present framework could be used better, but this is about coordination rather than supranational governance.

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On 12 May 2010, José Manuel Barroso and Olli Rehn put forward the proposal that all EU member states should submit their budget proposals to the Commission for scrutiny of its soundness. The Swedish government and opposition dismissed this proposal immediately.[7]

The finance ministers' meeting on 18 May 2010, which resulted in a number of decisions, was characterised by Anders Borg as "too little and too late." At the meeting, the finance ministers did not give a final judgment on the austerity measures presented by Spain and Portugal. Borg's view was that the goals should be more ambitious than the one decided on in December 2009, according to which the maximum budget deficit would be three percent of GDP by 2013. This is not enough, he said. Countries have to make savings on a higher level in order to reduce their levels of debt. He also welcomed the proposal for stricter rules for hedge funds. Borg again expressed his negative view on the idea that the Commission would scrutinise budget proposals. Only broad guidelines for Swedish economic policy within the budget would be submitted, according to Borg.[8]

The German prohibition against naked short selling received negative reviews in Sweden. Representatives of Swedish banks were unanimous in seeing it as unfortunate, since rather than calming down markets it had led to the opposite effect. They also deplored the fact that Germany did this unilaterally, without consulting with other countries, seeing instead a need for European countries to act jointly to find solutions to this common problem.[9]

A number of Swedish concerns and ideas as regards the Europe 2020 Strategy were included in the Sustainability Development Strategy Report, which was accepted during the Swedish Presidency. These are fairly well covered in the headline targets brought up in the Europe 2020 Strategy. Among the opposition parties, some would have preferred to include more targets; however, the Prime Minister found that limiting oneself to five would give a better focus on activities.

Among the five headline targets brought up in the Europe 2020 Strategy, Sweden contributed to changes of several formulations. As for the first headline target, the final formulation "aiming to raise the employment rate for women and men aged 20-64, etc. to 75 percent" was accepted after Sweden had intervened against the previous formulation in which women and men were not mentioned together, but instead the low level of female employment was seen as one among other particular issues to address. The reason for Reinfeldt's demand for change was his view that women should not be treated as a subgroup, but as participants in the work force on the same level as men. Reinfeldt was content with the discussion that had taken place on this point and his hope was that some changes would take place in countries in which laws (such as joint taxation of husband and wife) and deficiencies (such as lack of good day care for children, etc.) constitute hurdles for women who wish to work outside home. The participation of women is furthermore, as he expressed to the parliamentary committee on EU affairs, not only a question of gender equality but also strongly related to economic progress. He pointed to studies showing that increased participation may lead to increases in EU GDP by 15-20 percent. The issue of female participation in the work force should also be seen in connection with the age of retirement. Here, Reinfeldt pointed to the differences among European countries, declaring that if people are allowed to retire between 50 and 55 years of age, while at the same time receiving tax financed welfare, problems in public finances should come as no surprise.[10]

In the discussions on this issue in the parliamentary committee on European affairs, a Social Democratic (SAP) member of the committee voiced her fear that some countries might see the 75 percent goal as an average figure, meaning that they would find it appropriate that 90 percent of men and 70 percent of women were employed. State Secretary Frank Belfrage of the Ministry for Foreign Affairs agreed with her that such an interpretation was possible, but promised that the government would watch out for this.[11] State Secretary Amelie von Zweigbergk agreed as well and pointed to the laws and hurdles which make it unprofitable or difficult for women in some countries to work. She assured the opposition that, while this is not an issue in Sweden, Sweden pursues solutions for these problems in a European context and that in this it has the support of many Nordic neighbours.[12] The opposition parties, the Social Democrats, the Left Party (V) and the Green Party, were, however, not satisfied with this. A clearer formulation, they argued, should have been suggested by the Prime Minister, in which it was obvious that the goal should be that 75 percent of men and 75 percent of women between 20 and 64 should be active in work outside home.[13]

For the fifth headline target, Sweden had also acted to bring about changes in the formulations: The Swedish argument was that issues concerning social exclusion and social cohesion should be the overriding goals for this target. The specific problem today is that one of three unemployed in the EU

has been without work for more than one year. This is serious and tends to increase both economic and social exclusion. This was also the outcome in the final formulation of the fifth headline target, which reads as follows: “promoting social inclusion, in particular through the reduction of poverty.” Like in the case of female participation in the work force, the concern for social inclusion is deemed to contribute to a more stable and integrated society.[14]

The third headline target, concerning reduction of greenhouse gas emissions, is again a strong Swedish interest and Sweden was active in its formulation, including not only the previously agreed target of a 20 percent reduction compared to 1990 levels but also the goal of a 30 percent reduction. State Secretary Frank Belfrage described this as a conflictual issue since all member countries do not feel as strongly as Sweden about including the 30 percent reduction perspective. The goal of including them (with the provision that other developed countries commit themselves to comparable emission reductions and the developing countries contribute adequately according to their responsibilities and respective capabilities) was achieved, however. This means that this goal is now anchored and part of EU politics. As expressed by State Secretary Amelie von Zweigbergk, Sweden sees the national process of achieving the agreed goals as very important since this is the way in which the EU 2020 Strategy will be realised. In Sweden, she said, the goals will be well anchored within the national political decision-making process.[15] All the political parties are in agreement on this policy.

A further concern for Sweden related to the Europe 2020 Strategy is that of protectionism. At the March European Council, Fredrik Reinfeldt brought up protectionism as detrimental within the EU, seeing this as a shortsighted policy that will not help in creating work but rather operates in the opposite direction due to the reduced trade that it creates.[16]

Lena Ek, Swedish Centre Party Member of European Parliament (MEP) and head negotiator for the European Parliament on the Europe 2020 Strategy, has argued that concrete institutional reforms are now needed in order for the Strategy not to fail, as the Lisbon Strategy had. She has four main ideas: (1) Responsibility for control and follow-up of the Strategy should rest mainly with the Commission, not with the Council, since member states have simply not been capable to put pressure on each other. (2) When a member state cheats with goals and lies with statistics, this must have some consequences and she suggests reduction in the financial support given to it. (3) The internal market must be completed, also in areas such as services and energy. This is in order to prevent the protectionism of which one can see tendencies among EU governments today. (4) It is necessary that the Council of Ministers openly discuss whether and to which extent states heed the goals. Reports produced by the Commission should be discussed openly before Council meetings, giving the possibility for national parliaments and the European Parliament to debate these issues. In this way, further pressure could be put on the individual governments.[17]

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[1] Parliamentary Committee on EU Affairs, 30 March 2010, pp.1 and 8.
[2] Jacob Bursell: Sverige redo ge akutstöd [Sweden prepared to give emergency support], Svenska Dagbladet, Näringsliv [Trade and Industry], 11 May 2010, p. 8.
[3] Mats Hallgren: Samarbetet blir aldrig vad det varit [Cooperation will never again return to what it was], Svenska Dagbladet, Näringsliv, 7 May 2010, pp. 6-7; Peter Wolodarski: Stormen före stålbadet [The storm before the steel bath], Dagens Nyheter, 2 May 2010, p. 4.
[4] Council of the European Union: Council Opinion on the updated Convergence Programme of Sweden 2009-2012, Doc. 9104/10, pp. 3 and 7.
[5] Per Lindvall: ECB bär skulden [ECB is to blame], Svenska Dagbladet, Näringsliv, 10 May 2010, p. 6.
[6] Dagens Nyheter: Efter stormen [After the storm], 7 May 2010, p. 2.
[7] Swedish Television: news programme Rapport, 12 May 2010.
[8] Marianne Björklund: Borg vill höja budgetkraven [Borg wants to increase budget requirements], Dagens Nyheter, Ekonomi [Economy], 19 May 2010, p. 6.
[9] Sara L. Bränström: Onödig kamp mot finansmarknaden [Unnecessary fight against the financial market], Svenska Dagbladet, 20 May 2010.
[10] Fredrik Reinfeldt before the Parliamentary Committee on EU Affairs, 30 March 2010, pp.1-7.
[11] Christina Axelsson and Frank Belfrage before the Parliamentary Committee on EU Affairs, 23 April 2010, p. 4.
[12] Amelie von Zweigbergk before the Parliamentary Committee on EU Affairs, 7 May 2010, p. 3.
[13] Parliamentary Committee on EU Affairs, 7 May 2010, p. 3.
[14] Fredrik Reinfeldt before the Parliamentary Committee on EU Affairs, 30 March 2010, pp. 1-2.
[15] Frank Belfrage before the Parliamentary Committee on EU Affairs, 23 April 2010, p. 2; Amelie von Zweigberg before the Parliamentary Committee on EU Affairs, 7 May 2010, p. 2.
[16] Fredrik Reinfeldt before the Parliamentary Committee on EU Affairs, 30 March 2010, p. 3.
[17] Lena Ek, MEP and head negotiator for Europa 2020 in the European Parliament: Så vill parlamentet sätta tänder på EU:s papperstiger [This is the way in which the parliament wants to put teeth in the EU’s paper tiger], DN Debate, Dagens Nyheter, 24 March 2010, p. 5.

Turkey

Turkey one step ahead due to 2001 crisis experience

Başak Kale*

Being an immediate neighbour to Turkey, the economic crisis that Greece is experiencing raises significant concerns in Turkey both at the public level as well as at the governmental level. The official visit of Prime Minister Recep Tayyip Erdoğan to Greece on 14-15 May 2010 demonstrates the importance given to this issue by Turkey.[1] The general debate in Turkey relating to the Greek economic crisis centres on its potential impact on the economic situation within the EU while having prospective implications on the Turkish economy or its accession to the EU. Although the global financial crisis affected Turkey within a relatively limited scope due to Turkey's reformed financial and banking regulations after Turkey's 2001 financial crisis,[2] it is still feared that the Greek economic crisis may have a negative influence on Turkey's prospective membership. It is argued that, with significant financial and economic concerns at the top of the EU's agenda, both issues relating to enlargement and to Turkey's membership may loose priority on the EU's agenda. The finance package for Greece discussed outside the formal agenda of the European Council on 25/26 March 2010[3] received moderate attention in Turkey. Prime Minister Erdoğan's visit to Greece raised attention with respect to developing prospective approaches on enhancing economic relations between Greece and Turkey.[4]

The Greek financial and economic crisis clearly demonstrates the importance of economic stability to sustain growth in the EU member states and Turkey.[5] The lessons drawn from the Greek case for the reform of the Stability and Growth Pact can be listed as follows: European economies are getting increasingly interconnected and crisis in one economy has inevitable consequences on all EU member states.[6] This shows the importance of developing an overall stability and growth strategy with stronger financial control mechanisms and discipline at the EU level. The reform of the Stability and Growth Pact, with the ultimate target of financial discipline, a mechanism of long-term financial sustainability, and a focus on public finance quality and debt ratios rather than budgetary deficits, strengthens the pact's economic logic.[7]

The idea of "a strong coordination of economic policies in Europe" is perceived positively by the business community in Turkey. A solid cooperation of economic policies in Europe can be an indicator of a strengthened EU economy. It is perceived that, with a strong economy at home, the EU and the EU member states can focus their attention on deepening issues such as the EU constitution and EU enlargement, which have close correlation with Turkey's accession to the EU. The issue of competitiveness in the EU markets has prior importance for Turkey. While the EU is going through these difficult times, it is accepted that Turkey should utilise the opportunities that this period brings.[8]

The Europe 2020 Strategy and its key elements received minor interest from the Turkish public and modest coverage from the Turkish media.[9] This modest interest directly corresponds with the loss of momentum on Turkey's accession process to the EU, and the Turkish public's indifference to issues relating to the EU's future. Issues and debates directly corresponding to the EU's future or the EU's prospective agenda are considered to be topics relating to the EU's internal policy. These subjects are perceived as not having a direct impact on the EU's relations with Turkey. Therefore, these questions constitute secondary importance on public and media agendas. In general, this is a matter of perception that is effective in shaping EU related public debate in Turkey. The target for high employment levels was the key element of the Europe 2020 Strategy prioritised by different policy sectors within Turkish public debate.[10]

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* Center for European Studies / Middle East Technical University.

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[7] Durukan Payzanoğlu: Stability and Growth Pact Rules: Will it let Turkey's Debt Continuity?, available at: http://www3.tcmb.gov.tr/kutuphane/TURKCE/tezler/durukanpayzanoglu.pdf (last access: 20 May 2010).
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[9] Undersecretary of Foreign Trade, available at: http://www.dtm.gov.tr/dtmadmin/upload/AB/sanayisektorDb/abzirve.pdf (last access: 18 May 2010).
[10] See: http://www.tisk.org.tr/isveren_sayfa.asp?yazi_id=2733&id (last access: 18 May 2010); http://www.tubisad.org.tr/Tr/News/Sayfalar/AB2020Stratejisi.aspx (last access: 18 May 2010); http://www.ataum.tk/haberdetay.asp?ID=216 (last access: 18 May 2010).

United Kingdom

Britain and the Eurozone: on the outside looking in

Alison Sutherland*

British public and political reactions to the crisis of the Eurozone arising from the indebtedness of the single currency's member states have been almost uniformly negative.[1] The crisis itself is widely seen as justifying Britain's decision to remain outside the single currency and as definitely having the potential to destroy the Eurozone. The following analysis from the British perspective of the differing elements of the Eurozone's crisis and its possible resolution must be set against a political context in which Britain is extremely unlikely to join the single European currency for many years to come, if ever; in which there is now little public support in the United Kingdom for British membership of the Euro; and in which what support there may have been a year ago for British membership of the Euro has been greatly reduced by the Eurozone's continuing crisis.

Greek sovereign debt

At the time of writing in late May 2010, it is generally believed in the United Kingdom that Greece is now protected against the imminent threat of debt default, but that this threat may well return in the medium term, particularly if other countries in the Eurozone, such as Spain and Portugal, find themselves confronted with similar problems to those of Greece in regard to their public indebtedness. A number of commentators in the United Kingdom believe that in the longer term the Greek government will inevitably be forced to restructure its sovereign debt. There is in addition to this pessimistic expectation a widespread perception in this country that the governments of the Eurozone have only taken action over the past six months when forced to do so by global markets, reacting to events rather than shaping them. The ill-coordinated response of the Eurozone to the Greek debt crisis is generally seen in the United Kingdom as reflecting serious faults in the governance of the single European currency. Some criticism is directed particularly at the German Chancellor, Angela Merkel, for her supposed uncertain handling of the crisis.[2] Other commentators stress what they see as the systemic weaknesses of the Eurozone's governance arrangements.[3]

The Stability and Growth Pact

It is generally accepted by British commentators that the Stability and Growth Pact needs reinforcement in such a way as to ensure that its provisions are better observed in future.[4] There is however considerable parallel concern that a more rigorous application of the elements of the Pact relating to governmental deficits may, in the specific economic circumstances of the next decade, restrain the economic growth necessary to help the countries of the Eurozone escape from their underlying economic difficulties. This concern is sometimes linked to a familiar criticism of the whole basis of European monetary union, the criticism that the economies of the European Union are so diverse in their degree and type of development that any "one size fits all" policy within the Eurozone must inevitably produce sub-optimal results.

Coordination of economic policies

The crisis of the Eurozone provoked by high levels of indebtedness among its member states has reinforced an already widespread belief in the United Kingdom that the Eurozone was set up with inadequate structures of governance.[5] These structures have seemed able neither to prevent the burgeoning crisis, nor to react effectively to it once it had emerged. Nor does the Eurozone yet seem capable of developing an overall strategy to prevent the necessary reduction of governmental debt among its member states over the coming years from acting as an intolerable brake upon economic growth.

Against this analytical background, opinion is divided within the United Kingdom as to whether the Eurozone will be able to develop what is widely accepted in this country as a desirable goal, namely the better, specifically growth-related, coordination of economic policies. Some British commentators doubt the willingness of the Eurozone countries, particularly Germany, to engage in such coordination. Others believe that the real prospect of the destruction of the Eurozone, evoked by among others

* **Federal Trust for Education and Research.**

Merkel, will persuade European leaders to remedy the structural deficiencies of the Eurozone in such a way as to seek a better balance between economic reform, economic growth and sound government finances.

It is worth noting that neither the greater coordination of national economic policies within the Eurozone, nor its absence, will make it more likely that the United Kingdom should join the Eurozone. The absence of this coordination would provide an economic rationale for this country's remaining outside the Eurozone. Its presence would provide a political, sovereignty-protecting rationale for the same policy.

Europe 2020 Strategy

There has been no significant public or political discussion of the Europe 2020 Strategy in the United Kingdom. The Europe 2020 Strategy's predecessor, the Lisbon Agenda, is regarded in this country as having been at best only moderately successful in its ambitious goals. The crisis of the Eurozone will certainly provide ammunition to those critics arguing that the Europe 2020 Strategy is unlikely to improve on the modest achievements of the Lisbon Agenda.

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[1] Financial Times passim in 2010, particularly W. Munchau: The Eurozone must take responsibility or it will split, Financial Times, 9 May 2010; W. Munchau: To save the Eurozone, reform its governance, Financial Times, 16 May 2010; M Wolf: Eurozone plays "beggar may neighbour", Financial Times, 18 May 2010.
[2] Kaletsky: It's Lehman the sequel, with Merkel as Bush, The Times, 26 May 2010.
[3] Redwood: The Eurosceptic case for saving the Euro, The Times, 27 May 2010.
[4] J. M. Aznar: Europe must reset the clock on stability and growth, Financial Times, 17 May 2010.
[5] T. Barber: Europe: a tent to attend to, Financial Times, 16 June 2010.

Climate and energy policy

Austria

Climate and energy policy – Copenhagen and beyond

Hakan Akbulut*

Even before the conference in Copenhagen ended, NGOs such as GLOBAL 2000 warned that the negotiations might collapse, in part due to Austrian intransigence related to the accounting of forest emissions.[1] When the conference indeed ended without producing any tangible results, the very same organisation stated that the declaration by the leaders was not worth the paper it was written upon.[2] The representative of the Climate Alliance Austria referred to the minimal compromise reached as a "climate catastrophe".[3] He added that the only positive aspect to be mentioned was the commitment to provide 30 billion US-Dollars to developing countries in the period 2010-2012 and 100 billion US-Dollars a year by 2020 to cover mitigation and adaptation costs. Austrian Environment Minister Berlakovich openly acknowledged the failure of the conference. "Today is a black day for climate protection. What remains is only an invitation to continue", Berlakovich held.[4] Later on, Chancellor Faymann blamed the organisers, saying that a conference bringing together 190 heads of government to achieve a compromise within three days should have been better prepared.[5] The Greens also stated that the conference in Copenhagen did not produce any results and criticised both the government and the EU.[6] Johanna Ruzicka, writing for the daily Der Standard, even argued that the minimal outcome of Copenhagen had led to an "international paralysis on the issue of climate protection and to a perplexity as to how to solve the problem of global warming."[7] The Austrian Federal Economic Chamber also described the results of the conference as disappointing.[8] The EU strategy of trying to inspire other countries to commit themselves to emission reductions by adopting binding reduction goals prior to the conference had been flawed and had failed, the representative of the Chamber argued.

Overall, the EU unilaterally committing itself to more ambitious environmental goals, especially to greater levels of emission reduction, is opposed by the business circles. Before the conference in Copenhagen had started, the Federal Economic Chamber had demanded that all industrialised and threshold countries should adopt "reasonable" goals with regard to emission reduction.[9] The Chamber openly opposed the EU unilaterally raising the reduction goal to 30 percent during the conference unless other countries agreed to do so as well. It was argued that enterprises would otherwise flee the EU due to higher "CO_2 costs". The President of the Chamber, Christoph Leitl, added that unilateral commitments would not be helpful anyway, as the EU was responsible only for 13 percent of emissions worldwide.[10] Leitl also pointed out that Austria had been overambitious in Kyoto and thus committed itself to goals it could not realise in the end. Thus, the country was now paying about 1 billion Euros in penalties, as had been anticipated and warned against by the Chamber. The Federation of Austrian Industries (IV) is reportedly not in favour of more demanding emission regulations either.[11] As for the government, while the Environment Minister Berlakovich called, according to a report by the daily Der Standard, for a concrete, clear-cut EU position in order to be able to put pressure on countries such as the US, China, or Brazil,[12] neither the Ministry of the Environment, nor the Ministry of the Economy supported the idea put forward by the EU Commissioner Connie Hedegaard to raise emission reduction goals to 30 percent.[13] In contrast, for the Greens or NGOs such as Global 2000, the reduction goals of the EU are not ambitious enough. Both demand that the EU should commit itself to reducing emissions by 40 percent.[14]

As for the various positions on financing mitigation and adaptation efforts in developing countries, the Greens and Global 2000 are apparently strongly in favour of financial contributions by the industrialised world. The Greens demand that the industrial countries, as the main polluters, should provide the developing countries 110 billion Euros a year by 2020, while the latter should have reduced their emissions by 15-30 percent by that time. Global 2000, using the term "climate justice" and citing a study by the Stockholm Environment Institute, holds that the "EU's fair share of finances for the developing world amounts to 150 billion to 450 billion Euros per year by 2020."[15] The decision by the EU to provide 7.2 billion Euros in immediate aid to developing countries for mitigation and adaptation efforts was also welcomed by the Member of the European Parliament Karin Kadenbach from the Social Democratic Party of Austria.[16] However, she added that more money was required and that the European Parliament had asked the heads of state and government to provide at least 30 billion Euros in aid to the developing countries until 2020. The Social Democratic Party's support for

* Austrian Institute for International Affairs.

the amount offered was also confirmed by the Party's speaker for Development Cooperation, Petra Bayr.[17]

As for the question as to whether the UNFCCC is the best framework to reach a global agreement on climate protection, no relevant debate could be identified for the reporting period.

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[2] Global 2000: GLOBAL 2000 zu Kopenhagen: Verhandlungsdesaster statt notwendiger Klimaschutz!, 19 December 2009, available at: http://www.ots.at/presseaussendung/OTS_20091219_OTS0032/global-2000-zu-kopenhagen-verhandlungsdesaster-statt-notwendiger-klimaschutz (last access: 25 May 2010).
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[11] Der Standard, 26 May 2010.
[12] Lebensministerium: Berlakovich: Schritt für Schritt hin zu einem neuen Klimaschutzabkommen, 9 April 2010, available at: http://www.ots.at/presseaussendung/OTS_20100409_OTS0023/berlakovich-schritt-fuer-schritt-hin-zu-einem-neuen-klimaschutzabkommen (last access: 5 May 2010).
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[14] Die Grünen: Klimakonferenz Kopenhagen, available at: http://www.gruene.at/umwelt/klimakonferenz_kopenhagen/ (last access: 16 May 2010); Global 2000: Die 40 Prozent-Studie, 26 January 2010, available at: http://www.global2000.at/site/de/wissen/klima/40prozentstudie/article-40prozent.htm (last access: 22 May 2010).
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Belgium

European leadership needs to avoid disappointing results in the future

Nathalie Brack*

The climate conference in Copenhagen: a disappointment for all actors

All actors in Belgium were deeply disappointed by the results of the climate conference in Copenhagen. After so much work, high expectations and intense negotiations, both the climate organisations and the political parties hoped to have a binding agreement at the end of the conference.[1] The main Belgian climate movement claimed that the agreed text is weak and vague, without any commitment, due to the uncooperative attitude of China and the USA, but also to a lack of leadership from Europe.[2] For the main political parties in Belgium, the conference was a missed opportunity. They all declared to be deeply disappointed. The French-speaking Greens and the Christian-Democrats insisted on the importance of staying mobilised, whereas the Socialists stressed the lack of solidarity between the North and the South and between industrialised and developing countries.[3] For the Prime Minister, Yves Leterme, and the Minister for Climate and Energy Policy, Paul Magnette, these weak results are mainly due to the attitude of China, which did not want to negotiate or help finance anything. But the USA is also to blame: the Belgian Prime Minister declared being deceived by the US propositions to reduce their CO_2 emissions by only 4 percent by 2020. The strategy of the EU, on the other hand, was completely supported by Belgium. Indeed, the country fully agreed with the unilateral commitment of the EU to reduce its emissions by 20 percent by 2020 and supports the position that the EU cannot be the only actor to set such an ambitious target.[4]

A crucial leadership role for the EU in future negotiations within the UNFCCC

Although disappointed, all actors stressed the crucial role of the EU, both internally and at the international level. Indeed, they all argued that the EU should continue to be ambitious in its own targets, and that climate change should remain a top priority on the agenda for the coming years. The national climate movements would even like the EU to commit itself to decreasing its CO_2 emissions by 40 percent by 2020. But, at the political level, the actors claimed that the EU should keep its commitment of 20 percent and could eventually decrease its emissions by 30 percent, if other international actors also commit themselves to more efforts in terms of climate policy.[5]

At the international level, Belgian actors and, more specifically, the Open Flemish Liberals and Democrats (Open Vld) declared that the EU should play a leading role, give a new impulse to the international negotiations and make sure a binding agreement is reached during the next climate conference at the end of 2010. Belgian actors are confident that a global agreement with the Framework Convention on Climate Change (UNFCCC) is the best strategy to fight climate change, but some complementary measures could also be taken. The Belgian Minister for Climate and Energy Policy declared, in that respect, that the EU should maybe consider levying CO_2 taxes on countries that are not willing to cooperate in fighting climate change.[6]

[1] La Libre Belgique, 14 December 2009, available at: www.lalibre.be (last access: 9 May 2010); De Standaard, 16 December 2009, available at: www.standaard.be (last access: 6 May 2010).
[2] La Libre Belgique, 19 December 2009, available at: www.lalibre.be (last access: 9 May 2010); De Morgen, 19 December 2009, available at: www.demorgen.be (last access: 8 May 2010).
[3] Le Soir, 19 December 2009, available at: www.lesoir.be (last access: 8 May 2010); La Libre Belgique, 19 December 2009, available at: www.lalibre.be (last access: 9 May 2010); Ecolo press release, 19 December 2009; cdH (centre démocrate humaniste, i.e. French Speaking Christian Democrats), press release, 19 December 2009.
[4] La Libre Belgique, 16 December 2009, available at: www.lalibre.be (last access: 9 May 2010); Le Soir, 10 December 2009, available at: www.lesoir.be (last access: 8 May 2010); De Standaard, 10 December 2009, available at: www.standaard.be (last access: 6 May 2010).
[5] Le Soir, 18 December 2009, available at: www.lesoir.be (last access: 8 May 2010).
[6] De Morgen, 19 December 2009, available at: www.demorgen.be (last access: 8 May 2010).

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Bulgaria

Hardly anyone interested in climate policy

Katia Hristova*

Bulgaria entered the Copenhagen conference negotiations with the firm position of Prime Minister Boyko Borisov that the country is not ready to back up the EU's efforts to bring about positive results with financial allocations.[1] In a post-communist society where strong environmental concerns are still to take hold, the "deal" that Bulgaria will provide only 40 thousand Euros did not provoke intense public debate as to the lack of a pro-active state policy on the issue of climate change. Only a few independent journalists have blamed the government for this "factual denial of participation".[2]

Bulgarian civil society, experts, policy and public opinion makers have failed so far to articulate any kind of ideas on the strategy the EU should follow to fight climate change. No environmental NGO has initiated any substantial discussion on the efforts EU member states should make in order to give a new impulse to the international negotiations.

[1] Available at: http://www.dnevnik.bg/evropa/novini_ot_es/2009/12/10/828979_borisov_izrazi_pesimizum_za_klimatichnite_pregovori_v/ (last access: 30 July 2010).
[2] Boyadjiev, Yasen: Baj Ganyo and the climate change.

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Croatia

Limited attention by politicians, strong positions of NGOs

Ana-Maria Boromisa*

Before the Copenhagen conference, the government, civil society organisations and the media expected that it would be possible to make a binding agreement.[1] Luka Bebić, the speaker of the Croatian parliament, expressed expectations that long-term obligations for emission reductions for the period 2020 with a view to 2050 would be finalised at the Copenhagen conference, as well as the implementation and financing of rules.[2] The media announced the conference as challenging, and expectations were rather large.[3]

The presidential campaign in Croatia took place during the Copenhagen conference; however, climate issues and energy policy were not debated much. Most of the candidates barely (or not at all) mentioned climate change in their programmes,[4] or were unaware of the issues debated in Copenhagen.[5] Ivo Josipović is one of the rare candidates who did talk about climate change in his campaign and stressed that he sees a stronger role for civil organisations and associations on advocating these issues.[6]

The government's position is rather ambiguous: The formal negotiating position (and national pledge) is a 5 percent temporary reduction target for 2013-2020. It derives from the EU's negotiating strategy, but it is officially stated that following accession to the EU, Croatia will replace its individual interim target and share the EU commitment for 2020. Croatia also supports the European Union's position regarding organisation and method of work in 2010 in order to facilitate negotiations among parties.

The NGOs, on the other hand, requested that Croatia accept a 25 percent reduction target[7] and evaluated the results of the Copenhagen conference as a failure. This was also the prevailing conclusion of the media reports on the Copenhagen Accord.[8]

Europe will certainly not solve the climate problem on its own, but it can help to deliver abatement technologies and to prove that fighting climate change can be reconciled with economic growth – provided a long-term framework is established that is in line with other goals such as security of supply and affordable energy. This was concluded at the 18th Forum of the Croatian Energy Society.[9] The Forum was focused on analysis and views on energy sector development. The views expressed there had significant impact on policy makers and politicians: in his speech at the Ukrainian National University of Natural and Ecological Sciences,[10] Luka Bebić, speaker of the Croatian parliament, was evidently inspired by the conference conclusions. It is considered that the European energy sector can deliver valuable input to the discussion about the coming climate goals and how to achieve them by addressing the importance of new climate-friendly technologies. The climate change goals should be reflected in investment decisions.[11]

The Copenhagen conference revealed the weaknesses of the UN system. As the negotiations in Copenhagen showed, major progress was achieved outside the UN process. In this context, the media reported that the UN had lost its influence in the field of climate change and opened discussions on examining alternative forums, such as the G20.[12]

Possibilities of reaching an efficient way to combat climate change was the key topic of the roundtable "What after Copenhagen?" organised by Vecernji list. It revealed a wide spectrum of ideas, ranging from the need for a global centralised governing structure and strengthening of global market rules for the energy sector through the World Trade Organization (WTO), to national or regional solutions, including a serious turn to renewable energy sources. It was concluded that the best option consists of combining local measures with a global agreement.[13]

Croatia's official positions lack a long-term strategic view on the issue and they mainly comply with the EU requirements based on the principle of conditionality.[14] In its submission to the United Nations Framework Convention on Climate Change (UNFCCC), Croatia stated that upon its accession to the European Union, its target shall be replaced by an arrangement in line with and part of the European Union mitigation effort.[15] The economic costs of achieving a 30 percent cut in emissions by 2020

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(equivalent to 16.9 million tons of CO_2 in 2020) from the baseline of 36 million tons per year are estimated to be 115-536 million Euros (e.g., 0.31-1.43 percent of Gross Domestic Product).[16] The estimate shows that major reductions are possible with relatively moderate economic costs. However, political, institutional, technical and other considerations have to be resolved to reach these reduction levels. Croatia's official target, 33.2 million tons, indicates the difficulties in investing in domestic measures. Thus, it is not likely that Croatia would provide relevant input to financing mitigation and adaptation.

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[1] E.g. Ivan Gregov (journalist): Two weeks that can change a world, Zamirzine weekly, 3 December 2009.
[2] L. Bebić: Speech, Ukrainian National University of Natural and Ecological sciences, 30 November 2009, available at: http://www.sabor.hr/Default.aspx?art=31415 (last access: 17 May 2010).
[3] E.g., Banka magazine, Večernji list, 7 December 2009, available at: http://www.bankamagazine.hr/default.aspx?TabId=104&View=Details&ItemID=5599 (last access: 17 May 2010).
[4] E.g., presidential programmes of the candidates of the major political parties, such as HDZ (of Andrija Hebrang, candidate of the HDZ), available at: http://andrijahebrang.info/default.aspx?id=12 (last access: 17 May 2010), even the programme of Vesna Pusić, HNS, has not mentioned climate change.
[5] E.g. Milan Bandić, who got into the second round of elections, RTL, Presidential Forum, Debate, 19 December 2009.
[6] Jospović, interview with civil society organisations, cited according to Omer Rak: Dossier. I like green, 19 December 2009, available at: http://www.boell.hr/web/index-263.html (last access: 17 May 2010).
[7] Green Action, available at: www.zelena-akcija.hr/ (last access: 17 May 2010).
[8] E.g., Deutsche Welle: There is a will, but no results, 18 December 2009, available at: http://www.dw-world.de/dw/article/0,,5035356,00.html (last access: 17 May 2010).
[9] HED: Zagreb, 2009, available at: http://www.hed.hr/pdf/18_HED_%20Zbornik%20sazetaka.pdf (last access: 17 May 2010).
[10] Luka Bebić: Speech, Ukrainian National University of Natural and Ecological sciences, 30 November 2009, available at: http://www.sabor.hr/Default.aspx?art=31415 (last access: 17 May 2010).
[11] Stefan Urlich: World Energy Council, at 18 Forum: Energy Day in Croatia, Zagreb, December 2009.
[12] HINA, Croatian News Agency, 20 December 2009.
[13] Roundtable "What after Copenhagen", organised by Večernji list, Zagreb, 23 April 2010.
[14] V. Horvat, at conference "What Climate has to do with it", Zagreb, 22 April 2010.
[15] Ministry for environmental protection: physical planning and construction, press release, 10 December 2009, quoted according to Alert, independent environmental magazine, available at: http://www.alertonline.org/magazine/full.php?subaction=showfull&id=1260648323&archive=&start_from=&ucat=2& (last access: 17 May 2010); Croatia's quantified target submitted to the UNFCCC, available at: http://unfccc.int/files/meetings/application/pdf/croatiacphaccord_app1.pdf (last access: 17 May 2010).
[16] Seth Landau: Climate for Change, 2008, p. 199.

Cyprus

Fighting climate change crucial for Cyprus

Nicoleta Athanasiadou, Costas Melakopides and Christos Xenophontos*

In the December 2009 European Council that preceded the climate conference in Copenhagen, President Christofias and the majority of Cypriot political classes welcomed the EU leaders' decision to assist developing countries financially to meet their emission targets.[1] Cyprus' contribution to the EU fund is about 600,000 Euros per year, a prospect that was overall welcomed by both political parties and civil society. However, they all insisted simultaneously on the issue's global aspects, underlining that, besides the EU, other developed countries, and primarily the USA and Japan, should also contribute to the global efforts for protecting the environment.[2]

That is why the Copenhagen Accord reached between the USA, China, India, Brazil and South Africa was received with great disappointment among Cypriot decision makers.[3] In Nicosia, political party representatives expressed their frustration at the lack of decisiveness by the larger actors involved to achieve a legally binding agreement. In various statements, members of the Cypriot parliament told reporters that the UN-led Copenhagen climate summit was "a disaster" and a "great failure": whereas the EU attended the summit in hopes of reaching an agreement for the reduction of CO_2 levels within the next ten years, this and other targets were not included in the agreement that was merely "recognised" by the 193 nations attending the summit.[4] Cypriot political figures and ecologists also criticised the absence of any penalties from the deal for countries that fail to meet their promises.

Turning to the EU's energy and climate policy, high praise was being uttered, especially regarding the Union's targets and its initiatives towards assisting developing countries to meet their emission goals. Officials at the Ministry of Agriculture, Natural Resources and the Environment conveyed to us that Brussels' role as a leader in the fight against climate change should be reaffirmed with stronger representations towards other developed countries and additional pressure for legally binding agreements which should be implemented worldwide.[5]

Officials accentuated the need for a global agreement, ideally initiated by the EU, which could assume a leading role internationally in action against climate change.[6] Unfortunately, they commented, one country or region cannot deal with environmental destruction by itself. Manifestly, collective measures and global initiatives are essential. The current global financial crisis causes further damage to the environment due to the intensive exploitation of resources. On the other hand, it is evident that energy security and investment in renewable energy sources will lead to lower economic and environmental costs and to a developmental boost for all nations. According to our KIMEDE colleagues, here is a glorious opportunity for the EU to further strengthen its global "normative" status and role.

As President Christofias remarked, any initiatives that address climate change "will take humanity out of intensive care".[7] Cyprus, a country affected by climate change, is willing to contribute to the EU targets to the best of its abilities. Already, the Cypriot government looks into additional renewable energy sources, utilising wave, river and hydroelectric power from small water dams, as well as exploiting solar and wind energy. The director of energy services at the Ministry of Commerce, Solon Kassinis, proudly revealed that Cyprus will reach 8 percent of energy production from renewable energy sources in 2010, while the target set by the EU is 13 percent by 2020.[8]

In addition, as Cypriot Minister of Interior, Neoklis Silikiotis, pointed out, it is crucial that Cyprus invests in innovative, eco-friendly research that will lead to sustainable development.[9] A fine example is a sophisticated research method aimed at producing desalinated water and "co-generating" electricity using solar power, a project currently planned by the appropriate authorities. Scientists taking part in this EU co-funded project, which also involves the Cyprus Institute, the Cyprus Electricity Authority and American universities, will test the evidence of lab results with the goal of securing the 20-year viability of this new method. The experiment will take three years to complete and could prove salutary for the entire Mediterranean region. Described as one of the most innovative renewable energy projects in Europe, it will reportedly put Cyprus firmly on the international map of research and innovation.

* Cyprus Institute of Mediterranean, European and International Studies.

[1] Press Reports, December 2009.
[2] Ibid.
[3] Ibid.
[4] Ibid.
[5] Interviews conducted by Nicoleta Athanasiadou, Ministry of Agriculture, Natural Resources and the Environment, Nicosia, early June 2010.
[6] Ibid.
[7] Statements by President Demetris Christofias, Larnaca, 17/12/2009 (as reported by the Cyprus News Agency).
[8] Statements by Dr Solon Kassinis, Nicosia, as reported by CyBC TV main evening news, 7/03/2010.
[9] Statements by the Minister of Interior, Neoklis Silikiotis, Nicosia, 23/06/2010 (as reported by all Cypriot Media).

Czech Republic

The Czech Republic – an inward-looking critic

Vít Beneš*

The Czech media presented the Copenhagen conference as a failure.[1] Most Czech political parties formally support the EU's plans for emissions reductions,[2] but only a few politicians genuinely regretted the conference's failure. Czech Environment Minister Jan Dusik (nominated by the Green Party) made it clear that he expected more from the UN Copenhagen climate conference.[3] The Civic Democratic Party (ODS) expressed its willingness to "respect the EU commitment to fight climate change".[4] The Czech Social Democratic Party (ČSSD) endorses the climate policy and presented its plans to reduce CO_2 emissions in the Czech Republic by, among others, further exploitation of nuclear energy.[5] Czech President Václav Klaus retained his position as a global warming sceptic and continued his criticism of climate policy. In an interview with the news server FoxNews.com, he described global warming as a "new religion" rather than a science.[6] According to President Klaus, the radical measures suggested in Copenhagen are unnecessary.

The "green issues" have been salient during the 2010 election campaign. Since 2006, when the Greens made it into parliament, all parties paid more attention to environmental issues in their programmes and campaigns. Nevertheless, the media and political parties focus primarily on domestic issues (breaking Czech coal mining limits, nuclear vs. renewable energy, protection of nature on a national level). Even though Czech citizens agree that climate change represents a serious problem, they are much more sensitive to the problem of the economic crisis and downturn.[7] There is hardly any public pressure on Czech politicians regarding the fight against global warming and climate change. Czech political elites often perceive climate change as someone else's problem: they perceive the EU's climate policy as imported, as someone else's policy. With the exception of the Green Party (which failed to get into parliament in the May 2010 general elections), key political actors express little genuine interest in the policy. They either respect and accept the EU's climate policy for strategic reasons or openly oppose the policy. There is little genuine interest in climate policy and, consequently, no alternative strategies to fighting climate change are being thought through.

The climate policy is much less salient than, for example, the issues of the EU's energy security or the global economic downturn.[8] Czech elites embraced the topic of energy security; they treat it as a unique contribution of the Czech Republic to Europe. The EU's external energy security continues to attract the attention of politicians, state officials, commentators and academics. But it should be noted that energy security is understood as a problem in and of itself, and it is being discussed separately from the climate change issue. Czech political elites and experts expect the European Union to change its own energy policy for economic, strategic and geopolitical reasons. The energy security has been discussed with regard to national, rather than global, problems.[9] In a bid to tackle the Czech Republic's energy security, the environmental organisations proposed a lowering of the energy intensity of the domestic economy. But they appear to be outnumbered by experts and politicians who favour a boost in domestic energy production, mainly through nuclear power plants.[10]

The issue of financing mitigation and adaptation efforts in developing countries had been on the agenda of the Czech EU Presidency during the first half of 2009. The then Minister of the Environment Martin Bursík took the issue of supporting developing countries and helping them adapt to climate change and develop green technologies seriously.[11] Nevertheless, the issue has failed to attract wider attention from the public, the media and politicians.

[1] iDNES.cz: Kodaňská konference OSN byla katastrofou, uznala EU [The EU admitted that the Copenhagen conference was a catastrophe], 22 December 2009, available at: http://zpravy.idnes.cz/kodanska-konference-osn-byla-katastrofou-uznala-eu-fxi-/zahranicni.asp?c=A091222_212439_zahranicni_ban (last access: 29 June 2010); Czech Radio: Hopes of new climate pact dashed in Copenhagen, 18 December 2009, available at: http://www.radio.cz/en/article/123328 (last access: 29 June 2010).
[2] Euractiv.cz: České politické strany vesměs podporují plány EU na snižování emisí [Czech political parties mostly support EU plans for emissions reductions], 17 December 2009, available at: http://www.euractiv.cz/cr-v-evropske-unii/clanek/ceske-politicke-strany-vesmes-podporuji-plany-eu-na-snizovani-emisi-006867 (last access: 29 June 2010).
[3] Czech News Agency: Czechs expected more from Copenhagen conference – minister, 19 December 2009, available at: http://www.ceskenoviny.cz/tema/zpravy/ods-to-respect-eu-commitment-to-fight-climate-change-leader/411342&id_seznam=2106?id=412861 (last access: 29 June 2010).

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[4] Czech News Agency: ODS to respect EU commitment to fight climate change – leader, 9 December 2009, available at: http://www.ceskenoviny.cz/tema/zpravy/ods-to-respect-eu-commitment-to-fight-climate-change-leader/411342 (last access: 29 June 2010).
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[6] FOXNews.com: Czech President Klaus: Global Warming Not Science, but a "New Religion", 18 December 2009, available at: http://www.foxnews.com/scitech/2009/12/18/czech-president-klaus-global-warming-science-new-religion/ (last access: 29 June 2010).
[7] European Commission: Eurobarometer 72.1. Results for the Czech Republic, October 2009, available at: http://ec.europa.eu/public_opinion/archives/ebs/ebs_322_fact_cz_en.pdf (last access: 29 June 2010).
[8] Ibid.
[9] Czech Chamber of Commerce: Prohlášení účastníků konference „Energetická bezpečnost EU a životní prostředí" konané dne 17. února 2010 v Mostě [The declaration of the participants of the conference "EU energy security and the environment" held on 17 February 2010 in Most], 17 January 2010, available at: http://www.komora.cz/regionalni-a-oborove-informace/regionalni-informace-1/informace-z-regionalnich-slozek/prohlaseni-ucastniku-konference-energeticka-bezpecnost-eu-a-zivotni-prostredi-konane-dne-17-unora-2010-v-moste.aspx (last access: 29 June 2010); see also Prague Security Studies Institute: Jak posílit energetickou bezpečnost ČR? [How to strengthen Czech energy security?], 15 December 2009, available at: http://www.pssi.cz/files/News/publikace/jak-posilit-energetickou-bezpecnost-cr.pdf (last access: 29 June 2010).
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[11] EuropeanVoice.com: The Czechs' green agenda, 23 January 2009, available at: http://www.europeanvoice.com/article/2009/01/the-czechs-green-agenda/63729.aspx (last access: 29 June 2010).

Denmark

Satisfied with its performance as conference host

Katrine Prytz Larsen*

The Danish government was satisfied with its performance during the December 2009 Copenhagen conference; however, the negotiation strategy of the EU was conceived as somewhat imperfect. The Danish EU-Commissioner for Climate Action, Connie Hedegaard, pointed to the lack of leadership on the part of the EU as one of the main reasons for the failure in Copenhagen. She thus suggested that the EU would have had to step up offers to bring funds to developing countries at an earlier stage during the conference.[1]

On the part of the opposition, the Copenhagen conference was generally considered a failure since no binding agreement was reached. The People's Movement Against the EU said the EU treated the developing countries in an arrogant way during the negotiations.[2]

The Danish EU-Commissioner for Climate Action, Connie Hedegaard, and Member of European Parliament (MEP) Jens Rohde both argued in favour of raising the 20 percent reduction goal to 30 percent due to the potential economic effects it might entail.[3] The government generally supported the idea of the EU taking the global lead on climate change and there was a broad consensus on raising the reduction goal. Former commissioner and Director-General for Environment, Jørgen Henningsen, said that the EU's 20 percent reduction goal is too small to foster climate friendly technology advances.[4] Rina Ronja Kari, spokesperson for the People's Movement Against the EU, commented that Denmark's membership of the EU forced Denmark to work for an unambitious climate deal at the 2009 Copenhagen conference. While the EU will cut 20-30 percent, some experts have pushed for cuts of up to 40 percent.[5] Greenpeace voiced their regret that the EU did not decide on a 30 percent emissions reduction instead of 20 percent. Jan Søndergård of Greenpeace thus commented that the EU's 20 percent goal had already proven to be unsuccessful.[6]

Europe's future potential

On the more positive side, MEP Dan Jørgensen commented that there is still a chance for the EU to become a leading global power on climate change.[7] However, this would require a greater will on the part of the EU, more ambitious reduction goals and the ability to speak with one voice.[8] Both Commissioner Connie Hedegaard and ECON Pöyry's director, Jørgen Abildgaard, supported Jørgensen's argument and said that the EU must show itself as a motivating force on global climate change.[9] Mandag Morgen, a think tank, similarly commented that the EU could have great possibilities of setting the agenda on climate policy in the years to come.[10]

In general, the debate seldom concerned the United Nations Framework Convention on Climate Change (UNFCCC) and its role in negotiating a global climate change agreement. The general opinion was that Denmark, as a small country, needs to participate in international development cooperation both within the EU and the United Nations.[11] The Minister for Climate and Energy, Lykke Friis, thus stated that it was still the government's goal to work to reach a binding agreement within the organisation of the United Nations.[12]

Financing mitigation and adaptation efforts in developing countries

The government expressed satisfaction with Denmark's effort on development aid. MEP Dan Jørgensen commented that it is unrealistic to believe that Denmark's development aid in itself will cover the costs of climate change adaptation in developing countries. He called for more money as well as new market based initiatives, such as a quota trade charge used for investments in adaptation in developing countries.[13] It is a bad sign that the EU is going to reuse the development aid to fund climate change adaptation in developing countries.[14]
Uffe Torm of Danish Mission Council Development Department, an umbrella organisation for Danish churches, also pointed to the growing need for humanitarian aid as a consequence of climate change and the global food crisis. He therefore found it very positive that the development consequences of climate change were mentioned in the draft for a new Danish development policy. However, he

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criticised the fact that the Danish government in spite of its previous promises had not approved any extra funding to cover the increased costs facing the developing countries.[15] Troels Dam Christensen, coordinator of the 92 Group, an umbrella NGO group, further commented that there is a strong presumption that the rich countries and Denmark are going to reuse the development aid to fund climate change adaptation in developing countries and that this was a very disappointing thing.[16] Greenpeace added that it was unclear whether the EU's climate aid for developing countries through 2012 would be financed by new EU funds or by the EU countries' development aid until now.[17] This statement was supported by the People's Movement Against the EU, who commented that the developed countries as a group should set aside a new sum of money for the sole purpose of helping the developing world adapt to climate change.[18]

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[1] ZealandDenmark: Høring sluttede med klapsalver, 15 January 2010.
[2] Arbejderen: Efter Hopenhagen, 23 December 2009.
[3] LandbrugsAvisen: EU-Parlamentet vil have højere klimamål, 11 February 2010.
[4] Information: CO2-reduktion: EU's mål for klimaet er allerede klaret af krise og CO2-kreditter, 18 March 2010.
[5] Lolland-Falsters Folketidende: EU svigter ulandene, 22 December 2009.
[6] Arbejderen: EU undergraver FN, 30 March 2010.
[7] Frederiksborg Amts Avis: EU vil højne klimamål, 11 February 2010.
[8] Fyens Stifttidende: Den allersidste chance, 7 February 2010.
[9] Information: CO2-reduktion: EU's mål for klimaet er allerede klaret af krise og CO2-kreditter, 18 March 2010.
[10] Mandag Morgen: Europas klimachance, 19 February 2010; ZealandDenmark: Høring sluttede med klapsalver, 15 January 2010.
[11] Ulandsnyt: Klimakonferencen II, 23 January 2010.
[12] Information: Efterspil: Løkke afviser kritik af COP15-forløb, 27 January 2010.
[13] Politiken: Hvis klimamødet skal blive en succes…, 4 December 2009; Fyens Stiftstidende: Den allersidste chance, 7 February 2010.
[14] Nordjyske Stiftstidende: Ulande snydes for et stort klimabeløb, 22 March 2010.
[15] Politiken: Fattigdom, frihed og forandring, 14 April 2010.
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Estonia

A binding agreement is needed; the Commission should be the driving force

Piret Ehin*

On the issue of climate change, the Estonian government supports "an ambitious and binding global agreement" on cutting greenhouse gas emissions that includes all major polluters, and believes that, in this respect, "the role of the European Commission as a driving force is irreplaceable."[1] According to the government, Estonia is prepared to contribute to both reducing greenhouse gases and financing the future agreement. In light of these goals, the results of the Copenhagen conference were disappointing. According to Prime Minister Andrus Ansip, the EU "did what it could" and has set a good example for the other partners both in terms of reducing emissions and commiting finances. European partners should continue work towards a legally binding global agreement.[2] According to the Estonian government position paper for the European Council meeting of 25-26 March 2010, Estonia continues to support the EU's plan to reduce emissions by 30 percent compared to 1990 levels in case other developed countries commit to comparable reductions and developing countries "contribute each according to their obligations and ability."[3] In the post-Copenhagen situation, the Estonian government believes that it is better to refrain from introducing new numerical targets. Instead, the EU should focus on explaining its position and communicating with all partners. Again, the European Commission should play a central role in these efforts.[4]

However, there appears to be a gap between the Estonian government's rhetoric and real commitment to fighting climate change. Like many other post-communist countries, Estonia could easily meet Kyoto targets due to the collapse of Soviet-era heavy industry, and the changed structure of the economy enabled it to profit from selling emission quotas. Despite formally meeting the Kyoto targets, the Estonian economy is still very carbon-intensive and Estonia is among the biggest per capita polluters in Europe.[5] In its recent report, the State Audit Office of Estonia found that the Estonian government has not set clear objectives in fighting climate change, lacks a solid action plan for coordinating the reduction of greenhouse gas emissions, does not know how effective the emission reduction measures used so far have been, is not able to predict emission volumes in the future, and has not used the emissions trading system to provide incentives for enterprises to reduce pollution.[6]

While various environmentalist groups keep pushing for better policies, the general public does not appear to take the topic too seriously. Public discourse in Estonia focuses on the question of whether global warming really exists and whether it is due to human activity. Many people, including prominent politicians and opinion leaders, regard global warming either as a "matter of faith," a "political game," or a "profitable business." Indeed, an opinion frequently encountered in the media is that Estonia would only benefit from warmer weather and improved conditions for agriculture and tourism.

The government argues that European countries, including Estonia, need to help developing countries cope with climate change – not least because of the various ways (immigration, violence, and terrorism) in which difficulties in developing countries affect Europe and Estonia. The government has not advanced clear visions on who should bear the costs of fighting climate change in developing countries, and seems content to leave this question for bigger powers to decide. Its own efforts focus on providing assistance to nations that have suffered in natural disasters (e.g., Haiti). Estonia continues to observe principles of sustainable development in its aid programmes targeting developing nations.

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[2] Kristin Aasma: Kopenhaageni kliimakonverents: keskmise temperatuuri tõus jäägu alla 2 kraadi, Õhtuleht, 20.12.2009.
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Finland

Between ethical considerations and political interests

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The debate in Finland on climate and energy policy drifted between economic interests and a wider sense of responsibility. On the one hand, the Copenhagen conference was viewed from an ethical perspective, maintaining that we have a shared responsibility for our planet, and, as such, we would need to take all necessary actions to ensure that a binding global agreement was reached. As one commentator put it: "Without the sacrifices of our predecessors, Finland would not exist. It remains to be seen what our great grandchildren will say about us."[1] On the other hand, political concerns were raised over Finland's monetary contributions towards climate change prevention schemes and both Finland's and the EU's political interests in the negotiations. In a parliamentary meeting prior to the conference, True Finns Member of Parliament (MP) Pirkko Ruohonen-Lerner pointed out: "Although we negotiate as part of the EU delegation, we must ensure that Finland's delegation has national interest as its core priority."[2]

The Social Democrats highlighted that those lower on the income ladder in Finland should contribute less than high earners. Environment Minister Lehtomäki responded with an ethical approach: "I am a little saddened that Finland's climate bill is facing criticism of this magnitude. What is essential here is whether our generation pays the bill or whether we pass it on to our children and grandchildren with huge interest." Then Prime Minister Vanhanen further pointed out that domestic burden sharing was not among the main concerns in preparation for Copenhagen. National Coalition MP Sanna Perkiö stated that, rather than focusing on monetary issues, Finland should calculate how much the country could benefit from a climate agreement. Such optimism was shared among many other MPs – including government ministers – with Centre Party MP Kimmo Tiilikainen offering the most far reaching figure of 100,000 new jobs in Finland with the "green revolution". The Left Alliance, spearheaded by MP Paavo Arhinmäki, demanded a minimum of 40 percent carbon cuts for developed countries.

Finland was among the first EU member states to promise funds to help developing countries cope with their climate burden, but the fact that part of that money came from Finland's development budget caused some criticism in the media.[3] Also, the EU's means of reaching its bio fuel targets by 2020 were criticised for pushing millions of people towards starvation in the developing world. As Finland's leading newspaper Helsingin Sanomat put it in its main editorial: "The road to hell is paved with good intentions."[4] When it came to the results of the Copenhagen conference and the EU's climate change and energy policies, different views were present in the Finnish public debate. National Coalition Member of the European Parliament (MEP) Sirpa Pietikäinen asserted that, in Copenhagen, it was the process rather than the outcome that was the most important thing: "The Copenhagen conference is a milestone in a series of several national and international actions."[5] Another National Coalition MEP Eija-Riitta Korhola highly criticised the EU's climate policy, arguing that it was bureaucratic and inefficient.[6] In his often critical newspaper column, Finland's previous Prime Minister Paavo Lipponen stated that the EU should refrain from praising its self-perceived moral superiority in global climate politics and focus on reaching a global climate strategy with other significant actors, including the USA, China, India and Brazil.[7] Finally, Foreign Minister Stubb voiced his disappointment over the Copenhagen conference, arguing that it resulted from certain weaknesses in the UN system and the lack of strategic cooperation between world powers. He remained nevertheless optimistic and pointed out that environmental protection, besides being a moral and ethical responsibility, is also a business opportunity that both Finns and Europeans should exploit. What is now needed, he argued, is strong EU leadership, an EU-wide carbon tax and a 30 percent carbon reduction target.[8]

Following a government decision to allow the construction of two more nuclear power stations in Finland, the post-Copenhagen debate transformed into an argument over nuclear energy. Again, the main bifurcation in the debate was between ethical considerations and political and economic interests. According to a Eurobarometer survey conducted in autumn 2009, a majority (67 percent) of Finns believed that nuclear energy is a way of tackling climate change. There were still prominent voices – mainly from the Green Party – calling for reductions in nuclear energy production. For example, Green MEP Satu Hassi stated that "it is in the interest of Finland to wake up from its nuclear

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hypnosis and join the green revolution."[9] The Centre Party newspaper Suomenmaa attacked Helsingin Sanomat for being a "servant of the nuclear business" and disregarding the importance of EU cooperation.[10] Suomenmaa did however acknowledge that the EU target for Finland – 38 percent renewable energy by 2020 – was a challenging one, a sentiment shared by many commentators, including another provincial newspaper Kaleva: "The target that the EU has set for Finland is tough, but there are no other options".[11] Indeed, the mood in some circles was that nearly impossible targets had been imposed on Finland from outside, but this reaction was immediately challenged from an ecological point of view: It seems that "for Finland industry is more important than climate."[12] The critical article discussed Finland's hesitation to pledge to make 30 percent carbon cuts, suggesting that it will negatively affect Finland's image as a green and progressive EU member state.

Finally, with its rich natural resources, Finland was envisaged as the future leader in green politics. For example, Centre Party MP Kyösti Karjula suggested: "Finland could become the forerunner in business-led sustainable bio economy. That requires bold political choices and visionary decisions."[13] The EU was criticised for its "green protectionism" that prevents bio fuel industry from growing more rapidly.[14] Turun Sanomat wished that Finland had received more appreciation for its role as a major producer of bio energy, but concluded that ultimately what matters is that we all work together towards the common good.[15]

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[3] Helsingin Sanomat: EU:n kolehti: vanhaa, uutta ja lainattua, 12 December 2009.
[4] Helsingin Sanomat: Tie helvettiin on kivetty hyvillä aikomuksilla, 28 February 2010.
[5] Nykypäivä: Pietikäinen: Kööpenhaminan tulos ei ratkaise kaikkea, 18 December 2009.
[6] Nykypäivä: Korhola: EU:n uusittava ilmastopolitiikkaansa, 12 February 2010.
[7] Turun Sanomat: EU:n kohtalon hetket ovat käsillä, 5 March 2010.
[8] Kaleva: Ilmastopolitiikka ei pysähtynyt Kööpenhaminaan, 5 May 2010.
[9] Helsingin Sanomat: Tuulivoima ajaa ydinvoiman ohi, 13 March 2010.
[10] Suomenmaa: Pekkarisen ministeriön arvioihin pitää voida luottaa, 21 April 2010.
[11] Kaleva: Pakosta nieltävä energiatavoite, 16 April 2010.
[12] Helsingin Sanomat: Suomelle teollisuus on ilmastolupauksia tärkeämpi, 16 March 2010.
[13] Suomenmaa: Suomi EU:n biopolitiikan edelläkävijäksi, 16 March 2010.
[14] Helsingin Sanomat: EU:n tukipolitiikka vaarantaa biopolttoaineiden käytön kasvun, 28 March 2010.
[15] Turun Sanomat: Bioenergialla suuret lupaukset, 30 March 2010.

France

Climate and energy policy: Europe must keep a leading role

Aurélien Evrard*

Copenhagen not "infinitely better" than Kyoto

In France, the climate conference in Copenhagen was mostly considered a disappointment, even a failure. Environmental protection has become a particular consensual topic, not only for politicians, but also in the media. Thus, the flop of the conference contrasts with the intensity and the dramaturgy of its media coverage. Nicolas Sarkozy tried to minimise this failure, even assuming that this agreement was infinitely better than the Kyoto Protocol.[1] He was rapidly contradicted by Laurence Tubiana, climate expert and member of the French delegation in Copenhagen: "I would not say that it is better than Kyoto […] Kyoto was exemplary and we still are not at its level, not at all."[2] As a matter of fact, and according to Michel Colombier, energy expert from the Institute for Sustainable Development and International Relations (IDDRI), "one must be very optimistic in order to find in Copenhagen's commitments any reason to be satisfied."[3] Pious intentions and general goodwill did not lead to a definite binding agreement, regrets French centre-left newspaper Le Monde.[4] This is not only disappointing regarding its contents, but also uncertain on a procedural perspective.[5] Pierre Radanne, energy expert and former president of the French Agency for the Environment and Energy Management (ADEME), invites more optimism: "As with any historical event", he assumes, "the conference in Copenhagen cannot be assessed after the first episode. We must wait the rest of the saga."[6]

Europe's strategy regarding these negotiations has also been criticised. According to Le Monde, "Europe put forward some ambitious targets which it was unable to gain consensus on."[7] Even more critical, Hervé Kempf, a French journalist specialised in environmental issues, assumes that Europe abdicated its responsibilities in Copenhagen.[8] "Although we have the most congruous environmental policy", he says, "the EU quit the field of the battle, leaving it in the hands of China and the United States." He also criticises the fact that EU member states systematically decried the work done by the United Nations. Jean Quatremer, his colleague from Libération and recognised for his competence on European matters, is more balanced regarding EU's attitude. According to him, the EU could not have done more than it did for environmentalism: it is the only political entity that has set ambitious and binding targets to tackle climate issue. Emmanuel Guérin (IDDRI) adds the fact that only the EU (along with Japan and Norway) accepted to negotiate its emissions reduction target (between 20 and 30 percent).[9] However, this display of virtue was not enough to ensure a satisfactory outcome to the meeting. The problem, concludes Quatremer, is that the EU lacked any means of imposing its agenda on three quarters of the planet: "We had no option but to step down".[10]

Europe must remain a climate forerunner

Europe's responsibility lies in its negotiation strategy. According to Michel Colombier, researcher at IDDRI, this strategy – gaining more ambitious targets from developing countries by proposing to increase its own target and extend the carbon market – had a major weakness: it implied an international scrutiny on the nature and implementation of developing countries' policies, thus challenging the sovereignty they were trying to preserve. However, as repeated by many French observers, though lacking influence during these negotiations, Europe remains the forerunner regarding climate policies. According to the Green Member of Parliament (MP) and economist Pascal Canfin, in light of a disappointing agreement in Copenhagen, Europe must act quickly and strongly. Two-thirds of gas emissions (road transports, heating, electricity, etc.) are not concerned with globalisation, he assumes, thus, Europe must not fear the "global competition" regarding these activities.[11] Olivier Godard, director of research at the National Scientific Research Centre (CNRS) shares the idea that Europe must go further, hoping that other regional powers will increase their consciousness. However, he fears that European countries could be tempted to revise their ambitions due to the lack of international cooperation. Europe should then implement mechanisms that make some adjustments at its borders, such as an ecotax.[12]

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Criticism towards international forms of cooperation

Copenhagen symbolises, according to Olivier Godard, the failure of the strong international cooperation that emerged in Rio in 1992 and was reinforced by the Kyoto Protocol.[13] Europe tried to support this approach, but Copenhagen leaves an impression of weaker cooperation. Each participant has its own regional or national policy with minimum consultation. This is the US and Chinese approach, and the French scholar does not see anything that could change this situation. Facing this situation, President Sarkozy criticised the UN and its capacity to create international cooperation. "There must be some results", he said. "The UN is essential, but, at the same time, it does not work […] if G199 does not want to be contested by other Gs [G20, G8, etc.] it must take some initiatives."[14] Thus the French President proposes the creation of a small group of countries, representing all continents, in order to prepare future negotiations. Another solution remains at the local level, emphasised by Green MEP Pascal Canfin.[15] According to him, more than 50 percent of targets that should have been decided in Copenhagen are competences for local actors (urbanism, transports, spatial planning, etc.). The failure of a global agreement makes ambitious local policies even more necessary.

Taxation on financial transactions in order to help developing countries fight climate change?

France's official position was to support the programme to finance efforts of developing countries. One month after the summit in Copenhagen, the Minister for Sustainable Development, Jean-Louis Borloo, asked for rapid implementation of this mechanism. "These new financing measures are a historical opportunity to realise investments necessary in order to tackle climate change issues", he said.[16] Corinne Lepage, French MEP and recognised in environmental policy field, declares to be satisfied by this proposition to finance about 10 billions Euros each year until 2012. Financing the participation of developing countries to the global effort against climate change is one of three main issues regarding emissions reduction targets and the question of enforcement mechanisms.

A crucial issue in this debate remains the way to finance this mechanism. France proposed to implement a tax on financial transactions in order to challenge climate change, an idea that President Nicolas Sarkozy will propose to the G20 member states.[17] Such a fiscal instrument is, however, even debated within the government. Whereas Jean-Louis Borloo considers this tax as an instrument to support climate change policies in developing countries, his colleague Bernard Kouchner, Minister for Foreign Affairs, assumes this tax could finance the fight against poverty, for example, education or health policy. Philippe Hugon, an economist specialised in development studies, sees this debate as a good signal, because climate change and development issues are indivisible. Formulating projects that tackle both problems could be a solution to these debates.[18]

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Germany

Scapegoat European Union?

Severin Fischer, Meike Löhr and Julian Schwartzkopff·

In Germany, the outcome of the Copenhagen conference led to a variety of different interpretations. Chancellor Angela Merkel and the German government described the result with "mixed feelings",[1] while environmental associations and opposition politicians called it a "disaster"[2] with a "disillusioning and insufficient result".[3] Europe gave up its leading role on climate protection without even fighting for it, Reinhard Bütikofer (Bündnis 90/Die Grünen) argued,[4] whereas the Social Democrats (SPD) accused China and the United States of not being cooperative enough.[5] Hubert Weiger, head of BUND, one of Germany's most influential environmental NGOs, clearly expressed his disappointment about the EU being responsible for Copenhagen's failure. The EU should have been an example for others, but stranded.[6] Germanwatch, another environmental NGO, argued that the "negotiating poker failed due to the misguided strategy pursued by central actors".[7] Accordingly, the EU did not take over a leadership role.

Before the beginning of the Copenhagen conference, the media criticised the EU for not being able to put a concrete offer on the table on how to finance mitigation and adaptation measures in developing countries.[8] During the conference, the EU was blamed for the absence of a common European position in general.[9] After the summit, the EU was accused for having negotiated clumsily.[10] This also corresponds to the German call for improvements in the EU's strategy and policy. On the one hand, the EU has to avoid misjudgements of global interests and true intentions in the future, especially regarding China and the United States, in order to bring its influence to bear.[11] On the other hand, changes have to be made on CO_2 emissions reductions, as the EU failed to set concrete medium- and long-term targets, as environment Minister Norbert Röttgen, Christian Democratic Union (CDU), put it.[12] He claims that the EU now has to take further steps and propose an unconditional 30 percent CO_2 emissions reduction by 2020 instead of sticking to its hitherto decided 20 percent reduction in CO_2 emissions.[13] Germany's national target, however, goes even further, aiming at a 40 percent reduction by 2020[14] in order to benefit from early investments in low-carbon technologies.[15] This 40 percent target is generally backed by the government, although some ministers such as Rainer Brüderle,[16] Free Democratic Party (FDP), fear negative impacts for the economy.[17]The Social Democrats (SPD) also support the target, while even aiming towards a 80-95 percent CO_2 reduction in the long-term.[18] The Left Party (DIE LINKE) aspires to a reduction of at least 50 percent by 2020.[19] At the same time, the Federation of German Industry (BDI) warns about setting a 40 percent target.[20] BDI-President Hans-Peter Keitl argues that it would negatively affect the competitiveness of German companies, cost jobs and would not improve global climate protection in general.[21] In order to tackle the problem of carbon leakage and accelerate low-carbon investments outside of Europe, France and Belgium started a discussion about the introduction of a carbon border tax. Environment Minister Norbert Röttgen describes trade restrictions as an inappropriate instrument for achieving environmental aims[22] and Matthias Machnig (SPD), economy minister of Thuringia, also disagrees with the effectiveness of this proposal, calling it "eco-imperialism".[23] In Germany, most politicians prefer other instruments to create a level playing field with international competitors.

There is a clear preference for a binding agreement within the United Nations Framework Convention on Climate Change (UNFCCC) on the part of the German government.[24] Environment Minister Norbert Röttgen (CDU) is still optimistic and sees the climate conferences to be held this year in Bonn and Cancún as essential steps towards such an agreement.[25] At the same time, the government admits to having misjudged the real distribution of power in Copenhagen and plans to forge new alliances.[26] Developing countries and emerging economies in particular should thus be engaged more actively by the EU in order to contest China's role as self-proclaimed leader of the developing world.[27]

In order to rectify these mistakes and give new impetus to the UN negotiations, Germany hosted the Petersberg Climate Dialogue together with the Mexican government from 2-4 May 2010 in Bonn, Germany. This informal conference of the 43 countries representing the major negotiating blocks during COP15 was set up to reinvigorate international climate policy and to rebuild trust among the negotiating parties.[28] The parliamentary opposition nevertheless claimed this informal summit to be a failure. According to the Social Democratic[29] and Green[30] parliamentary groups, the conference has

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not produced any concrete results. On top of that, they argue that the governing coalition is cutting back on climate protection at home and has accordingly lost credibility on the international stage. Civil society groups like Germanwatch, Oxfam and Greenpeace largely agree that the government's climate policy undermines the international negotiations.[31] At the same time, even the critics concede that the informal process itself has the potential to bring the UNFCCC negotiations forward.[32]

While the government stresses the need to keep negotiating within the UNFCCC, some media commentators criticise the UN process as "inefficient", "time-consuming" and prone to instrumentalisation for "anti-western propaganda".[33] They argue that climate negotiations should instead be conducted in the G20 or some other small forum.[34]

The German government affirms its willingness to support developing countries in their fight against climate change. Immediately before the Copenhagen conference, Germany offered to provide 420 million Euros per year from 2010 to 2012.[35] This figure stands as the German contribution to the overall EU commitment to provide 7.2 billion US-Dollars over the same period. Originally, the German government had refused to provide clear figures for climate finance before Copenhagen. Officials feared that this would weaken Germany's capacity to extract concessions from third countries.[36] Therefore, the EU as a whole was not able to enter the Copenhagen conference with a concrete offer on financing, as requested by the Swedish Presidency.[37]

The German financial commitments are heavily criticised by the opposition and civil society groups. According to the current preliminary national budget, only 70 million of the climate-related funds for 2010 are new and additional.[38] The bulk of the money will be taken from existing budgets, primarily from development assistance funds. The Social Democratic Party,[39] the Green party[40] and NGOs like Germanwatch[41] and Oxfam[42] all agree in the assessment that this diminishes German credibility abroad and sets an alarming precedent for other industrialised countries.

The Federation of German Industry, on the other hand, argues that Germany, as a country with high emissions reduction targets, should not be expected to provide a disproportionately high amount of assistance to developing countries.[43]

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Greece

Green ideas supported, but modernisation is a pressing need

A.D. Papagiannidis and Nikos Frangakis·

The new Greek government of centre-left Panhellenic Socialist Movement (PASOK) has strong "Green" beliefs. The run-up to Copenhagen and the workings of Copenhagen proper were closely followed in the media and by public opinion, while a feeling of "lost opportunity" was the main judgment on Copenhagen's results. Given the ever-present/latent anti-American feeling in Greece, the fact that the USA were (along with China) hesitant in following the EU and adhering to the active environmental agenda of Copenhagen led to strong public sentiment deploring the lack of progress and of tangible results of the conference.[1]

There is support for stronger EU environmental initiatives in the follow-up to Copenhagen. Both the internal implementation of measures (in a direction enhancing the so called '20-20-20' objectives) and the international efforts at binding emissions ceilings are deemed necessary for climate change to be credibly faced. Still, the fact that Greek industry – especially power production through the burning of lignite – is visibly trailing the goals set for emissions limitation is little discussed or realised.[2]

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[1] Emm. Doussis: Seal the Deal: A new approach to Climate Change [in Greek], in: From Bush to Obama: International Politics in a Changing World, Papazissis Athens 2010, p. 240.
[2] For an overall assessment of Copenhagen, see Spyros Kouvelis: What did not happen in Copenhagen [in Greek], International and European Politics (Vol. 17), p. 161; Theodore Skylakakis: Copenhagen: Great Expectations, a Painful Let-down [in Greek], in: International and European Politics (Vol. 17), p. 165; Dimitris Papadimoulis: After Copenhagen, Where to? [in Greek], in: International and European Politics (Vol. 17), p 168.

Hungary

Rigid mandate for the European Commission was a mistake

Krisztina Vida*

Weak outcome after ambitious preparations

Hungary shares the EU wide general perception that the outcome of the Copenhagen conference was a disappointment for the Union, which wanted to reach a target-specific and legally binding agreement there. Having said that, Hungary of course supported the conclusions of the March 2010 European Council, in which the member states subscribed to a swift implementation of the Copenhagen Accord and also to the gradual formation of the EU's negotiating position during the next conference to be held in November 2010 in Cancun (COP16). In a stance similar to that of all member states, Hungary also agrees that the Cancun conference "should at least provide concrete decisions anchoring the Copenhagen Accord to the UN negotiating process and addressing remaining gaps, including as regards adaptation, forestry, technology and monitoring, reporting and verification."[1]

While the official Hungarian position is not revealed at this point, Csaba Tabajdi, leader of the Hungarian Socialist Party (MSZP) within the Group of the Progressive Alliance of Socialists and Democrats (S&D) in the European Parliament, emphasised in his speech[2] at the end of January 2010 that even though the Union's ambitious goals were good, they were not convincing enough, due to the EU's poor negotiating strategy. He pointed out that the EU "misunderstood" the commitment of China and other emerging countries, as well as the room for manoeuvre of the President of the USA. The EU was also unable to build a coalition with developing countries. In his view, giving a rigid mandate to the European Commission was a major mistake. A better result could probably have been achieved if the Commission would have obtained a more flexible mandate, namely, "elasticity" downwards from 20 percent emission cuts and not only upwards. According to Tabajdi, the EU's negotiation strategy needs to be revised while preparing for Cancun. János Áder, another Hungarian Member of the European Parliament (MEP) from the European People's Party (EPP), was even more critical, stating that the failure of Copenhagen was due to the lack of a single EU position.[3]

No change in basic policy targets but a more assertive attitude is needed

According to a high official at the Hungarian Ministry of Foreign Affairs,[4] the European Union does not have to change its own energy and climate policy. The EU has actually been taking the lead in the fight against global warming and has done unilaterally the most since 2008 for global climate protection. The ambitious goals of the EU should be maintained and they should become acceptable for other countries, too, as there is no alternative to them. Furthermore, the EU must keep on striving for a legally binding outcome of the COP16 and following conferences. The EU should be open to various alternative solutions as well, such as technological development or a ban on deforestation.[5]

A global binding agreement within the UNFCCC should remain a priority

Hungary (together with all other EU member states, except for Malta and Cyprus) belongs to the so-called Annex I countries within the United Nations Framework Convention on Climate Change (UNFCCC). This means that Hungary is ready to reduce its green house gas emissions below 1990 levels. In full harmony with the EU position, Hungary is in favour of imposing binding agreements on all parties to the UNFCCC in the next conferences. According to a high official at the Hungarian Ministry of Foreign Affairs,[6] in general, the UNFCCC framework is a good one, embracing in one way or another nearly all countries of the world. But this framework should be further tightened and in this respect the EU should assert its ambitious position more strongly, better reflecting its economic weight.

Political support and financial contribution

Despite its limited financial resources Hungary fully agrees with such efforts. Hungary takes part in the Union's recent initiative to assist developing countries fighting climate change. In this framework, in

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December 2009, the 27 member governments committed 7.2 billion Euros for this purpose to be spent in the three years between 2010 and 2012. The Hungarian contribution to this envelope amounts to six million Euros in total.[7] During the European Council meeting at the end of March 2010, Hungary also subscribed to the Union's joint commitment with other developed countries to "mobilise $100 billion per year by 2020 to help developing countries fight climate change."[8]

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[1] European Council: European Council 25/26 March 2010. Conclusions, EUCO 7/10, p. 8, available at: http://www.consilium.europa.eu/uedocs/cms_Data/docs/pressdata/en/ec/113591.pdf (last access: 17 May 2010).
[2] The speech of Csaba Tabajdi was delivered at a conference in Budapest, 26 January 2010.
[3] See the press communication of János Áder, 21 January 2010, available at: http://ader.fidesz-eu.hu/hu/cikk/20/ (last access: 10 June 2010).
[4] Interview done at the Ministry of Foreign Affairs on 12 May 2010.
[5] See the article on the Hungarian site EnergiaOnline, 21 January 2010, available at: http://www.energiaonline.hu/cikkek/84 (last access: 17 May 2010).
[6] Interview done at the Ministry of Foreign Affairs on 12 May 2010.
[7] See the report of the Hungarian electronic news magazine "Parameter", 11 December 2009, available at: http://www.parameter.sk/rovat/kulfold/2009/12/11/eu-csucs-72-milliard-euro-fejlodo-orszagoknak-klimavedelemre (last access: 17 May 2010).
[8] European Council: European Council 25/26 March 2010. Conclusions, EUCO 7/10, p. 9, available at: http://www.consilium.europa.eu/uedocs/cms_Data/docs/pressdata/en/ec/113591.pdf (last access: 17 May 2010).

Iceland

Disappointment in Copenhagen but prospects in the future

Pia Hansson[*] and Baldur Thorhallsson[+]

The Copenhagen conference depicted a dilemma faced by the international community regarding necessary actions in the face of climate change. The Copenhagen Accord offered some results, but most Icelanders agree that the text fell short of what is needed. It is clear that there does not exist a consensus on what each state should do in this area and when. At the end of the conference, it was revealed, according to the negotiation offered by the states, that the atmospheric temperature would rise three degrees Celsius on average. Before the conference, the consensus was that the temperature should never rise more than two degrees Celsius on average.[1] For a small country like Iceland, sitting on the sidelines when policy and agreements are being made is not unusual. Some felt that the EU was on the sidelines as well and were disappointed. Negotiations in the run-up to the Copenhagen conference were characterised with scepticism from developing countries towards industrial countries. The hosts, the Danes, who steered the meetings, were never able to earn the trust from third world countries. This happened despite the fact that the EU and key states within the Union tried everything in their power to reach an agreement with the African states and other groups of third world countries in order for matters to be solved.[2]

The Copenhagen conference was an interesting diplomatic game and at best chaotic. Admitting failure, however, can be too expensive. The dialogue is there and it needs to continue, since the issue is too large to ignore. Any result can also be viewed as a positive result. A letter of intent was made after the conference although it is indeed a weak one.[3] Effort was made by the United States, but the fact remains that they cannot be perceived as reliable in the matter, when they still have to prove that they can pass legislation on this issue on the home front. It should be noted, however, that President Obama's efforts show that the USA is under new leadership.[4]

The EU has set forth very ambitious goals which Iceland should follow. The EU should definitely not decrease their goals despite difficulties it might encounter but sharpen the main goals and actions. The EU's leadership in these matters has, however, taken a dent. After having saved the Kyoto agreement from falling through, the EU had originally taken its role as a leader in climate change issues seriously, but, at the Copenhagen conference, the United States and the other large industrial nations took the initiative, although that did not result in a binding agreement. To the general public in Iceland, the conference failed to produce any remarkable results, and news reports from the conference carried headlines of disappointment loud and clear.[5] Interestingly, the leading current affairs television programme decided to tackle the issue of climate change with scepticism, offering a debate of opposing camps at the same time as the Copenhagen conference was underway in December. To local leading academics in the field, this was highly disappointing.[6] The Minister for the Environment admitted the results were disappointing but pointed out that they could nonetheless be used as a guiding light and road map for the work ahead.[7] Environmental groups were disappointed, but pointed out that, for such a complicated matter, it is understandable that the process is long and tiresome. The issue is too large to give up on though, and the United Nations needs to remain focused on climate change. The Copenhagen conference can be seen as highly successful in terms of provoking debate and raising awareness of the issue.[8]

Climate change is a global threat and should therefore be addressed globally. The only body that can address such a global issue is the United Nations, but the growing feeling of disillusion is understandable when no binding agreement has been accepted. The EU will most likely try to merge the Kyoto Protocol with the Copenhagen Accord now in an effort to keep the dialogue going. Iceland's position is in many ways clearer after the Copenhagen conference. Iceland has supported EU's prior efforts and the future holds more collaboration, whether Iceland joins the EU or not. Iceland wants to see a legally binding agreement. Iceland's possible membership in the EU does provide relief in the emissions of large industry that would then fall under the EU's regulations, making the issue easier to deal with locally. On the issue of financing mitigation and adaptation efforts, this could pose a sensitive problem to Iceland not having set aside finances to this end. At the same time the local recession would make such financial obligations burdensome for Iceland. Many developed countries speak very

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plainly about this – no money will go to developing countries unless they comply. This issue will be addressed in Mexico and reaching a binding agreement on this is not likely to occur at this point.[9]

[1] Árni Finnson: Loftslagsráðstefna Sameinuðu þjóðanna í Kaupmannahöfn – deilt um árangur, Tímarit Máls og Menningar, 2010 71(1), pages 36-49.
[2] Ibid.
[3] Ibid.
[4] Telephone Interview with a government official at the Ministry for Foreign Affairs and a member of the Icelandic negotiating team, 20 May 2010.
[5] Newspaper headlines in Morgunblaðið, 18 December 2009, available at: http://www.mbl.is/mm/frettir/innlent/2009/12/18/samkomulagid_vonbrigdi/ (last access: 16 June 2010); Fréttablaðið, 21 December 2009, available at: http://epaper.visir.is/media/200912210000/pdf_online/1_16.pdf (last access: 16 June 2010).
[6] Interview with a project manager at the Institute for Sustainable Studies at the University of Iceland, 20 May 2010.
[7] Interview in Visir, 19 December 2010, available at: http://www.visir.is/of-miklar-vaentingar-gerdar-til-radstefnunnar/article/2009503704947 (last access: 16 June 2010).
[8] Árni Finnsson: Loftslagsráðstefna Sameinuðu þjóðanna í Kaupmannahöfn – deilt um árangur, Tímarit Máls og Menningar, 2010, 71(1), p. 36-49.
[9] Telephone Interview with a government official at the Ministry for Foreign Affairs and a member of the Icelandic negotiating team, 20 May 2010.

Ireland

Copenhagen to Cancun

Shane Fitzgerald*

The general view in Ireland was that both the organisation and the outcome of the Copenhagen climate change conference was unsatisfactory. Frank McDonald of The Irish Times, among other Irish journalists, described the huge conference venue as "bedlam".[1] The Taoiseach, Brian Cowen, expressed disappointment at the outcome, stating that "[t]he substance of the European Union's [offers] was robustly put, but we couldn't get the commitment of others." He added that "we did not achieve everything we wanted, but the reality is that this is as much as can be advanced at this stage."[2] The Minister for the Environment, John Gormley (Green Party), described the Copenhagen Accord itself as "underwhelming", stating that its only advantage was that it "keeps the process alive" until the next climate change conference in Cancun in December 2010. Officials from the Minister for the Environment's office speaking in confidence lamented the inability of the EU to present a united front at negotiations and expressed deep disappointment at the outcome. Irish charities and NGOs also expressed their dissatisfaction, with some blaming the EU's failure to offer a 30 percent emissions reduction for the collapse of the talks. Finally, the mood among the general public varied between frustration and bemusement.

Analysis of the outcome by Joseph Curtin, climate policy specialist at the Institute of International and European Affairs, reported widely by the Irish media, identified the naivety of the EU's approach to negotiations, the inability to effectively marshal and use all instruments at its disposal, the failure to build strategic alliances, and the lack of a central EU negotiator as key causes of the bloc's poor performance at what was supposed to be the venue of a major display of European solidarity, vision and purpose.[3]

Irish attitudes

Few concrete indicators exist but anecdotal evidence and media commentary suggest that climate change scepticism and indifference may be on the rise in Ireland. Doubts about the science, already exacerbated by the recent scandals of data manipulation and misrepresentation at the University of Essex Climate Research Unit and the UN's Intergovernmental Panel on Climate Change, have been compounded by the "evidence" of an unusually icy winter, which has served to embolden the rhetoric of climate change sceptics.[4]

On a more positive note, after years in which Ireland lagged behind continental partners when it came to environmental awareness and policy, the current government – a coalition between the dominant party of Irish politics (the centre-right Fianna Fail) and a much smaller Green Party – is trying to prove itself in this arena, and is doing so very much by reference to its European partners. A recent renegotiation of the programme for government resulted in considerable concessions to the Green Party's agenda and the Irish government was vocal even before Copenhagen in supporting a revision of the agreed 2020 mission's reduction target from 20 percent to 30 percent. From an Irish perspective, the EU's own climate change policy is generally seen as adequate, though there are of course vast differences of opinion between, for example, the environmental and the business lobbies.

One area where these two lobbies often overlap, and indeed align with government policy priorities, is in that of renewable energy. The Minister for Communications, Energy and Natural Resources, Eamon Ryan (Green Party), believes that Ireland can become a renewables powerhouse in the post-2020 period by intensively developing its wind and wave resources, and could ultimately be in a position to export electricity to Europe.[5]

There is already a lot of commercial activity in this area. One example is an agreement recently signed between the Energia electricity supplier and the US-based Ocean Energy Systems, whose wave energy converter (WEC) is currently being developed off the west coast of Ireland.[6] Ambitious plans also exist in tidal[7] and wind[8] energy. What these proposals for transforming Ireland's energy infrastructure have in common is that they all depend heavily on the existence of a next generation European electricity grid connecting the continent's electricity suppliers and consumers much more

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efficiently than has been the case until now. Irish interests will be keen to maintain a policy focus on this goal at the EU level.[9]

Joseph Curtin (of the Institute of International and European Affairs (IIEA) and the Sustainable Energy Authority of Ireland) argues for the idea that the EU should introduce a border adjustment tariff for countries which are failing to meet emissions targets. While a risk of tit-for-tat responses leading to trade protectionism does exist, such a move could prove extremely powerful as a negotiating tactic in talks with third parties over a comprehensive climate agreement. It would also demonstrate clearly that the EU is capable of transforming its economic clout into real political capital.

Ultimately, a global agreement within the United Nations Framework Convention on Climate Change (UNFCCC) should be the objective of these negotiations. However, so-called "mini-lateral" negotiations (between the EU, the USA, Japan and the BASIC bloc of China, India, South Africa and Brazil in particular) may offer more promise initially as they are not beset by the same procedural obstacles as UN negotiations.

The failure of Copenhagen is read in Ireland as a failure of *EU* diplomacy first and foremost. More creative avenues may now have to be found. Progress made at fora such as the G20, for example, might later be presented to UNFCCC for approval. In some cases (e.g., China's alliances with G77) partners in strategic alliances at Copenhagen which opposed the EU seemed to have little in common. The EU needs to learn from such manoeuvres by cultivating bilateral relationships with a variety of developed and developing country partners. It must also prioritise the mainstreaming of climate change objectives into its external policy instruments such as its aid, trade and energy programmes.

The Minister for the Environment has said that developing countries argued "strongly" in Copenhagen that they should not be denied development due to global climate change mitigation measures and that Ireland is willing to play its role in contributing to EU financing commitments as required. Although he personally has confirmed that he wishes Ireland's contribution to be "additional" to existing aid commitments, the government has yet to officially confirm that this will be the case. At a time of severe budgetary tightening and uncertainty, this is a central issue for many of the Irish development and environmental NGOs active in this area.

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[1] Irish Times: Climate talks venue becomes hothouse as key debate looms, 14 December 2009, available at: http://www.irishtimes.com/newspaper/world/2009/1214/1224260654343.html?via=rel (last access: 18 May 2010).
[2] Reported in the Guardian: Copenhagen: The last-ditch drama that saved the deal from collapse, available at: http://www.guardian.co.uk/environment/2009/dec/20/copenhagen-climate-global-warming (last access: 18 May 2010).
[3] Joseph Curtin: 2010. The Copenhagen Conference: How Should the EU Respond?, available at: http://www.iiea.com/publications/the-copengahen-conference-how-should-the-eu-respond (last access: 18 May 2010).
[4] See for example Frank Mc Donald: Europe must lead the way against climate scepticism, Irish Times, available at: http://www.irishtimes.com/newspaper/opinion/2010/0304/1224265557823.html (last access: 18 May 2010).
[5] Ibid.
[6] See for example siliconrepublic.com: Green Tech. Energia takes on Ireland's wave power, 10 May 2010, available at: http://www.siliconrepublic.com/news/article/16152/green-tech/energia-takes-on-irelands-wave-power (last access: 18 May 2010).
[7] See for example siliconrepublic.com: Green Tech. OpenHydro to deploy 200MW tidal energy farm off Scotland, 16 March 2010, available at: http://www.siliconrepublic.com/news/article/15589/green-tech/openhydro-to-deploy-200mw-tidal-energy-farm-off-scotland (last access: 18 May 2010).
[8] See the Spirit of Ireland Website, available at: http://www.spiritofireland.org/index.php (last access: 18 May 2010).
[9] See for example this presentation by Eddie O'Connor, of Mainstream Renewable Power, to the IIEA, available at: http://www.iiea.com/events/the-european-supergrid (last access: 18 May 2010).

Italy

Europe's voice was no source of influence in Copenhagen

Jacopo Leone*

In Italy, as in most European countries, the meagre results achieved during the Copenhagen Summit have produced a palpable frustration. In this regard, the words of the Italian Minister for Environment Stefania Prestigiacomo sharply highlighted this feeling, noting that the conference has been a substantial political failure and a deeply disappointing experience.[1] However, while still discouraged by the summit's results, Carlo Carraro, an Italian member of the Intergovernmental Panel on Climate Change (IPCC), has been more cautious. In his view, although insufficient, such a weak outcome was indeed the only possible. The EU appears to be the real loser, since it had considerable ambitions which had not been met during the conference.[2]

This EU failure has also been revealed by the Italian press and the research community. In particular, it has been noted that the EU is once again incapable of speaking with one strong voice which is the real reason at the base of its marginalisation.[3] Moreover, such an alarming development is well represented by the new cooperation between the US and emergent economies, from which the final political decision emerged at the last minute of the conference.[4]

In conclusion, the achievement of a more comprehensive agreement was rather unrealistic. Nevertheless, the EU appeared weak and divided, unable to make its voice a real source of influence during the entire Copenhagen conference.[5] The approaching summit in Bonn will tell us whether the institutional changes included in the Lisbon Treaty will represent a solution to the current state of things.

The Italian debate on energy and climate policy has stressed, on several occasions, the potentially leading role of the EU in this sector. Indeed, the ambitious Europe 2020 Strategy ultimately gives the EU an enhanced credibility on environmental aspects at the international level, which should be used to create a strong political agreement for the post Copenhagen phase.[6] In order to do so, however, it appears necessary to first overcome the divisions within the EU itself, and then find a common agreement between those member states that want to "lead by example" and those that would like a more global commitment.[7]

An effective way to achieve such an international credibility would be to adopt concrete actions in the framework of the pending European economic strategy by including a clear obligation towards strict environmental measures in the final document.[8] In this way, a new impulse to the next round of international negotiations could be offered by the EU, which, as the recent European sustainable energy week demonstrates, is in several aspects a leading actor on the issue.[9]

It may be noted in this overview that in Italy the issue of the United Nations Framework Convention on Climate Change (UNFCCC) as possibly the best strategy to fight climate change has not yet been discussed. The main reason is probably to be found in the highly technical level of the topic and the low domestic interest over the issue.

The same lack of material characterises the Italian position on financing mitigation and adaptation efforts in developing countries. Arguably, the reason is again the very limited public interest on the issue and the specificity of its nature.

[1] La Stampa: In soli 5 minuti USA e Cina hanno affossato il Summit, 20 December 2009, available at: http://www.lastampa.it/redazione/cmsSezioni/clima/200912articoli/50552girata.asp (last access: 30 April 2010).
[2] La Repubblica: Parla l'esperto italiano all'ONU 'Al Summit troppe aspettative', 21 December 2009, available at: http://www.repubblica.it/2009/12/sezioni/ambiente/conferenza-copenaghen-2/intervista-carraro/intervista-carraro.html (last access: 30 April 2010).
[3] La Stampa: Il flop dell'Europa: troppe primedonne e neanche un leader, 20 December 2009, available at: http://www.lastampa.it/redazione/cmsSezioni/clima/200912articoli/50548girata.asp (last access: 30 April 2010).
[4] Nòva: Il clima di Copenhagen: ne dobbiamo prendere atto, Il Sole24ore, 21 December 2009, available at: http://antonellopasini.nova100.ilsole24ore.com/2009/12/il-clima-di-copenhagen-ne-dobbiamo-prendere-atto.html (last access: 30 April 2010).

* **Istituto Affari Internazionali.**

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[6] Marzio Galeotti: La rigida primavera del clima, La Voce, 26 March 2010, available at: http://www.lavoce.info/articoli/-energia_ambiente/pagina1001627.html (last access: 5 May 2010).
[7] Annalisa D'Orazio: Italia a corto di strategie sul clima, La Voce, 26 January 2010, available at: http://www.lavoce.info/articoli/-energia_ambiente/pagina1001520.html (last access: 5 May 2010).
[8] Villaggio Globale: Nuovi obbiettivi Ue per mantenere la leadership, 13 March 2010, available at: http://www.vglobale.it/index.php?option=com_content&view=article&id=11564%3Aclima-nuovi-obiettivi-ue-per-mantenere-la-leadership&Itemid=124&lang=it (last access: 5 May 2010).
[9] La Stampa: Al via lunedì settimana europea dell'energia sostenibile, 19 March 2010, available at: http://www3.lastampa.it/ambiente/sezioni/news/articolo/lstp/161812/ (last access: 5 May 2010).

Latvia

Latvia supports the fight against climate change

Dzintra Bungs*

As in many parts of the world, the prevailing view in Latvia has been that the 2009 United Nations Climate Change Conference, commonly known as the Copenhagen summit or the Copenhagen climate conference, was by and large a failure. Latvia had wholeheartedly supported the proposals of the EU that had been approved at the Council of the European Union on 29-30 October 2009 in Brussels. The only caveat of the Latvians was that the plans adopted in Copenhagen on 7-18 December 2009 should take into consideration the economic and financial situation of each country committing itself to the common goals.[1]

Already before the conclusion of the UN climate conference, Latvia's Prime Minister Valdis Dombrovskis, who attended the international gathering in the Danish capital, predicted that the conference would end without an agreement on any of its ambitious goals. He told the Latvian TV journalists that, in all likelihood, the questions discussed at the conference would serve as a basis for hammering out, at a later time, an accord to limit climate change.[2] These views were shared by the Environment Minister, Raimonds Vējonis, who said after the conference that all the proposals leading to substantive action fell through and that everything would have to start again from the beginning, because the accord that was finally agreed upon is so weak. He added that "regardless of the results of the Copenhagen summit, which, barring a few exceptions, disheartened the whole world, Latvia must continue to do what it has started to do: insulate dwellings so as to reduce energy consumption, switch from fossil fuels to renewable energy sources, and improve technologies so as to diminish air pollution."[3] Stressing that Latvia shares the EU view that mankind is to blame for the climate changes, Vējonis observed that greenhouse gas emissions must be reduced by all countries.

Equally critical of the outcome of the conference was the Latvian researcher, Reinis Āboltiņš, who specialises in issues related to energy policy at the Centre for Public Policy Providus in Riga. In a post-conference assessment, Āboltiņš noted the meagre results and commented: "the Copenhagen climate conference has shot itself in the foot" in that the only ones satisfied with the outcome of the conference, it seems, are those whose welfare depends on manufacturing or other activities which have a clearly negative effect on the environment.[4]

The question of changing the European Union's own energy and climate policy in order to provide a new impetus to the international negotiations is not a topic of current discussion in Latvia. The Latvian experts and the media appear to share the opinion that the poor results of the Copenhagen climate conference are primarily the consequence of great power interests, rather than any specific shortcomings in the EU energy and climate policy.

Latvia supports the Union's energy and climate policy in general, despite the fact that there are reservations regarding some EU positions and procedures. This is also true regarding the Union's position at the Copenhagen climate conference in December 2010, because there are no major differences between the Union's position and Latvia's on the issues that were discussed. The Latvian government approved its position paper already on 22 September 2009."[5] In a nutshell, Latvia believes that global commitment is essential if a dent is to be made in stopping climate change.

In anticipation of the EU environment ministers meeting on 15 March 2010, the Latvian government issued another policy paper. According to that document, Latvia agrees in general with the Council's conclusions regarding the Copenhagen conference and regarding what should be done before the follow-up conference in Cancun, Mexico in late 2010. In the policy paper, the Latvian government reiterates the importance of agreeing upon a global framework regime for reducing climate change after 2012. To achieve this, the EU should develop a strong strategy and assess the potential effect of future policies on EU member states, as well as continue active cooperation with other countries to explain the ideas and goals of climate policy and win their support. For Latvia, it is essential that the EU's transition to reducing its emissions occurs on the condition that other developed and developing countries also assume equitable commitments for reductions or adequate investments. To ensure this, the Commission must assess the goals of other countries and use them as a basis to decide whether

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the EU should set stricter emission goals. At the same time, the Commission should analyse the potential socio-economic effects of adaptation to the goals of reducing emissions by 30 percent and show the effects on the EU as a whole and on each of the member states.[6]

Given the preceding clarifications of Latvia's position and its emphasis on the necessity to make reducing climate change a global commitment, it follows that the Latvian government is not contemplating alternatives to the strategy that the European Union is following or the United Nation Framework Convention on Climate Change (UNFCCC). Furthermore, it is felt that despite its imperfections, the UNFCCC functions and that all of the possibilities and options it offers have not been exhausted.

Concerning the financing of mitigation and adaptation efforts to the various undertakings designed to reduce climate change, in its position paper of 22 September 2009, the Latvian government stated that all this must be a part of a global framework accord, because achieving coordinated action to reduce climate change is in the Union's and Latvia's best interest. Such a framework accord must also recognise that the Union assumes an *equitable* share of the total financial burden. "Latvia believes that *all countries*, except the least developed, must accept financial responsibility to reduce emissions and to implement adaptive projects. Consequently, Latvia cannot accept the notion that rich developing countries become recipients of financial assistance, while the poor countries or the developed countries with low emissions serve as their donors."[7] Therefore, the Union should not assume unilaterally ambitious commitments when there is not an adequate or commensurate commitment from other developed or developing countries.

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[2] LETA, 18 December 2009, available at: http://www.delfi.lv/archive/print.php?id=28797277 (last access: 14 July 2010).
[3] LETA, 19 December 2009, available at: http://www.delfi.lv/archive/print.php?id=28806589 (last access: 14 July 2010).
[4] Reinis Āboltiņš: Nominatīvs — Kas? — nenoteiktība Lokatīvs — Kur? — Kopenhāgenā (in English "Nominative – What? – Ambiguity. Locative – Where? – Copenhagen"), available at: http://www.politika.lv/temas/vide_un_ilgtspeja/17909/ (last access: 14 July 2010).
[5] Informatīvais ziņojums par nacionālo pozīciju "Par ES nostāju starptautiskajās sarunās par klimata politiku pēc 2012.gada (gatavošanās ANO Klimata pārmaiņu konferencei 2009.gada 7.-18.decembrī)", available at: http://www.mk.gov.lv/lv/mk/tap/?pid=40145038 (last access: 14 July 2010).
[6] Par Latvijas nacionālajām pozīcijām Eiropas Savienības Vides ministru padomes 2010. gada 15.marta sanāksmē izskatāmajos jautājumos, available at: http://www.mk.gov.lv/doc/2005/VIDMZino_080310.632.doc (last access: 14 July 2010).
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Lithuania

Opinions on Copenhagen Accord diverge

Jurga Valančiūtė*

There is no common evaluation on the Copenhagen Accord, while some Lithuanian politicians positively evaluate the agreement, others stay critical. Lithuanian Environment Minister Gediminas Kazlauskas said that, although the Copenhagen Accord was not a perfect document and not as ambitious as the EU had desired, it was still a big step forward. According to him, this Accord is better than no accord. He said that he was an optimist and that he expected that this document would be just another step towards a global agreement, which could be adopted in the future.[1] Lithuanian MEP Radvile Morkunaite, a member of the environment, public health and food safety committee, was not as optimistic when speaking about the same subject. She claimed that the process of the conference had demonstrated that EU leaders were capable of formulating a general position and keeping to it. However, the results of the conference were not as satisfying as the process of the conference. Despite the unity of the EU position, the voices of the biggest polluters in the world were taken more into consideration than the voice of the EU. The positions of the USA, China and other developing countries determined that the Copenhagen Accord is declarative and not legally binding to take any actions.[2] She called the claims of various leaders, that the most crucial thing is that an agreement had been reached and that the first steps towards the greener future had been made, attempts to "save face" after the conference, which raised so many expectations but delivered none of the expected results. The only positive outcome of the conference, Radvile Morkunaite said, was that "the states had recognised that climate change was one of the biggest challenges facing humanity and the decision to provide financial aid for the developing countries to fight climate change was made."[3]

Lithuania supported the EU goals at the Copenhagen conference

Lithuania supported the EU position to cut greenhouse gas emissions by 20 percent by 2020 and to make a possible cut of greenhouse gas emissions of 30 percent if other developed states would also significantly cut their greenhouse gas emissions. This support has been declared by various Lithuanian officials at various levels, for example, former Lithuanian Minister of Foreign Affairs Vygaudas Usackas, while speaking at the meeting of the EU General Affairs Council, said that Lithuania congratulated EU efforts to cut CO_2 emissions by 30 percent by 2020. However, he stressed, "other countries have to make equally ambitious obligations."[4]

Alternatives to the United Nations Framework Convention on Climate Change (UNFCCC) are not widely discussed in Lithuania.

Lithuania welcomes an agreement to finance the developing countries' fight against climate change

Lithuanian MEP Radvile Morkunaite, while generally critical of the Copenhagen Accord, noted that one of the few positive elements of the Accord is an agreement to provide 30 billion US-Dollars in the forthcoming 3 years to support the developing countries' fight against climate change and to increase this financial aid to 100 billion US-Dollars by 2020.[5]

Lithuanian President Dalia Grybauskaite talked about the practical details of the implementation of this agreement: she stated that she was happy that Lithuanian requirements, that each EU member state would pay according to its possibilities while implementing the EU obligation to contribute financially to the compensations for the reduction of emissions in third countries, have been taken into consideration. She said that it is a just agreement since Lithuania will only have to pay 1 million of the 2.5 billion Euros which the EU is obliged to provide.[6]

[1] Ministry of Environment: Lithuania has outstood in the Copenhagen climate change conference (Lietuva pasižymėjo Kopenhagos klimato kaitos konferencijoje), press release, 22 December 2009, available at: http://www.am.lt/VI/article.php3?article_id=9511 (last access: 9 June 2010).
[2] Radvile Morkunaite: Copenhagen conference has proved that the leaders of EU states can formulate a common position (Radvilė MORKŪNAITĖ: Kopenhagos konferencija parodė, kad ES valstybių lyderiai sugeba suformuluoti bendrą poziciją), 22

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December 2009, available at: http://www.nato.lt/radvile-morkunaite-kopenhagos-konferencija-parode-kad-es-valstybiu-lyderiai-sugeba-suformuluoti-bendra-pozicija/ (last access: 9 June 2010).
[3] Radvile Morkunaite: Saving the face in Copenhagen („Veido saugojimas“ Kopenhagoje), European colours, No. 3, December 2009, available at: http://www.europosspalvos.lt/wp-content/uploads/2009/12/es_gruodis_siuntimui.pdf (last access: 9 June 2010).
[4] Foreign Affairs Ministry: The preparation of the forthcoming European Council has been deliberated in Brussels (Briuselyje aptartas pasirengimas artėjančiai Europos vadovų tarybai), press release, 8 December 2009, available at: http://www.alfa.lt/straipsnis/10303389 (last access: 9 June 2010).
[5] Ibid.
[6] President of Lithuania: EU Member States will not forget a principle of justice while fighting with climate change (Kovojant su klimato kaita, ES šalys nepamirš ir teisingumo principo), press release, 11 December 2009, available at: http://www.president.lt/lt/spaudos_centras_392/pranesimai_spaudai/kovojant_su_klimato_kaita_es_salys_nepamirs_ir_teisingumo_principo.html (last access: 9 June 2010).

Luxembourg

More political courage deemed necessary

Jean-Marie Majerus*

In general, the Luxembourgish population is very sensible concerning the climate change topic. Several environment protection associations, such as Mouvement écologique, Greenpeace Luxembourg, and other pro-ecology organisations, have united their efforts with 30 other NGOs, such as Caritas, Action-solidarité-Tiers-monde, among others, to act together against climate change[1] and create a Luxembourgish pro-climate lobby called "Votum Klima." Leaders of this pro-climate alliance talked to Prime Minister Juncker and the Ministers for Sustainable Development and Infrastructure Wiseler and Schank. Votum Klima cannot accept the Copenhagen conference results.[2] The reduction of CO_2 emissions plan endorsed by the EU and the USA is totally insufficient. Votum Klima criticised Juncker and the other European political leaders for their lack of perseverance and political courage. Prime Minister Juncker acknowledges the criticism by the environment lobby and declared that he would like the EU to stick to its original 30 percent CO_2 reduction goal. Nevertheless, he is well aware that this aim will be very difficult to reach, as a lot of partners only want to commit themselves if all the others do the same.

Green and ecological activists ask the government to make sure that the European Union is seen as a model and must not wait until other continents and economic powers follow up with their decisions on CO_2 reduction. Business and industrialist federations agree that the EU and the national governments should act in climate change affairs but they nevertheless warn the Luxembourgish government in particular and the EU in general not to take unilateral measures which could harm the competitiveness of the national and European economy.[3]

Most mainstream political leaders publicly support a global agreement within the United Nations Framework Convention on Climate Change (UNFCCC) as the best strategy to fight climate change. The Green Party and other ecological activists would prefer an even tougher approach and denounce the agreement as being too soft or even meaningless to really prevent climate change.

Francis Massen, founder of a meteorological control centre in northern Luxembourg, favours an alternative strategy for the European Union. He believes that the agreement by the UNFCCC was based on horror scenarios promoted by certain scientific, political and environmentalist action groups, which have special interests in the implementation of this agreement. Francis Massen and his followers think that the real problem waiting to be solved concerns the differentiation of energy resources rather than the definition of a new climate change policy. Massen wants to promote an intelligent mix of all possible energy resources, including nuclear power.[4]

The Luxembourgish socialist Member of European Parliament Robert Goebbels gives succour to Massen and denounces "Climatism" as a new religion and a new kind of "green capitalism" based on a profitable CO_2 certificates' trade.[5]

Luxembourg can claim the honour to figure on the top of the list of countries which spend the most money on non-military cooperation and development projects per capita of their gross national income.[6]

The Luxembourg cooperation policy's paramount goal is the eradication of poverty through sustainable development. What are the effects of climate change on developing countries' populations? UN millennium objectives determine the strategy of the Luxembourg development policy. Luxembourg's cooperation objectives are therefore twofold: sustainable development and reduction of the impoverishment of biological biodiversity. Other aims are production of clean water, improving living conditions and so on.[7]

[1] Greenpeace-Luxembourg: Votum Klima Luxembourg, 2010, available at: http://www.greenpeace.org/luxembourg/votumklima/ (last access 14 July 2010).
[2] Richard Graf: Hausaufgabenhilfe, Woxx, 29 January 2010.

* Centre d'Etudes et de Recherches Européennes Robert Schuman.

[3] Echo des entreprises: Coût et opportunités, 2/2010.
[4] Europa.forum.lu: Énergie – Environnement Le changement climatique, un problème réel ou hystérie des cercles scientifiques et politiques, available at: http://www.europaforum.public.lu/fr/actualites/2008/09/debat-turmes-massen-oberweis/index.html (last access: 19 July 2010); Albert Haas: Der erlogene Klima-Konsens, Tageblatt, 4 January 2010.
[5] Robert Goebbels: Zum Klimatismus, Tageblatt, 24 February 2010.
[6] Organisation for Economic Cooperation and Development (OECD): Les performances inégales de l'aide au développement pour 2010 suscitent des inquiétudes, 17 February 2010, available at: www.oecd.org/document/37/0,3343,fr_2649_34447_44620069_1_1_1_37413,00.html (last access: 22 June 2010). Some countries will even go beyond this goal: Sweden has a ratio of net Official Development Assistance (ODA) to Gross National Income (GNI) 1.03 the highest in the world just before Luxembourg which has a ratio ODA/GNI of 1.00.
[7] Ministère des Affaires Étrangères, Direction de la coopération au développement: Environnement et changement climatique – stratégie et orientations 2009-2010.

Macedonia

A need for a regional climate strategy in the Balkans

Biljana Janeva*

Climate change politics in Macedonia are interlinked with the European integration process, as well as with the wider political horizon.

According to the Macedonian daily newspaper Dnevnik, the Copenhagen climate summit organised by the UN is hardly possible to be assessed as a new phase in human thought and organisation or as the corner stone of a new ecologically conscious civilisation. According to the daily, the climate summit was threatened by multiple fiascos: lack of a binding agreement, the discrediting of renowned scientists, and open dispute between the developing world and the wealthy world. Copenhagen will be noted for revealing profiteer's interests, politicians' dirty interests, the misuse of the civil sector and the manipulation of the world leading media, notes the daily.[1] After the summit, the media in Macedonia were filled with headlines, such as "Failure and downfall of the Copenhagen Summit". According to the Macedonian media and experts, although the Copenhagen summit was declared to be a fiasco, the adopted agreement has certain duties for the countries, especially small ones like Macedonia.[2]

The media in Macedonia was also focused on Macedonia's preparations for the Copenhagen summit. As stated in the media, according to the Minister for Environment and Physical Planning Nexhati Jakupi, the Republic of Macedonia does not have a big contribution or participation in global warming, but, since it is a developing country, it strongly feels the effects and the impact of climate change. The Ministry has held a coordinative meeting regarding the actions necessary on the state level as a response to the Copenhagen Accord.[3]

The President of the Republic of Macedonia George Ivanov held an address at the Copenhagen summit demonstrating Macedonia's support for conveying the global agreement.

"We are already witnessing the negative effects of climate change and we must act promptly in order to prevent the process from having an irreversible negative impact. This is why we need a legally binding global agreement creating the best possible conditions which will keep global warming below 2 degrees Celsius. In this regard, we strongly support the European Union in its efforts to cut its carbon dioxide emissions by 20 percent by 2020 and its advocacy for global emissions reduction by at least 50 percent by 2050 compared to 1990 levels, as well as an aggregate developed countries' emissions reduction of at least 80-95 percent."[4]

The conclusions were noted and discussed in the press: the mitigation and adoption measures are costly. The Republic of Macedonia cannot cover the expenses by itself, which is why its participation in this global action is exquisitely active. According to the media and the authorities in the Republic of Macedonia, the measures implemented by Macedonia are completely in accordance with those proposed by the Kyoto Protocol. The Republic of Macedonia is actively working on reducing the emissions of harmful gases.

However, the opinions of the NGOs working in the sector are different. Although the NGOs warn about the extremely serious consequences in all sectors, there are no real mitigation measures. Mitigation is not a goal in the Energy Strategy either; according to this document, low-quality domestic lignite will remain Macedonia's main energy source in the next two decades. Its solar potential is mentioned with symbolic value, but it is not even analysed as such. Macedonia is in a very specific position: it is a Non-Annex I country to Kyoto and an EU candidate. This means that it does not have obligations concerning its targets and it is eligible for both clean development mechanism (CDM) projects and EU pre-accession funds. However, this situation will not last forever. Once it becomes an EU member state, it will lose both opportunities for funding and have to become an Annex I country (define its targets). This situation is not reflected in the country's related strategic documents and Macedonia seems to be rather disinterested when it comes to opportunities for funding clean energy projects. According to BELLS, a Macedonian NGO in the Balkan Bridges Network, the Balkans are in urgent need of an action plan for climate change. The countries in the region already suffer from a serious adaptation deficit to its current climate, deriving from a combination of socio-economic factors and the

* OHRID Institute for Economic Strategies and International Affairs.

legacy of chronic environmental mismanagement. Large investments are needed to guarantee an environmentally sound development pathway that reduces vulnerability and increases resilience. The Western Balkans need mitigation and adaptation efforts for climate change. There is a need for adoption of national plans in the parliaments by involving the civil sector as a partner in adaptation as well as mitigation of climate change, for the protection of citizens from unclean technologies and for all current and future investments to include analysis of their climate change impact.[5] This NGO has sent letters to governments throughout the region demanding an increase in regional cooperation and regular meetings in which an action plan of the Western Balkans for adapting to and dealing with climate change could be adopted. According to the NGO sector in Macedonia, there is a growing need for more debate regarding the environment and climate change. It comprises only 0.2 percent of the total questions asked by Members of Parliament in the parliament, and 0.67 percent of the information published in the printed media.

There was little news and no discussion regarding the questions on the EU's energy and climate policy, the best strategy to fight climate change and alternatives to the United Nations Framework Convention on Climate Change (UNFCCC).

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[1] Analyses of the daily Nova Makedonija, available at: http://www.novamakedonija.com.mk/NewsDetal.asp?vest=12169102399&id=9&prilog=0&setIzdanie=21863 (last access: 21 May 2010).
[2] Available at: http://www.time.mk/cluster/32c2564c19/samitot-vo-kopenhagen-neuspeh.html (last access: 20 July 2010).
[3] Information from the official website of the Ministry, available at: http://www.moepp.gov.mk/default-MK.asp?ItemID=C5856FDF8C89A440BEED28D98E97E1AE (last access: 19 April 2010).
[4] The President of Republic of Macedonia H.E. Gjorgje Ivanov address at the UN Conference for Climate change in Copenhagen, Information from the news portal Time.mk, available at: http://www.time.mk/read/10c69c2744/b4d3356022/index.html (last access: 20 July 2010).
[5] Information from the Macedonian Information Agency, available at: http://www.mia.com.mk/default.aspx?vId=691462&lId=1&pmkd (last access: 20 May 2010).

Malta

Climate and energy policy: more credible targets needed

Stephen Calleya*

The Copenhagen conference in December 2009 has been regarded as a failure due to the fact that it did not succeed in producing a binding agreement. The conference also provided unique insight into the limits of the European Union's influence in this sector as a result of American and Chinese dominance during the negotiating stages of the conference.

It appears that the EU needs to adopt a higher profile and more credible targets when it comes to its energy and climate policy if it wants to become more influential on the international stage. The Copenhagen conference clearly highlighted the weak position that the EU possesses in the climate change debate. If the EU is to regain the initiative, it must adopt more coherent and consistent policies in both areas.

A global agreement within the United Nation Framework Convention on Climate Change (UNFCCC) is the most effective policy framework to pursue, as it would ensure the most comprehensive approach possible to addressing such a global phenomenon.

Malta fully supports financing such efforts in developing countries, as long as such measures are seriously monitored.

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Netherlands

Ambitions not achieved in Copenhagen

Louise van Schaik*

The Copenhagen conference was widely covered in the Dutch press. The outcome was portrayed as a failure, with the EU being sidelined and upcoming powers demonstrating their increased powers in the negotiations.[1] Considerable attention was given to the chaotic process of negotiations – the EU being unable to speak with one voice – and the take-over of the Danish chairmanship of the conference by the Prime Minister away from the Environment Minister halfway through the negotiations. According to Green Member of the European Parliament Bas Eickhout, the weak statements made by the Swedish EU Presidency, that illustrated persisting disunity among the EU member states, particularly illustrated the EU's inability to operate on the basis of a strong single voice.[2]

The Dutch government considers the Copenhagen Summit less successful than it had aimed for. Positions of important players in the negotiations were too far apart and the process of the negotiations was cumbersome.[3] Nevertheless, the Dutch government still considers that the Copenhagen Accord provides sufficient content as a starting point for future negotiations on an international climate treaty.[4] Its strengths include the reference to keeping the maximum temperature increase below 2 degrees Celsius, and the political direction it gives regarding measuring, reporting and verification of finance and mitigation commitments; mechanisms for technology transfer and avoidance of deforestation; and the set-up of a financial architecture and review in 2015. Shortcomings include that no reference is made to market-based mechanisms and that emissions from aviation, maritime, agriculture and industrial Hydrofluorocarbons were not addressed.[5]

The Netherlands is an advocate of an ambitious EU climate policy. The increase of the so called "20-20-20" reduction target to 30 percent from the current 20 percent should principally be used as a leverage to convince other countries to join the EU's efforts, but the Netherlands also seems open to consider such an increase unilaterally. For instance, in January, the Netherlands was among the EU member states that wanted to submit the 30 percent target to the United Nations Framework Convention on Climate Change (UNFCCC) for the annex of the Copenhagen Accord.[6] Other member states only wanted to submit the 20 percent target and as a compromise the 30 percent was kept conditional upon other industrialised states undertaking a similar effort and emerging economies taking up a meaningful commitment, i.e., the original EU position. The Netherlands favours an international climate agreement which is similar to the Kyoto Protocol, although it realises it will not be easy to negotiate such a treaty, and discussions outside the UN process should also be pursued. The EU should clearly operate as a united bloc in international climate negotiations and the Dutch government is open to a larger role for the European Commission or the President of the European Council in external representation, although it underlines the right for representation by the member states.[7]

One of the priority areas of the Dutch government is climate financing. It has invested considerable efforts in stimulating debates and launching ideas on how to organise the international architecture of climate financing. It is pleased with the decision on the Copenhagen Green Climate Fund and hopes the Commission will soon present a Communication on how to operationalise it.[8] It undertakes efforts to convince other EU member states to deliver on short-term financing. Contributions of the private sector and innovative financing need to be among the priority issues to be analysed and discussed within the context of the UN High Level Panel on Climate Financing. The Netherlands itself has promised to deliver 300 million Euros of fast track financing for the period 2010-2012. This money would be additional to funds committed earlier to development cooperation and environmental projects.[9]

[1] P. Luttikhuis: 'Kopenhagen' verdeelt wereld, NRC, 21 December 2009; M. Bezemer/G. Moes: Grote top, klein resultaat, Trouw, 21 December 2009; M. Peeperkorn/M. Persson: EU heeft nakijken in Kopenhagen, De Volkskrant, 21 December 2009; M. Peeperkorn: EU wil af van kater van Kopenhagen, De Volkskrant, 23 December 2009.
[2] B. Eickhout: Waarom Europa buitenspel stond in Kopenhagen, NRC, 22 December 2009.

* **Netherlands Institute of International Relations 'Clingendael'.**

[3] Brief van de Minister van Volkshuisvesting, ruimtelijke ordening en milieubeheer aan de voorzitter van de Tweede Kamer der Staten-Generaal, 9 February 2010.
[4] Cf. Internationaal klimaatbeleid na Kopenhagen, letter sent by the Environment Minister to Parliament, 19 March 2010.
[5] Ibid.
[6] Bulletin Quotidien Europe 10061, 22 January 2010; Han Dirk Hekking: Spanje tracht scheuren in klimaatfront te repareren, Financieel Dagblad, 18 January 2010.
[7] Cf. Internationaal klimaatbeleid na Kopenhagen, letter sent by the Environment Minister to Parliament, 19 March 2010.
[8] Ibid.
[9] Milieuraad: Verslag van een algemeen overleg, Tweede Kamer der Staten-Generaal, 25 March 2010.

Poland

Auctioning of emission allowances controversially debated

Maria Karasinska-Fendler·

In 1992 Poland signed the United Nations Framework Convention on Climate Change (UNFCCC) and then went on to sign the Kyoto Protocol in 1997. According to the Kyoto Protocol, Poland is obliged to reduce its greenhouse gas (GHG) emissions for 2008–2012 by 6 percent in relation to the base year, 1988. During the period from 1988 to 2009, Poland reduced its emissions by 58 percent, mostly due to economical changes related to the political transformation from central planning to market economy. The costs of those changes were significant, with a 20 percent decrease of employment, for example. In 2005, more than 73 percent of total GHG emissions in Poland were generated by the energy sector (excluding transport). Hard coal plays a very important role in the Polish energy mix, resulting in high emissions and CO_2 intensity. The share of solid fuels in electricity generation (97 percent in 2009) is the highest among the EU member states. The primary energy supply from coal is also high (58 percent in 2008). The GHG emissions of the energy sector decline year by year, as a result of energy-efficiency policies and measures implemented. In the future, a slight increase is expected, stemming from the forecasted economic growth rate. For the transport sector, emissions are also declining continuously. In the period from 2007 to 2013, more than 100 billion Euros from EU funds will be spent on new investments in Poland. Some 63 percent of those funds are expected to be channelled into road-based transportation projects. Since 2003, Poland has implemented its Climate Policy Act, with the goal of 40 percent GHG reductions by 2020, compared to 1988. The planned increase of GHG emissions in the period from 2007 to 2013 may affect these ambitious results; for instance, the energy intensity of Poland's gross domestic product (GDP) has decreased by approximately 30 percent. The energy intensity remains twice as low as the EU average for that same period; the respective efficiencies of power plants in Poland and in the EU-15 amount to 36.5 percent and 46.5 percent; thermal insulation of residential buildings in Poland amounts to 150-350 kWh per sq m per year, as compared to 40-90 kWh per sq m per year in the EU-15.

According to the official data, the increased intensity of extreme weather incidents in Poland is a fact. In 1991 there was only one case of a heavy gale, while in 2006 the number increased to 52 and the first half of 2010 appeared abundant in such events. Apart from a lot of other negative factors, tourism suffers from a lack of snowy winters, while agriculture is harmed by floods and droughts. Despite all of those facts, the general public's interest in climate issues is very low. There is a general awareness that climate change is a fact, but there is still disagreement on the human responsibility for this process and a general doubt prevails in the public and media debates on any other related topics.

There has been almost no news about major scientific and economic reports, such as the Intergovernmental Panel on Climate Change Fourth Assessment Report (IPCC 4AR) or Stern reports. Moreover, in Poland, the existing and potential consequences of climate change are considered a non-issue for the neighbouring vicinity. They are rather perceived as a "problem of other regions whom we cannot help to any larger extent".[1] Also, it is a common misunderstanding of the problem to translate and consider the climate change process as, e.g., delivering more advantageous conditions for tourism on the Baltic seaside. As far as energy is concerned, the understanding of EU energy and climate policies is poor. GHG emissions reduction is seen mostly as a cause of higher energy costs for households and national industry sectors.

Strong scientific bodies dealing with climate-change issues in Poland are almost non-existent. The Polish NGO movement has a good understanding of the problem and seems to have one of the most important roles in providing relevant information and education. NGOs, through their activities and cooperation with the media, provide and disseminate crucial analyses of current issues related to climate change as well as reports of its confirmed and possible consequences. In 2009, the International Institute for Sustainable Development (IISD) issued a report on the environmental awareness of the general public in Poland. Contrary to the previous study from 2004, the public's opinion as to the nature of the country's leading environmental problem changed from "ozone layer depletion" to "climate change". It seems to be an effect of the increasing media interest in climate issues. The important role of research energy (RES) within the energy system was indicated by

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approximately 50 percent of respondents, while 23 percent mentioned energy efficiency. Nuclear power was supported by 30 percent of the respondents.[2]

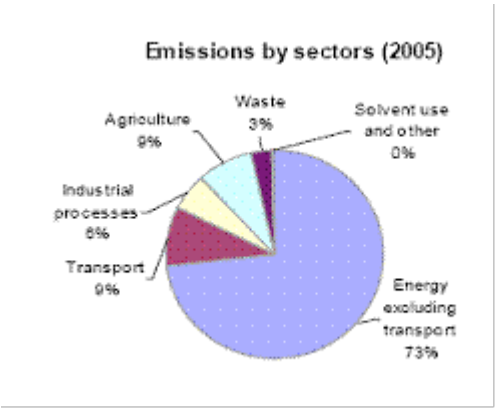
There is a media debate on the human responsibility aspect of the process. Natural disasters like floods and gales are linked to the fact of climate change; yet, the topic is still not correctly and adequately understood. It is suspected that it is not "sexy" enough for the media. The media in Poland seems to be interested more in the European Climate and Energy Policy rather than in global problems such as climate change. The concepts of allocation of GHG-emissions permits for the EU Emissions Trading Scheme (EU ETS) (in the past) and of auctioning and its allegedly damaging impact on the national economy seem currently to be very hot media topics. There is a lack of interest in issues like the future post-Kyoto agreement, burden-sharing, etc. Major high-level meetings like the COPs and events such as the publication of the IPCC 4AR report are brought to the media's attention mostly by NGOs.

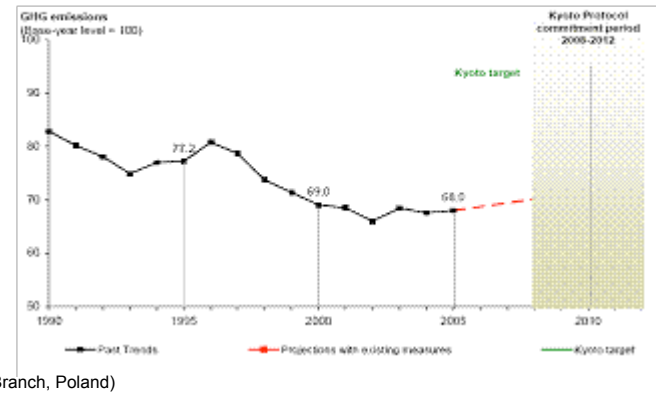
Poland has agreed to the European Climate and Energy Package goals, even though ways to achieve them are still disputed and viewed as difficult to follow at some points. The most controversial idea of the agreement is auctioning 100 percent of the CO_2 emission credits through the EU ETS, which is expected to be in place in 2013. It is seen both by the government and in public opinion as a serious threat to the national economy and as an even more serious threat to a lot of the industry stakeholders and other businesses in Poland. The NGOs are not as sceptical of the auctioning idea, viewing it as a challenge for Poland, highlighting at the same time the opportunities for the economy, potential for boosting innovations, expanding RES and improving overall energy efficiency. As far as the agreement on post-2012 targets is concerned, the discussions are ongoing, and there is no official position available. As is mentioned above, the government is expecting an increase in GHG emissions in the next several years. The NGOs' climate coalition lobbies to keep the Polish Climate Policy goal of a 40 percent GHG emissions reduction target by 2020. It must also be noted that Poland did not officially support the Hungarian Proposal. As for the national energy policy, a new policy act is currently being drafted by the Ministry of Economy. Apart from the priorities assigned to energy efficiency and the increase of renewable energy use, the draft also envisages the construction and operation of a nuclear power plant in Poland in the future as a tool for GHG emission reduction.

On 25 March 2010, demosEUROPA – Centre for European Strategy organised its first expert roundtable meeting on a low carbon economy in Poland, within the framework of the project "Poland's Low Carbon Transition Strategy – putting Poland on the path of CO_2 emission reductions", entitled: "Global Trends and European Context." The meeting took the form of an expert roundtable composed of economists, practitioners and policy makers. Dieter Helm,[3] who was the main speaker of the day, deliberated on the global and European trends that pertained to building a low emission economy and Poland's prospects in this framework.[4] The topics of the meeting included: issues associated with global energy and climate policy making; a critical analysis of the European low emission economy project, closely associated with the proposal for the Europe 2020 Strategy; and the potential for transformation of the Polish energy sector. Problems pertaining to climate change politics on a global level were also mentioned – especially the more evident failure of the Kyoto Protocol, which has not proven to reduce emissions of greenhouse gases into the Earth's atmosphere. EU energy and climate policies, which are now based on possibly unattainable goals due to economic constraints, were also subjected to constructive criticism by the group. The participants agreed on the huge potential associated with shale gas, which could influence the improvement of energy security in Poland, as well as lower the level of greenhouse gas emissions in the energy sector. Shale gas has the potential to become the transition energy source between coal, which currently stands as the base of Polish energy production, and renewable energy, for which rollout and implementation will take many more years. The main problems of the Polish energy sector were also identified: old energy installations, lack of diversification and the need to increase energy output production for the growing Polish economy. The experts assumed that energy diversification would improve Poland's energy security, as well as reduce the investment risk associated with gas, oil and electricity prices. However, such diversification will not be possible, unless a number of policy reforms are set in place by the Polish government. The meeting was summarised with an interesting discussion on new methods of measuring human and economic development, in which natural resources, water and air quality and environmental degradation were to be included as factors of economic calculations.

Growth of GDP and Change Gross Inland Energy Consumption in Poland

2007 GDP Growth in %	2008 GDP Growth in %	2009 GDP Growth (est.) in %	Gross Inland Energy Consumption Change Dec.2009/Dec.2008 in %
6,6	**5,0**	**1,1**	**-6,3**





Source: Aleksandra Arcipowska (Polish Ecological Club, Mazovia Branch, Poland)

[1] Since 1992, the Institute for Sustainable Development has published studies of the environmental awareness of Polish society. All of the studies reported were conducted by the same center, the Social Opinion Research Center, which provides uniform standards for research, available at: http://www.koalicjaklimatyczna.org/index.php?id=koalicja&lang=en (last access: 28 July 2010).

[2] There is a report prepared by Energsys on the potential impact of the EU climate policy on the Polish economy. It is claimed that the EU Energy and Climate Package implementation will cause losses to the economy amounting to 505 billion PLN in 2030.

[3] British economist specialising in energy and climate policy, Professor at Oxford University, former adviser to the British Prime Minister Tony Blair and currently member of the group of external advisers to the Polish Presidency in the Council of the European Union.

[4] The discussion was attended by a number of distinguished guests, amongst whom were: Maciej Bukowski (president, Institute for Structural Research), Adam Czyżewski (chief economist, PKN Orlen), Leszek Kąszek (economist, World Bank), Witold Orłowski (chief economist, PriceWaterhouseCoopers), Marcin Putra (partner, McKinsey&Company), Filip Thon (partner, RWE Polska), Krzysztof Żmijewski (secretary general, Social Council of National Programme for Emissions' Reduction) Jakub Michałowski (secretary, Group of Strategic Advisers to the Prime Minister), Ewa Gąsiorowska (chief specialist, Vattenfall Polska), Daria Kulczycka (director, Department of Energy and Climate Change, Leviatan), Adam Jasser (secretary, Economic Advisory Council to the Prime Minister), Ewa Stepan (director of the Climate and Energy Programme, Center for International Relations), Paweł Świeboda (president, demosEUROPA), Krzysztof Blusz (vice-president, demosEUROPA), Agata Hinc (project leader, "Low Emission Economy", demosEUROPA) and Jerzy Brodzikowski (project assistant, demosEUROPA).

Portugal

Disappointment due to wishful thinking

Luis Pais Antunes·

There were great expectations in Portugal for the Copenhagen conference. Secretary for Environment, Humberto Rosa, qualified the results of the conference as "deceiving" but in any case "better than nothing"[1], in line with most of the European representatives. As Minister Amado recently acknowledged, the disappointment was mainly the result of wishful thinking about how the other interested parties would accept the negotiation terms. Amado expressly mentions that the European position "was a little bit naïve" in trying to take leadership in a subject matter where it could find an easy consensus among the member states, without understanding the concerns of its main partners. According to Amado, Europe, which still lives under the strategic dependence from the USA, tried to use the climate issue as an opportunity to take the lead and clearly failed, which also proves that it still faces significant limitations as to its status as a global actor.[2]

Excluding Japan, the most conservative European proposals in Copenhagen seemed to be far in advance of those of the other main international players, but this should not necessarily be a reason to cause the European Union to change its own energy and climate policy.[3] It is necessary to give a new impulse to the international negotiations in view of the COP16 at the end of the year in Mexico, although one should not be too optimistic about the outcome of the next conference. Europe by itself will not be in a position to impose its own views without a clear change of US policy under the Obama administration.

Climate change is a world issue. Of course, nothing prevents Europe from adopting measures to take the lead, as it did in the last decade. But under the current economic scenario, one fails to see any possible alternative to a global agreement within the United Nations Framework Convention on Climate Change (UNFCCC) to fight climate change.

Portugal supports the financing of mitigation and adaptation efforts in developing countries, as per the National Strategy of Adaptation to the Climate Changes adopted by the Portuguese government in March 2010.

[1] Lusa news agency, 20 December 2009.
[2] Interview in the newspaper Expresso, 24 July 2010.
[3] Viriato Soromenho Marques: Entre a crise e o colapso. O desafio ontológico das alterações climáticas, Brot´ria, December 2009.

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Romania

Europe has to stay on track

Agnes Nicolescu*

Europe needs to stand by its current reduction objective

With few exceptions, the result of the Copenhagen conference, more exactly the content of the agreement, is seen as moderate progress, given the limitations of the document, namely the "political character of the provisions, the minimal compromise tendency and the lack of any formally assumed obligations by the main carbon gas polluters."[1] On a more positive note, Radu Dudău, the author of a policy brief dealing with this topic, remarks – in spite of the serious deficiencies of the format of the conference negotiations, which have highlighted structural gaps between actors from developed countries and those from emerging economies in terms of concrete arguments brought to the table – "in the near future, signatory states will have to go through with the political promises assumed."[2]

The Romanian media has emphasised the necessity to maintain the fundamental goal of a 30 percent reduction in greenhouse gas emissions as well as the diplomatic struggle among the major international actors involved in negotiations. One of the central issues of the Copenhagen conference held in December 2009 was finding out whether a second commitment period of the Kyoto Protocol or the creation of a completely new treaty, of which the United States would be a part as well, was necessary.[3] Member of the European Parliament (MEP) Karl-Heinz Florenz, vice-president of the parliamentarian delegation to Copenhagen, considers the USA and China as the key negotiators at the moment: "A problem is the fact that [the] G77 does not speak with one voice."[4] Jo Leinen, the president of the parliamentarian delegation to Copenhagen, considers that the EU needs to stand by its already assumed objectives to combat climate change in order to maintain its credibility as a major voice on the international scene: "Cutting down the objective of 30 percent will question the European Union's leader status in the negotiations and encourage other countries to reduce their own objectives."[5]

Greater independency from traditional energy sources

The EU's integrated policy on energy and climate change, adopted in December 2008, is still very much a major subject of analysis in Romanian society, but the reform of European energy policy is generally tackled as separate from the framework of the international negotiations, except for the episode of the Copenhagen conference. The European energy policy is discussed from the perspective of the necessity to considerably reform energy production and consumption so as to stay in line with the assumed commitments of combating climate change. A reformed EU energy policy should therefore strive to achieve greater independency from traditional energy sources such as imported oil and gas, ensure access to more diverse forms of renewable energy and less exposure to unstable energy prices and energy deliveries.[6]

The European Union needs to concentrate on developing the current energy infrastructure (gas and oil pipelines as well as electricity lines), as well as continually adapting it in order to be compatible with renewable energies. The EU's energy strategy requires additional efforts to enhance energy efficiency, diversify energy resources, correct the behaviour of European energy consumers and consolidate international cooperation on these issues.[7]

A global binding agreement is the key

The Romanian media mainly focuses on a global agreement with legally binding commitments as the best strategy within the United Nations Framework Convention on Climate Change (UNFCCC) in order to fight climate change, and, to a lesser extent, develop alternative strategies which the European Union might adopt. A binding agreement for all countries is the main objective of negotiations, which are to be held in 2010 in Mexico, once the United States adopts the necessary legislation to set a final target and a roadmap for the reduction of greenhouse gas emissions.[8]

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The alternative strategies discussed in the media are strongly inspired by those proposed by the European Commission in order to reach the assumed reduction targets and include greater investment in developing low carbon emissions technologies, especially in developing countries; internationally-funded innovative sources; and the establishment of an international carbon market by 2015.

For Romania, a 20 percent reduction is a realistic objective

Despite previous statements made by Romanian President Basescu with regard to pursuing the ambitious 30 percent reduction target,[9] recent documents issued by the Department for European Affairs point out that, for the moment, Romania may stand by an objective no greater than 20 percent.[10] The Romanian head of state also considers that the financial burden needs to be shared mostly by highly developed countries and the greatest polluters. Referring to actual costs involved by the implementation of the reduction objectives, "the quota pertaining to Romania involves additional costs but I believe these costs will generate benefits for Romanians, as we subscribe this carbon emissions' reduction policy to a modernization trend [of Romania]."[11]

As far as financing mitigation is concerned, the focus is on exploring mechanisms which finance the reduction of gas emissions as well as clean technologies. The latter mechanism is aimed at accelerating the implementation of clean energies or low-carbon emissions in developing countries.[12]

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[1] Radu Dudău: Acordul de la Copenhaga: ceva mai mult decât nimic", Policy Brief, IDR, no. 19, December 2009, available at: http://www.idr.ro/publicatii/policy%20brief%2019.pdf (last access: 14 July 2010).
[2] Ibid.
[3] Mediafax: Atmosferă tensionată la Conferința de la Copenhaga, unde chiar şi sigla provoacă divergențe, 9 December 2009, available at: http://www.mediafax.ro/externe/atmosfera-tensionata-la-conferinta-de-la-copenhaga-unde-chiar-si-sigla-provoaca-divergente-5167876 (last access: 18 May 2010).
[4] European Parliament: One day to go at Copenhagen COP15: Can the world deliver?, 17 December 2009, available at: http://www.europarl.europa.eu/sides/getDoc.do?pubRef=-//EP//TEXT+IM-PRESS+20091211STO66325+0+DOC+XML+V0//EN (last access: 19 May 2010).
[5] Ibid.
[6] Revista 22: Inițiativele UE de combatere a schimbărilor climatice, 14 February 2010, available at: http://www.revista22.ro/ini355iativele-ue-de-combatere-a-schimb259rilor-climatice-7778.html (last access: 19 May 2010).
[7] Ibid.
[8] Livia Cimpoeru: Scenariu posibil pentru Copenhaga, 17 December 2009, available at: http://www.green-report.ro/stiri/pscenariu-posibil-pentru-copenhagap (last access: 19 May 2010).
[9] Robert Mihăilescu: Traian Basescu despre conferinta Copenhaga: susținem fără rezerve reducerea cu 30% a emisiilor de carbon, Revista *22*, 16 February 2010, available at: http://www.revista22.ro/traian-basescu-despre-conferinta-copenhaga-sustinem-fara-rezerve-reduc-7786.html (last access: 17 May 2010).
[10] Department for European Affairs: Document de fundamentare pentru stabilirea la nivel național a valorilor de referință ale obiectivelor Strategiei Europa 2020, 12 May 2010, available at: http://www.dae.gov.ro/admin/files/Tinta%20reducere%20gaze%20cu%20efect%20de%20sera.pdf (last access: 19 May 2010).
[11] Ibid.
[12] Comisia Europeană: Acțiuni internaționale, 18 December 2009, available at: http://ec.europa.eu/environment/climat/campaign/what/fightingcc_ro.htm (last access: 19 May 2010).

Slovakia

Slovakia's support of the EU goals meets little public attention

Vladimír Bilčík*

There has not been any real public debate on global climate negotiations following the results of the climate conference in Copenhagen. Slovakia has focused on other public policy challenges and in 2010 Prime Minister Fico's government even decided to abolish the Ministry of Environment and merge it with the Ministry of Agriculture. The forthcoming coalition government, led by Prime Minister Iveta Radičová, already indicated that it would preserve the Ministry of Environment.

During the negotiations in Copenhagen, Slovakia followed the EU mandate for negotiations and strongly endorsed the EU's red lines. Slovakia also pledged about 9 million Euros toward financing mitigation and adaptation efforts in developing countries.[1]

[1] Euractiv.sk: Helena Princová: V Kodani vládne "rozpačitá atmosféra", 15 December 2009, available at: http://www.euractiv.sk/zivotne-prostredie/interview/helena-princova-v-kodani-vladne-rozpacita-atmosfera-014151 (last access: 29 June 2010).

* Slovak Foreign Policy Association.

Slovenia

Wrong EU tactics: Copenhagen only the beginning of a long process

Andreja Jerončič and Danijel Crnčec*

Copenhagen conference failed to reach expectations

While looking forward to the next conference on climate change (the sixteenth Conference of the Parties (COP) and the sixth Conference of the Parties serving as the meeting of the Parties to the Kyoto Protocol (CMP)) at the end of November 2010, the Minister of Foreign Affairs of the Republic of Slovenia assessed the conference in Copenhagen as the beginning of a long process. Even though the conference ended without a legally binding agreement on joint action on climate change and therefore failed to reach global and also Slovenia's expectations, it can lay the foundation for a comprehensive agreement. Therefore, it is even more important that, in the future, member states announce their commitments and show their political will and maturity in order to create an efficient global environmental management plan: "We can no longer afford to hesitate. The consequences of climate change will have devastating effects on development, the elimination of poverty, health care and security, and the political stability of countries and regions. Without timely and joint action, the costs of the consequences of climate change will greatly exceed the costs related to greenhouse gas emissions."[1]

The Former Minister for Environment and Spatial Planning, Karl Erjavec, was disappointed with the agreement reached in Copenhagen, since it lacks legally binding targets, is not ambitious enough and is too general. Regarding the EU's negotiation strategy, he believed that the EU adopted the wrong tactics for negotiations in Copenhagen. Although the EU was supposed to be the most important actor in the conference; it was basically invisible.[2] According to Karl Erjavec, the EU's negotiation and communication strategy has to change, especially regarding the USA and China. In order for the EU to maintain its credibility, more bilateral meetings have to be conducted with both the most and the least developed countries since the multilateral summits will not be efficient otherwise due to divergent interests. However, some improvement is seen and the agreement can serve as a good basis for future negotiations.[3]

The Slovenian Foundation for Sustainable Development, Umanotera,[4] sees the Copenhagen Accord as empty and lacking substance. Moreover, not only are the goals not ambitious enough, but neither global nor national targets for reducing emissions of greenhouse gases are determined. According to Umanotera, the agreement does not meet global expectations and world leaders did not justify the public's trust. It has shown that the common goal of preventing dangerous climate change does not suffice against the power of individual national interests and the degree of distrust between states; meanwhile, the time for action is expiring. According to Greenpeace Slovenia, one of the reasons for a weak agreement is the unwillingness of the EU to use its political power to lead countries into accepting legally binding targets.[5]

The Slovenian public is also sceptical about the Copenhagen Accord; 85 percent of people participating in the survey made on Slovenian national television believe that it will not help to reduce pollution due to the fact that it is not legally binding. This demonstrates that the public in Slovenia expects legal obligations and not only promises.[6]

EU energy and climate policy

According to the Government Office of the Republic of Slovenia of Climate Changes,[7] the EU energy and climate policy is among the most advanced in the world; therefore, its change by itself will not provide a major boost to international negotiations. The main reasons for the current impasse in negotiations lie outside the EU. The USA does not yet have a domestic legal base enabling for a comprehensive global and legally binding agreement. In addition to this, the level of trust between the developing and developed countries is very low. One of the reasons is that not all developed countries acknowledge their historic responsibility for greenhouse gas emissions and their consequences. Within the current policy, the EU still has the possibility to increase its 2020 emission reduction target from 20 to 30 percent in order to motivate other countries to set comparable targets. What the EU may

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want to change is the position of the second commitment period of the Kyoto protocol. Since a globally comprehensive legally binding agreement is not very likely in the next few years, the possibility of extending the Kyoto Protocol beyond 2012 should be kept open. This would improve the level of trust in relation to the developing countries and put pressure on the USA.[8]

The global agreement within UNFCCC assessed as the best strategy

"Global agreement within the United Nations Framework Convention on Climate Change (UNFCCC) is the best option to securing global combat against climate change based on the principle of shared but differentiated responsibility."[9] However, the Copenhagen Summit has shown that such an agreement may take more time and may not reach the level of effort required to stabilise climate change at the temperature increase of 2°C. Therefore, in order to improve international and bilateral cooperation, speed up the implementation of climate mitigation and adaptation measures, and in turn facilitate the achievement of a global agreement, alternative strategies need to be pursued. One such strategy is to perform well on the fast start financing agreed on in Copenhagen and to develop cooperation on measures with interested countries. A good example of this is the Slovenian participation in the Paris-Oslo process on Reducing Emissions from Deforestation and Degradation (REDD) and the Western Balkans Forum on Climate Change.[10]

According to Lučka Kajfež Bogataj,[11] a renowned Slovenian climatologist, one of the reasons for the failure of the conference in Copenhagen is that the Kyoto idea itself has died. The concept of binding reduction goals that are supervised by the UN is outdated because the global economy is so intertwined. "Today, almost half of the emissions that are caused by China go at the expense of manufacturing products for the Western world. How can we then prescribe China to cut its emissions, if we are causing them with our demand?"[12] However, she believes that it is better to fight climate change in a global context, i.e., in the context of the UN, than to let countries set their own targets.

Financial assistance has to be available to the developing countries

The summit confirmed the substantial differences in the views and negotiating positions between the developed and the developing countries. Some of the fast-growing economies lacked the necessary understanding for the less-developed countries, where the consequences of climate change mean no less than the difference between their existence and disappearance.[13] The position of the Ministry for Environment and Spatial Planning on financing mitigation and adaptation efforts in developing countries is that the measures for reducing emissions in the framework of the global climate agreement have to be based on the historical responsibility for the emissions of greenhouse gases and the financial capability of individual states. For the reduction of global emissions to be successful, it is necessary that the developing countries also limit and later on reduce their emissions. However, it needs to be taken into account that the developed states are the ones most responsible for the current situation and, therefore, have to bear the greatest burden. The financial and technological assistance along with the assistance for building capacities has to be assured to the developing countries and this help has to be sufficient and predictable. The EU as an entity has to contribute its fair share to this assistance according to two criteria: the capability of payment and the share of emissions. Slovenia is also supportive for the earlier financing, i.e., before the beginning of the second commitment period (2010-2012).[14]

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[1] Ministry of Foreign Affairs: Press statement by the Minister of Foreign Affairs, Samuel Žbogar, on the Copenhagen Summit, 22 December 2010, available at: http://www.mzz.gov.si/nc/en/tools/cns/news/article/6/%2026391/36746f22d9/ (last access: 15 May 2010).

[2] STA: Erjavec: Kobenhavn demokratična anarhija; taktika EU napačna (Erjavec: Copenhagen is democratic anarchy: the EU tactic is misguided), 22 December 2010, available at: http://www.sta.si/vest.php?s=s&id=1462739&q=ERJAV+RAZO%C4%8CAR (last access: 16 May 2010).

[3] STA: Erjavec: EU mora spremeniti podnebno taktiko glede ZDA in Kitajske (Erjavec: EU must change climate tactic concerning USA and China), 16 January 2010, available at: http://www.sta.si/vest.php?s=s&id=1469925 (last access: 15 May 2010).

[4] The Slovenian Foundation for Sustainable Development – Umanotera: Sporočilo za javnost ob zaključku podnebnih pogajanj v Koebenhavnu (Press release at the end of the climate negotiations in Copenhagen), 19 December 2009, available at: http://www.umanotera.org/index.php?node=178 (last access: 15 May 2010).

[5] STA: Nad dogovorom v Koebenhavnu razočarane tudi nevladne organizacije. (NGOs also disappointed with the agreement in Copenhagen), 19 December 2010, available at: http://www.sta.si/vest.php?s=r&id=1461744&pr=1 (last access: 18 May 2010).

[6] Mmc.rtvslo.si: Anketa (Survey), 26. December 2010, available at: http://www.rtvslo.si/modload.php&c_mod=poll&op=polls&func=list&c_menu=23&c_parent=23&page=4 (last access: 15 May 2010).

[7] Jernej Stritih, Director of the Government Office of the Republic of Slovenia of Climate Changes: Written comments to the EU-27 Watch Questionnaire 2010.

[8] Ibid.
[9] Ibid.
[10] Ibid.
[11] Mladina: Intervju: Lučka Kajfež Bogataj, klimatologinja (Interview: Lučka Kajfež Bogataj, climatologist), 7 May 2010, available at: http://www.mladina.si/tednik/200901/dr__lucka_kajfez_bogataj__klimatologinja (last access: 18 May 2010).
[12] Ibid.
[13] Ministry of Foreign Affairs: Press statement by the Minister of Foreign Affairs, Samuel Žbogar, on the Copenhagen Summit, 22 December 2010, available at: http://www.mzz.gov.si/nc/en/tools/cns/news/article/6/%2026391/36746f22d9/ (last access: 15 May 2010).
[14] Ministry for Environment and Spatial Planning: Stališča Republike Slovenije za konferenco o podnebnih spremembah v Koebenhavnu od 7. do 18. decembra 2009 (Position of the Republic of Slovenia on the conference on climate change in Copenhagen from 7 to 18 December), available at: http://www.vlada.si/fileadmin/dokumenti/si/projekti/2009/podnebne/konferenca_kopenhagen_stalisca_Slovenije.pdf (last access: 15 May 2010).

Spain

Disillusionment after the Copenhagen Conference on Climate Change

Lara Lázaro and Alicia Sorroza*

The Spanish government praised the technical advancements of the working groups at Copenhagen. It was also satisfied about having brought the largest polluters on board (albeit in the *in extremis* meeting). It nevertheless realised that international environmental agreements are inevitably slow and bound by the law of the least ambitious programme. In sum, there was an undisguised feeling of failure among government officials. This was reflected in the declarations made by the Spanish Office of Climate Change (OECC) at various seminars and workshops in the aftermath of the COP15. Too much to achieve in a short period of time, with misunderstandings and lack of trust among parties, could summarise the government's analysis of Copenhagen. The Spanish Presidency of the EU was expected to further the joint efforts of the European Union in the future achievement of a legally binding agreement.[1]

The main opposition party – the conservative Popular Party (PP) – believes that the agreement reached shows a low level of ambition and scant progress. They consider that there is an urgent need to reach a global agreement in order to ensure all parties and firms compete under the same conditions in a low carbon economy, thus avoiding relocation of national industry.[2] According to the leftist party Izquierda Unida, the Copenhagen international summit was an absolute failure.[3]

The Spanish Trade Unions (Unión General de Trabajadores, UGT and Confederación Sindical de Comisiones Obreras, CCOO) have expressed their disappointment with the lack of a binding agreement at the Copenhagen summit. It is considered an absolute failure as scientific mandates (to reduce greenhouse gas (GHG) emissions between 25 percent and 40 percent in relation to 1990 levels by 2020) have not been enshrined into the Copenhagen Accord. Current figures fall short of the above recommendations and amount to 15 percent of reductions. Copenhagen has been a missed opportunity in terms of the 'millions' of green collar jobs that could have been created. They also criticised the 'outrageous' exclusion of civil society in this historical meeting. For them, there was an unprecedented breach of historical participation of civil society in climate change negotiations. Future agreements should include not only civil society, but also all countries.[4]

The main Spanish non-governmental organisations highlighted the historical opportunity missed in Conpenhagen. According to Intermon Oxfam, the international leaders, subservient to their own (economic) interests, forgot about the 'common good'. The Copenhagen Accord was a useless agreement that served the media-frenzy desire of offering headlines, but failed to ensure that lives are saved. This is especially worrisome for the poorest and most vulnerable. Copenhagen's failure and the possibility of facing the catastrophic consequences of climate change should be a wake-up call for policy-makers and political leaders alike.[5]

Ecologistas en Accion, a relevant non-profit ecological organisation, also believes that the lack of public participation and the exclusion of the 'global South' must be condemned. It stressed its disappointment with the non-existent long-term commitments to ensure binding GHG reductions. There is a long-standing and urgent need for decisive global climate agreements post 2012. The limited amount of natural resources, as sources or as sinks, has to be included in the parlance of international environmental agreements in an effective way if the worst consequences of climate change are to be avoided.[6] Greenpeace in Spain declared that Copenhagen was only a 'weak political declaration' that implicitly leads to increases in temperature above 2ºC. The agreement can be seen, at best, as a step along the road to a legally binding agreement. Transfers agreed should be effectively made if engagement of Least Developed Countries (LDCs) is to be ensured.[7]

According to the Twenty-Third Wave of the Barometer of the Elcano Royal Institute (March 2010), Spanish public opinion is worried about the threat of climate change and rose to the level of other issues. A total of 90 percent consider it an important threat and half of these people feel it is a very important threat. Within this context, it should come as no surprise that one out of every two Spaniards is disappointed by the results of the climate change summit in Copenhagen. Only 1 percent assessed

* Elcano Royal Institute.

the results of the climate change summit as very good, 27 percent as good, 28 percent as bad, 13 percent as very bad, 22 percent gave no answer.

[1] More information is available at: http://www.mma.es/secciones/cambio_climatico/pdf/Nota_resultados_COP15.pdf (last access: 29 July 2010);
http://www.elmundo.es/elmundo/2009/12/22/ciencia/1261507885.html (last access: 29 July 2010).
[2] Available at: http://www.pp.es/actualidad-noticia/pp-pide-informacion-al-gobierno-sobre-propuesta-espanola-cumbre-copenhague-sobre-cambio-climatico_971.html (last access: 29 July 2010).
[3] Available at: http://izquierda-unida.es/node/6811(last access: 29 July 2010).
[4] Available at: http://www.ugt.es/actualidad/2009/diciembre/a21122009.html (last access: 29 July 2010).
[5] Intermon Oxfam: "Un clima de vergüenza: volved a la mesa. Análisis inicial de la reunión sobre el clima en Copenhague", 21/XII/2009, available at:
http://www.intermonoxfam.org/UnidadesInformacion/anexos/11347/091223_Un_clima_de_verguenza_IO.pdf (last access: 29 July 2010).
[6] Available at: http://www.ecologistasenaccion.org/spip.php?article16104 (last access: 29 July 2010);
http://www.ecologistasenaccion.org/spip.php?article16220 (last access: 29 July 2010).
[7] Available at: http://www.greenpeace.org/raw/content/espana/reports/100210.pdf (last access: 29 July 2010).

Sweden

Need for a new strategy

Gunilla Herolf*

Sweden largely regards the climate conference as a failure in terms of the outcome. On the positive side, the EU had a united position, which was achieved with some difficulty, since the EU members did not find it easy to agree on the high level of reductions of greenhouse gas emissions. Another positive aspect was the total EU pledge of 7.2 billion Euros to help the least developed and most vulnerable countries, an amount that was above expectations. The negative side was dominant, however. The EU's hope was also to convince the United States and a number of other countries, particularly China, the two combined responsible for half of the greenhouse gas emissions, to increase their commitment. The USA was asked for a legally binding economy-wide commitment to reduce emissions whereas China was asked for binding actions. Both countries gave offers below expectations, however. Most commentators in Sweden have put the blame on the USA and China not being willing to make substantial and binding reductions and on some other countries obstructing the meeting with endless procedural questions. It was obvious that the EU negotiating strategy of seeking to convince the major emitters by making substantial European promises was not enough. The interests against reductions were simply too strong. In the USA, Congress was against substantial concessions and in China, the need for quick economic development was dominant.

Prime Minister Fredrik Reinfeldt sees the need for a new dynamic and believes that dynamism can be increased through a stepwise approach based on the Copenhagen Accord. A plan of action should be agreed on at the coming meeting in Bonn; thereafter, concrete measures should be taken in Mexico in order to anchor the Copenhagen Accord in the United Nations (UN) negotiation process. Another important step in this process is to start work on the financial *fast start* contributions. In order to accomplish this, member states have promised to report at the UN meeting in May or April 2010. We are to give coordinated reports on its implementation at the Mexico meeting by the end of the year and annually thereafter.[1]

Prime Minister Reinfeldt, however, feels that the present approach with veto rights and the UN framework creates problems for progress. In addition to the global approach, the big countries posing problems in Copenhagen need to be approached bilaterally in order to break the present stalemate.[2]

Andreas Carlgren, Minister for the Environment, has similar thoughts. We should, he argues, continue to work globally, but also try alternative and complementary ways at the same time. Not least, we should intensify the pressure on the United States and China. Carlgren also thinks that it would be an illusion to believe, the way the environmental movement does, that increased European reductions would, by themselves, have an effect on others. A ten percent reduction in Europe could be nullified by China in two years if Chinese emissions continue to grow.[3]

Sweden has two ambitions. The first is that all countries should live up to their pledges made in Copenhagen for *fast start* support to these countries. The other is to find the money and the mechanisms for the long-term support that was also discussed at the Copenhagen meeting.

[1] Fredrik Reinfeldt before the Parliamentary Committee on EU Affairs, 30 March 2010, p. 2.
[2] Ibid., p. 5.
[3] Andreas Carlgren: Så ska vi fortsätta arbetet med att rädda klimatet [This is how we should continue our work to save the climate], Dagens Nyheter, 3 January 2010.

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Turkey

Turkey becomes an energy hub

Çiğdem Üstün*

Climate

Although climate change does not hold an important place in the Turkish domestic debate, the environmentalist groups criticised the results of the Copenhagen meeting, which has been perceived as a disappointment regarding the EU's efforts in environmental issues. It has been argued that the failure of the Copenhagen Accord is mainly due to the developed western countries' aloof attitude towards climate change and the environmental problems that people are facing.[1] It has been argued by civil society organisations and the environmentalist groups that the deadlock has been created because of big market economy countries, such as the USA, China and India, refusing to sign a binding agreement which may affect their economic growth and interests in a global crisis situation. Also, it has been debated that the developing countries' requests regarding funding and technological assistance have not been welcomed by developed countries, including EU member states.[2]

Energy policy

Regarding energy policies, Turkey emphasised the insecurity that is created by over-dependency on a single source and, therefore, Turkey has been active in energy relations with its neighbours in recent years to diversify its energy resources as much as possible. This is not done only to secure its energy supplies, but it is also perceived that an increased Turkish role in the region regarding the energy pipelines and agreements would increase Turkey's role in European security. It is a fact that today the EU is producing less than its consumption and there is an urgent need to focus on an energy security and solidarity action plan for infrastructure needs, diversification of supplies, external energy relations, oil and gas stocks, crisis response mechanisms, best use of indigenous resources, and energy efficiency. In this framework, the geo-political situation of Turkey has been perceived not only as an important asset in securing energy supply for Europe, but also as a crucial tool for increasing Turkey's say in energy policies in the region even though it is not an energy producing country. There are different views on Turkey's policies in relation to the EU policies. One of the arguments is that Turkey's policy is not in line with the EU's expectations because Turkey realised that this can be a bargaining chip in its relations with the EU. On the other hand, it is argued that the pipeline projects such as Baku-Tiflis-Ceyhan (BTC), Nabucco, and Samsun-Ceyhan show that Turkey's supply sources are diversified geographically, ranging from west to east and north to south, and diversified in terms of the type of supply as well, i.e., liquefied natural gas (LNG), oil, gas and natural gas. Therefore, Turkey's main policy is the energy hub policy which is demonstrated through Turkey's efforts to link Turkish pipelines with European ones, i.e., Turkey-Greece-Italy. The main policy in this framework has been increasing the use of potential in Iran, Iraq, Turkmenistan and Shah Deniz, although political problems in the region are preventing faster cooperation.

Turkish priorities in energy policies have been identified as secure supply and sustainability, competitive market creation and being an energy corridor. It is difficult to see any divergences between the opposition and the government sides regarding these priorities. However, regarding nuclear energy, there are some opposing views from the environmentalist groups and civil society organisations due to the pollution that would be created by the nuclear energy terminals. However, the government has been active in intensifying its relations, especially with Russia, to increase the number of nuclear power plants in Turkey.

One of the main policies of Turkey, which had been widely discussed in May 2010, was the agreement between Iran, Turkey and Brazil to send 1,200 kilograms of low-enriched uranium to Turkey as part of an exchange for more refined nuclear material from other countries. According to the agreement Iran will ship its low enriched uranium to Turkey in exchange for 20-percent uranium under a nuclear fuel swap. This has been perceived as demonstration of Turkey's efforts to act as a bridge between east and west by using its geopolitical, identity related, cultural and religious assets.

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[1] Kopenhag'dan sonra umut 'yerel liderlerde', 21 December 2009, available at: http://www.radikal.com.tr/Radikal.aspx?aType=RadikalDetay&ArticleID=970395&Date=11.04.2010&CategoryID=85 (last access: 31 May 2010).
[2] Sertaç Aktan: Türkiye Kopenhag'da herhangi bir hedef açıklamayacak, available at: http://www.iha.com.tr/haber/detay.aspx?nid=101163&cid=758 (last access: 31 May 2010).

United Kingdom

Energy and climate change

Alison Sutherland*

Copenhagen and its aftermath

The Copenhagen conference is widely regarded in the United Kingdom as a reverse for the European Union. The Union is seen as having played only a marginal role in the negotiations, and where European voices were raised, they were apparently those of the major member states rather than that of the Commission. The results of the conference itself are generally seen in this country as inconclusive, but this is an outcome of less concern to British electors than might have been the case twelve months ago. Opinion polls have shown a definite decline in the interest of British electors in questions relating to climate change over the past year.[1]

Future negotiations on climate change

The outgoing Labour government advocated from the beginning of this year a move by the European Union to more demanding targets for the reduction of carbon emissions. The incoming coalition government, in which the prominent Liberal Democrat Christopher Huhne is the Secretary of State for the Environment, has continued this advocacy, although British NGOs have called for a 40 percent reduction target rather than the 30 percent envisaged by the British government.[2] It seems to be common ground between all the British political parties that the setting of demanding reduction targets for the reduction of carbon emissions will contribute to reestablishing the Union's position as a leader of the global debate on these issues.[3] Perhaps because of declining interest in these questions in the United Kingdom, perhaps because of the fixation of British political attention upon the general election, the question of the British government's and the European Union's reactions to the relative failure of the Copenhagen meeting has not been as broadly discussed over the past six months as might have been expected. Governmental support for more demanding European targets for reducing carbon emissions has not led to any marked public reaction, whether positive or negative. Nor is there any noticeable public pressure for the British government or the European Union to take decisive new measures in response to the unsatisfactory outcome of the Copenhagen conference.

The United Nations or other fora?

No other forum enjoys more credibility in the United Kingdom than the United Nations as a vehicle for negotiations on climate change. The awareness of the limitations of even this traditional forum as a generator of international agreement on climate change accounts in large part for a sense of frustration and lassitude which underlies much current discussion of climate-related issues in the United Kingdom.

Mitigation and adaptation

The coalition agreement between the Conservative and Liberal Democrat Parties established after the recent general election commits both signatories to "explore the creation of new international sources of funding for the purpose of climate change mitigation and adaptation."[4] This represents a continuation of the policy of the previous Labour government and is known to be a policy to which the new Secretary of State for the Environment, Christopher Huhne, is personally greatly committed.

[1] Jowitt, The Guardian, 25 March 2010.
[2] World Wildlife Fund, press release, 26 May 2010.
[3] B. Webster, The Times, 23 March 2010.
[4] Coalition agreement, May 2010.

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Current issues and discourses in your country

Austria

Presidential elections in Austria

Hakan Akbulut*

In the reporting period, the presidential elections of 25 April 2010 were the major issue dominating domestic politics and related debate. Apart from the incumbent, Heinz Fischer, a Social Democrat running as an independent candidate, Barbara Rosenkranz from the Freedom Party and Rudolf Gehring from a small party called the Christian Party of Austria (CPÖ) ran for the office. However, given Heinz Fischer's popularity, combined with the ideological affiliation and comparatively unglamorous careers of his challengers, there existed no doubts that Fischer was going to win. Thus, the election campaign lacked any excitement. Nevertheless, the personality of Barbara Rosenkranz and the general attitude adopted by the People's Party during the election campaign caused some controversies.

The candidate of the far-right Freedom Party, Barbara Rosenkranz, was to put the prohibition law banning Nazi ideology and penalising any attempt to glorify or play down Nazi crimes in question.[1] This prompted severe criticism and her eligibility for the office of the president was challenged. Moreover, the publisher of Austria's best-selling tabloid Neue Kronen Zeitung, Hans Dichand, who had previously announced his support for Rosenkranz, now demanded that she should publicly denounce National Socialism. Upon this, Rosenkranz signed an affidavit saying she condemned Nazi crimes and ideology. In the end, Rosenkranz only got about 15 percent of the vote.

As for the People's Party, given the aforementioned popularity of Heinz Fischer and the prospect of him being re-elected in the end, the ÖVP did not nominate a candidate. At the same time, despite the controversies surrounding Rosenkranz, People's Party officials refrained from endorsing the candidacy of Heinz Fischer, who is a former Social Democratic Parliament Speaker and Minister. Instead, prominent ÖVP politicians such as the leader of the parliamentary group, Karlheinz Kopf, openly declared that they would participate in the elections but only submit a blank ballot.[2] This was, of course, severely criticised by the Social Democratic Party.

The controversies surrounding the personality of Barbara Rosenkranz, the stance adopted by the People's Party and the expectation that Heinz Fischer would be re-elected anyway all added to discussions on the rationale behind the office of the president and contributed to a very low voter turnout (54 percent). Heinz Fischer and Barbara Rosenkranz respectively won 79.33 percent and 15.24 percent of the vote, while Rudolf Gehring captured 5.43 percent.

Apart from the issues raised in the questionnaire and the abovementioned presidential elections, the disruptions in the air traffic caused by the eruption of the Eyjafjallajökull Volcano in Iceland, as well as the explosion of an offshore oil platform in the Gulf of Mexico causing the spilling of millions of tons of oil into the sea were also very salient in the reporting period.

[1] Der Standard, 3 March 2010; AustrianTimes.at: Rosenkranz 'condemns Nazi crimes', 8 March 2010, available at: http://www.austriantimes.at/news/General_News/2010-03-08/21366/Rosenkranz_%27condemns_Nazi_crimes%27 (last access: 22 May 2010).
[2] Der Standard, 29 March 2010.

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Belgium

Government en affaires courantes to prepare the council presidency

Régis Dandoy*

Government's fall and new federal elections

The first semester of 2010 was almost completely dedicated to the Belgian political crisis that occurred after the failure of the royal mission of former Prime Minister, Jean-Luc Dehaene. Dehaene was appointed by the King in November 2009 with the objective of resolving a question, on which Flemish and French-speaking parties were opposed, but did not manage to reach an agreement with both linguistic communities. The federal cabinet took over this so-called Brussels-Halle-Vilvoorde issue[1] but, as no advancement could be made in the negotiations, the Flemish liberal party Open VLD decided to leave the federal government. The Prime Minister had no other option than to present the resignation of the entire cabinet to the King. As the majority of the parties agreed on calling for new elections, both federal chambers were dissolved and the Belgian citizens will vote on 13 June 2010, less than three weeks before the start of the Belgian Presidency of the EU. This resignation and the early dissolution of the chambers have, among others, practical consequences on the transposition of the EU directives. The State Secretary for European Affairs, Olivier Chastel, and the Minister of Foreign Affairs, Steven Vanackere, urged for a continued transposition of the directives even if the government is in *affaires courantes,* i.e., not allowed to take any policy initiative individually or collectively, and the federal parliament has been dissolved. Yet, no less than 36 directives (among which 26 belonging directly to the federal level) have to be transposed before November 2010.[2]

Belgian Presidency of the EU: priorities and challenges

The system of rotating presidencies attributes to Belgium the leadership of the EU between 1 July and 31 December 2010. Even if the details of the Presidency are not yet known, the programme will be mainly based on the one adopted by the "trio presidency" (Spain, Belgium and Hungary).[3] In addition to the formal and informal political meetings, about 70 cultural and 150 non-cultural projects will be organised by the civil society, associations, etc. An agreement has been reached between the federal, regional and community cabinets regarding the budget of this Presidency: the federal level will dedicate 74 million Euros, while contributions of 14.5 millions, 8 million and 6 million will be made by respectively the Flemish, the Walloon (jointly with the French-speaking community) and the Brussels region.[4] Key moments of the Presidency are already identified, among which are the UN General Assembly on the Millennium Development Goals, the third EU-Africa Summit and the revision of the Cotonou Agreement between the EU and ACP countries. The main themes of the Presidency will be the implementation of the Lisbon Treaty; the launch of the post-Lisbon Strategy (mainly regarding the challenges of the economic and financial crisis and of globalisation); the management of the negative impact of globalisation on social affairs; the resumption of international negotiations on climate and energy; the implementation of the Stockholm Programme in the field of justice, asylum and migration; and the pursuing of the negotiations related to the enlargement of the Union. The final programme of the Presidency is to be approved on the occasion of a conciliation meeting grouping the federal, regional and community cabinets on 16 June 2010 (a first meeting occurred on 19 May 2010). The official launch of the Presidency will take place on 2 July 2010 and the programme will be presented by the Prime Minister in the European Parliament on 7 July 2010.

Usually, thanks to the serious, conscientious and pro-European reputation of Belgium, Belgian Presidencies are widely anticipated. There is no concern globally about the state of preparation of Belgium for its Presidency[5] and, according to the two ministers in charge (the Minister for Foreign Affairs, Steven Vanackere, and the State Secretary for European Affairs, Olivier Chastel), the preparation is almost over.[6] High expectations regarding the quality of the Belgian Presidency can also be noticed in various countries, especially the UK, in particular for the implementation of the Lisbon Treaty and the supposedly positive relations of Belgium with Herman Van Rompuy and Catherine Ashton.[7] But the fall of the federal government questions the capacity of Belgium to exert a fully-fledged presidency as the resigning cabinet and the ministers are in *affaires courantes*. For the opposition parties (mainly the Greens, but also the Populists, the List DeDecker (LDD) and the extreme right), this cabinet problem occurs at the wrong moment, as the EU needs strong leadership

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in order to face the financial crisis and budget problems. But even Olivier Chastel stresses the fact that this situation poses a problem of legitimacy, credibility and capacity for the government's ability to weigh in on the debate.[8] Many actors, including members of the federal cabinet, fear that Belgium could follow the Czech scenario of 2009, where internal political problems and a cabinet's fall somehow paralysed the EU presidency.[9] But globally, there is more concern about the image and prestige of Belgium than about the EU, as Olivier Chastel, but also Member of Parliament Patrick Moriau, considered that the Presidency was highly expected to restore a positive image of Belgium after the recent years characterised by continuous political crises and a divide between linguistic communities.[10]

But, contrary to former Prime Minister Jean-Luc Dehaene, who claimed that this situation is negative and even dramatic,[11] the main Belgian political actors are not alarmed. Several reasons are mentioned, among which the fact that the federal government does not have an important role to play in the Presidency. First, there is now a President of the European Council (Herman Van Rompuy) and a High Representative of the Union for Foreign Affairs and Security Policy (Catherine Ashton) that take over some of the tasks and responsibilities usually assigned to the rotating presidency, mainly the major economic and political issues as well as foreign policy. But the "day-to-day" business remains in the hands of Belgium, i.e., to prepare and preside over ministerial councils and obtain compromises. Second, the preparation work is almost over, as this Presidency was already one of the priorities of the federal cabinet since its start in 2007. The Belgian ministers will be assisted by a well-organised diplomatic service and civil servants who are used to the exercise. Third, the programme of the Presidency is bound to the one adopted by the "trio presidency" (Spain, Belgium and Hungary) for the period January 2010 - June 2011. There is little room for manoeuvre for Belgium in this regard, especially because there has never been a huge debate between political parties on how the Presidency will be organised and on which priorities, as there usually exists a consensus on European affairs in Belgium. Fourth, the crisis does not affect (unless a major cabinet reshuffle at different levels occurs) the work of the regions and communities. Since the cooperation agreement of 1994, Belgian regions and communities may lead and prepare meetings of the Council of Ministers. The Walloon region will be in charge of the meetings on industry, competition and regional policies, the French-speaking community will deal with culture and audiovisual, the Brussels region with research and development, while the Flemish region will be responsible of fishery, education, youth policy, sport and environment. The other policy domains remain in the hands of the federal ministers. Fifth, and regarding the comparison with the Czech Republic in 2009, Italy in 1996 and Denmark in 1993, Christian Franck asserts that, in Belgian political history, the Presidency generates the completion of agreements between the Flemish and French-speaking community.[12] Some of the most important steps leading to state reforms and transformations occurred around presidencies. In this regard, the current Presidency should be seen as an opportunity for Belgium rather than a threat. Finally, as the six-month presidency includes two months of "holidays", during which few policy initiatives will be taken, Belgium should manage only four months of presidency, and many actors predict that a fully-fledged federal cabinet will be in place by September 2010.[13]

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[1] The Brussels-Halle-Vilvoorde issue deals with the definition borders of an electoral district around Brussels. This issue that is mostly symbolic strongly divides Flemish- and French-speaking parties, as the former want the split of the district in a unilingual Flemish district (Halle-Vilvoorde) and a bilingual one (Brussels) while the latter prefer the status quo, i.e., a common district for both Brussels and peripheral Flemish cities.
[2] Federal Council of Ministers, press release, 19 May 2010.
[3] Council of the European Union: Projet de programme de dix-huit mois du Conseil, doc. 16771/09, 19 November 2009.
[4] Meeting between the federal, regional and community cabinets on the Belgian Presidency of the EU, press release, 26 March 2010.
[5] Maroun Labaki: Europe. Pas d'effet dramatique en vue, Le Soir, 23 April 2010.
[6] Olivier le Bussy: L'UE n'attendra pas la Belgique, La Libre Belgique, 28 April 2010; Meeting of Steven Vanackere and Olivier Chastel with a delegation of the AFCO (Committee on Constitutional Affairs) of the European Parliament, press release, 11 May 2010.
[7] De Morgen: Britten verwachten veel van België als EU-voorzitterschap, 3 March 2010.
[8] Olivier le Bussy: L'UE n'attendra pas la Belgique, La Libre Belgique, 28 April 2010.
[9] La Dernière Heure: Présidence belge de l'UE: Javaux craint un scénario à la Tchèque, 15 March 2010; Maroun Labaki: Europe. Pas d'effet dramatique en vue Le Soir, 23 April 2010.
[10] Parliamentary discussion on the 2010 Federal state budget, doc. 52 2222/05, 19 December 2009.
[11] Jeroen Verelst: Oud-premier Martens: "Val van regering zou ronduit dramatisch zijn", De Morgen, 22 April 2010.
[12] Christian Franck: Quel impact sur la présidence belge de l'UE?, La Libre Belgique, 28 April 2010.
[13] Pascal Martin: L'Europe ne s'inquiète pas, Le Soir, 28 April 2010.

Bulgaria

European Energy Community discussed

Katia Hristova*

The policy proposal "Towards a European Energy Community"[1] by Jacques Delors provoked an intense debate in Bulgaria, where the issue of a future EU energy policy and the role Bulgaria should play in it is a salient one. Being situated at one of the important crossroads between East and West, Bulgaria is frequently seen as a country that could help improve the EU's overall energy security. However, the country has not yet done much to live up to this expectation. Since the beginning of the transition period, the national strategy for energy sector development has been one of the most disputed documents that never saw the light of day.

Jacques Delors' policy paper idea, that the most radical, but also the most promising option, for the EU would be to create a European Energy Community with its own rules and methods specific to the energy field, triggered a lively debate. The proposal for the implementation of a differentiated approach provided arguments from the energy experts' community criticising Bulgarian policymakers for their lack of a clear position on the issue. The prevailing opinion in this regard is that Bulgaria, being a new EU member state, will have to prove itself as a positive factor for European energy security and take part in the establishment of the European Energy Community.[2]

[1] Available at: http://www.notre-europe.eu/uploads/tx_publication/Etud76-Energy-en.pdf (last access: 30 July 2010).
[2] Available at: Georgiev, Atanas: The New Energy Euro-zone, available at: http://www.publics.bg/bg/publications/35/ (last access: 30 July 2010).

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Croatia

Fight against corruption in Croatia intensifies

Nevenka Čučković*

The fight against corruption remains a top priority of the government, as this area is *condition sine qua non* if the negotiations with the EU are to be completed by the end of 2010. The government had strived to have some tangible results from its intensified efforts with a hope that the negotiating chapter number 23 on judiciary and fundamental rights would finally be opened at the beginning of June 2010. This chapter remained closed for negotiations until fulfilment of preconditions set by the European Council: a) a full cooperation with the International Criminal Tribunal for the former Yugoslavia (ICTY) in The Hague and b) demonstrated ability of the government to systematically fight against corruption. The stumbling stone for opening this negotiating chapter with the EU had been the inability of the Croatian government to deliver the military artillery logbooks requested by the prosecutor's office of the ICTY in The Hague, which would serve as evidence that no excessive artillery was used while liberating the Croatian city Knin during the liberating operation "Storm" in 1995, for which some Croatian generals were indicted.

The determination to combat corruption and abuse of position in the highest governing structures has increased since the new Prime Minister Jadranka Kosor took office in July 2009. Since then, Croatia witnessed the arrest, imprisonment and investigation of highly ranked government officials, including the Vice-President of the government, the Minister of the Economy, Labour and Entrepreneurship Damir Polančec, and several top managers of state-owned enterprises such as Hrvatska elektroprivreda (Croatian Electricity Company – HEP), Hrvatske autoceste (Croatian Motorways – HAC), Hrvatska poštanska banka (Croatian Postal Bank – HPB) and Podravka, an internationally reputable food processing company. The government is now racing time to process these cases in front of courts and the situation is additionally aggravated by the fact that the Minster of Interior Ivan Šimonovic will soon leave his position as minister in order to assume an important international function in the UN as Deputy Secretary-General. Šimonović is one of the rare politically independent experts in the present Croatian government, but regrettably will leave this unfinished agenda to his successor, most likely a member of the ruling Croatian Democratic Union (HDZ).[1] To show its strong dedication and determination the government adopted a revised action plan to combat corruption and organised crime in March 2010. Prime Minister Jadranka Kosor declared a "zero tolerance to crime", while also presenting 145 measures which are to be implemented by all ministries, but especially those which receive substantial government funding as providers of state aid or various incentive schemes – areas traditionally infected by corruption.[2]

Apart from judiciary reform and the fight against corruption and organised crime, shipbuilding and inefficient public administration remain the main problems that have to be solved prior to Croatia's full membership in the EU as often quoted by European Council documents on Croatia's progress and also by the Head of the EU Delegation in Croatia, Paul Vandoren.[3] Since the start of the negotiations, all thirty-three negotiation chapters have been opened, of which twenty have been provisionally closed. At the accession conference held in Brussels on 19 April 2010, Croatia was able to provisionally close only chapter 1 on free movement of goods.[4] The last three chapters: Judiciary and Fundamental Rights, Competition Policy and Foreign, Security and Defence Policy were finally open at the accession conference on 30 June 2009.[5]

The government's Economic Recovery Programme Introduced: yet another hard year ahead

On 19 April 2010, the government finally introduced the long awaited Economic Recovery Programme, an anti-recessionary package of policy measures with an aim to create a push towards faster economic recovery in Croatia.[6] The programme encompasses a mix of long and short term economic and social measures in the areas of fiscal policy, the functioning of public administration, state property management, judiciary reform, social security and the pension system, research and innovation capacities, etc. Many Croatian analysts, both from academic and business circles, would consider the government's programme a very much delayed and "better late than never" move in the right direction.[7] More critical views were received from opposition party leader Zoran Milanovic (Social Democratic Party – SDP), who argues that the recovery plan is more a list of wishes, "a half

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elaborated electoral programme", and that it would be fair for the government to call for new elections and leave implementation to the new government.[8] Academic analysts such as Katarina Ott, Institute of Public Finance, were pointing towards the absence of a strict action plan which would make the programme operational and determine who does what and in what term.[9] She also argued that the programme is inconsistent with other previously introduced measures which focus on providing special financial assistance and loans to distressed enterprises. The initial reactions coming from business and academic circles encouraged the government to come up with an action plan for economic recovery relatively quickly thereafter.[10] The programme did not receive enthusiastic, but rather tight, support from both employers and trade unions in the public sector, as it required further sacrifices in terms of wages. Later on, abolishment of Christmas and holidays' bonuses and renegotiating the terms of collective agreements for workers in the public sector become an issue of open conflict of the trade unions with the Government. [11] But they welcomed the government decision to block further erosion of purchasing power of the lower-income population, which brought abolishment of the "crisis tax" introduced in July 2009, whose effects were in essence pro-recessionary and further strangulated the economy. Governor Rohatinski welcomed the adoption of the Recovery Programme, as it takes seriously the need for significantly reducing the fiscal deficit and balance of payment deficit, which would, as a result stimulate exports, rationalise domestic consumption and increase savings – issues he often reiterated as a way out of the crisis.[12] As opposed to most Central and Eastern European countries, Croatia has not yet reached the turning point out of the recession and it seems that the recovery will be very slow and protracted. As the new European Bank for Reconstruction and Development (EBRD) data show, in 2010, the Central and Eastern Europe (CEE) countries would grow on average around 3.7 percent while Croatia could expect only a 0.3 percent growth rate.[13] The Institute of Economics Zagreb data on the first quarter of 2010 also indicate that the turning point has not yet been reached, that growth in this year could still be negative, and that visible recovery of Gross Domestic Product (GDP) is expected only in 2011.[14] There are only weak signs of recovery in industrial production and exports in the first quarter of 2010, while construction activity, which has been an engine of growth in the past years, further dives and retail trade stagnates.[15] In short, yet another bleak year is ahead.

President Josipovic's diplomatic offensive to improve relations with neighbours

In January 2010, Ivo Josipovic, a candidate from the Social Democratic Party (SDP), was elected new Croatian President, winning 60.3 percent of the votes. He succeeded Stjepan Mesic after 10 years as President of Croatia. Since he took office in February 2010, President Ivo Josipovic intensified foreign policy efforts towards improving relations with neighbouring countries in the Western Balkans, especially with Bosnia and Herzegovina and Serbia. Apart from meeting Serbian president Boris Tadić in March, which was also intensively covered by the media, Ivo Josipovic received a great deal of attention from the international and domestic political elite, the media and the general public with his speech delivered in Ahmici, Bosnia and Herzegovina, which paid tribute to war victims,[16] and his address to the parliamentary assembly in Sarajevo.[17] He apologised for the Croatian politics led by former President Franjo Tudjman during the 1990s, which might have contributed to the conflicts and sufferings in Bosnia and Herzegovina during the 1990s. His speech steered a lot of public and political debate in Croatia as Ivo Josipovic' apologies were not received well by the HDZ hard-liners, but also some of its top government figures. Initially, it was also received with unease by the Prime Minister Jadranka Kosor, but later on they managed to "agree to disagree" on the matter. On the other hand, the President's speech was very much welcomed by the main international actors and partners such as the EU and USA and is considered by most academic analysts and the media as a good basis for a qualitative shift of political focus from the past to the future.

President Josipovic's additional step in the initiative to strengthen trust and improve relations with neighbours in the region was by visiting Republika Srpska in Bosnia and Herzegovina and meeting with Prime Minister Milorad Dodik in Derventa at the end of May 2010.[18] They especially talked about open issues, such as the return of Croatian refugees to their homes in Republika Srpska.

[1] Jelena Lovric: Bad timing for departure of a good minister, Jutranji list, 6 May 2010, p. 23. In this text the author argues that this is a hard blow on Kosor's team and that Simonovic skills and expert authority would be very much missed. Also his most likely successor Dražen Bošnjaković is a HDZ party member and his independence would be doubtful.
[2] Governement of Republic of Croatia: Government approved Revised Action Plan to Combat Corruption, 18 March 2010, available at:
http://www.vlada.hr/hr/naslovnica/novosti_i_najave/2010/ozujak/vlada_prihvatila_revidirani_akciji_plan_za_suzbijanje_korupcije (last access: 17 May 2010).

[3] Shipbuilding, Judiciary and Public Administration, interview with Paul Vandoren, available at: http://www.delhrv.ec.europa.eu/files/file/intervjui/PV%20-%20jutarnji%20list%2016_02_2010_.pdf (last access: 12 May 2010).
[4] See the statement at the Delegation of the EU to the Republic of Croatia, available at: http://www.delhrv.ec.europa.eu/?lang=en&content=2416 (last access: 14 May 2010).
[5] Kosor: Croatia in the last 500 meters of the EU marathon, Dnevno.hr, 30 June 2010, available at: http://www.dnevno.hr/vijesti/hrvatska/kosor_hrvatska_na_posljednjih_500_metara_maratona_prema_eu_/64317.html (last access: 5 July 2010).
[6] Government of Republic of Croatia: Economic Recovery Programme, April 2010, available at: http://www.vlada.hr/en/naslovnica/novosti_i_najave/2010/travanj/predsjednica_vlade_predstavila_program_gospodarskog_oporavka (last access: 17 May 2010).
[7] Damir Kustrak, President of the Croatian Employers Association: Interview, 101 Radio, 17 May 2010, 9. a.m.
[8] Portal.hr: SDP describes economic recovery programme as wish list, 26 April 2010, available at: http://daily.tportal.hr/64436/SDP-describes-economic-recovery-programme-as-wish-list.html (last access: 17 May 2010).
[9] Katarina Ott, Director of Institute of Public Finance: Which government should we trust? (in Croatian), available at: http://www.ijf.hr/osvrti/20.pdf (last access: 17 May 2010). In this comment she criticised not only the absence of an action plan, but also inconsistency of some economic measures.
[10] Economic Recovery Programme Operational Plan, available at: http://www.vlada.hr/hr/preuzimanja/publikacije/plan_provedbenih_aktivnosti_programa_gospodarskog_oporavka (last access: 17 May 2010).
[11] The Unions strongly opposed to proposed changes in Labour Law which would enable an end and renegotiation of the present Collective agreement for workers in the public sector. They organised a written support of over 800,000 Croatian citizens calling for a referendum on the Law. See: Croatian Trade Union Association, Kosor said “no”: referendum follows! available at: http://www.hus.hr/?p=1104#more-1104 (last access: 6 July 2010).
[12] Željko Rohatinski: Additional liquidity yes, but only to production, 6 January 2010, available at: http://www.seebiz.eu/hr/makroekonomija/hrvatska/zeljko-rohatinski-dodatna-likvidnost,-ali-samo-u-proizvodnju,65193.html (last access: 19 May 2010).
[13] Etic Berglof Chief economist: EBRD forecasts for transition countries, presented by at the EBRD Annual Meeting in Zagreb 14-15 May 2010, available at: http://www.bankamagazine.hr/Naslovnica/EBRDvijesti/tabid/381/View/Details/ItemID/59835/ttl/Hrvatska-Procijenjeni-rast-BDP-a-u-2010-snizen-na-03-posto/Default.aspx (last access: 17 May 2010). See also the interview with Peter Sanfey: EBRD lead economist for SEE and Croatia, Jutarnji list, 15 May 2010, pp. 6-7.
[14] Economic Institute Zagreb: Croatian Economic Outlook Quarterly no. 42, available at: http://www.eizg.hr/AdminLite/FCKeditor/UserFiles/File/Priopcenje-CroatianEconomicOutlook-travanj-2010.pdf (last access: 17 May 2010).
[15] Ibid., p. 2.
[16] For details, see the Statement of President Josipovic, available at: http://www.predsjednik.hr/15042010-Ahmici (last access: 14 May 2010).
[17] Address of President Josipovic at the Parliamentary Assembly of Bosnia and Herzegovina in Sarajevo, available at: http://www.predsjednik.hr/14042010-Sarajevo02 (last access: 14 May 2010).
[18] Statement of the Office of the President of Republic of Croatia, available at http://www.predsjednik.hr/30052010-Derventa (last access: 2 July 2010).

Cyprus

The direct trade regulation and other new developments on the Cyprus issue

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Inevitably, the cardinal issue preoccupying Cyprus, hence being constantly discussed by politicians, academics, the business world and the general public, is Cyprus' "existential" problem caused by Turkey's 1974 invasion and the ongoing military occupation of 37 percent of the Republic's territory.

In this particular reporting period, a serious development regarding the Cyprus problem was the April 2010 change of leadership in the Turkish Cypriot community. Upon his election, Derviş Eroğlu described the Greek-Cypriot positions on the Cyprus issue as "maximalist", expressing, however, his determination to continue the negotiation process.[1] Eroğlu asserted that the problematic status of the talks – initiated between President Christofias and Eroğlu's predecessor, Mehmet Ali Talat, in September 2008 – is not the fault of the Turkish Cypriots. The latter, he claimed, have displayed a positive approach whereas the Greek-Cypriots acted "greedily" and joined the European Union, thereby preventing a settlement. On the next day, Eroğlu reiterated his erstwhile position on separate sovereignties and citizenships in Cyprus. Interviewed by Turkish dailies Sabah and Radical, he declared that the UN parameters were not carved in stone. He called on the UN to re-evaluate their resolutions on the non-recognition of the secessionist regime of the occupied territory, adding that the "isolation" of the Turkish-Cypriots was a "shame to humanity". He predicted it would be hard to achieve a settlement by year's end. When asked if there is a "plan B", he replied that his goal is an agreement ensuring the recognition of the Turkish Cypriots by the international community, allowing them to live in "their territory" under Turkish guarantees.

A few days later, the UN Secretary-General's special advisor on Cyprus, Alexander Downer, meeting with Eroğlu, expressed the hope that direct talks will resume.[2] Downer stated his opposition to the approval of the direct trade regulation (see below) and the convening of an international conference on Cyprus. Downer made clear the UN expectation that the talks will continue from where they were left off and premised on what he described as the "UN parameters". Meanwhile, the new Turkish Cypriot leader demanded re-negotiation of all chapters.

Following Eroğlu's statements, President Christofias called for a national council meeting – the president's advisory body on the Cyprus issue – where the future strategy on the Cyprus issue and Eroğlu's election were discussed.[3] President Christofias analysed the recent developments and described Eroğlu's election as "a negative development" for the negotiation process. Speaking afterwards to the press, the leaders of the Movement for Social Democracy (EDEK), the Democratic Party (DIKO), the European Party (EVROKO) and the Green Party called for the reformulation of the national negotiating strategy and reiterated that the President should withdraw the "generous gifts" he had handed to Mehmet Ali Talat. These "gifts" amounted to excessive concessions to the other side, including a rotating presidency proposal, a weighed voting system, and allowing 50,000 (illegal) Turkish settlers to stay after the solution. EVROKO leader Demetris Syllouris stressed, "*the European solution* is the only option that could end the deadlock and create prospects for a fair and viable settlement".

Direct talks between Christofias and Eroğlu finally resumed but, according to government officials, no progress is perceived to date. Political analysts stated that Turkey and the Turkish Cypriot side agreed to resume negotiations, not because they genuinely want the problem's resolution, but for public relations and communication purposes.[4] They also recalled Eroğlu's stereotypical statement that the solution should be based on "two separate states, two separate economies and two separate peoples". This position, however, violates the long-established UN framework that aims at reunification based on a bi-zonal, bi-communal federation with (a sui generis) "political equality" and a single international personality.

Speaking on the sidelines of the celebrations for the EU accession of the Republic of Cyprus, President Christofias urged the Turkish government to stop its "communication tricks" and called on Eroğlu to respect all the convergences achieved with his predecessor.[5] Invited to comment over statements made by Turkish Deputy Prime Minister Ali Babacan, who said that Turkey would like to

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see a solution in Cyprus before the end of 2010, Christofias stated: "We want a solution yesterday". He then stressed that the Greek Cypriot side obviously wants a solution before then; that the problem is under what instructions Turkey is guiding Turkish Cypriot negotiators; and that the solution must serve the people of Cyprus, being fair, viable, and functional.

Another crucial issue on the Cypriot (governmental, political, and civil society) agenda is the "Direct Trade Regulation". This EU-led initiative aims at direct trade between the Turkish-occupied areas and the EU. However, it is in manifest breach of Protocol 10 of Cyprus' 2003 Accession Treaty. Therefore, Nicosia argues that it should be withdrawn, or at least frozen; otherwise, the issue should be referred to a European Parliamentary Committee, which would be most competent to address it. The Cypriot President also proposed that trade with the Turkish Cypriot community be conducted through the port of Famagusta, under the aegis and monitoring of the EU, in return for the opening of the fenced (i.e., occupied) city of Varosha. This proposal, he added, was the government's response to the insistence by Turkey "and by some circles within the European Parliament and the Commission" to bring forward a regulation that, under normal circumstances, should not only be frozen but nullified. As reported by ANTENA TV, the President argued that it is unacceptable for the EU to raise such an issue which violates its own principles, especially when the Cyprus government is displaying a constructive stance in the UN negotiations, while daily newspaper Simerini reported Christofias' statement that the administration of Cyprus' problems should never have been handled by DG Enlargement, given that Cyprus has been a full member state since 2004.[6]

Authorities' efforts have also focused on measures to overcome a budget deficit of 6.9 percent, high unemployment (estimated in April 2010 at 6.8 percent) and the rising poverty levels in the midst of the global financial crisis.[7] In June 2010, the European Commission activated the procedure for excessive deficit for Cyprus, calling on the country to reduce its budget deficit below 3 percent until the end of 2012. Cyprus will have six months following the adoption of the recommendations by Ecofin in which to present measures for the reduction of its deficit, something which entails the adoption of austerity measures.

Minister of Finance, Charilaos Stavrakis, described the above development as "purely technical", pointing out that Cyprus was among the last members of the Eurozone to come under the procedure for excessive deficit.[8] Opposition party DISY, however, voiced anew its criticism that the government, instead of focusing on reducing its spending and boosting development and growth, focuses on boosting its revenue through additional taxes (announced earlier that day),[9] a position also expressed by government coalition-party DIKO. Both parties emphasised the need for a focus on development and stressed the risks of imposing additional taxes at a time of economic crisis. Social-democratic EDEK and the Greens also expressed concern over the Commission announcement, calling for immediate action to control the budget deficit, and criticised the measures announced by the government, while the European Party (EVROKO) – which called the announcement of measures "rushed" and damaging to Cyprus' efforts to become a regional business centre – accused the government of having turned an economy with a surplus in 2008 to an economy that has now fallen under EU monitoring.

Given the austerity measures taken by the Cypriot government, Cypriots seemed rather pessimistic regarding issues like unemployment and the rise of poverty levels. According to a Eurobarometer survey on the economic crisis' social impact, 30 percent of Cypriots said that they are struggling to balance their income and expenditure, while eight in ten perceive an increase in poverty.[10] Half of the Cypriots surveyed expect the situation to deteriorate further in the coming year; one in four expects that pensions will decrease; one in ten expects to retire at a later age; while one in five is concerned that post-retirement income will not suffice for a "respectable" lifestyle. Also, 20 percent replied that they feel anxious about job security, while six in ten Cypriots fear an inability to find a new job if they lose their current positions.

Meanwhile, Nicosia is mobilising efforts to attract foreign investors. Recently, the government of Qatar expressed interest in forming a conglomerate with the Cypriot government for the construction of a luxury hotel and a major business centre in Nicosia. The agreement will reach 500 million US Dollars and will mark the first time that Cyprus receives a direct investment of such magnitude.[11] Whereas political and business circles welcomed the signing of two business agreements between Cyprus and Qatar, opposition parties expressed concerns over the implementation of the deal, fearing it could lead Cyprus into dangerous adventures.[12] Opposition DISY deputy president, Averof Neophytou, even asserted that the agreements were unbalanced against the Cyprus government and challenged it to show greater transparency. Despite this opposition, a committee was formed regarding the project,

which is anticipated to be completed in two years, but it is doubtful whether it would be ready for the Cypriot EU Presidency in 2012.[13]

Finally, while a financial-crisis-induced melancholy penumbra is temporarily affecting the Cypriot atmosphere, life in the free part of the Republic is profoundly marked by Cyprus' "existential problem". Therefore, beyond the aforementioned particular developments regarding the Cyprus problem, a few wider remarks are worth recording. First, Cypriot academic commentators and distinguished columnists have been concerned about Ankara's increasing regional assertiveness, which seems to be issued from grandiose geopolitical ambitions and designs of even "global" dimensions. The implications for the Republic of Cyprus are both indirect and immediate: as implied in Turkish Foreign Minister Ahmet Davoutoglu's opus, "Strategic Depth",[14] Cyprus is perceived – and should be conceived – by Ankara in purely geopolitical and geostrategic terms. It seems to follow that Turkey is advised to not be prepared to settle the Cyprus problem unless it satisfies its self-regarding conditions and terms. By implication, the term "bi-communal negotiations in Cyprus" borders on a veritable misnomer. For, as noted by Cypriot political leaders and even President Christofias, the representatives of the Turkish Cypriots are not autonomous negotiators, since they are constantly "guided by Ankara". Therefore, the suspicion that these "negotiations" are pursued by Turkey for merely "communication purposes" seems valid. In consequence, the expectation that such "bi-communal talks" can lead to respectable results seems illusory.

Second, President Christofias' above-mentioned "generous gifts" were never reciprocated by the Turkish Cypriots. Therefore, most political leaders, academic analysts, and influential opinion-makers have been calling on the President to withdraw, at long last, his offer. His refusal to do so to date may largely explain the increasing unpopularity of his handling of these negotiations.

Third, evaluating Ankara's recent foreign policy has led Cypriot political analysts, academics, and public opinion-makers to conclude that Turkey is not always prepared to match words with deeds. Indeed, while Davoutoglu's favourite stereotypes are "zero problems with our neighbours" and "Turkey is a regional peacemaker", Ankara's problems arising from, or concerning, Armenia, Azerbaijan, Iran, Syria, Israel, Greece, and Cyprus may suffice to show a grand contradiction. Therefore, there is a rising Cypriot sentiment to the effect that since Nicosia's apparently unsuccessful strategy has been premised exclusively on "carrots", it is about time that its own – diplomatic, political and legal – "sticks" should also be deployed.

And fourth, this picture helps explain the call by all political forces (except governing AKEL) for a reconsideration of Nicosia's negotiating strategy. Such a change was laconically expressed in a recent op-ed essay by former Foreign Affairs Minister Giorgos Lillikas, who concluded as follows: "The blackmailing dilemma that some [circles] are creating is, in reality, this: 'Legal partition with Turkish control even of the free territory and without the internationally recognised Republic of Cyprus or illegal partition?' Clearly, both options are entirely unacceptable. Whoever offers only these options pushes the people to the second option, simply in order to retain at least our state entity. Our people deserve better options. This, however, presupposes a different strategy that claims our rights and a different, multi-dimensional, foreign policy."[15]

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[1] Press Reports, April 2010.
[2] Press Reports, April 2010.
[3] Press Reports, April 2010.
[4] Interviews conducted by Nicoleta Athanasiadou, Ministry of Agriculture, Natural Resources and the Environment, Nicosia, early June 2010.
[5] Speech by President Demetris Christofias, Nicosia, 01/05/2010.
[6] Statements by President Christofias, Brussels, 17/06/2010 and 18/06/2010 (as reported by ANTENA TV and SIMERINI newspaper respectively).
[7] Figures published at the website of the Statistical Service of the Republic of Cyprus, available at: http://www.mof.gov.cy/mof/cystat/statistics.nsf/index_en/index_en.
[8] Press Reports, June 2010.
[9] The package of measures, announced by Minister of Finance Charilaos Stavrakis on 16 June 2010, covers four main axes of policy which concern the clean-up of public finances, social solidarity, the targeting of social benefits and the boost in government revenue. The legislations approved by the Cypriot Cabinet include the increase of corporate tax by 1 percent to 11 percent for 2010 and 2011 only, the adjustment of property tax brackets and the imposing of 0.7 percent in tax to properties over 170,000 Euros in value calculated in 1980 prices, and the amendment to the ceiling income for eligibility for child and student benefits from 60,000 Euros per annum per two child family to 70,000 Euros per annum with the measure coming into effect as of 2011. Also announced was an increase to the level of tax on fuel products to levels which the minister of Finance stressed are the minimum permitted by the EU.
[10] Eurobarometer: Flash Eurobarometer. Monitoring the social impact of the crisis: public perceptions in the European Union – Wave 4, June 2010, available at: http://ec.europa.eu/public_opinion/flash/fl_289_en.pdf (last access: 08/07/2010).

[11] Press Reports, May-June 2010.
[12] Ibid.
[13] Press Reports, June 2010.
[14] Davoutoglu's book was published in Greek translation in May 2010. Nicosia was the locus for the book's first public presentation. The massive attendance of the presentation attests to the concerns expressed in the present paragraph.
[15] Giorgos Lillikas: Partition or Bi-zonal and Bi-Communal Federation?, Philelefttheros (Nicosia daily), 03/06/2010, emphasis added.

Czech Republic

Czech Republic – too few European topics attract the attention of politicians and the public

Vít Beneš*

We would like to stress the salience of economic topics in the Czech Republic and its public debate. On 28-29 May 2010, the Czech Republic held general elections, with Czech national debt and its budgetary discipline being the core issues debated during the election campaign. The right-wing parties singled out Greece as a negative example of what could happen to the Czech Republic if it does not tackle its own budget deficit.

The future of the Euro has been discussed in this context. The Greek crisis provided an argument for President Václav Klaus, who has always criticised the project of a European single currency. In an article for the Wall Street Journal, Klaus argued that the Eurozone has failed to deliver the expected considerable economic benefits.[1] He has pointed out that the Greek crisis was triggered by the Greek decision to introduce the Euro in 2002 and that the Euro will survive the current problems but the price will be high.[2] According to Klaus, the Czech Republic has not made a mistake by avoiding membership in the Eurozone. His arguments resonate in Czech society, at least among right-wing media and political elites. Even though Czechs are disturbed by the ongoing global economic crisis,[3] they seem to draw a lesson from the Greek crisis – that the Euro is a problem rather than a solution. According to the latest opinion poll, 55 percent of Czech citizens do not want the Czech Republic to adopt the Euro (38 percents are in favour of its adoption).[4] Among the Euro's main opponents are the voters of the Social Democrats and the Communists as well as people with a low standard of living.[5]

As we have already noted, the Czech pre-election debate about European and international issues has been narrowed down to a relatively few topics: the economic crisis and the Euro supplemented with a continuing expert debate over Czech and European energy security and over the future of the Eastern Partnership. We have also recorded some media coverage of the activities of the Czech member of the European Commission for Enlargement and European Neighbourhood Policy Štefan Füle and a very limited public and political discussion about the implementation of the Lisbon Treaty. The Czech media also reported on the Czech Republic's complaint about the lack of EU support for the lifting of Canadian visas.[6]

[1] Wall Street Journal: "The Euro Zone Has Failed", 1 June 2010, available at: http://online.wsj.com/article/SB10001424052748704875604575280452365548866.html (last access: 29 June 2010).
[2] Prague Daily Monitor: Klaus: Euro will survive but price will be high, 23 April 2010.
[3] European Commission: Eurobarometer 72.1. Results for the Czech Republic, October 2009, available at: http://ec.europa.eu/public_opinion/archives/ebs/ebs_322_fact_cz_en.pdf (last access: 29 June 2010).
[4] Public Opinion Research Centre: Czech Republic's membership in the European Union, 29 April 2010, available at: http://www.cvvm.cas.cz/upl/zpravy/101034s_pm100429.pdf (last access: 29 June 2010).
[5] Prague Daily Monitor: Poll: Most Czechs against euro adoption, 30 April 2010.
[6] Czech News Agency: Czechs do not feel EU support for lifting of Canadian visas, 25 February 2010, available at: http://www.ceskenoviny.cz/news/zpravy/czechs-do-not-feel-eu-support-for-lifting-of-canadian-visas/440831 (last access: 29 June 2010).

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Denmark

The Danish opt-outs

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As a result of the Treaty of Lisbon entering into force, the Danish opt-outs were brought up. The opt-out regarding justice and home affairs and the opt-out regarding common defence were especially debated. According to these two opt-outs, Denmark only participates in EU judicial cooperation at an intergovernmental level and does not participate in the elaboration and implementation of decisions and actions which have defence implications.[1] All four opt-outs were maintained in the Treaty of Lisbon and thus Denmark was precluded from Europol cooperation, including the combating of international crime and terrorism. Furthermore, the opt-out regarding common defence meant that Denmark was unable to participate in the combating of piracy off the coast of Somalia – an issue which has been of great concern to the Danish shipping industry.[2]

The EU debate in Denmark focused mainly on the four Danish opt-outs and the possibility of an upcoming referendum. It was especially discussed how such a referendum ought to go about. The government parties have on a number of occasions argued that all four opt-outs should be voted on together as a full package so as to make it a final decision whether to become a full member of the EU.

The government party's spokesperson on the EU, Michael Aastrup Jensen, said the next referendum on the Euro could be the last chance for Denmark to become a member of the Euro. Therefore, the Danish government should be careful while deciding on a referendum, since the Danish position might be drawn in a negative direction by the Greek economic crisis.[3] MEP Morten Messerschmidt stressed that Denmark must have the freedom to choose whether it wants to be a member of the Euro or not.

The opposition, on the other hand, argued that the opt-outs should be voted on separately. According to them, a full package referendum would only protract the process of giving up the opt-outs. The Danish European Movement welcomed the idea of a Danish referendum, stating that the opt-out regarding common defence was regarded as detrimental to Danish interests economically, politically, and culturally.[4] The referendum would be the way to find out whether Denmark is now finally willing to become a full member of the EU.[5] They pointed out the Socialist People's Party as the single most important factor preventing a referendum from becoming a reality.[6]

[1] Folketingets EU-oplysning: The Danish Opt-Outs, available at: http://www.euo.dk/emner_en/forbehold/ (last access: 20 April 2010).
[2] Ibid; Jyllands-Posten: Hvad venter du på, Lars Løkke?, 19 April 2010.
[3] Børsen: Græsk krise skubber dansk euro-afstemning, 8 February 2010.
[4] Jyllands-Posten: Hvad venter du på, Lars Løkke?, 19 April 2010.
[5] Kristeligt Dagblad: Afskaf EU-forbehold, 10 March 2010.
[6] Information: Sig nu ja, SF, 21 April 2010.

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Estonia

Estonian economy beyond the Euro: questions abound

Piret Ehin*

Qualifying for the Euro amidst the economic tumult[1] is an extraordinary achievement, and in the overall European context, Estonian budget and public debt figures are indeed "sheer magic."[2] As a "poster child for austerity," Estonia could pay all its public debts and still have reserves left over. Equally notable is the stoicism of the Estonian people in enduring the government's drastic spending cuts and falling real wages. There have been no major protests or riots – in fact, the government's popularity has been on the rise since summer 2009. The Commission's positive decision on Estonia's Euro-eligibility lends additional "post hoc" legitimacy to the government's austerity measures, and is likely to boost support for government parties in the March 2011 general elections.

However, there are few reasons for euphoria. In 2009, Estonia's GDP fell by nearly 15 percent, and unemployment now approaches 20 percent. Opinions diverge on how quickly the economy will recover and how accession to the Eurozone will affect economic performance and the labour market situation. The Organisation for Economic Co-operation and Development (OECD) (which invited Estonia to join the organisation in May 2010) has issued an optimistic forecast, predicting 5 percent economic growth in 2011. The expectation of moderate growth seems to be widely shared, and several analysts claim the crisis helped to improve the structure of the economy. However, more critical voices suggest that a combination of an overvalued currency, lagging productivity, and weak domestic demand will result in anemic growth, long-term high unemployment, growing social problems, and possibly, waves of emigration.[3]

In May 2010, public debate on the Euro quickly shifted from the question "Will Estonia qualify?" to "How will the Euro affect the economy?". The main message in the Estonian media is that the Euro is no panacea. However, Eurozone accession is expected to cement macroeconomic stability, increase investor confidence, facilitate trade and positively distinguish Estonia from its neighbours.

[1] See the Estonian chapter on the European economic policy and the financial and economic crisis (chapter 3).
[2] Rainer Kattel: Should Greece Follow Estonia's Example?, 21.04.2010, available at: http://www.networkideas.org/news/apr2010/news21_Rainer_Kattel.htm (last access: 01.06.2010).
[3] Ibid.

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Finland

Begging, immigration and identity

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Another issue of importance in the Finnish EU discussion was the Roma beggars in Helsinki. They were still few in numbers, but attained a highly symbolic value, taking up a great deal of attention in the parliamentary and media discourse.[1] Begging on the streets of Helsinki was seen to represent the darker aspects of the EU's freedom of movement, and was often underlined in conjunction with the argument that Romania and Bulgaria joined the EU too soon. Outlawing begging was discussed, together with minority rights and European standards.[2]

Relating to the discussion on the freedom of movement, the wider debate on immigration was also heating up in Finland. It is not strictly an EU matter, but the Roma question raised questions of inclusivity and identity.[3] An inclusive, rather than exclusive, Finnish identity tends to be tied in with a basically positive attitude towards EU integration, which also has connotations of naïveté in the Eurosceptic discourse, much as an open attitude towards immigration in particular and internationalism in general does.[4] The expression "When in Rome…" was primarily used by the populist True Finns, but, in spring 2010, the Social Democrats also took to both using this expression and employing populist rhetoric supporting those who feel their employment threatened by immigration. Then Prime Minister (PM) Vanhanen and Foreign Minister Stubb both condemned this attitude with exceptionally harsh words, with especially the latter identifying his view of what it means to be a Finn to be essentially internationalist. Europe and Immigration Minister Thors, who has even received death threats from anonymous sources due to her allegedly uncritical attitude towards immigration, emphasised on numerous occasions that the immigration debate in Finland tends to be plagued by generalisations, oversimplifications and outright bigotry.[5] This debate must, however, also be seen in the context of the upcoming 2011 elections.

On the whole, the received wisdom in the press was that the main identification of Finns is still the nation state. While this may be true, often the questionnaires and figures quoted for these arguments are based more on knowledge about the administrative machinery of the EU than on Europe per se.[6] As mentioned, the discussion on federalism remained rather abstract and shallow, with the question of national independence being the main sticking point on both the Greek crisis and the Lisbon Treaty. Finland's peripheral location is a point of worry for many – will the EU bureaucracy in faraway Brussels be able to understand our exceptional conditions when it comes to farming and the welfare state, for example?[7]

On 22 June 2010, Mari Kiviniemi (Centre Party) was officially appointed as the Finnish Prime Minister, with the previous PM Matti Vanhanen resigning for reasons which he was unwilling to completely reveal. One of the characteristics of Vanhanen's time in office was the change in his EU position over time: from slightly EU sceptical to its advocate. Kiviniemi is expected to continue along the latter line. She belongs to the liberal wing of her party, and is the second female to take up the position.

[1] E.g. Parliament session, 25 May 2010.
[2] Vihreä Lanka: Holokaustin perintö elää, 19 February 2010.
[3] Suomenmaa: Suomi elää tavallaan?, 8 April 2010.
[4] Aamulehti: Osta pieni puhdas Pohjoismaa!, 8 April 2010.
[5] Kaleva: Thors: EU:ssa vapaa liikkumisoikeus, 28 April 2010.
[6] E.g. Turun Sanomat: Kansallisvaltio voimissaan, 6 December 2010.
[7] Kaleva: Santa Claus Oulun presidentiksi, 14 December 2010.

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France

A Genetically Modified Organism (GMO) controversy: a “hot potato”

Aurélien Evrard*

The decision made by the European Commission to authorise the cultivation of a genetically modified potato, and in fact to lift the moratorium on GMOs, caused a strong debate in France. If the French association for vegetal biotechnologies were to welcome this decision,[1] environmental associations asked the government to use its safeguard clause. The latter decided to refer to the High Council on Biotechnologies (HCB) before making a decision, said the Ministries for the Environment and for Agriculture in a joint declaration.[2] According to Hervé Kempf, from Le Monde, such a decision not only flies in the face of the Europe-wide debate of the past ten years, but it also raises a question, which discounts the European ideal: “In order to pave the way for GM products, the Commission plans to give each state the right to choose whether or not to authorise them, which clearly cuts the very principle of European integration and manifests the cacophony which currently reigns in the EU.”[3]

[1] Agrapress: L’autorisation de la pomme de terre Amflora critiquée, 15/03/2010.
[2] Communiqué de Presse, 03/03/2010, available at: http://www.developpement-durable.gouv.fr/Pomme-de-terre-OGM-AMFLORA-la.html (last access: 04/06/2010).
[3] Le Monde: Mal à l’Europe, 07/03/2010.

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Germany

The mission in Afghanistan and the recent federal and regional elections

Christoph Kornes·

Since the German parliament has sent soldiers to Afghanistan, there has been a controversial debate in Germany about the meaning and purpose of the mission of the Bundeswehr (German armed forces). The Kunduz Province in northern Afghanistan, which was regarded as relatively safe, has developed into a dangerous area for German soldiers. Since 2002 a total of 43 soldiers of the Bundeswehr have died.[1] In April 2010 seven German soldiers were killed whereby the operation is becoming increasingly unpopular in the German population. A poll conducted by ARD television in April showed that 70 percent of the respondents demand a withdrawal from Afghanistan.[2] The Bundestag, however, agreed on a new Afghanistan mandate for one year in February 2010 and increased the staff ceiling of 850 soldiers to 5,350.[3] In a government statement from Thursday, 22 April 2010, Chancellor Angela Merkel (Christian Democratic Union – CDU) defended the operation and called voices for an immediate withdrawal, as demanded by the Left Party (DIE LINKE), irresponsible. She also called for more support from society for the soldiers.[4]

The air strike in September 2009 on two tanker trucks in Afghanistan, ordered by Colonel Georg Klein, killed 142 people including many civilians and caused a preliminary proceedings from the Office of the Federal Prosecutor; moreover, it provoked international criticism of the Bundeswehr from the foreign ministers of Sweden and France, as well as from the Spanish Prime Minister José Luis Rodríguez Zapatero.[5] The preliminary proceedings have been stopped now and the Union parties – CDU and the Christian Social Union (CSU) – call for a swift end of the Kunduz-Inquiry.[6] The attack caused the resignation of Minister of Labour and Social Affairs Franz Josef Jung (CDU) in November 2009, who was Minister of Defence at the time of the incident. The reason behind this decision can be traced back to the wilful default of information by the Federal Ministry of Defence about civilian casualties, which had been kept secret despite Jung having knowledge of them.[7] In this regard, the present Minister of Defence zu Guttenberg (CSU) has changed his former position and has now declared that the air strike was "militarily inappropriate" after reviewing all documents.[8] To this day the question of guilt has not been fully answered.

With the elections to the Bundestag on 27 September 2009, the grand coalition ended and the new government of Christian Democrats and Free Democrats (FDP) began its work. The two parties formed a coalition government under Chancellor Angela Merkel, who regained power for the second time. The CDU won, together with its sister party CSU, 33.8 percent of votes, the Social Democrats (SPD), with 23 percent of votes, achieved their lowest result since the Second World War.[9] Crucial to the next elections to the Bundestag and the majority in the Bundesrat, the upper house of the German parliament, was the regional election in North Rhine-Westphalia on 9 May 2010. Already in August 2009, the last two governments exclusively formed by CDU in Thuringia and Saarland were voted out of power in German regional elections, endangering the majority held by CDU/CSU and FDP in the Bundesrat. After the electoral defeat of the ruling CDU-FDP coalition in North-Rhine Westfalia in May 2010 the governing parties have lost their majority in the Bundesrat. This has a significant effect on the national political landscape in Germany, because the government will need the support of the opposition parties for major policy changes, such as tax cuts and reforms in the public health sector.

[1] Tagesschau.de: Taliban-Angriff in Afghanistan: Bestürzung über Tod deutscher Soldaten, available at: http://www.tagesschau.de/ausland/afghanistan1740.html (last access: 10 May 2010).
[2] Tagesschau.de: ARD-Umfrage. Rückhalt in der Bevölkerung für den Afghanistan-Einsatz schwindet, available at: http://www.tagesschau.de/inland/afghanistanumfrage148.html (last access: 10 May 2010).
[3] Bundesregierung: Neues Afghansitanmandat : Mehr Ausbildung und Schutz, available at: http://www.bundesregierung.de/Content/DE/Artikel/2010/02/2010-02-09-neues-afghanistanmandat.html (last access: 10 May 2010).
[4] Faz.net: Merkels Regierungserklärung. Afghanistan-Mandat über jeden Zweifel erhaben, available at: http://www.faz.net/s/RubDDBDABB9457A437BAA85A49C26FB23A0/Doc~E9199C98DA0A14E92BA83531604718C96~ATpl~Ecommon~Scontent.html (last access: 10 May 2010).
[5] Spiegel Online: The End of Innocence in Afghanistan. The German Air Strike Has Changed Everything, available at: http://www.spiegel.de/international/world/0,1518,648925,00.html (last access: 10 May 2010).

· Institut für Europäische Politik.

[6] Faz.net: Union will Kundus-Ausschuss beenden. Luftangriff erschöpft erörtert?, available at: http://www.faz.net/s/Rub0CCA23BC3D3C4C78914F85BED3B53F3C/Doc~E023AFDF9452F40DB879D9D58847C662F~ATpl~Ecommon~Scontent.html (last access: 10 May 2010).
[7] Denkler, T.: Jung-Rücktritt. Zapfenstreich für den Problemminister, available at: http://www.sueddeutsche.de/politik/555/495877/text/ (last access: 10 May 2010).
[8] Faz.net: Luftschlag bei Kundus. Guttenberg: „Militärisch nicht angemessen", available at: http://www.faz.net/s/Rub0CCA23BC3D3C4C78914F85BED3B53F3C/Doc~EE8E18848093F488F85966D5BEF6DC8B7~ATpl~Ecommon~Scontent.html (last access: 10 May 2010).
[9] Das Endergebnis der Bundestagswahl 2009, available at: http://www.bundestag.de/btg_wahl/wahlinfos/startseite/index.jsp (last access: 10 May 2010).

Greece

Greek debt crisis strains the EU's commitment to European solidarity

A.D. Papagiannidis and Nikos Frangakis·

The gravity of the debt crisis and the pain experienced due to the EC/ECB/IMF sponsored stabilisation package for 2010-2014 presently dominate public discourse. Drastic cuts to salaries and pensions, combined with higher taxation are measures to be faced by the vast majority of people in Greece. It is to be expected, though, that the questions raised by limited and hesitant European solidarity in face of the onslaught of the financial markets will lead to deeper doubts as to Greece's membership in future.[1] In late 2009 and early 2010, the extent of Greece's budget deficit and the feeling that statistical data were intentionally fudged made for extremely negative comments on the part of EU authorities and for increasing uneasiness on the part of several European capitals; still, the new Greek Government initially insisted that a plan to bring back growth (through assistance to lower-income groups) should be applied, with moves such as cutting back public expenditure and raising taxes coming a distant second. Even more importantly, public opinion was largely supportive of this stance, while "Brussels pressures" (as well as the downgrading of Greek paper by the markets) were viewed as something close to unwarranted external intrusion in national policy-making.

Only the rough ride that Greece experienced in the financial markets – with the spreads for Greek paper surpassing 600 basis point over German Bunds and with Greek banks risking being shut out of ECB financing following the Greek debt downgrades by Fitch, then S&P, and finally Moody's – brought a belated change of attitude. The Greek government found itself in urgent need of Brussels/EC and Frankfurt/ECB support, not so much to reassure the markets but to simply survive. So, when the support mechanism of 110 billion Euros had to be pieced together under extreme market pressure in order to avoid a Greek default in late March, with a severe stabilisation programme agreed upon by Greece with the EC/ECB/IMF – a front-loaded programme of extreme severity, calling for a 10 percent or more cut in public deficits over 3 years and for deep structural changes mainly in social security and the labour market – public opinion was stunned. The very survivability of Greece's political system is under question, especially so if the implementation of the stabilisation programme were to call for incremental spending cuts/tax increases in fall 2010.

The overall series of national positions taken in the EU on solidarity with Greece – culminating in the protracted process to bend Germany's unyielding stance – has given to Greek public opinion food for thought. The fact that the stabilisation programme, conditional to which EU/IMF financial support was provided, was only supported by the governing party (PASOK) along with the far-right LAOS, while the main opposition party (center-right Nea Dimokratia – ND) voted against it (with the sole exception of ex-Foreign Minister Dora Bakoyannis, who then promptly quit ND) along with the Communist Party (KKE) and (ex) Euro-Communists (SYN-SYRIZA), should also be noted. Whatever the exact future of the stabilisation effort in Greece, the country's "European identity" will probably be radically redefined in the process.

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[1] The literature regarding this matter is already immense, at least in terms of reports and articles published daily in the Greek and international press and the electronic media; it is therefore hard to summarise it in this paper. See, for a very brief overview, N. Frangakis: Greece is not just Europe's black sheep – it's truculent, too, in: Europe's World, Spring 2010, pp. 164-165.

Hungary

New Hungarian government upon landslide victory of FIDESZ-KDNP and the Hungarian Council Presidency in 2011

Krisztina Vida*

The most important topic currently discussed in Hungary is the incoming government and its programme. In April 2010, after two electoral rounds, the Hungarian Civic Union and the Christian Democratic People's Party (FIDESZ-KDNP FIDESZ-KDNP) alliance won over two-thirds of the seats in the Hungarian (single chamber) parliament. These elections were almost revolutionary in the sense that no such landslide victory was achieved by any party or party alliance since 1990, the first democratic elections after the systemic change. This means that the incoming government has huge popular support, a very strong legitimacy and also the immense responsibility to lead the country out of the crisis. This support and legitimacy is of course accompanied by high expectations. Actually, during the eight years of socialist (and for a long time socialist-liberal) ruling, most of Hungary's macroeconomic indicators had a deteriorating trend, in spite of the favourable economic environment in Europe. Thus, Hungary seemed to be the only new member state that, prior to the global crisis, could not really benefit from EU accession in terms of catching up. At the same time, during the past couple of years, corruption reached unprecedented levels, involving the highest layers of politicians. Moreover, due to belated and harsh austerity measures, the level of key public services (such as schooling, health care, internal security) continued to decrease.

All these phenomena led to a paradigm shift in Hungarian internal politics. Beyond the already mentioned victory of FIDESZ-KDNP, there are now three smaller factions in parliament, two of which are brand new political forces, while the two biggest parties leading the country into parliamentary democracy in 1990, the Hungarian Democratic Forum (MDF) and the Alliance of Free Democrats (SZDSZ), were both wiped out by the electorate. As for the two new parties, the Politics Can Be Different party (LMP) is a liberal-minded political group with a strong emphasis on environmental protection, while the extreme-right Jobbik is a radical and Euro-sceptic party (also represented in the European Parliament). The third and biggest party in opposition is the Hungarian Socialist Party (MSZP), which lost the recent elections and shrunk in size significantly. Thus, in the 386 member Hungarian parliament, the distribution of seats is as follows: FIDESZ-KDNP: 263, MSZP: 59, Jobbik: 47, LMP: 16 and 1 independent.

Another topical issue is the nearing Hungarian Council Presidency to be held in the first half of 2011. Beyond the "inherited" topics on the agenda, there is one particular issue that Hungary will advocate. This is actually a new approach to regionalism: the European Danube Strategy. Although emphasis is put on better water management, this Strategy embraces various priorities such as environment protection, or regional development and cooperation. This Strategy is wholeheartedly promoted by the biggest umbrella organisation for "green values", namely, the National Council for Sustainable Development. As it pointed out in a recent position paper, it supports "the endeavour according to which Hungary feels great responsibility and commitment towards the successful preparation of the Strategy, with special regard to the circumstance that the adoption thereof in the European Council will expectedly take place in the first half of 2011, which may be an outstanding achievement of the Hungarian EU Presidency due at that time."[1]

[1] Euractiv: Hungary to push water policy overhaul at EU helm, 14 April 2010, available at: http://www.euractiv.com/en/sustainability/Hungary-to-push-water-policy-overhaul-at-EU-helm-news-442324 (last access: 17 May 2010).

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Iceland

EU discussion sidelined because of the Ice-save dispute – a country preparing itself for an intensive EU debate

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In February, the European Commission recommended that negotiations for accession to the EU should be opened with Iceland – only seven months after Iceland submitted its application. The Icelandic government welcomed the opinion's conclusion that Iceland is well prepared to assume the obligations of membership in most areas, in particular the policy fields conversed by the European Economic Area (EEA).[1] The ruling Social Democratic Alliance (SDA) also appreciated the opinion recommendations that Iceland needs to make serious efforts to align its legislation with the acquis and/or to implement and enforce it effectively in order to fulfil the accession criteria in the following fields: fisheries; agriculture and rural development; the environment; free movement of capital; financial services; the customs union; taxation; statistics; food safety, veterinary and phytosanitary policy; regional policy and coordination of structural instruments; and financial control.[2] On the other hand, this advice was not well received by the Left Green Movement, the SDP's coalition partner in government, as well as the opposition parties and the fisheries' and farmers' lobby. All of them claimed that through EU membership Iceland would lose control of its most valuable resource, fisheries, and leave Iceland's agriculture in ruins.[3]

The government is split on the EU membership question, which has damaged the SDA's effort within the EU to press for a speedy opening of accession negotiations. Some ministers and Members of Parliament (MPs) of the Left Green Movement still question the EU application and are publicly fighting against membership – one of their MPs was recently appointed chairman of the anti-EU movement Heimssýn. That said, the government stands by the application and the upcoming negotiations for accession. All its ministers, except for the one responsible for agriculture and fisheries, are cooperating in an effort to smoothen the accession process.[4]

The opposition parties are also split on the question of EU membership, though anti-EU forces dominate them, at present. The leadership of the conservative Independence Party and the agrarian Progressive Party fight against membership, though the formal policy of the Progressives is to negotiate with the EU and make a decision on membership based on an accession treaty – both parties have a considerable number of Europeanists members, including Members of Parliament.[5]

The political discussion in Iceland has been dominated by the so-called Icesave[6] dispute between Iceland on the one hand and the Netherlands and the United Kingdom on the other. Hence, an intensive EU debate has not kicked off in the country. In January 2010, the United Kingdom, the Netherlands and the Nordic states yet again blocked Iceland's International Monetary Fund (IMF) assistance after the President of Iceland referred the Ice-save deal, which the government had negotiated with Britain and the Netherlands and the Icelandic parliament (the Alþingi) had narrowly approved, to referendum. The deal was rejected by 93 percent of voters.[7] Hence, the dispute has dragged on – though the IMF assistance was approved by its governing board in April 2010 – and has raised nationalistic feelings and sidelined discussions on the EU application. In the public debate, the EU and its member states have been blamed for the IMF blockage and for standing in the way of Iceland's economic recovery – despite the fact that the EU has on several occasions stated that the dispute is a bilateral matter of the states concerned.[8] Iceland has adopted the EU regulations on finances through its membership in the EEA, on which the British and Dutch claims are based, and has requested that the EU step in to settle the dispute without any success. Hence, the EU is seen as not being able to provide Iceland with economic and political shelter and, by many politicians and voters, as a bully standing by as larger states oppress a small, defenceless neighbour. Accordingly, the pro-European forces have had a difficult time making their case in an atmosphere of nationalism, where Icelanders generally feel that all of their closest neighbouring states, except for the Faroe Islands, have deserted them in a time of great need. One could argue that Icelanders have lost, in general, faith in international relations and in close cooperation with their neighbouring states.

The public opinion on EU membership has clearly been affected by the Icesave dispute. Since early 2009, the majority of voters have stated their opposition to membership in opinion polls – after a

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twelve-year period where nearly all polls indicated a majority in favour of membership.[9] The latest Capacent Iceland opinion poll, conducted in July 2010, indicated that 60 percent of voters were against EU membership, 26 percent were for it and 15 percent did not state an opinion.[10] These are exactly the same findings as in February 2010. That said, in February, Capacent also asked voters whether they were in favour of accession negotiation with the EU. 64 percent of voters were in favour of accession negotiations, 28 percent against it and 7 percent did not state an opinion. Accordingly, a majority of voters are still in favour of accession negotiations with the EU.[11]

The Icelandic anti-EU movement has gained momentum, set up camps in rural and coastal areas and dominated the debate in the media and on the Internet. The campaign is strongly supported by the fisheries' and farmers' associations, which have taken a rigid stand against EU membership and been vocal in the media. The anti-EU campaign is at present centred on three themes concerning EU membership. First, Iceland would lose its independence and sovereignty; second, Iceland would lose control over its most valuable national resource, fisheries; and third, Iceland's agriculture would be left devastated.[12]

The pro-European movement has reorganised itself and set up an association named Stronger Iceland – A Nation among Nations (Sterkara Ísland – þjóð meðal þjóða). It draws on prominent figures, mainly from the greater Reykjavik (capital) area, the main employers' and employees' associations, and political parties – mostly Conservatives, Social Democrats and Progressives.[13] It is also noteworthy that a pro-European group, Independent Europeanists (Sjálfstæðir Evrópusinnar), has been created within the Independence Party, which draws on support from its vice-chairman and other party members. The Icelandic European Movement, established in 1995, is still in place and has provided backup for the creation of Stronger Iceland.[14]

The pro- and anti-EU movements have two noticeable features in common, i.e., they are run by men – women being noticeably absent – and are sponsored by economic sectors, which have been prominent in the EU debate in the past. The "Yes"-movement has been occupied by its reorganisation and not been active in the public debate, which was a deliberate decision, due to the dominance of the Icesave issue and the current strong nationalistic sentiment in the country. On the other hand, the "No"-movement has been working full force on its agenda.[15]

The Confederation of Icelandic Employers, a driving force for EU membership in other Nordic states, is not active in the EU debate – following a brief period of activity concerning an EU application and adoption of the Euro in 2007 and 2008. This is because of an outright split within it, where the powerful Federation of Icelandic Fishing Vessel Owners, the only major opponent of EU membership in the Confederation, is granted a blocking power on the EU question. The pro-European members such as the Federation of Icelandic Industries and the Federation of Trade and Services have remained relatively silent on the issue after a campaign for the EU application. They are bound to come back into the debate with full force closer to the referendum on membership. The labour movement has also been rather silent about EU affairs, though it is now, largely, united behind the pro-European cause after the anti-EU chairman and MPs of the Left Green Movement of the Federation of State and Municipal Employees stepped down.[16]

A noticeable feature of the Icelandic EU negotiation committee, including several individual negotiation teams, which are preparing the Icelandic negotiations' positions, is the presence of members of interest groups such as farmers' and fisheries' associations, labour movements and the opposition parties, and women and academics from different universities spread across the country. The appointment of the committee was well received in the country at large, it being lead by the expertise of the central administration.[17]

There is considerable coverage on EU affairs in the two daily newspapers, despite the dominance of the Icesave issue. The most widely read paper, Fréttablaðið, is pro-European, its editor being a former chairman of the European Movement. The other newspaper, the conservative Morgunblaðið, is running a fierce campaign against EU membership under the editorial leadership of Davíð Oddsson (the former Prime Minister for 13 years, chairman of the Independence Party and director of the Central Bank), the most influential political figure in the country over the past twenty years.[18]

[1] Website of the Icelandic Ministry for Foreign Affairs, available at: http://www.utanrikisraduneyti.is/frettir/nr/5718 (last access: 12 July 2010).

[2] European Commission: Communication from the Commission to the European Parliament and the Council. Commission Opinion on Iceland's application for membership of the European Union, COM (2010) 62, available at: http://ec.europa.eu/enlargement/pdf/key_documents/2010/is_opinion_en.pdf (last access: 16 June 2010).
[3] Web medium Eyjan, 11 July 2009, available at: http://eyjan.is/2009/07/11/raett-um-adildarumsokn-islands-ad-esb-a-althingi-i-allan-dag-meirihluti-thingheims-stydjur-umsoknina/ (last access: 12 July 2010).
[4] Morgunblaðið, 9 April 2010, available at: http://mbl.is/mm/frettir/innlent/2010/04/09/furdar_sig_a_fundargerd/ (last access: 12 July 2010); Web medium Smugan, 28 July 2009, available at: http://www.smugan.is/pistlar/adsendar-greinar/nr/2224 (last access: 12 July 2010).
[5] Web medium Pressan, 25 June 2010, available at: http://www.pressan.is/pressupennar/LesaOlafArnarson/sjaelfstaedisflokkurinn-er-klofinn-getur-bjarni-sameinad-a-ny (last access: 12 July 2010); the official website of the Progressive Party, available at: http://www.framsokn.is/Forsida/Malefni (last access: 12 July 2010).
[6] The dispute is centred on the payment conditions of Iceland on the money Britain and the Netherlands provided account holders in the Icelandic bank, Landsbanki, which offered online savings accounts under the Ice-save brand in those states. Landsbankinn was placed into receivership by the Icelandic government early in October 2008.
[7] Results of the referendum from the National Electoral Commission of Iceland, available at: http://www.landskjor.is/landkjorstjorn/frettir-tilkynningar/nr/61 (last access: 16 June 2010).
[8] Letter from IMF Managing Director, Dominique Strauss-Kahn on the Icesave dispute, available at: http://www.imf.org/external/np/vc/2009/111209.htm (last access: 12 July 2010); EU Observer, available at: http://euobserver.com/9/29548 (last access: 12 July 2010).
[9] Baldur Thorhallsson: The Sceptical Political Elite versus the Pro-European Public: The Case of Iceland, in Scandinavian Studies, 2002, 74 (3), p. 349-378; Opinion polls conducted by Capacent Gallup for The Federation of Icelandic Industries, available at: http://www.si.is/malaflokkar/althjodlegt-samstarf/evropumal/skodanakannanir/ (last access: 16 June 2010).
[10] Capacent Iceland. Þjóðarpúls Gallup, July 2010.
[11] The Federation of Icelandic Industries, opinion polls: development of attitudes, conducted in March 2010 by Capacent Gallup Iceland, available at: http://www.si.is/media/althjodlegt-samstarf/almenningur_2010-02.pdf (last access: 12 July 2010).
[12] Website of the anti-EU movement, Heimssýn, available at: http://heimssyn.is/ (last access: 16 June 2010).
[13] Website of the pro-EU movement, Sterkara Ísland, available at: http://www.sterkaraisland.is/ (last access: 16 June 2010).
[14] Website of the Icelandic European Movement, available at: http://www.evropa.is/ (last access: 16 June 2010).
[15] For example see: http://heimssyn.is (last access: 12 July 2010), http://evropuvaktin.is (last access: 12 July 2010).
[16] For example see: http://www.asi.is/desktopdefault.aspx/tabid-63/102_read-614/ (last access: 12 July 2010), http://www.bsrb.is/malefni/island-og-esb/ (last access: 12 July 2010).
[17] List of members of the Icelandic Negotiation Committee, website of the Ministry for Foreign Affairs, available at: http://europe.mfa.is/sidemenu/negotiation-committee/ (last access: 5 July 2010).
[18] For example: Langt til seilst, 21 June, Leiðari Morgunblaðsins, 8 July 2010; Réttarfar í hnotskurn, 29 June 2010, Báðir geti unað við sjávarútveggssamning, Fréttablaðið, 8 July 2010, available at: http://www.visir.is/article/2010515725231 (last access: 12 July 2010); Gjaldeyrishöftin: CCP óskar eftir stöðugleika, available at: http://www.visir.is/article/2010814416482 (last access 12 July 2010).

Ireland

New coalitions of the willing

Shane Fitzgerald*

The former Taoiseach (Fine Gael party) and influential political and economic commentator, Garret FitzGerald, recently argued that the governance of the EU has evolved in a disturbing direction and that European Council meetings on the Greek crisis showed that the "big three" of France, Germany and the UK now dominate proceedings.[1] Meanwhile, speaking at a recent Institute of International and European Affairs (IIEA) seminar on the future of European foreign policy after Lisbon, Martti Ahtisaari and Mark Leonard made the point that many traditional EU responses to crises are now off the table.[2] Treaty change is not an option in the current political climate. Neither will high-minded rhetoric and solemn declarations suffice. Leonard described a world where more informal relations between powers are taking the place of much of the formal architecture of global governance in which the European powers, and the EU, have traditionally done so well. And he noted that this resurgence in realpolitik was much in evidence inside the EU's borders as well as out. Just as the global economic crisis has proven that globalisation is an asymmetric process, so too is it demonstrating that European integration is not the same for everyone.

A key point of Leonard's was that the difference between the surging powers of the developing world and the increasingly sclerotic ones of the West was not one of capacity but one of will. The EU's tendency towards fragmentation of policy and power has been exacerbated by the crisis even as the BRIC countries are emerging leaner and meaner. His message to the EU chimes with that of the recent Reflection Group on the Future of the European Union: reform or decline.

Talk of a two-speed Europe is often met with alarm in Ireland, which has always subscribed to the idea of a strong, treaty-based Union and would not countenance the prospect of ending up in the slipstream of a Eurosceptic UK as a core Europe forges ahead with the European project. However, there is increasing recognition of the need for new "coalitions of the willing" in order for Europe to avoid stagnation and move forward on various issues in various ways. Ireland has been understandably preoccupied with domestic problems in recent months, but as people here begin to look forward to economic recovery and political renewal, they necessarily do so in an international, and especially a European, context. There is much talk of how to leverage Irish influence abroad in the service of Irish interests, and a strong and activist role in the EU is high up the list of priorities in any conversation. The European External Action Service is a tremendous opportunity to transform European, and Irish, external relations even as the internal EU response to the crisis is creating new tensions and new synergies between member states. This shifting polarity is dangerous for Ireland insofar as it creates large structural gulfs between the Eurozone and non-Euro states, but it too affords an opportunity, this time to forge new coalitions and power blocs to counteract the dominant influence of the Commission and the "big three". Ireland's newfound links through migration with Poland and other central and eastern European states are just one way in which it might try to rejuvenate its role in the European project.

A smart economy strategy

Because research and innovation are at the core of José Manuel Barroso's EU 2020 Strategy, and Ireland's own ambition is to create a "smart economy" based on strategic investments in specific areas of science such as biopharmaceuticals and green technologies, Maire Geoghegan Quinn's recent appointment as the Commissioner for Research and Innovation was welcomed in Ireland. Although Commissioners are prohibited from favouring projects in or seeking political advantages for their home states, it is hoped that Geoghegan Quinn's new profile and position within the international research and innovation community will encourage Irish enterprise, academia and policymaking in subtler ways, for example by participating fully in her project of creating an "innovation Union". Martin Schuurmans, chairman of the European Institute of Innovation and Technology (EIT), for example, says that the appointment represents a tremendous opportunity for Ireland to enhance its reputation in this area and should be viewed as a major coup for the State.[3] This view is generally shared in Ireland also.

* Institute of International and European Affairs.

[1] Irish Times: Governance of EU has evolved in a disturbing direction, 3 April 2010, available at: http://www.irishtimes.com/newspaper/opinion/2010/0403/1224267608801.html (last access: 18 May 2010).
[2] Video and audio podcasts of this event are available at: http://www.iiea.com/events/europe-after-lisbon (last access: 18 May 2010).
[3] Irish Times: EU portfolio a 'coup' for Ireland, 12 February 2010, available at: http://www.irishtimes.com/newspaper/finance/2010/0212/1224264265830.html (last access: 18 May 2010).

Italy

Miscellaneous current issues in Italy

Jacopo Leone*

Immigration: At the beginning of 2010, an impressive social uprising took place in southern Italy, involving numerous African crop-pickers and the Italian police. Clashes lasted several days, and the news was reported on all national media.[1] This is just one episode which well describes the Italian concern over illegal immigration and its connection with crime. Public opinion seems increasingly worried about the lack of public order, sometimes even in big cities, where closed racial neighbourhoods have emerged in the last decade.

Corruption: The past six months have seen a series of political scandals, connected in various ways to corruption and the illegal use of public money.[2] Both sides of the Italian political establishment seem to be involved in the events, leaving a deep sense of dissatisfaction in the national public opinion towards politicians in general.

Afghanistan: Following the arrest in Afghanistan of three Italian aid workers of Emergency, a charity organisation funded by Gino Strada, accused of supporting a plot to assassinate the Governor of the Helmand province, a tense debate emerged in the Italian press and political establishment.[3] The episode obtained large coverage in TV shows and parliamentary auditions, even after the release of the three prisoners.[4]

Regional Elections: With thirteen out of twenty regions involved in the vote, Italy registered a low turnout (64 percent) in the regional elections held on 28 and 29 March 2010. Although at the centre of a series of scandals and political controversies, the centre-right party, headed by Prime Minister Silvio Berlusconi, managed to snatch four regions away from the centre-left and emerged as the main winner. The abstention rate was the highest of the last 15 years.[5]

Thailand: In recent weeks, the unstable political situation in Thailand has received much attention by the Italian press. Although no specific political comments have been made on the topic, the public opinion follows the evolution of the clashes between demonstrators and the local government with interest.[6]

[1] Corriere della Sera: Rosarno, altri quattro immigrati feriti. Spari e scontri in strada: è battaglia, 8 January 2010, available at: http://www.corriere.it/cronache/10_gennaio_08/rosarno-scontri-maroni_cef157a6-fc32-11de-98e4-00144f02aabe.shtml (last access: 1 July 2010).
[2] Corriere della Sera: L'appartamento di Scajola e le falle nella tesi del ministro, 3 May 2010, available at: http://www.corriere.it/cronache/10_maggio_03/appartamento-scajola-sarzanini_6e658120-5685-11df-ae23-00144f02aabe.shtml (last access: 1 July 2010).
[3] Natalino Ronzitti: L'Italia in Afghanistan dopo il caso Emergency, AffarInternazionali, 19 April 2010, available at: http://www.affarinternazionali.it/articolo.asp?ID=1438 (last access: 1 July 2010).
[4] Unità: Frattini in Parlamento 'Uno dei tre volontari forse libero', 14 April 2010, available at: http://www.unita.it/news/97381/frattini_in_parlamento_uno_dei_tre_volontari_forse_libero (last access: 1 July 2010).
[5] La Repubblica: Elezioni Regionali, 28-29 March 2010, available at: http://www.repubblica.it/static/speciale/2010/elezioni/regionali/index.html (last access: 1 July 2010).
[6] Corriere della Sera: Thailandia, 20 vittime negli scontri, 11 April 2010, available at: http://www.corriere.it/esteri/10_aprile_11/thailandia-scontri-vittime-camicie-rosse_fdb7b568-4547-11df-93de-00144f02aabe.shtml (last access: 1 July 2010).

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Latvia

Latvians' Principal Concerns in Spring 2010: Economic Recession and Parliamentary Elections

Dzintra Bungs*

Despite the fact that Latvia has been a member of the European Union for six years, despite Latvia's endorsement of the Lisbon Treaty and simultaneous acceptance of the collective responsibility to implement it, and despite the relevance for all EU member states of the decisions made in Brussels, most Latvians remain much more concerned about what is going on in Latvia than in the rest of Europe. In 2010, their attention has been especially focussed on two issues:

- coping with and overcoming the country's economic recession;
- electing a more credible parliament than the current one.

After nearly a decade of record Gross Domestic Product (GDP) growth, the Latvian economy shrivelled in 2008. If, in 2007, the GDP growth rate, as compared with the previous year, was 10 percent, then, in 2008, the figure was -4.2 percent. The downslide continued into 2009 when the GDP was -18 percent.[1] This was accompanied by rising unemployment: 6 percent of the labour force was jobless in 2007, 7.5 percent in 2008 and 17.1 percent in 2009.[2] The reasons for the dramatic decline of the economy were a combination of short-sighted and imprudent policies at home, especially during the two successive premierships (2 December 2004 until 20 December 2007) of Aigars Kalvītis (People's Party), and the fallout of the financial crises abroad. Escalating public discontent forced Kalvītis and his cabinet to resign.

Ivars Godmanis (Latvia's First Party – Latvia's Way), became the next prime minister in December 2007. The country's precarious financial situation became critical after the unexpected collapse in autumn 2008 of Parex Bank, Latvia's second largest bank. Deciding to bail out the bank, the government sought a loan. The response from the European Commission and the International Monetary Fund (IMF) was quick and positive. It was agreed that Latvia would borrow 7.5 billion Euros from the IMF and the EU. The first tranche in the amount of 600 million Euros from the IMF was transferred to Latvia on 29 December 2008. In return, both the government and the parliament committed themselves to restructuring the economy, including raising taxes, curtailing spending, cutting salaries and welfare payments and systematically repaying the loans received.[3] For the populace this meant diminished incomes and higher taxes. Unable to make a serious dent in resolving Latvia's economic problems and beset by the political machinations of the parties represented in his government, Godmanis resigned in February 2009.

President Valdis Zatlers entrusted the formation of the next cabinet of ministers to Valdis Dombrovskis of the centre-right opposition party, New Era. In order to ensure parliamentary backing for the unpopular decisions that had to be made, Dombrovskis decided to form a coalition cabinet, which included members of some of the parties represented in the past two governments. The result has been a fractious government, buffeted by internal strife and frequent attacks by various political parties, not only those in the opposition, but also those represented in the government. Especially active in testing the government's durability has been the People's Party, which participated in forming the coalition government under Valdis Dombrovskis but subsequently concentrated on manoeuvres designed to polish its public image tarnished during the years in which it ruled. Despite the resignation in March of all four People's Party ministers and the subsequent systematic attacks of the People's Party politicians on the Dombrovskis government and those parties which continue to support it, the government has continued to do its job. Moreover, Dombrovskis has become one of the most trusted politicians in Latvia.

Some of the government's policies are showing hopeful results. According to the State Employment Agency, in June, 15.8 percent of the labour force was unemployed, down 0.4 percent from May.[4] Growth has been reported in several sectors of the economy during the first quarter of 2010, as compared with the same period last year: manufacturing up 6.8 percent, transportation and communications up 2.3 percent, agriculture up 5.9 percent, and energy up 17.5 percent.[5] With the significant rise in exports, the current account balance has also improved. According to the Ministry of Finance, income from various taxes during the first half of 2010 is more than had been planned. Improvements in Latvia's economic situation have also been observed by the IMF and the European

* Latvian Institute of International Affairs.

Commission, which note in particular the fast growth in exports and improved confidence in Latvia's financial markets. While recognising that the economy is beginning to stabilise, they also stress that Latvia must stay on its course; for example, next year the budget deficit must not exceed 6 percent and in 2012, Latvia should aim for a deficit of 3 percent. Successful implementation of these and other measures would ensure that Latvia is ready to adopt the Euro in January 2014.[6] Latvia's joining the Eurozone countries in 2014 is one of the goals of the Dombrovskis government.

The principal challenge of the Godmanis' and Dombrovskis' government, and the main source of political discord and public disgruntlement, has been balancing the budget so as to meet at least the minimal needs of the populace while slashing expenditures in order to comply with the conditions agreed upon with the IMF and the EU. This task has required the government to make painful decisions. Common sense tells us that it is never easy for political parties to adopt unpopular measures; in an election year, however, this is highly risky for any political party wanting to do well at the ballot box. The next parliamentary elections in Latvia will take place on 2 October 2010. All these factors shed light on why Latvian politicians have found it so hard to adopt decisions that are good for the country but disliked by many voters and why they devote so much attention to rejuvenating their public image while dissociating themselves from past mistakes and unpopular policies.

However, the deep dissatisfaction with the current parliament and the distrust of politicians in general started well before the economic recession set in. After the parliamentary elections of 2006, four political parties decided to cooperate and form a coalition: People's Party (23 deputies), Green and Farmers' Party (18 deputies), Latvia's First Party – Latvia's Way (10 deputies) and For Fatherland and Freedom/LNNK (8 deputies). Together they had 59 votes and formed a solid majority in the 100-member parliament. Under the strong leadership of the People's Party, the centre-right ruling coalition could and did control the decision-making in the parliament. Members of the ruling coalition also formed the government from autumn 2006 to February 2009. The ruling coalition became arrogant and tended to reject outright any proposals, regardless of quality, from the grass roots or the two opposition parties: the New Era with 18 deputies and the Harmony Centre with 17 deputies. Such behaviour, sometimes characterised as a dictatorship of the majority, served to alienate the four parties from the voters. Furthermore, the parliament's decisions were often criticised as benefiting special interests more than the country as a whole. With the arrival of the recession, public confidence in the parliament as a whole, and members of the ruling coalition in particular, sank even further. In spring 2010, if public opinion polls are to be believed, the re-election to the parliament seemed certain only for the opposition parties, and quite unlikely for the parties of the ruling coalition.

Consequently, various forms of activities attributable to an election year started already in early 2010. Serious campaigning, however, cannot begin until after the parties submit their lists of candidates to the election board in the period between 14 July and 3 August 2010 and each candidate has been found to meet the necessary requirements. Nevertheless, all parties have been working hard to refurbish their public image. In order to raise their chances of representation in the parliament, many parties, regardless of size and earlier stature, have decided to run in the elections under a single banner and present their candidates on one list. Thus, for example, three political parties (New Era, Civic Union and Society for Different Politics) and some political independents joined forces to form the election alliance "Vienotība" (Unity) and the left-of-centre parties favoured by the Russian-speaking population decided to run together as the Harmony Party. Other parties have followed this trend and are forming their own election alliances. Perhaps the most remarkable is the association "Par labu Latviju" (For A Good Latvia), comprised of the People's Party, Latvia's First Party – Latvia's Way, and several small regional parties. Its nickname is "AŠ²" because of the first initials of its leading personalities, Andris Šķēle (People's Party) and Ainārs Šlesers (First Party – Latvia's Way). Both are strong-willed, successful businessmen with personal wealth in the millions of lats; both like to be in politics, to be in charge and have a reputation for protecting above-all their own and their parties' interests. At first glance, Šķēle and Ainārs Šlesers seem unlikely candidates for a political partnership. Yet both are the leaders of parties whose ratings have fallen so low that their future is in jeopardy. Thus, the principal motive for the People's Party and Latvia's First Party not to run in the elections on their own, but under the banner of the newly formed "For A Good Latvia" is pragmatic: they see that they have better chances of political survival by pooling forces and retooling their public image.

Many voters, on the one hand, welcome the formation of election alliances by the numerous parties because this would put some order in Latvia's motley political landscape and ensure that more votes have genuine impact in the elections – in Latvia, after all the ballots are counted, the votes for parties not receiving at least 5 percent of the total ballots cast (minimum requirement for representation in the parliament) are proportionately divided among the parties which surpass the 5 percent barrier. On the

other hand, many voters also feel frustrated and unsure because it is not yet clear which election alliance stands for a fresh start and more credible candidates or which one merely provides a new umbrella for seasoned politicians wishing to retain their seats in the parliament. The voters want positive change and they do not yet see how to achieve it. The mood of Latvia's electorate in spring 2010 could, therefore, be described as sceptical interest.

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[1] Eurostat: table of Real GDP Growth Rates for all EU member states, available at: http://epp.eurostat.ec.europa.eu/tgm/table.do?tab=table&init=1&language=en&pcode=tsieb020&plugin=1 (last access: 14 July 2010).
[2] Eurostat: table on rates of unemployment, available at: http://epp.eurostat.ec.europa.eu/tgm/table.do?tab=table&init=1&language=en&pcode=tsiem110&plugin=1 (last access: 14 July 2010).
[3] See, for example, the first Letter of Intent to the IMF from Latvia's Prime Minister, Minister of Finance, President of the Bank of Latvia, and Chairperson of the Financial and Capital Market Commission, 6 January 2009, available at: http://www.delfi.lv/archive/article.php?id=22817410 (last access: 14 July 2010).
[4] LETA dispatch, 21 June 2010, available at: http://zinas.nra.lv/ekonomika/latvija/25682-registreta-bezdarba-limenis-samazinajies-lidz-15-8.htm (last access: 14 July 2010).
[5] LETA dispatch, 24 June 2010, available at: http://www.delfi.lv/news/business/macroeconomics/komercbankas-rupnieciba-tuvakajos-gados-vilks-latvijas-ekonomiku.d?id=32670323 (last access: 14 July 2010).
[6] LETA dispatch, 7 June 2010, available at: http://www.delfi.lv/archive/print.php?id=32362297 (last access: 14 July 2010).

Lithuania

Unemployment, nuclear energy, and the Baltic Sea Strategy

Jurga Valančiūtė*

Unemployment has grown drastically

Lithuania has been deeply influenced by the current financial crisis. One of the most problematic consequences of the crisis is a significant increase in the level of unemployment. Several years ago, Lithuania did not face the problem of unemployment, as its level was very low, but according to the latest data provided by the Lithuanian Office of Statistics, the level of unemployment was as high as 13.7 percent at the end of 2009.[1] This means that Lithuania has the third highest unemployment level in the EU after Spain and Latvia. In this context, it is becoming harder for inexperienced and young people to find jobs and, in 2009, the unemployment level among the youth had reached 29.3 percent.[2] The Bank of Lithuania estimates that the level of unemployment might reach up to 16.7 percent this year.[3]

Closure of Ignalina nuclear power plant was not postponed

Implementing the provisions of the EU accession treaty, Lithuania closed the second block of the Ignalina nuclear power plant at the end of 2009. Ignalina was the major source of electricity since 1997, producing more than 80 percent of all electricity used in Lithuania. Lithuanian obligations to close the power plant encouraged various fuelled fears among Lithuanian society and politicians who urged not to close the power plant and made attempts to prolong its functioning. This also gave ground for abundant political speculation. However, the EU had a strict position on the issue and the Ignalina nuclear power plant stopped producing electricity on 31 December 2009. In this context, EU energy policy on electricity and gas interconnections with the rest of EU are of vital importance to Lithuania.

Lithuania congratulates the adoption of the EU Strategy for the Baltic Sea Region

Lithuanian officials favoured the adoption of the EU Strategy for the Baltic Sea Region, as very important projects for Lithuania are included in this Strategy. Former Lithuanian Foreign Affairs Minister Vygaudas Usackas said that the Baltic Sea Strategy has a significant importance.[4] Important projects, such as electricity and gas interconnections with other EU member states, are included in the Strategy, which will help reduce Lithuanian energy isolation, which is one of the most sensitive issues to Lithuania. Therefore, it is expected that the inclusion of these projects into the Strategy will foster their implementation.

[1] Data of Lithuanian Office of Statistics, Lithuanian Labour Exchange and Eurostat provide quite similar data. The new report by the Lithuanian Statistics Office on the level of unemployment in the first quarter of 2010 will be published on 25 May 2010.
[2] Verslo žinios: Unemployment during the last year has grown by almost 2.5 times (Nedarbas pernai išaugo beveik pustrečio karto), 23 February 2010, available at: http://vz.lt/2/straipsnis/2010/02/23/Nedarbas_pernai_isaugo_beveik_pustrecio_karto2 (last access: 9 June 2010).
[3] Ibid.
[4] Foreign Affairs Minister Vygaudas Usackas: EU Baltic sea strategy: new possibilities and challenges (Taujėnų dvaras, Ukmergės raj), presentation, 13 November 2009, available at: http://www.urm.lt/index.php?130737639 (last access: 9 June 2010).

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Luxembourg

Trouble in paradise

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The German Press Agency (dpa) released an astonishing headline on 28 April 2010: "Uproar in paradise – crisis splits Luxembourg."[1]

The Grand-Duchy's economy, already badly shaken by the banking crisis in the aftermath of the Lehman Brothers' bankruptcy, did not have to wait for the consequences of the Greek crisis to learn that new unhappy times were dawning. Being accustomed to growth rates of 4 to 9 percent over the last years, always meeting the Maastricht criteria without a problem, Luxembourg now had a "paradise lost" feeling. The beloved "Luxembourg model" seemed to guarantee a never-ending economic growth success story.

This famous "Luxembourg model" came into being in the mid-seventies in the aftermath of the steel crisis, and the birth of the Luxembourg financial centre is based on a tripartite social consensus dialogue between the government, the great representative unions and the employers' federations.[2] Social cohesion and peace were preserved by steadily growing state revenues from the financial sector and a unique wage raise system in Europe. In fact, Luxembourg has generalised, since the 1970s, an automatic indexation of wages on the rise of living costs. The basket of goods to measure the evolution of living costs includes foremost necessity products such as milk and bread, but also nonessential consumer goods such as cigarettes and fuel prices. The advantage for the employers is that there is practically no labour action nor any other social unrest in tiny, peaceful Luxembourg. An indexation of salaries means that wages are automatically adapted without any negotiations if prices rise by more than 2.5 percent. No consideration of the actual economic situation is taken into account. The indexation was temporary put out of action in the past if inflation was so high that a full implementation of the indexation would have seriously harmed the national economy. But these most exceptional situations always led to political disarray. For the labour unions, the "indexation of salaries" is a "paramount social acquis*"* and its "manipulation" is unspeakable.[3]

The government is well aware that times are changing and that even a "paradise" like Luxembourg has to increase its economic competitiveness to be able to cope with the most serious economic crisis since World War II.[4] However, Luxembourg is the only European country to have the automatic indexation of wages in the private and in the public sector. Maintaining the indexation of salaries is an important part of the government coalition program; it will be very difficult, if not sheer impossible, for the government coalition to abolish this Luxembourgish specificity. But most employers or human resources managers – many of them coming from foreign countries – are not so familiar with the Grand Duchy's specificities and have little or no understanding for a system with an automatic rise of personnel costs not directly linked to an equivalent gain of productivity.[5] As long as the Luxembourgish economic figures were fixed in the green zone, the employers' request for an indexation abolition sounded like the "ceterum censeo Carthago delendam esse"[6] of the Roman politician Cato.

The most recent tripartite negotiations should have come to a conclusion before the Prime Minister's speech on the state of the nation in early May 2010. In fact the negotiations ended in failure on 27 April 2010, when the Prime Minister had to take note that no deal was possible.

Prime Minister Juncker had isolated preparatory consultations with all members of the tripartite negotiations copied from the "confessional method" used in European Commission negotiations. Although these consultations were said to be confidential, it was clear that it would be very difficult to find a *compromis à la luxembourgeoise* in the way compromises had been found in former times when Luxembourg's "social consent society"[7] was still working perfectly. Now the government was in very bad shape, as it had to find a solution that would take account of the dramatic financial situation of the public treasury and the contradictory demands of its social partners.

The international economic situation, in which the microstate Luxembourg is embedded, declined dramatically with the Greek crisis linked to the Euro crisis. Prime Minister Juncker, in his function of Euro group leader, had to fight on two fronts at the same time: at home with the social partners and on

* **Centre d'Etudes et de Recherches Européennes Robert Schuman.**

the European floor with his Euro country partners and the finance markets. According to Finance Minister Pierre Frieden, state revenues from the financial sector will be in a free fall in the years 2012 and 2013, when the banks are supposed to pay taxes for the years 2008 and 2009, years when they had no profits. Frieden already had to borrow money – an unusual behaviour in Luxembourg – to be able to realise the public investments he had to finance. He intends to bring down public debt again by 2014. It was the ungrateful role passed on to Finance Minister Frieden to present these cruel proposals. According to a gentlemen's agreement, the content of the tripartite negotiations are not to be made public until the very end of the negotiations. This time, the OGBL (the pro-socialist union) communicated the content of the propositions Frieden made in the name of the government to the press. The measures included not only a list of reductions of state aids, but also a raise in taxes and, last but not least, a modulation of the indexation.[8]

This, economically speaking, most difficult situation was topped by the serious political crisis that followed. In an interview, Luxembourg's Socialist Labour Minister Nicolas Schmit, a former career diplomat, declared that the "social cruelties" discussed in the government had been proposed by Finance Minister Luc Frieden and had not been decided by the government as whole.[9] This PR action seemed to have been a success, since his personal rating in public opinion soared and those of the once very popular Finance Minister were squeezed. The communication policy of the government was "suboptimal", as Juncker himself conceded. After the next tumultuous government council, Schmit had to retract and accept that the propositions made by Frieden were the propositions of the "government as a whole.[10] Leading Christian Democrats called for the resignation of the Socialist Labour Minister.

In order to get out of the stalemate, Juncker made the last compromise propositions to the unions:[11] "The unions refused all compromise propositions of the Prime Minister; a disillusioned and angry Jean-Claude Juncker had to acknowledge the failure of the tripartite negotiations."[12] A most recent public opinion survey has suggested a widespread approval of these propositions.[13]

In the meantime, the political crisis has been shifting towards its climax. Socialist Party Chairman Alex Bodry and the leader of the Socialist parliamentary group Lucien Lux had maintained that an extraordinary Socialist Party congress should approve or disapprove the results of tripartite negotiations and the government was to make a decision following these discussions. After a passionate discussion, the Socialist Party congress approved the government decisions on tax raises and lowering state aid programs.[14] The Juncker compromise had been previously withdrawn from the congress' agenda. The influence of the left wing union OGBL among Socialist congress delegates would have been strong enough to veto any decision to "manipulate" the indexation. On the other hand, leading Christian Democrats (party President Michel Wolter and parliamentary group Chairman Jean-Louis Schiltz) reflected in public on plans to change the coalition partner. In the government, the friendly atmosphere among colleagues seemed to have vanished: Minister Frieden had to accept the "dictate" of the OGBL.[15] Would Juncker be ready to cross the Rubicon and put an end to the ruling coalition, eventually leading to new elections?

The state of the nation speech of the Prime Minister on 5 May 2010 was expected with great impatience. Juncker made it very clear to all observers that there was no government crisis in his eyes, because there was no alternative to the coalition in power.[16] In a non-public Chrëschtlech Sozial Vollekspartei (CSV) national committee, the delegates were convinced that new elections could only weaken the CSV, and the Luxembourg Socialist Workers' Party (LSAP) would be the old and the new coalition partner anyway.[17]

Juncker's speech was very clear. It put a provisional end to all speculations concerning the possible divorce of the coalition partners, at least until the next fall. Because Juncker handed over the "hot potato" to the Socialist Minister of Economy Jeannot Krecké, known to have more balanced views on indexation, Krecké was given the mission to make new proposals on how to raise the competitiveness of Luxembourg's economy before next fall.

The political, social and economic crisis in the "paradise" is interrupted, but is still awaiting a final solution.

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[1] dpa: Aufruhr im Paradies – Krise spaltet Luxemburg, 28 April 2010.
[2] François Manzari: La crise sidérurgique au Luxembourg 1975-1985,University of Montpellier, Master thesis (unpublished).
[3] Onofhängege Gewerkschaftsbond Lëtzebuerg (OGBL):Jean-Claude Reding: Austeritätspolitik und Sozialabbau führen in eine Sackgasse, avialable at http://www.ogb-l.lu/pdf/publications/aktuell/Aktuell_5_2010.pdf (last access: 19 July 2010);

Lëtzebuerger Chrëschtleche Gewerkschaftsbond (LCGB): Von der Tripartite zur Lage der Nation, Sozialer Fortschritt 4/2010, available at: http://lcgb.lu/uploads/magazines/4bd85f14c68262e73901e87de1d7676aa8147d25.pdf (last access: 22 June 2010).
[4] Government of Luxemburg: Discours de Jeannot Krecké, Ministre de l'économie et du commerce extérieur à l'occasion de l'ouverture de la Foire du Printemps, 1 May 2010, available at: http://www.gouvernement.lu/salle_presse/discours/autres_membres/2010/05-mai/01-kreckeluxexpo/index.html (last access: 19 July 2010).
[5] Business Federation Luxembourg (Fedil): La Fedil plaide en faveur d'un accord tripartite, Communiqué, 22 April 2010.
[6] "Furthermore I think Carthage must be destroyed."
[7] Gilbert Trausch: Discours: De l'Etat à la nation, Luxembourg 1989.
[8] The government decided on a list of measures to increase the state's fiscal revenues and reduce its spending. See also for details: http://hello.news352.lu/index.php?p=edito&id=34636 (last access: 14 July 2010).
[9] Nicolas Schmit Kein Beschluss der Regierung (interview with Minister Schmit), Tageblatt, 16 April 2010.
[10] Luc Frieden: Vorschläge im Namen der Regierung, Tageblatt, 26 April 2010.
[11] Juncker's compromise propositions: Alternative 1: exclusion of the evolution of crude oil prices from the panel taken into account for the indexation. This would be compensated by free public transport; or alternative 2: exclusion of the middle and high wage classes from a fully paid indexation of wages. Union leaders refused both propositions right away. Juncker made no effort to hide his disarray and deception.
[12] Le Jeudi: L'échec de Juncker, 29 April 2010.
[13] Luxemburger Wort: 73% für Index-Deckelung. Die Vorschläge von Premier Juncker stoßen auf breite Zustimmung, 30 April 2010.
[14] Luxemburger Wort: Koalitionsfrieden auf Bewährung. Die Sozialisten segnen Maßnahmenpaket der Regierung zur Sanierung der Finanzen ab. Der Zusammenarbeit von CSV und LSAP stehen stürmische Zeiten bevor, 3 May 2010.
[15] Personal interview with J. Putz, member of the Young Christian Democrats (CSJ) central committee, 6 May 2010.
[16] Chambre des Députés: Discours de Jean-Claude Juncker sur l'Etat de la Nation, 5 May 2010, available at: http://www.gouvernement.lu/gouvernement/etat-nation/index.html (last access: 22 June 2010).
[17] Personal interview with J. Putz, member of the Young Christian Democrats (CSJ) central committee, 6 May 2010.

Macedonia

Current issues in Macedonia

Biljana Janeva*

According to the official "Programme for work of the Government of Republic of Macedonia", Macedonia's foreign policy for the current period was devoted to five strategic priorities: NATO membership, starting accession negotiations with the EU and membership in the EU, liberalisation (abolishing) of visas for Macedonian citizens, overcoming the name dispute created by Greece, and strengthening its economic and public diplomacy. Also, these were the questions and issues most discussed by the Macedonian media and institutions in the past period.

NATO membership remains a very painful burden for Macedonia. After the fiasco at the Bucharest Summit in 2008, when Macedonia did not get its promised (and earned) membership because of the name dispute with Greece, it still continued with its army reforms and contributions to NATO missions abroad. The Republic of Macedonia has completed the longest preparations for membership in the alliance's history and is the fifth largest contributor to NATO's international missions, with regard to population, compared to all NATO members.[1]

The other big debate is EU membership: the criteria, the presidencies, the benchmarks, the reforms to be passed and the tempo of the reforms (100 laws are to be passed in 2010). Also, a big issue is the creation of national negotiating teams for EU integration and their competencies.

One of the most important foreign aims in Macedonia was a complete liberalisation of the visa regime with countries in the Schengen zone, which happened on 19 December 2009 and brought unprecedented joy and hope for the Macedonian people.

Regarding plans for multilateral activities, the biggest foreign-political engagement in the Republic of Macedonia in 2010 is the Presidency with the Committee of Ministers of the Council of Europe from May until November. The priorities of the Macedonian Presidency with the Council of Europe are the fight against corruption, the reform of the European Court of Human Rights through an increase in the efficiency of the judiciary and education of the judges on a national level, integrating national minorities into European societies, the promotion of the position of the Roma people, protection of the cultural heritage and religious dimension of the inter-cultural dialogue, as well as more active inclusion of the youth in the political and democratic developments of the countries from South-eastern Europe. Unfortunately, the Macedonian Presidency of the Council of Europe has not passed without scandals and problems. Again, Greece blocked this important Macedonian engagement with opposition to its name, saying that it shouldn't be called the Macedonian Presidency, but the Presidency of FYROM. This would have been a new precedent in the Council of Europe, as every country, regardless of its official name, bears the presidency by its first name. That was why the Macedonian Presidency was left as such. After all the energy lost in the disputes and explanations, Macedonia was finally able to focus on its Presidency programme.[2]

Of course, the most burning issue, and the issue most present in the public domain, is the name dispute with Greece. Regarding the negotiations that the Republic of Macedonia participates in with Greece under the patronage of the United Nations, a big step forward was evident in the last period. There were a number of direct meetings between state officials of the two countries, which brought a sign of improvement of relations between the countries. The negotiations continue, however, and real progress hasn't been made in the last months.

The experts' opinion regarding the foreign policy of the Republic of Macedonia is that it is still burdened with internal political processes. It should be qualitatively strengthened, which requires a national consensus by all political parties regarding the priorities of the Macedonian foreign policy, as well as the means for its successful realisation – diminishing the influence of internal cross-party disputes and building and promoting unity in the representation of Macedonian foreign-political priorities.[3]

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[1] The material is taken from the text of Biljana Janeva for the Leadership Monitoring Report N. 2, published by the OHRID Institute, p. 32, available at: http://oi.org.mk/upload/Foreign-affairs-2.pdf (last access: 20 July 2010).
[2] More information can be found on the news portal Time.mk, available at: http://www.time.mk/read/10c69c2744/b4d33562/index.html (last access: 21 May 2010).
[3] In the Leadership Monitoring Report N. 2, published by the OHRID Institute, p. 37, available at: http://oi.org.mk/upload/Foreign-affairs-2.pdf (last access: 20 July 2010).

Malta

Illegal immigration and spring hunting

Stephen Calleya*

The issue of illegal immigration remains a priority issue with the government of Malta now officially deciding to withdraw from participating in Frontex Operations in the Mediterranean. The government officially declared that this decision was taken due to the decreasing number of illegal migrants arriving in the course of last year. But this decision coincides with the EU's announcement that all migrants rescued by Frontex operations will now be taken to the country conducting the rescue operation prompting everyone to believe that Malta's decision to withdraw was taken due to this new provision.

Another major issue dominating politics in Malta in recent months is the issue of spring hunting. The government of Malta decided to open this year's spring hunting for one week, much to the dismay of activists in favour of birds. The government has announced that it will be discussing this issue extensively with the EU in the coming months before deciding whether to open the season for a lengthier period next year, as the hunter's association have been consistently requesting.

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Netherlands

Political climate and national elections

Arnout Mijs*

An important development in Dutch politics is the fall of the government on 20 February 2010 as a result of divergent opinions in the government on the extension of the Dutch Afghanistan mission. Elections took place on 9 June 2010. During the debate the focus shifted from immigration towards the economy, because of the recent developments. Only the anti-immigration party of Geerts Wilders, the Party for Freedom (PVV), held on to the former topic. Budgetary savings on all possible policy fields were fiercely debated and supported by strong evidence on the need for budget cuts provided by the Netherlands Bureau for Economic Policy Planning (CPB). In the respective programmes of the political parties, foreign policy played only a marginal role. In political debates foreign politics were hardly discussed, although this is not uncommon in Dutch parliamentary elections.[1] There was one recurrent issue in the political programmes of the majority of the parties on foreign politics. They stated that if they are elected part of the next government, they will strive to reduce the Dutch contribution to the EU.[2] This accounts amongst others for the Liberal Conservative party (VVD), the Labour Party (PvdA), the Socialist Party (SP), and the PVV.

The results of the elections testify for a rather complex and dispersed picture of the political landscape in the Netherlands. There are seven parties with 10 or more seats. The focus on economics has been one of the main reasons why the VVD led by Mark Rutte came in first with 31 out of 150 seats in parliament. The VVD became the biggest party in parliamentary elections for the first time in its history. The party was followed by the PvdA of former mayor of Amsterdam Job Cohen with 30 seats. The PvdA lost three seats, much less than expected in the year preceding the elections. Besides Rutte, another major winner was Geert Wilders' PVV, who came in third with 24 seats (before 9). The biggest losers were the Christian Democrats (CDA) who lost almost half of their seats (from 41 to 21).

At the time of writing, the formation of a new government is ongoing. Three options seem most likely. The first option is a right wing government with the VVD, PVV and the Christian Democrats (CDA). The CDA is the party of disengaging Prime Minister Jan-Peter Balkenende, who resigned as party leader after the 20 seat loss. This is also the reason they are hesitant to step into a right wing government, besides the fact that the party is divided on whether they want to rule with the PVV.[3] The second option is a neither-right-nor-left coalition formed by the VVD, PvdA, the Liberal Democrats (D66), and the Greens (GroenLinks). Until eight years ago the VVD, PvdA, and D66 also ruled the Netherlands, but now they need an extra party for a majority in parliament. The third, less likely, option is a cabinet in which VVD, PvdA and CDA join forces, although difficult in the light of earlier tensions between the PvdA and the CDA in the previous government. Either way negotiations will be tough, since the VVD is in favour of a hard-hitting economic reform policy whilst the other parties, especially PvdA, want to spread the budget-cuts over a longer period.[4] Parties seem moreover lukewarm with regard to cooperation with the PVV, because of its strong positions and because of its lack of seats in the Parliaments' Upper House. Either way it will be a major first challenge for the new and young Prime Minister Mark Rutte, and it is not even certain that he will take up this position.

[1] M. Grevelink/J. Rood: Het Nederlands buitenlands beleid in de verkiezingen: een analyse, Online publication, Instituut Clingendael, Den Haag, 2 June 2010.
[2] See the websites of the different political parties, available at: www.cda.nl; www.pvda.nl; www.vvd.nl; www.d66.nl; www.groenlinks.nl; www.Sp.nl; www.pvv.nl; www.cu.nl; www.sgp.nl (last access: 22 June 2010); Gera Arts/Marko Bos: Het Europa-gehalte van de Nederlandse verkiezingsprogramma's, Internationale Spectator, 64(6), p. 328-331.
[3] NRC Handelsblad: CDA wil nog niet praten met VVD en PVV, 16 June 2010.
[4] NRC Handelsblad: Cohen: Wij zitten aan lage kant met bezuinigingen, 26 June 2010.

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Poland

6th anniversary of Poland's EU membership and approaching EU presidency

Anna Jedrzejewska·

Since April 2010, the public debate and media coverage in Poland were to a great extent dominated by the issues related to the crash of the President's plane near Smolensk, the discussions over the Katyn mass-killings during World War II and mutual relations with Russia. Consequently, the pre-term presidential elections dominated in media coverage and political discourse after 20 April 2010. Additionally, May 2010 saw the problem of flooding and, therefore, media and political debates have been predominantly preoccupied with the domestic topics mentioned above.

Nevertheless, one of the EU-related topics present in media and political discourse was the 6th anniversary of Poland's membership in the EU. Most of the major public and private newspapers and TV stations published interviews with experts and politicians, commentaries and organised debates summing up the six years of Poland's membership in the EU. The Ministry of Foreign Affairs published on this occasion the document summarising the main conclusions from six years of membership.[1] The document summarises the impact of membership on Poland's economic growth, presents the balance of financial flows and utilisation of cohesion policies resources. Later on, the document analyses the impact on Polish agriculture, trade exchange, and foreign direct investment, as well as the effects of membership on the labour market and migration. Finally, the document summarises the opinions of the Polish public on membership and the generally positive impact of membership.

The 6th anniversary was commemorated by major political forces in Poland. The governing Civic Platform (Platforma Obywatelska – PO) published a summary of public opinion surveys suggesting a generally positive attitude towards Poland's membership. The representatives of the party in the European Parliament stressed as the main achievements the improvement of living conditions; investment in infrastructure improving the quality of life, not only in large agglomerations but also in "regional" Poland;[2] the change of attitudes towards Poland and Poles in Europe and the gradual shortening of distance towards the 2004 newcomers;[3] and progress by Polish authorities in "socialising" in EU institutions, which translates into better understanding of mechanisms governing the EU and learning how to protect national interest in the EU so that "it would not divide but unite".[4] The Civic Platform candidate in the presidential elections stressed the importance of support (also in the form of direct payments for farmers) from the EU as "opportunities used by rural areas and the whole country".[5] Similar voices could be heard on the side of the main opposition party Law and Justice, whose Member of the European Parliament Pawel Kowal stressed that Poles have learned how to protect national interest in the EU system, while Poland has been seen more pragmatically as an important political partner in Europe. The most typical understanding of Poland's stance in the EU is – in his view – seeing Poland as a strong supporter of energy security and eastern policy.[6]

The major media name among Poland's achievements the current economic situation of Poland, the utilisation of structural funds and investments,[7] the success of the Eastern Partnership (EaP) and its influence on EU-Russia relations.[8] By joining the EU, the Poles enjoy travelling without border control and the Union's funding, while threats of buying out Polish land did not proved true.[9] Gazeta Wyborcza daily quotes among the major success stories of Poland's membership: infrastructure investments from EU funds (roads, bridges, co-financing of investment for enterprises, direct payments for farmers), the opening of markets for Polish goods and services, the opening of the labour market that contributed to diminishing unemployment rates domestically and additional money transfers to Poland's economy.[10]

The Public Opinion Research Center published the results of the survey before the 6th anniversary of entry into the EU. In the first half of April 2010, the number of supporters for Poland's membership amounted to 86 percent of respondents, 9 percent of the respondents declare they are against membership, while 5 percent declare themselves as "undecided".[11]

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Poland's presidency priorities

During the Conference "The Polish Presidency of the European Union" organised by Warsaw University on 10 May 2010, Deputy Prime Minister Waldemar Pawlak outlined the issues that will probably be among Poland's presidency priorities. According to the Minister, the development of the EaP will be the natural consequence of the role played by Poland in the region. The economic priorities should include – according to the Deputy Prime Minister – energy security, trade issues and competitiveness.[12] The experts in EU affairs interviewed on this occasion stressed that the country holding the presidency should mainly play the role of mediator between the member states and the Union's institutions without pressing too much for its own priorities, while being ready to offer "innovative thinking" in proposing alternative solutions when needed[13] and that it would be good if Poland – during its presidency – initiated the debate over the European Union's future in order to avoid possible overstretching of the Union's procedures.[14]

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[1] Ekonomiczno-społeczne efekty członkostwa Polski w Unii Europejskiej. Główne wnioski w związku z 6-tą rocznicą przystąpienia Polski do UE [Socio-economic effects of Poland's Membership in the EU. Major conclusions related to the 6th anniversary of membership], available at: www.polskawue.gov.pl (last access: 7 May 2010).
[2] Interview of 30 April 2010 with Danuta Huebner, MEP, service of Polish Press Agency on European Parliament, available at: www.europarlament.pap.pl (last access: 28 July 2010).
[3] Ibid. See also interview of 4 May 2010 with Jacek Saryusz-Wolski, MEP, service of Polish Press Agency on European Parliament, available at: www.europarlament.pap.pl (last access: 28 July 2010).
[4] Interview of 30 April 2010 with Danuta Huebner, MEP, service of Polish Press Agency on European Parliament, available at: www.europarlament.pap.pl (last access: 28 July 2010).
[5] Bronislaw Komorowski during the meeting with farmers during annual Pilgrimage of farmers to Lichen Sanctuary. Service of Polish Press Agency on European Parliament, available at: www.europarlament.pap.pl (last access: 28 July 2010).
[6] Interview of 30 April 2010 with Pawel Kowal, MEP, service of Polish Press Agency on European Parliament, available at: www.europarlament.pap.pl (last access: 28 July 2010).
[7] E.g. RMF24 radio station on 1 May 2010, available at: www.rmf24.pl (last access: 28 July 2010); TVP Info, available at: www.tvp.info (last access: 28 July 2010).
[8] RMF24 radio station, 1 May 2010, available at: www.rmf24.pl (last access: 28 July 2010).
[9] TVP Info available at: www.tvp.info (last access: 28 July 2010).
[10] Gazeta Wybrocza daily, 29 April 2010, available at: www.gazeta.pl (last access: 28 July 2010).
[11] Public Opinion Research Center survey, quoted after: www.europarlament.pap.pl (last access: 28 July 2010).
[12] Available at: www.europarlament.pap.pl (last access: 28 July 2010).
[13] Rafal Trzaskowski, MEP, quoted by www.europarlament.pap.pl (last access: 28 July 2010).
[14] Professor Dariusz Milczarek of Warsaw University quoted by www.europarlament.pap.pl (last access: 28 July 2010).

Portugal

Current issues in Portugal

Luis Pais Antunes·

2009 was a peculiar year in Portugal, with the country focused on an ongoing electoral process as three general elections (European, national and local) took place within a short 4-month period between April and October 2009. At the same time, the impact of the economic downturn became more visible with a clear increase of unemployment figures and of the number of companies becoming insolvent.

The political landscape has also suffered a slight, but significant, change. After having lost the European elections in June 2009 to the main opposition party (centre-right PSD), the Socialist Party managed to win the national elections in September 2009, although without a majority in the parliament, as was the case during the five preceding years. In the absence of real conditions for the setting-up of a coalition government, the Socialist Party and Prime Minister José Sócrates were "forced" to form a minority government and to negotiate the budget for 2010 (which was finally approved at the end of April) and the new Stability and Growth Programme .

Public debate in Portugal remains very largely focused on the economic crisis and on the measures which are currently being adopted in the framework of the SGP, following an agreement between the government and the main opposition party (PSD). The increase of taxes (VAT, tax revenues) and the severe cuts in the budget (affecting, in particular, social benefits) together with a rising unemployment rate and a generalised downgrading of Portuguese public debt by the main rating agencies are still in the newspapers' front pages, although the economic indicators for 2010's first quarter were a little better than expected. Recently, the Portuguese central bank reviewed its forecast for 2010, but already anticipates that 2011 will be a year of poor economic growth as a result of the severe constraints introduced by the ESP.

From now on, attention will be mainly directed at the evolution of the political scenario and, in particular, to the ability of the minority government to survive the current economic and social crisis in a moment where the coming presidential elections at the beginning of next year prevent any possible dissolution of the parliament. An increasing number of analysts predict that a major crisis will occur by the end of the year during the budget discussions, and some senior statesmen invoke the need for the two main parties (the Socialist Party and the PSD) to make a governmental coalition in order to establish a stable and durable solution which none of them seem to accept.

International matters are still dominated by concerns over the crisis and the effectiveness of the responses which were adopted. Although there is still room for matters of traditional interest to Portugal, like the traditional relationship with African Portuguese-speaking countries and Brazil, such matters tend to be eclipsed by the internal situation.

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Romania

Constitutional review, US missile defence systems, and the Danube Strategy

Agnes Nicolescu and Mihai Sebe*

A new Constitution – A universal panacea?

Among the changes brought by the entering into force of the Lisbon Treaty, the Romanian authorities are trying to modify the Romanian constitution in order to adjust its provisions to the new realities. The main argument is the November 2009 referendum in which "Romanians pronounced themselves for a unicameral parliament and for the reduction of the number of parliamentarians to a maximum of 300."[1] Having those "red lines" in mind, which they cannot surpass, government officials launched on 21 April 2010 a project of law regarding the revision of the Constitution.[2] The main idea of the project, as stated by Emil Boc, the Romanian Prime Minister, would be the creation of a single chamber, the Chamber of Representatives, made up of 300 elected representatives. Other main ideas regarded the simplification of the legislative process and the establishment of a clearer relation between the President and the parliament. The project immediately faced staunch resistance from the opposition parties. One of the most criticised ideas was that of a unicameral parliament. The Social Democrat Party wants to maintain the bicameral system, claiming that the Lisbon Treaty stipulates the existence of an upper chamber made of representatives of the regions.[3] The dispute remains open, being recently overshadowed by the austerity measures announced by the Romanian President and government.

US Ballistic missile defence system in Romania – an ongoing debate

Romania's decision on 4 February 2010 to host elements of the American ballistic missile defence system in Europe on its national territory has sparked off significant debates, which have highlighted both the benefits and costs involved. The Romanian President assured the public that the missile system was not aimed against Russia and that it was meant to protect the entire national territory against threats originating from the Middle East with land-based rocket systems.[4]

Reactions from the Romanian public opinion were also prompt. It has been highlighted that the authorities should have launched a public information campaign well ahead of the announcement of the actual decision was made. The mass media insisted that public opinion lacked important information on the details of the bilateral agreement. Questions were raised as to the financial and security implications of the decision, counterarguments pointing out the possible inconveniencies of a "freeze of relations with Russia, as well as the necessity to correctly evaluate Moscow's response."[5] As a consequence, national authorities and experts have gradually started informing the public with regard to details for understanding the need to enhance national security through a ballistic missile shield system, as part of international obligations (reference was made to the strategic partnership with the USA signed in July 1997),[6] and the agenda of specific bilateral negotiations. The implementation of elements of the US ballistic missile defence system on Romanian territory has therefore started being considered as a consolidation of national security, and in strong correlation with the establishment of a similar component in Poland and Bulgaria, both NATO member states with a relevant position in the Alliance's eastern flank.

Danube Strategy: a regional instrument with benefits for local communities

The Danube Strategy has been important this year, considering that Romania is currently defining its position towards this document. In order to allow for contributions from regional actors, the Romanian Ministry of Foreign Affairs has invited local communities to have their say on the Strategy. During a meeting with representatives of local authorities, the Romanian Minister of Foreign Affairs Teodor Baconschi referred to the Danube Strategy as "a communitarian instrument with a regional profile allowing Danube's transformation into a European connector."[7]

* European Institute of Romania.

[1] President Traian Băsescu, press release: Declarația de presă a preşedintelui României, Traian Băsescu, la finalul consultărilor cu partidele politice şi formațiunile politice reprezentate în Parlamentul României, 15 March 2010, available at: http://www.presidency.ro/index.php?_RID=det&tb=date&id=11944&_PRID=search (last access: 17 May 2010).
[2] Romanian Presidency, Proiect de lege privind revizuirea Constituției României, 21 April 2010, available at: http://www.presidency.ro/static/Proiect_Revizuire_Constitutie.pdf (last access: 19 May 2010).
[3] Victor Ponta, SDP president, in a Press Conference on 15 March 2010: "First of all, the Social-Democrat Party wants that the structure of the Parliament remain in the form in which the Deputy Chamber, selected by uninominal vote by the citizens, trough a direct vote, to be supported, as the Treaty of Lisbon stipulates, by an upper chamber which will represent the local communities and that will be made of members elected by the local and departmental counselors, practically by our local elected people." See: Victor Ponta: press conference, 15 March 2010, available at: http://www.psd.ro/newsroom.php?newi_id=3245 (last access: 18 May 2010).
[4] Mihail Ionescu: Country Reports, Ballistic Missile Defense System In Europe: The Romanian Component, available at: http://www.kas.de/proj/home/pub/29/2/-/dokument_id-18978/index.html (last access: 24 March 2010).
[5] Ibid.
[6] Ibid.
[7] Romanian Ministry of Foreign Affairs, Press release: Întrevederea ministrului Afacerilor Externe, Teodor Baconschi, cu reprezentanții autorităților locale, pe tema Strategiei UE pentru regiunea Dunării, 12 May 2010, available at: http://www.mae.ro/index.php?unde=doc&id=43540&idlnk=&cat=4 (last access: 17 May 2010).

Slovakia

The parliamentary elections in June 2010

Vladimír Bilčík*

Much of Slovakia's domestic debate in recent months has been dominated by the parliamentary elections held on 12 June 2010. The result of the elections has brought about a change in government. While SMER-Social Democracy (SMER-SD), the party of the outgoing Prime Minister Robert Fico, won the election by a decisive margin of 34.79 percent of the vote, it was not able to recreate its current coalition, since the Slovak National Party (SNS) received only 5.07 percent of the total vote and the People's Party – Movement for Democratic Slovakia (ĽS-HZDS) failed to enter parliament altogether. At the same time, Robert Fico was not able to create a coalition government with any other political party since the remaining four centre-right parties that entered parliament decided to form a coalition government. The Slovak Democratic and Christian Union (SDKÚ-DS) received 15.42 percent of the vote and its electoral leader Iveta Radičová is in line to be Slovakia's first female Prime Minister. SDKÚ-DS coalition partner will include the liberal Freedom and Solidarity (SAS) with 12.14 percent of the vote, the Christian Democratic Movement (KDH) with 8.52 percent and the new multiethnic Hungarian dominated party Most-Híd (Bridge) with 8.12 percent. The new coalition will control 79 seats out of the total 150 seats in the new parliament. The coalition, composed of four political parties, will be internally fragile and face solid opposition in parliament, as well as difficult challenges in trying economic and social times, but it has the potential to last the full electoral term of four years, as Slovakia's politics are now used to managing difficult and unstable coalitions. Much will depend on the skills of the designated Prime Minister Iveta Radičová in this case.

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Slovenia

Border dispute resolution changes social policies

Andreja Jerončič and Danijel Crnčec*

In the last six months, the Slovenian foreign policy was characterised by the Arbitration Agreement regarding the ongoing border dispute between Croatia and Slovenia and by the Brdo process concerning the future of the Western Balkans that started in March 2010 with the Brdo Conference. Additionally, the government's decision to reform the pension system, employment policy and the family code were among the most discussed issues. All of the mentioned are discussed separately in the following paragraphs.

Slovenia and Croatia to move forward on the border dispute resolution

By signing the Arbitration Agreement between Croatia and Slovenia in Stockholm in November 2009, the two countries agreed to establish a five-member arbitration court empowered to resolve the nearly 20-year border dispute.[1] According to Article 3 of the Arbitration Agreement, "the Arbitral Tribunal shall determine the course of the maritime and land boundary between the Republic of Slovenia and the Republic of Croatia, Slovenia's junction to the High Seas and the regime for the use of the relevant maritime areas."[2]

After the prime ministers of both countries signed the Arbitration Agreement, it had to be ratified in the national parliaments. Before its ratification by the Slovenian parliament, the Slovenian government referred the agreement for review to the constitutional court, which found that the agreement is not inconsistent with the Slovenian constitution and the basic constitutional charter, as it does not, in fact, stipulate a border between the two countries but only establishes a mechanism, i.e., an arbitration court, to find a peaceful solution to the border dispute.[3] Although the opposition was strongly against it and boycotted the vote in parliament, the agreement was ratified in April 2010.[4]

However, Slovenian voters had yet to confirm or reject the Arbitration Agreement on a referendum scheduled for 6 June 2010. The referendum was open to all citizens registered to vote in the Republic of Slovenia, and the outcome of 51.5 percent in favour of the agreement is scant but final.[5] The referendum campaign began on 7 May 2010. The official position of the Republic of Slovenia is that the Arbitration Agreement is a historical opportunity for the two countries to finally resolve the conflict. It takes into account vital national interests, the benefits of future generations and the stability of relations between the neighbouring countries, thus sending a positive message to East European countries, the EU and the international community if the border issue is resolved.[6] According to the Slovenian Minister of Foreign Affairs, Samuel Žbogar, the Arbitration Agreement is a good agreement for Slovenia and therefore its ratification was in Slovenia's interest. Since the outcome was favourable, the arbitration court shall determine Slovenia's junction to the High Seas by applying international law, equity and the principle of good neighbourly relations in order to achieve a fair and just result by taking into account all relevant circumstances and also the vital interests of Slovenia. Slovenia intends to demonstrate all the important documents and *de facto* implementation of powers and all historic, economic and other circumstances in a memorandum, which will be annexed to the Arbitration Agreement.[7]

On the other hand, all the opposition parties, some experts (Marko Pavliha), some veteran thinkers (France Bučar, Tine Hribar and Boris Pahor) and some civil society groups (Civil Initiative for the Border in Istria) believe the Arbitration Agreement is harmful for Slovenia, due to the fact that it does not ensure territorial access to the High Seas and that it consequently means the loss of the Slovenian status as a maritime country and an injury to its economic interests.[8] Public opinion reflected these substantial disagreements expressed by politicians and experts regarding the Arbitration Agreement. One of the latest surveys[9] had found that there were still more of those who would support the referendum on the Arbitration Agreement, but that the share of opponents had risen up to April 2010. The Slovenian-Croatian Arbitration Agreement was backed by 37.6 percent of those questioned, while 32.9 percent said they would vote against it and 29.5 percent were undecided.

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The Brdo process launched in Slovenia

A high-level conference on the Western Balkans, entitled "Together for the European Union: Contribution of the Western Balkans to the European Future", which aimed to present a common position in the region's path towards EU integration, was organised in Brdo, Slovenia on 20 March 2010. According to the media, it was overshadowed by the boycott by the Serbian president Boris Tadic, triggering the absence of other major European politicians such as the President of the European Council Van Rompuy and the Spanish Minister of Foreign Affairs Miguel Angel Moratinos, who was the chairman of the Council of the European Union at that time. Despite diplomatic efforts by the Slovenian Prime Minister and the Minister of Foreign Affairs, the Serbian President refused to participate in the conference while the representatives of Kosovo's institutions were present.[10] The leaders present adopted a joint declaration expressing a firm determination for further regional cooperation. The Slovenian Prime Minister Borut Pahor noted that the conference was a success as it featured leaders of countries that do not recognise each other, and added that the key issue in the region was that "everybody has to recognise everybody."[11] Communication with all Western Balkan leaders was excellent and all sides were in favour of continuing such efforts: "We have decided to institutionalise the Brdo Process."[12]

The modernisation of the existing pension system in Slovenia

Given the demographic indicators, which suggest that Slovenia, like the majority of developed countries, will experience longer life expectancy coupled with a low birth rate causing the ageing of the population, a reform of the pension system has for some time been a subject of debate. The most recent economic and financial crisis has additionally intensified this debate. According to the Ministry of Labour, Family and Social Affairs, the key objective of such comprehensive reform of the pension system is the long-term financial viability of the system and the appropriateness of pensions.[13] Trade unions oppose the Pension and Invalidity Insurance Act, especially due to the increased retirement age, which will go up to 63 years for women and 65 years for men; in the case of early retirement, proportional deduction of the pension rent will apply. Currently, the government and trade unions are in the process of negotiations, where the latter insist on 40 years of work as the sole retirement criterion. The latest public opinion survey showed that 82.3 percent of those questioned believe that changes of the current pension system are indispensable, but only 6.2 percent completely support the proposed provisions.[14]

Active employment policy measures

According to the Slovenian government,[15] greater social cohesion should be achieved through greater efficiency in the system of social security and rights relating to public funds. In order to achieve the concept of secure flexibility, changes have been drawn up in the regulation of what is called casual work and employment, with the aim of affording employers more flexible employment while employees maintain their social security. One of the measures that Slovenia is to introduce are mini jobs for students, pensioners and the unemployed in line with a new bill proposal that aims to curb the existing rampant abuse of student work, to reduce illegal employment, and to generate new revenues for the pension and health purse. While the Minister of Labour, Family and Social Affairs, Ivan Svetlik, is convinced that each of these groups will reap its benefits, the Slovenian Student Organisation met the new proposal regulating student work with loud protests and claims that it would hurt students who have to rely on student work in order to be able to study.[16] The protests went even so far that a group of around 30 people attacked the national assembly building.

New family code subject of fierce debate

In December 2009, the government approved the proposal for a new family code, which should introduce many novelties (in the area of arranging marriage and relationship between spouses, cohabitation, and the relationship between children and their parents or adoptive parents). What caused most of the public controversy is that this new family code would redefine marriage, introduce a new concept of family and allow the option of same-sex couples to adopt children. The position of the government of the Republic of Slovenia is that the recognition of rights to same-sex partners means a shift towards a more tolerant society as a whole. The new family code reflects a social reality where different forms of family already exist. It comprehensively regulates the field of family law, enables the protection of the rights of all children and eliminates systemic discrimination on the basis of sexual orientation.[17] The opposition political parties, the Catholic Church and some civil initiatives are strongly against the new family code, especially due to the equalisation of homosexual

communities with heterosexual communities and the alleged devaluation of the traditional family.[18] The family code is currently in its second reading in the national assembly.[19] The opposition already declared that it would launch an initiative for a referendum in the case of the family code being adopted in its current form. If that happens, Slovenia is to become the first Central European country to legalise same-sex marriage and adoptions. However, according to a survey made in March 2010,[20] only 21 percent of those questioned support the new family code.

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[1] STA: Slovenia and Croatia Sign Arbitration Agreement, 19 April 2010, available at: http://www.sta.si/vest.php?s=s&id=1444704&pr=1 (last access: 16 May 2010).
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[3] The Government of the Republic of Slovenia: Arbitration agreement between Slovenia and Croatia ratified, 19 April 2010, available at: http://www.vlada.si/en/news/press_releases/press_release/article/5/9197/baac9bf68b/ (last access: 16 May 2010).
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[5] STA: Slovenia and Croatia Sign Arbitration Agreement, 19 April 2010, available at: http://www.sta.si/vest.php?s=s&id=1444704&pr=1 (last access: 16 May 2010).
[6] The Government of the Republic of Slovenia: Arbitražni sporazum (Arbitration agreement), available at: http://www.vlada.si/si/teme_in_projekti/arbitrazni_sporazum/o_sporazumu/ (last access: 18 May 2010).
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[8] STA: Opposition and Coalition Agree to Disagree on Border Agreement, 5 May 2010, available at: http://www.sta.si/en/vest.php?s=a&id=1508796&q=ARBITR+AGREEMENT (last access: 17 May 2010).
[9] STA: Survey Gives Slight Majority to Border Treaty Supporters, 13 May 2010, available at: http://www.sta.si/en/vest.php?s=a&id=1512040&q=ARBITR+AGREEMENT (last access: 16 May 2010).
[10] Dnevnik: Srečanje na Brdu: Konferenca uspešna, a z grenkim priokusom (The Brdo meeting: Conference successful with a bitter after taste), 22 March 2010, available at: http://www.dnevnik.si/novice/ svet/1042346690 (last access: 18 May 2010).
[11] STA: W Balkans Summit Hailed as Success Despite Serbia's Absence, 20 March 2010, available at: http://www.sta.si/en/vest.php?s=a&id=1493536&q=BRDO+CONFER (last access: 18 May 2010).
[12] STA: Steinberg and Pahor Discuss W Balkans, Hail Brdo Process, 6 April 2010, available at: http://www.sta.si/en/vest.php?s=a&id=1499344 (last access: 21 May 2010).
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[14] STA: Govt Modifies Pension Reform; Unions Unmoved, 5 May 2010, available at: http://www.sta.si/en/vest.phps=a&id=1508760&q=PENSION+REFORM (last access: 17 May 2010).
[15] Government of the Republic of Slovenia: Exit strategy, available at: http://www.vlada.si/si/teme_in_projekti/izhod_iz_krize/ukrepi_ekonomske_politike/krepitev_elementov_varne_proznosti/ (last access: 16 May 2010).
[16] STA: Bill Introduces Mini Jobs for Students, Pensioners, 12 March 2010, available at: http://www.sta.si/en/vest.php?s=a&id=1490676&q=MINI+JOB (last access: 18 May 2010).
[17] STA: Ministrstvo za delo: družinski zakonik ohranja tradicionalno družino (Ministry of Labor: Family code preserves traditional family), 3 December 2010, available at: http://www.sta.si/vest.php?s=s&id=1455701&q=DRU%C5%BDIN+ZAKONIK (last access: 17 May 2010).
[18] STA: V koaliciji družinskemu zakoniku večinoma naklonjeni, v opoziciji proti (Coalition mostly support the new family code, opposition is against it), 17 December 2010, available at: http://www.sta.si/vest.php?s=s&id=1460946&q=DRU%C5%BDIN+ZAKONIK (last access: 17 May 2010).
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[20] 24ur: Podpirate posvojitve s strani istospolnih partnerjev, ki jih predvideva nov družinski zakonik? (Do you support same-sex couples adoption as anticipated by the new family code?), 3 March 2010, available at: http://24ur.com/specialno/ankete/4.html?& page=4&p _all_items=1895 (last access: 16 May 2010).

Spain

The domestic assessment of the Spanish Presidency

Ignacio Molina*

The very high domestic expectations linked to the Spanish 2010 EU Presidency and the highly challenging economic context that emerged after the Greek debt crisis – which hit Spain very harshly – make for an overall evaluation of the semester that is far below what would be expected from simply adding up what was achieved in the different areas of the Presidency's programme.

The scenario of the EU after the entry into force of the Lisbon Treaty required ambition, and Spain – a mid-size or even large country within the expanded EU, with solid pro-European convictions and organisational and leadership skills that were proved by its earlier turns as EU President – seemed to be one of the states willing to take on the challenge. In fact, leading government officials and the ruling Socialist Party, rather than opt for a moderate approach as to what could be expected from this six-month period, chose to raise expectations by stressing the historic importance that the challenge held for Spain and for Europe. However, it soon became clear that the challenge – perhaps not quite historic but in any case quite important – was a very difficult one to meet.

In undertaking its Presidency, the Spanish government tried to make a legitimate, albeit complicated, connection with its major goals in domestic and foreign policy. But it did not pay enough attention to the institutional limits that rotating presidencies have always had and the fact that the Lisbon Treaty imposes even more limits, as it lowers the political profile of these six-month stints in power.

From an institutional standpoint, and despite uncertainty surrounding the entry into force of the Lisbon Treaty and the delay in forming the European Commission, Spain correctly carried out its legislative role in the Council. It encouraged consensus, organised things efficiently and, above all, addressed the development of the treaty and future political debates properly: an ambitious diplomatic service, bringing the EU closer to its citizens, solidarity with Greece, strengthening economic governance, supporting innovation, progress in enlargement, attention to Latin America, etc.

However, the adverse combination of political and economic factors and broad and excessively high ambitions ended up overshadowing the final result of the Spanish Presidency. Today, the general political perception of the recently concluded Presidency – pending public opinion polls and a more thorough analysis from experts – is more on the negative side. The Spanish government made a naturally self-congratulatory assessment of the Presidency, calling it "tireless, efficient, committed, showing solidarity, and pro-European". The overall judgment will probably be more critical, but it would not be fair for the assessment to be totally negative either.

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Sweden

The upcoming general elections

Gunilla Herolf*

The Swedish political discussion was already, during the spring, dominated by the general elections to be held in September 2010. Both the opposition (the Social Democratic Party – s, the Green Party – mp, and the Left Party – v) and the governing Alliance for Sweden (the Moderates – m, the Liberal Party – fp, the Centre Party – c, and the Christian Democrats – kd) have put forward their main ideas for the future government. Prominent areas of the ongoing discussion have, as usual, been jobs, welfare and taxes.[1] This year, proposals dealing with the environment have been more prominent than before, most probably due to the more important role of the Green Party in the opposition, following sharp increases for this party in opinion polls.

Reactions to the economic crisis in Europe have not become a divisive issue thus far. In the first big debate, both Fredrik Reinfeldt and Mona Sahlin (social democrat and opposition leader) agreed that, while the Euro countries had the primary responsibility, Sweden should do what it can to help.[2] Even though Sweden is outside the Euro, its small, open and global economy makes it vulnerable to crises in other countries and it is therefore in Sweden's interest to do so. Since the Swedish economy is in very good shape, there is no discussion on austerity measures.

The election campaign will probably be intense since the two blocks are now very even in the opinion polls. This situation came very suddenly after a long period in which the opposition had maintained a strong lead position.

[1] Mats J. Larsson/Hans Olsson: Nu laddar de för en stenhård valrörelse [Now they are gearing up for a very tough election campaign], Dagens Nyheter, 20 May 2010, p. 24.
[2] Ewa Stenberg: Krisen tar plats i valrörelsen [The crisis enters the election campaign], Dagens Nyheter, 10 May 2010, p. 8.

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Turkey

The democratic initiative, the constitutional package and change of leadership in the opposing CHP

Sait Akşit and Özgehan Şenyuva*

In 2010, three major issues and events have occurred affecting the competition and position among the political parties. First, a human rights and minority rights reform initiative proposed by the ruling Justice and Development Party (Adalet ve Kalkınma Partisi – AKP) in summer 2009, which was initially called the "Kurdish initiative" and was later expanded to include various other aspects and thus came to be known as the "democratic initiative"; second, the constitutional package proposed by the AKP with an aim to expand democratisation efforts; and, third, the resignation of the Republican People's Party (Cumhuriyet Halk Partisi – CHP) leader Deniz Baykal in early May 2010 under very controversial conditions.

The Turkish political scene has been dominated by four major political parties since the 2002 general elections. There has been a very tense and sometimes confrontational competition between the governing AKP and the opposing CHP and Nationalist Action Party (Milliyetçi Hareket Partisi – MHP). Another party which is also represented in the parliament, the pro-Kurdish Peace and Democracy Party (Barış ve Demokrasi Partisi – BDP, formerly known as the Democratic Society Party (Demokratik Toplum Partisi – DTP) is the other major actor in the Turkish political scene.[1]

The democratic initiative of the AKP is a very controversial topic, and has been dominating the political agenda since summer 2009 when it was first announced.[2] The main problem of this initiative was related with the lack of clarity in its contents. Despite creating a lot controversy within Turkish politics and dominating the discourse in the first half of 2010, its full scope and contents still remain unclear. Despite some changes done to the constitution by parliament (with severe opposition and objection by CHP, MHP and BDP) it seems that the democratic initiative is still short of satisfying any party or group involved in the process. In the course of 2010, the government tried to raise support for their initiative and was engaged in PR activity. To serve this purpose, different events were organised. Among these events, the ones that raised most attention and controversy were the breakfast meetings with Prime Minister Recep Tayyip Erdoğan. So far, there have been different breakfast meetings with socialites and even celebrities consisting of movie and theatre stars, authors and poets, and even sports figures, including footballers and technical directors of football clubs. While the government stated the purpose of these meetings was to share the contents of the initiative with society and to raise support for different segments of society, the main public interest remained poor or distorted, focusing on who attended these meetings and who protested or even what food was served. In short, these efforts seem to work against the government, taking the focus away from the content of the initiative and its related actions by putting a tabloid spin on it. On the other hand, the real content of the initiative still remains unknown to larger segments of society and it is impossible to speak of a public consensus or support for this initiative. One should also note that objection by the opposition remains strong for different reasons.

The proposal on the constitutional package was another issue that received strong objections from the opposition. The constitutional package included, among other aspects, changes and amendments on making the closure of political parties difficult, the organisation and composition of the constitutional court and the supreme board of judges and prosecutors (Hakimler ve Savcılar Yüksek Kurulu – HSYK), the trial of military personnel in civilian courts for crimes other than military crimes. The package was criticised by the opposing CHP and MHP for being prepared hastily and untimely, for not involving other parties and groups in the formulation of changes, for trying to place the judiciary under the political hegemony of the ruling party and threatening its independence, and for trying to prepare a constitutional and political structure that would suit the ruling AKP.[3] The BDP also put forward criticism on changes concerning the closure of political parties and lack of anything in the package concerning education in Kurdish.[4] A joint approach was that the package would remain an AKP project, not embracing and meeting the expectations of any other group. As the package could not receive the necessary number of votes in parliament, it will be taken to a referendum on 12 September 2010. However, the position of the opposing parties remains a 'No' in the referendum. The position of one of the most important civil society organisations in Turkey, the Turkish Industrialists' and Businessmen's

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Association (TUSIAD) and a group of intellectuals who are not affiliated with any party were also critical, calling for a more comprehensive and widely accepted change to the constitution. However, the package receives support from the Independent Industrialists and Businessmen's Association (MÜSİAD) and intellectuals who are closer to the AKP.

The third major event in Turkish politics revealed itself in a very controversial manner. On 10 May 2010, CHP leader Deniz Baykal announced his resignation. Considering that Baykal had led the party since 1992, this resignation was a very important turning point. However, the reason behind his resignation, the circulation of a video tape which allegedly showed Baykal in a bedroom with a female politician from his party, created a wide debate, especially following Baykal's accusations that the government was behind the circulation of the tape. Despite being declared fake and fabricated by different authorities later on, the tape and the following resignation of Baykal was seized as an opportunity by certain circles inside the CHP to end the eighteen year rule of Baykal.[5]

The AKP victory in the 2009 local elections, like the 2007 general elections, stimulated detailed analysis on the opposition parties and particularly criticism on their inability to offer a major alternative to the AKP. The major share of the criticism was directed towards the CHP and primarily towards its leader, Deniz Baykal. The other major opposition party, the nationalist MHP, and its leadership were free of a harsh reaction from its grassroots, mainly due to its strong hierarchy and leadership structure. However, the CHP and its leader were under severe criticism for not being able to increase their share of the vote and, according to some, being content with being in opposition.

A popular figure within the party, Kemal Kılıçdaroğlu, who had drawn attention through his popular campaign for the Istanbul Metropolitan Municipality in the 2007 local elections, was elected in a landslide election at the party congress on 22 May 2010. A retired high level bureaucrat from the South East region of Turkey with Kurdish-Alavite roots, Kılıçdaroğlu has raised very high expectations from the party's loyal grassroots. Since his election, different surveys have been published by different sources indicating that the CHP, led by Kılıçdaroğlu, has the potential for an increase of votes. However, these surveys were not disclosed fully, thus leaving some scientific doubt on their findings. Kılıçdaroğlu, since his election, focused on the economic policies of the government and the corruption at local and national levels. This already indicated a difference with Baykal's dominant discourse on the ideological differences with the governing AKP and his preference for polarised pluralism, mainly on the religious-secularist divide. There are expectations that Kılıçdaroğlu will take the party to a more social-democratic stance and ease up on the nationalist and statist position of Baykal.[6] Despite including some new names in his team, Kılıçdaroğlu also received severe criticism on his coalition with Önder Sav, the long-serving secretary-general of the party, who is considered by many as the mastermind behind the curtains. There have been critical voices saying that Sav's remaining in power would mean the continuation of old policies.

How much Kılıçdaroğlu will succeed in meeting the expectations, especially in the upcoming elections, still remains to be seen. While it is true that the resignation of Baykal created some momentum and excitement among the disillusioned party supporters, how many new voters Kılıçdaroğlu will attract and how much he could be affected from a potential internal party conflict is difficult to assess at this stage. On the other hand, one should not underestimate the influence and reach of Baykal inside the party, who did not fully back Kılıçdaroğlu. There is no guarantee that, at the first hint of electoral failure by Kılıçdaroğlu, Baykal will not try to reclaim the seat that he has occupied for almost two decades.

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[1] On 11 December 2009, in an unanimous decision, Turkey's constitutional court decided to disband the DTP due to its links with the outlawed PKK. The decision was made in accordance with Articles 68 and 69 of the constitution. Party leader Ahmet Türk and Member of Parliament (MP) Aysel Tuğluk were barred from politics for five years, losing their seats as MPs. The remaining MPs of the DTP formed a new group under the newly established Peace and Democracy Party.
[2] For a detailed analysis on the issue and political parties' positions, see Ozgehan Senyuva: Opposition for the sake of opposition? Polarized pluralism in Turkish politics, Middle East Review of International Affairs, Vol. 13, No. 4, December 2009.
[3] Ntvmsnbc.com: Baykal: Anayasa değil, Erdoğan projesi (Baykal: Not a Constitutional, Erdoğan Project), 19 April 2010; Ntvmsnbc.com: Bahçeli: Anayasa değişikliğine esastan kapalıyız (Bahçeli: We are against the Basis of Constitutional change), 30 March 2010.
[4] Ntvmsnbc.com: Demirtaş: Anayasa tamamen değişmeli (Demirtaş: The Constitution should change completely), 23 March 2010; Ntvmsnbc.com: BDP'nin oyu: Hayır, hayır (BDP vote: no, no), 12 May 2010.
[5] BBC: Turkish opposition leader quits over 'sex tape', 10 May 2010.
[6] Euractiv: New opposition leader brings excitement to Turkish politics, 26 May 2010.

United Kingdom

European policy of the new British government

Brendan Donnelly*

The most important current development in British policy towards the European Union is the agreement of the Conservative and Liberal Democrat Parties to form a coalition government after the British general election of 6 May 2010.[1] European policy formed an important element of the coalition agreement and the relevant section of the agreement will set the terms of British policy within and towards the European Union over the life of the coalition, which the partners hope will be five years. As the senior partner of the coalition, the Conservative Party has seen much of its own European policy incorporated into the coalition's political programme, but the Liberal Democrats have also seen some of their own ideas reflected in the document.

Conservative policies of the coalition

Britain will not join the Euro in the five years of the coalition government, nor will it make any preparations for doing so. The coalition will not sign during its period in office any treaty allowing further "transfer of sovereignty" to the European Union. It will introduce a "Referendum Bill" requiring that any future "transfers of sovereignty" to the Union will be the subject of a specific referendum. Any applications in future of the "passerelle" clauses of the Lisbon Treaty will be the subject of a full British parliamentary procedure of legislation, and not merely formal endorsement, as has been the case for much European legislation in the past.

Liberal Democrat contributions to the coalition's programme

A number of undertakings of the Conservative manifesto on European issues figure in notably more restricted form in the coalition programme. In that manifesto, the Conservative Party had promised to seek to repatriate powers relating to social and employment policy; to introduce a "Sovereignty Bill" that would define more precisely the United Kingdom's legal position within the European Union; to review the impact of the Charter of Fundamental Rights; and to ensure that European legislation did not impinge upon British criminal law. All these undertakings have been significantly watered down in the coalition agreement, to such an extent that it may be doubted whether any of them will become reality, a definite consequence of pressure on the Conservative Party by its coalition partner. The agreement also envisages willingness for the British government to decide on a "case by case" basis whether to opt into new internal security measures proposed by the European Commission, another significant concession by the Conservative Party to the Liberal Democrats.

Comment

It is widely believed that David Cameron is not sorry to be able to use the coalition with the Liberal Democrats as an excuse to abandon some of the more radical Eurosceptic policies promised in the Conservative Party's manifesto. This belief is reinforced by his striking willingness to refrain from appointing as Minister for Europe the party's spokesman in opposition on European questions, Mark Francois, a prominent Eurosceptic who played a leading role in the withdrawal of the Conservative Members of Parliament from the European People's Party group at the European Parliament. The Minister for Europe will be instead David Lidington, a former special advisor to Douglas Hurd when the latter was British Foreign Secretary in the 1990s. Conservative policy towards the European Union over the next five years will undoubtedly be more conciliatory in tone and even in substance than it would have been if the Conservative Party were in government on its own.

Nevertheless, the election of 2010 marks an important milestone in the process of semi-detachment of the United Kingdom from the European Union. The decisions neither to join the Euro in this legislative period, nor to prepare to do so over the next five years; to reject any British participation in the deepening of sovereignty-sharing over the next five years; and the legacy to future governments of a binding and constricting Referendum Bill – all these are significant and cumulatively unmistakable moves of retreat for the United Kingdom from any aspiration to be treated as a full member of the European Union. In the same way that David Cameron's willingness to soften his party's

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Euroscepticism in the coalition says much about his long-term conception for the Conservative Party's future positioning in British politics, so the willingness of the Liberal Democrats to join a government with a strong underlying Eurosceptic agenda says much about the movement of that party from its traditional position as the most outspokenly pro-European party in the United Kingdom. It may well be that the Liberal Democrats see no incongruity between the traditional pro-European position of their party and a willingness for the United Kingdom to remain outside the Euro for seven years at least. If that is so, that fact of itself says much about the state of the European debate in the United Kingdom in 2010 and how much the United Kingdom's understanding of its role in the European Union has changed over the past fifteen years.

[1] Coalition agreement, May 2010.

EU-27 Watch | Chronology

(between June 2009 and May 2010)

1-12 June 2009 Bonn Climate Change Talks.

4-7 June 2009 Elections to the European Parliament are held.

18-19 June 2009 European Council meeting in Brussels:
- postponed crucial decisions on financing the fight against climate change in developing countries until their October meeting.
- Nomination of the President of the Commission Mr Barroso as President of the European Commission for the period 2009-2010.
- The financial crisis has clearly demonstrated the need to improve the regulation and supervision of financial institutions, both in Europe and globally.

28 June 2009 Parliamentary Elections in Albania are held. The Democratic Party wins the election over the Socialist Party.

1 July 2009 Sweden takes over the council presidency:
- Priorities: economic recovery and climate change

11-14 July 2009 First bilateral climate talks between EU and China:
- the EU insists that China needs to commit to the 15-30 percent target if Europeans are to upgrade their objective of slashing emissions to 20 percent below 1990 levels in Copenhagen in December.

8-10 July 2009 The 2009 G8 Summit is held in L'Aquila, Italy:
- The G8 countries commit to limiting global warming to 2°C and reducing their greenhouse gas emissions 80 percent by 2050.

16 July 2009 Iceland applies to join the EU.

23 July 2009 Sweden urges the United States on Thursday to move faster in tackling climate change ahead of a major environmental summit in Copenhagen later that year.

29 July 2009 Parliamentary elections are held in the Republic of Moldova. The Moldovan Communist Party (CPRM) receives 48 seats, the remaining four parties form the coalition called the Alliance for European Integration (AEI) having a total of 53 seats. The AEI forms the new government coalition.

10 September 2009 European Commission opens negotiations with Turkey upon accession to the Energy Community.

16 September 2009 Mr Barroso gets the nod from European parliament for another five years.

29 September 2009 Slovenia unblocks Croatia's accession negotiations, which had remained stalled for months over a border dispute.

3 October 2009 Irish voters endorse the Lisbon Treaty on their return to the ballot box.

14 October 2009 The commission's annual report on countries aspiring to EU membership says Croatia has entered the final stage of accession negotiations.

23 October 2009 Ireland ratifies the Treaty of Lisbon.

29-30 October 2009 European Council meeting in Brussels:
- The climate is changing faster than expected and the risks this poses

can already be seen.
- The Copenhagen agreement needs to include provisions on the 2°C objective and the ambitious emission reduction commitments by developed countries.
- The European Council calls for rapid progress to be made on the strengthening of the regulatory framework for the prevention, management and resolution of financial crises and on the development of a comprehensive EU-wide framework for closer policy coordination on financial stability

3 November 2009 Václav Klaus (the Czech president) signs the Lisbon Treaty.

4 November 2009 Croatia and Slovenia agree on border issue.

13 November 2009 The Treaty of Lisbon is ratified in Czech Republic.

19 November 2009 Herman Van Rompuy is the first president of the European Council, Cathrine Ashton will become the High Representative for Foreign Affairs and Security Policy of the European Union.

30 November 2009 The Council of the European Union decides to lift the visa requirement for entry to the Schengen Area for citizens of Montenegro, Macedonia and Serbia, starting on 19 December 2009.

1 December 2009 The Treaty of Lisbon enters into force.

03 December 2009 EU-Ukraine Summit in Kyiv.

7-19 December 2009 The United Nations Climate Change Conference in Copenhagen (COP 15):
- The so-called Copenhagen accord "recognises" the scientific case for keeping temperature rises to no more than 2C but does not contain commitments to emissions reductions to achieve that goal.

08 December 2009 Debt crisis: Greece's credit rating is downgraded from A- to BBB+. It marked the first time in 10 years that the country has seen its rating pushed below an A grade.

09 December 2009 The 8th Euromed Trade Ministerial Conference is held in Brussels. Ministers stress their support to the commitment taken at the G-20 summits to avoid any new protectionist measures, which are counter-productive to the current economic and financial challenges faced by the Euro-Mediterranean region.

10-11 December 2009 European Council meeting in Brussels:
- The Copenhagen Conference constitutes a historic opportunity for the international community to act together in response to the challenge of climate change. European leaders pledge a total of 7.2 billion Euros over the next three years to help poorer nations cope with global warming, hoping to boost support for an agreement in Copenhagen.
- The Copenhagen Agreement should include provisions on immediate action, starting in 2010.
- To tackle the crisis, the EU and its Member States implement a wide range of extraordinary measures including the European Economic Recovery Plan from December 2008.

18 December 2009 Ukraine and Moldova to accede to the Energy Community upon amendments of their gas laws. Accession will be effective when and if these countries solve the remaining gaps and make their gas laws comply with the EU acquis requirements and complete their respective ratification procedures.

22 December 2009 Serbia submits its application for EU membership.

1 January 2010 Spain takes over the council presidency.

- Spain assumes the rotating presidency of the European Union at the start of the year, promising to make the Lisbon treaty its top priority.

18 January 2010 Outcomes of the Swedish EU Presidency

- Climate Change: The Presidency's objective was to ensure that the EU continues to take responsibility for combating climate change and to act in unison at the COP15.
- Economic Crisis: Better and increased financial supervision, end to inappropriate bonus culture, new European rules on capital adequacy, finance policy exit strategy, a new growth strategy for the EU in 2020.
- Enlargement: The objective of the Presidency was to secure continued progress. Agreement between Croatia and Slovenia, Turkey's negotiations are continuing, applications being assessed, interim agreement with Serbia.

7 February 2010 Victor Yanukovych wins the presidential election over Prime Minister Yulia Tymoshenko.

9 February 2010 President Barroso's new team wins backing from parliament.

12 February 2010 Nord Stream pipelines get final approval.

24 February 2010 European Commission: Iceland is deemed ready for EU membership talks.

2 March 2010 EU strengthens the ENP: Increased funding for the period 2011-2013 (over 5.7 billion Euros). EU neighbours will receive more than 2 billion Euros in 2013, compared with 1.6 billion Euros in 2010.

3 March 2010 Europe 2020: Commission sets out a 10-year strategy for reviving the European economy, casting a vision of 'smart, sustainable, inclusive' growth rooted in greater coordination of national and European policy.

3 March 2010 Greece unveils a 4.8 billion Euro austerity programme targeted at civil servants, the rich and the church in a move designed to secure European help in tackling its crippling debt burden.

4 March 2010 43 gas and electricity projects to split 2.3 billion Euros, the most the EU has ever spent on energy infrastructure in a single package.

4 March 2010 The Union for the Mediterranean is launched in Barcelona. Presentation of the new Secretary General of the Union for the Mediterranean, Ahmad Masadeh.

20 March 2010 First ever Balkan summit (boycotted by Serbia) in order to promote the region's integration into the EU.

22 March 2010 New EU energy commissioner Günther Oettinger makes promoting energy efficiency and renewable energy one of his top priorities.

30 March 2010 The Serbian parliament passes resolution apologising for the 1995 massacre by Bosnian Serbs in the town of Srebrenica.

8 April 2010 Kyrgyz opposition claims power after violent coup. 65 people are killed in violent protests that forced the president to flee the capital.

8 April 2010 US President Obama and President Medvedev sign a nuclear disarmament treaty ("New START") in Prague.

9 April 2010 Nord Stream: Construction of the Nord Stream natural gas pipeline has started in the Swedish Exclusive Economic Zone of the Baltic Sea.

10 April 2010	Polish President Lech Kachinsky and 95 members of his delegation die in a plane crash on the way to Russia for a commemoration of the Katyn massacre.
11 April 2010	Parliamentary elections in Hungary: Fidsez (Centre-Right party) wins 53 percent of the votes, Jobbik (far Right party) 17 percent, behind the ruling Socialists who take 19 percent. The election results will not be final until a second round to be held on April 25.
15 April 2010	On an official visit in Sarajevo, Croatian President Ivo Josipovic apologises for crimes committed in Bosnia and Herzegovina during the 1990s.
18 April 2010	Northern Cyprus poll: Turkish Cypriot politician Dervis Eroglu has swept to victory in presidential elections, winning 50.38 percent of the vote unofficial final results show. Mr Eroglu's main rival, incumbent leader Mehmet Ali Talat, won 42.85 percent of the vote. The development is seen by many as a blow for talks to reunify the divided island and a setback for Turkey's EU bid.
19 April 2010	Zagreb closes the free movement of goods policy chapter of its EU membership negotiations and passes the halfway mark in the road to accession, with 18 out of 35 chapters now provisionally closed.
25 April 2010	Second round of the parliamentary election in Hungary: the rightist Fidesz-KDNP coalition wins a constitutional majority in the National Assembly.
26 April 2010	Council of the European Union: Foreign ministers reach a political agreement on the proposal for the establishment of the European External Action Service, the EEAS. It will serve as a diplomatic service for the EU, including Union delegations in third countries. The agreement will form the basis for consultations with the European Parliament to make the new service operational as soon as possible.
27 April 2010	The Ukrainian parliament ratifies the agreement with Russia that extends Russia's military base in Ukraine for 25 years. In exchange the price for Russian gas will be reduced by 30 percent over ten years. It is a controversial agreement and there was tumult in the parliament during the vote.
27 April 2010	Debt crisis: Portugal's credit rating is downgraded from AA to AA-.
28 April 2010	Debt crisis: Spain's credit rating is downgraded from AA+ to AA.
02 May 2010	Euro zone seals 110 billion Euro rescue plan for Greece: Finance ministers decide that Athens will receive 80 billion Euros in bilateral loans in three years spanning until 2012. 30 billion will come from the International Monetary Fund (IMF).
07 May 2010	Turkey's parliament approves a bill introduced by the ruling AK Party to reform the constitution. The principal points of the reforms are overhauling the Constitutional Court and restructuring the Supreme Board of Judges and Prosecutors.
09 May 2010	The European Union decides to set up a massive economic defence mechanism. Its total volume will be up to 500 billion Euros, with a further 220 billion available from the IMF. This agreement protects weaker Eurozone nations from market speculation and assure the Eurozone's stability.
12 May 2010	After 13 years in opposition, the UK's Conservative Party returns to office heading the first coalition government the country has known since World War II. David Cameron becomes prime minister in a coalition with the Liberal Democrats.

14 May 2010	Albania: Street protests are escalating against the government of Sali Berisha. Approximately 10,000 people take part in another demonstration of the opposition Social Democratic Party (PS) in Tirana. A growing political crisis may affect the assessment of Albania's motion for EU membership.
19 May 2010	Hungary, the largest investor in Montenegro, is supporting the country's accession to the European Union. The integration of the Western Balkans into the EU is a top priority of the Hungarian government and its EU Presidency in early 2011.
22 May 2010	Kemal Kılıçdaroğlu is elected as leader of the main Turkish opposition CHP party. He said he supported Turkey's ambition to join the EU and asked Brussels to give a date for Turkish accession.
27 May 2010	The European Commission adopts proposals to enable citizens of Albania and Bosnia and Herzegovina to travel with biometric passports to the Schengen countries without requiring visas. Both countries have to fulfil outstanding requirements.
31 May – 1 June 2010	EU-Russia Summit issues: the global financial crisis, climate change, energy security, Partnership for Modernisation, economy and prospects for visa-free travel.
02 June 2010	Western Balkan Summit: "The Western Balkans region is the top priority for the external policy of the European Union", EU Enlargement Commissioner Štefan Füle said. The summit brought no countable results and diplomats are sceptical about the substance.
07 June 2010	Slovenia narrowly approves a border arbitration deal with Croatia in a referendum on 6 June. The border dispute was the main obstacle to Croatia's EU membership. The vote makes Croatian membership in 2012 possible.
07 June 2010	Azerbaijan and Turkey sign a deal to ship 11 billion cubic metres of Azeri gas to Turkey per year. The EU's planned Nabucco pipeline also benefits from this deal, because some of the gas may be pumped into the pipeline. Shipments should start in 2017.
08. June 2010	EU finance ministers reach a broad agreement on a controversial plan to review each others' national budgets, together with earlier sanctions for member states that break the bloc's fiscal rules.

Questionnaire for EU-27 Watch, No. 9

Reporting period December 2009 until May 2010 – Deadline for country reports 21 May

All questions refer to the position/assessment of your country's government, opposition, political parties, civil society organisations, pressure groups, press/media, and public opinion. Please name sources wherever possible!

1. Implementation of the Lisbon Treaty

On the 1 December 2009 the EU-reform ended with the entering into force of the Lisbon Treaty. However, the new treaty provisions still have to be implemented. Some procedures and conditions have to be determined. In other cases, procedures, power relations, and decision-making mechanisms will change due to the new provisions.

- How is the work of the new President of the European Council, Herman Van Rompuy, assessed in your country? Which changes to the role of the rotating council presidency are expected?
- How is the work of the new High Representative of the Union for Foreign Affairs and Security Policy, Catherine Ashton, assessed in your country? Please take into particular consideration both her role within the European Commission and her relationship to the Council of the European Union.
- On 25 March 2010 a "Proposal for a Council Decision establishing the organisation and functioning of the European External Action Service" was presented. How is this concept perceived in your country? Which alternatives are discussed?
- On 31 March 2010 the European Commission presented a proposal defining the rules and procedures for the European Citizens' Initiative (ECI). What are the expectations for the ECI in your country? What are the various positions concerning the rules and procedures?

2. Enlargement and European Neighbourhood Policy

The European Commission has given its opinion on Iceland's application for EU-membership and a decision from the Council is expected before the end of June. Croatia seems to have settled its border dispute with Slovenia. Against this background:

- Which countries does your country expect to become members of the European Union in the next enlargement round? What are the opinions in your country on the membership of these countries?
- How are the membership perspectives of those countries discussed, which are not expected to become a member in the next enlargement round?

The Eastern Partnership and the Union for the Mediterranean were the last major projects dealing with the European neighbourhood:

- How are these projects assessed in your country?

3. European economic policy and the financial and economic crisis

The European Council agreed on 25/26 March on the key elements of the Europe 2020 strategy, the successor of the Lisbon strategy. While not being on the formal agenda the economic and financial situation in Greece was discussed. The European Council agreed on a finance package combining bilateral loans from the eurozone and financing through the International Monetary Fund.

- How is the finance package for Greece assessed in your country? Are there any opinions on the process, how the agreement on the package was reached?
- Which lessons should be drawn from the Greek case for a reform of the Stability and Growth Pact?
- How is the idea of "a strong coordination of economic policies in Europe" perceived in your country? What concepts of an European economic governance are discussed in your country and which role do they assign to the Euro group?
- How is the Europe 2020 strategy discussed in your country? What are the priorities for the Europe 2020 strategy from your country's perspective?

4. Climate and energy policy

The climate conference in Copenhagen took note of the Copenhagen Accord but did not reach a binding agreement. The next conference of the parties (COP 16 & CMP 6) will take place at the end of November 2010.

- How is the Copenhagen conference assessed in your country? Please take into consideration the negotiation strategy of European Union and the results of the conference.
- Does the European Union need to change its own energy and climate policy in order to give a new impulse to the international negotiations?
- Is a global agreement within the UNFCC the best strategy to fight climate change? If not, which alternative strategy should the European Union follow?
- What is your country's position on financing mitigation and adaptation efforts in developing countries?

5. Current issues and discourses in your country

Which other topics and discourses are highly salient in your country but not covered by this questionnaire?

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