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# EU-25/27 Watch

## On the Project

The enlarged EU of 27 members is in a process of reshaping its constitutional and political order, of continuing membership talks with candidate countries and taking on new obligations in international politics. This project sheds light on key issues and challenges of European integration. Institutes from all 27 EU member states as well as from Croatia and Turkey participate in this survey. The aim is to give a full comparative picture of debates on European integration and current developments in European politics in each of these countries.

This survey was conducted on the basis of a questionnaire that has been elaborated in April 2007 by all participating institutes. Most of the 28 reports were delivered by mid-July 2007. This issue and all previous issues of *EU-25/27 Watch* are available on the homepage of EU-CONSENT ([www.eu-consent.net](http://www.eu-consent.net)) and on the internet sites of most of the contributing institutes.

The Institute for European Politics (IEP) in Berlin coordinates and edits *EU-25/27 Watch*. The IEP is grateful to the *Otto Wolff-Foundation*, Cologne, for supporting its research activities in the field of “Enlargement, consolidation and neighbourhood policy of the EU”. Contact persons at the IEP are *Barbara Lippert* ([barbara.lippert@iep-berlin.de](mailto:barbara.lippert@iep-berlin.de)) and *Tanja Leppik* ([tanja.leppik@iep-berlin.de](mailto:tanja.leppik@iep-berlin.de)).

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## All's well that ends well? The EU heading for a reform treaty

Barbara Lippert / Tanja Leppik

The EU is back on track! When the June European Council agreed upon a mandate for the conclusion of a reform treaty, the deadlock over the European constitution was overcome. So all's well that ends well? Not yet: While the future of Europe looks somewhat brighter after the summit, the EU in no way finds itself in an enthusiastic mood. Quite a number of challenges await the response of a functioning and decisive Union.

This is the major message of the 28 reports on the national debates on European issues in the member states of the EU and two candidate countries, Croatia and Turkey, which are presented in this new volume of EU-25/27 Watch. It covers the following issues:

- The future of Europe at the end of the German presidency
- Climate change and the EU's energy policy
- Security culture in member states and implications for European foreign and security policy
- Unemployment, labour markets and the future of the welfare states in the EU
- Other current issues of high salience in the member states.

### Box 1: Major results and highlights of the survey

#### **The summit on the constitution: All's well that ends well?**

Across the EU, governments are relieved at the end of the deadlock over the Constitutional treaty. All acknowledge the successful management of expectations and the steering of complex behind-the-scenes consultations by the German presidency. In particular, Chancellor Merkel's leadership and negotiation skills are praised. Given the difficult circumstances, the result – a detailed mandate for a reform treaty – is widely regarded as a maximum achievement in terms of saving the substance of the Constitutional treaty.

Two observations contribute to explaining this success:

- All governments could inform their domestic constituencies and public opinion that within an overall compromise their major objectives were fulfilled and red lines observed.
- Talk of winners and losers as well as the battlefield language that had captured headlines in the media before were abandoned after the summit.

However, uncertainties with regard to ratification in the UK, the Czech Republic, Poland, and the Netherlands cast a shadow over the future road towards the completion of the ratification process for a reform treaty before May 2009, the date for the next elections of the European Parliament.

Conclusions are ambivalent and highly uncertain with regard to likely implications for future political dynamics in terms of differentiated integration, the formation of core(s), avantgarde or permanent groups of member states inside or outside the EU. The "Berlin declaration" was a "spirit lifter", but not a document outlining a robust political identity of the enlarged EU. Thus, concerns over the political cohesion and identity of the enlarged EU build a subtext to the positive comments on the results of the June summit. Relief to have escaped the lingering crisis for now is succeeded by cautious pragmatism.

#### **Climate change: EU leadership in climate diplomacy and policy**

Among other achievements of the German presidency, the agreements among EU members and at the G8 summit on combating climate change are emphasised.

- Some governments, like Germany, Denmark, the UK, and France are particularly ambitious and want the EU to play a leading role in climate diplomacy and policy in particular in the UN-framework.
- In all EU member states, the debate on climate change gained momentum. Even where public opinion and/or governments were reluctant in the past, a "national awakening" to the challenges of global warming is reported of.
- Particularly in new member states of Central and Eastern Europe (e.g. in Bulgaria), energy policy and climate change are treated as two separate discourses in public opinion and politics.

While the EU's formula on climate change (reducing carbon dioxide emissions by 20 per cent by 2020) was widely welcomed as a strong message also to the US, China, and other big players, the EU's profile in

energy policy is less clear cut: Preferences over energy mix, the use of nuclear energy and the external energy policy towards strategic partners vary significantly from member state to member state.

### **Security cultures**

General visions and preferences for the further development of the European Foreign and Security Policy are deeply rooted in national history and geography, and thus vary greatly. However, Europeans share the challenges of current developments in international politics, namely after 9/11 (2001). Historic memories, myths (see e.g. "Finland's Termopylae" of 1917) and experiences of war, occupation and liberation, go back far into European history and still influence current attitudes. This is particularly strong in countries that border on regions of instability (like the Western Balkan) or live with neighbours like Russia that had for ages deeply determined the security in Northern and East Central Europe (Poland, Finland, the Baltic states).

The new Central and Eastern European member states have all undergone a continuous process of transformation with regard to their security culture, kicked off by aspirations for EU and NATO membership (see Bulgarian report):

- "the geopolitical realignment towards the transatlantic community,
- the redefinition of threats and vulnerabilities (including new threats – international terrorism, transnational organized crime, regional conflicts and failing states, etc.),
- the democratization and civilian control of the security apparatus,
- the recognition of the human rights protection and democratic values as the core of the national security agenda (including protection of ethnic minority rights)".

Today, security policy and the armed forces enjoy strong public support and are strongly trusted by the citizens, which underlines the generally smooth development, and highlights the deficiencies of other political institutions and actors.

While also the different security cultures of member states add to limits to EU-Europeanisation in this field, the external challenges and demands of international politics are driving forces towards an active and distinct role of the EU in foreign and security policy. Without exception – and under different mandates and commands – member states' forces are engaged in peace-keeping, conflict resolution and post crisis management around the world, stretching from Afghanistan to the Western Balkans and Africa.

### **Many faces of labour market problems**

Most of the new member states enjoy continued economic growth (a real GDP growth rate between 1,8 per cent in Portugal and 9,6 per cent in Latvia is forecasted by Eurostat for 2007). Among the core economies of the EU, Germany is regaining dynamic, while in France unemployment and economic stagnation still constitute major concerns of the population and in Italy the labour market is still characterised by great uncertainty and fears of social decline are widespread.

When explaining the economic situation, only few reports refer to EU incentives and frameworks, such as the Lisbon agenda. Across old and new member states problems of the labour markets show many faces, that are debated in domestic politics:

- brain drain (e.g. in Bulgaria or Romania),
- illegal immigration (e.g. in Cyprus and Spain),
- workforce shortages for sectors and branches (e.g. in Poland, Estonia, Lithuania),
- minimum wages (e.g. in Germany), or
- flexicurity (Denmark, Ireland, Portugal).

### **Outlook**

With regard to salient issues that play a role in domestic debates of member states, like the reform process or the reinvigoration of the EU-economies, the persistence and importance of the nation state level for policy making in EU affairs and its legitimacy is emphasised. From the country reports presented in this survey, one can conclude that the current state of the Union is far from having escaped the period of inward-looking preoccupations with the functioning of the EU.



## Relief over mandate for reform treaty – shadow of ratification

The dominant theme in European politics during the German presidency was whether or not the EU would break the impasse over the Constitutional treaty. Its success in building a consensus on a precise mandate for an immediate and short IGC is widely acknowledged. Governments as well as the media in member states praise Chancellor Merkel, the „Queen of Summits“<sup>1</sup>, for her strong leadership<sup>2</sup>, negotiation skills<sup>3</sup> and her persistent commitment<sup>4</sup>. Finnish observers comment on the helpful German-French cooperation<sup>5</sup>, while in France the important role played by President Sarkozy in forging the „deal“ is emphasised<sup>6</sup>. Others rank Merkel as the most senior and strongest EU-leader within the triangle Paris-London-Berlin, while President Sarkozy and Prime Minister Brown are newcomers on the stage<sup>7</sup>.

Across the EU the outcome of the summit is greeted with satisfaction but not with enthusiasm. A relieved German government spoke of a „historic summit“ and milestone, Chancellor Merkel of a „success for Europe“<sup>8</sup>.

- The „great step for Europe“<sup>9</sup> ended the two years paralysis<sup>10</sup>, which was particularly greeted in Paris. „France is back in Europe“, was President Sarkozy’s message who interpreted the envisaged reform treaty as the breakthrough of his early proposal to go back to a „simplified treaty“<sup>11</sup>.
- The Irish Prime Minister Ahern “commented after the European Council that in his view some 90% of the Constitutional Treaty’s substance had been preserved in the mandate agreed for the IGC”<sup>12</sup>.
- In the end, and that might partly explain the success of the summit, all governments could inform their domestic constituencies and public opinion that within an overall compromise their major objectives were fulfilled and red lines observed<sup>13</sup>.
- Interestingly, the national reports presented in this survey avoid the perspective of ‘winners’ and ‘losers’, although the media in many member states reported on the run up towards the summit and the event itself in terms of a showdown, referring to „war“<sup>14</sup> and „struggle“<sup>15</sup>.
- The Polish government, notably its lack of moderation<sup>16</sup> and diplomatic style as well as its perceived obstructive role<sup>17</sup>, dominated the news in many member states. Luxembourg Prime Minister Juncker and other leading EU-politicians spoke against the perceived “anti-German mood” in the Polish government<sup>18</sup>. However, the tendency to „demonise the Poles“<sup>19</sup> is also refused.
- Apart from Poland the role of the UK and Prime Minister Blair is seen particularly critical. Even outright negative comments as the one of Italian President Napolitano are reported of, who

<sup>1</sup> Cf. the Bulgarian chapter on the future of the EU (question 1).

<sup>2</sup> Especially pointed out in the Austrian, Danish, Finnish, Luxembourgian, and Spanish chapters on the future of the EU (question 1).

<sup>3</sup> Cf. the Austrian, British, Dutch, and Portuguese chapters on the future of the EU (question 1).

<sup>4</sup> As outlined in the Austrian, Hungarian, and Irish chapters on the future of the EU (question 1).

<sup>5</sup> „The cooperation of both Sarkozy and Merkel was very helpful in convincing dissenters to join the consensus.“ Finnish chapter on the future of the EU (question 1).

<sup>6</sup> Cf. the French chapter on the future of the EU (question 1): “The French government and many right-wing politicians have hailed President Nicolas Sarkozy’s personal accomplishment in creating a ‘Traité simplifié’ (simplified Treaty)”.

<sup>7</sup> “She will be the most senior statesman of a European big power after power shifts in France and the UK.” Finnish chapter on the future of the EU (question 1).

<sup>8</sup> Cf. the German chapter on the future of the EU (question 1).

<sup>9</sup> Cf. the Cypriot chapter on the future of the EU (question 1).

<sup>10</sup> As pointed out, for example, in the French, Hungarian, Maltese, and Spanish chapters on the future of the EU (question 1).

<sup>11</sup> Cf. the French chapter on the future of the EU (question 1).

<sup>12</sup> Cf. the Irish chapter on the future of the EU (question 1).

<sup>13</sup> This is mentioned in several national reports. See, for example, the Dutch, Finnish, Irish, Italian, Lithuanian, Polish, Spanish, and Swedish chapters on the future of the EU (question 1).

<sup>14</sup> For example, the “Bulgarian weekly newspaper ‘Kapital’ described the June summit as ‘European treaty wars’, comparing negotiation talks among key EU member states (Germany, France, UK, Poland, and Spain) to the blockbuster ‘Star Wars’”. Cf. the Bulgarian chapter on the future of the EU (question 1).

<sup>15</sup> Cf. the Estonian chapter on the future of the EU (question 1).

<sup>16</sup> Cf. the Finnish chapter on the future of the EU (question 1).

<sup>17</sup> Cf. the Bulgarian and Dutch chapters on the future of the EU (question 1).

<sup>18</sup> Cf. Juncker in the Luxembourgian chapter on the future of the EU (question 1): “All German chancellors, I met (since 1995) have always been strong supporters of Poland. Never your country had to complain about Germany. Without Germany you would not have been accepted as a member at the same time as your neighbours”.

<sup>19</sup> Cf. the Greek chapter on the future of the EU (question 1).

“said the majority of member states which had already ratified the Constitutional Treaty had to succumb to the requests of the minority, in particular to the Polish-British tandem”<sup>20</sup>. For others the summit-bargaining expressed a “loss of the European spirit”<sup>21</sup>.

As far as the follow up of the June summit is concerned feelings of uncertainty and also worries are creeping into the Union. As can be expected among “friends of the constitution” the current “trivial IGC” as the conventional method to negotiate the reform treaty is regarded as a setback compared to the innovative Laeken process and the ensuing Convention. Concrete worries concern the pitfalls of ratifying the forthcoming new reform treaty.

- For example, in the UK a probable referendum is the dominant theme and Prime Minister Brown is increasingly under pressure to go beyond parliamentary ratification.
- The French government, on the other hand, advocates ratification without a referendum.
- In Poland, the situation is confused and incalculable.
- The Czech government regards it not necessary to hold a referendum, but within government parties and the opposition the option is considered.
- Also the Dutch government is undecided whether or not to opt for a referendum and awaits an assessment of the Council of State, although the official government line is to regard a referendum as unnecessary.
- The Portuguese government regards it as unlikely to carry through a referendum and speculates that as the country holding the presidency in the second half of 2007 it will be identified with a positive result of a “Lisbon reform treaty” and that this should make ratification easier – with or without a referendum.
- The Irish government is obliged to hold a referendum but is optimistic to ensure a majority in favour of the reform treaty.
- According to the Danish constitution, a referendum must be held if Denmark transfers sovereignty. Most parties in the Danish parliament seem to accept ratification without a referendum *provided* there will be no transfer of sovereignty.

Beyond the chances and obstacles for ratification, other implications are discussed such as developments towards a multi-speed or multi-core EU<sup>22</sup>. Notably smaller member states realised that the German presidency “rejected all talk of a ‘core Europe’, or smaller groupings of Member States to take forward key issues”<sup>23</sup>. However, these considerations – differentiation, core groups and circles – will all remain sensitive issues on the EU’s political agenda. Also some specific domestic discussions followed up to or continued after the June summit, i.e. in Denmark the renewed attention for a revision of the four Danish opt outs. Moreover, the implications of a probable reform treaty for the future of enlargement and the assessment of the integration/absorption capacity of the EU were debated in several member states<sup>24</sup>.

The Berlin declaration, shorthand for “Declaration on the occasion of the fiftieth anniversary of the signature of the Treaties of Rome”<sup>25</sup>, is generally appreciated, albeit foremost because of its instrumental character. Thus, the Hungarian report explains that the Berlin declaration “was perceived in Hungary as an important – although not substantial – step forward in solving the deadlock of the European constitutional process” and as a “diplomatic success”<sup>26</sup>. Although weak in substance, it was important in “reactivating the reform process”<sup>27</sup>, hence a “useful stepping stone”<sup>28</sup>. Moreover “in hindsight” it appears “as the first publicly perceived successful moments of the Presidency – to be later followed by the success of the Spring summit on energy and climate change and culminating in the agreement achieved at the European Council in June”<sup>29</sup>. This assessment from Dublin precisely

<sup>20</sup> Cf. the Italian chapter on the future of the EU (question 1); for an extremely negative comment on the role of the UK in the EU see the Luxembourgian chapter on the future of the EU (question 1).

<sup>21</sup> Cf. the French chapter on the future of the EU (question 1).

<sup>22</sup> Cf. the Austrian and Italian chapters on the future of the EU (question 1).

<sup>23</sup> Cf. the Irish chapter on the future of the EU (question 1).

<sup>24</sup> The reform treaty, for example, is regarded to be necessary for further enlargements in the Austrian, Bulgarian, and Croatian chapters on the future of the EU (question 1).

<sup>25</sup> Declaration on the occasion of the fiftieth anniversary of the signature of the Treaties of Rome, available at: [http://www.eu2007.de/de/News/download\\_docs/Maerz/0324-RAA/English.pdf](http://www.eu2007.de/de/News/download_docs/Maerz/0324-RAA/English.pdf) (last access: 27 September 2007).

<sup>26</sup> Cf. the Hungarian chapter on the future of the EU (question 1).

<sup>27</sup> Cf. the Austrian chapter on the future of the EU (question 1).

<sup>28</sup> Cf. the Irish chapter on the future of the EU (question 1).

<sup>29</sup> Cf. the Irish chapter on the future of the EU (question 1).

reflects the dramaturgical and choreographic intentions of the German presidency. Thus, the Berlin declaration was a “spirit-lifter”<sup>30</sup> and reminder of the achievements of the European integration in a crucial phase of its development<sup>31</sup>.

- For the EU, the most important sentence was: “... today, 50 years after the signing of the Treaties of Rome, we are united in our aim of placing the European Union on a renewed common basis before the European Parliament elections in 2009”<sup>32</sup>, because it set the date for finalising the reform process.
- For the German presidency, the most important experience was that the method of focal points and secret diplomacy worked well. It was a test case for the even more complex and tricky negotiations leading up to the compromise on the mandate at the June summit. This “secret diplomacy” met some criticism from parliamentarians, the media, opposition parties and all those who took the plan D of the Commission and initiatives for better communication and transparency of EU policy-making at its words.
- While officially celebrated as a “milestone”<sup>33</sup>, weaknesses of the declaration abound: it is regarded as “vague diplomatic style”<sup>34</sup>, “empty of meaning”<sup>35</sup>, “anodyne”<sup>36</sup> and generally as of low profile. Language versions were sometimes welcomed, as in the Irish case, sometimes translations seem to be carrying quite different interpretations of the ambiguous original wording. A case in point is the translation of “Glück” in the Danish version: “This German word translates into ‘fortune’ or ‘happiness’, but in the Danish translation it was translated as ‘vores fælles bedste’, which means ‘for the common good’”<sup>37</sup>.
- Given the sensitivities and objections to the notion “constitution”, the Constitutional treaty is not once explicitly mentioned in the declaration but circumscribed. Another example is avoidance of the term enlargement which is phrased as “openness”<sup>38</sup>. In general, the lack of setting out concrete objectives and aims was criticised as a weakness<sup>39</sup>. While the confirmation of common values in the declaration was regarded as significant by some, like Bulgaria and Croatia, the Polish reaction was more ambivalent: “The experts stressed the importance of the Declaration as the first document of the EU with great significance and symbolic meaning that is adopted with participation of Poland as full member”<sup>40</sup>. However, expectations e.g. of Polish MEP Geremek were disappointed who found the declaration less significant than originally expected, in particular the “lack of clear definition of the values on which the Union is based as well as the priorities for the future”<sup>41</sup>. In Poland, one of the major and most often quoted objections concerns the missing reference to Christianity.
- While for some governments, policy-makers and media the anniversary of the Rome Treaties and the Berlin event were used as an occasion to inform about “the history of the EU, the culture of consensus it has produced and on the advantages and successes of the European Union”<sup>42</sup>, attention given to the date and the declaration was very uneven across the EU:
  - there was little attention and limited echo in Estonia, Hungary, Latvia, Portugal, and Slovakia; in Spain it is reported to have been a “non-event”, and one can come to a similar conclusion for the UK.
  - There was extensive or considerable media-coverage in Finland, Germany, Greece, Italy, the Netherlands and Slovenia so going beyond the six founding countries. In Denmark two parties issued a counter declaration.

<sup>30</sup> Cf. the Finnish chapter on the future of the EU (question 1).

<sup>31</sup> Cf. the Finnish and Slovenian chapters on the future of the EU (question 1).

<sup>32</sup> Cf. Declaration on the occasion of the fiftieth anniversary of the signature of the Treaties of Rome, available at: [http://www.eu2007.de/de/News/download\\_docs/Maerz/0324-RAA/English.pdf](http://www.eu2007.de/de/News/download_docs/Maerz/0324-RAA/English.pdf) (last access: 27 September 2007).

<sup>33</sup> Cf. the Greek chapter on the future of the EU (question 1).

<sup>34</sup> Cf. the Romanian chapter on the future of the EU (question 1).

<sup>35</sup> Cf. the French chapter on the future of the EU (question 1).

<sup>36</sup> Cf. the Greek chapter on the future of the EU (question 1).

<sup>37</sup> Cf. the Danish chapter on the future of the EU (question 1).

<sup>38</sup> This point is mentioned, for example, in the Polish chapter on the future of the EU (question 1).

<sup>39</sup> As it is put in the Polish chapter on the future of the EU (question 1): “The document is said to miss the detailed description of the five projects of vital importance for the Union, namely the advancement of foreign and security policy, common European army, common energy policy, European social model question as well as the ecological issues.” Cf. also the French and Portuguese chapters on this question.

<sup>40</sup> Cf. the Polish chapter on the future of the EU (question 1).

<sup>41</sup> Cf. the Polish chapter on the future of the EU (question 1).

<sup>42</sup> Cf. the Austrian chapter on the future of the EU (question 1).

The second most important and widely acknowledged achievement of the German presidency were the results of the spring summit on climate change<sup>43</sup>. Reactions to other results of the German presidency were mixed:

- Some acknowledge efforts to strengthen competitiveness<sup>44</sup>.
- Another priority of the German presidency constituted the strengthening of the EU in justice and home affairs. Austria emphasises progress in developing a comprehensive European migration policy, others the political agreement to transfer the Treaty of Prüm into the legal framework of the EU as well as the new framework decision on anti-racism<sup>45</sup>.
- As far as external relations and the numerous summits are concerned special notice is given to the improvement of transatlantic relations<sup>46</sup>.
- Contrary to progress in EU-US relations, cooperation with Russia was more problem ridden. Some member states applaud Chancellor Merkel in her capacity as presidency of the EU for her toughness at the Samara summit<sup>47</sup>. However, the high expectations on a new Ostpolitik raised by the German Foreign Ministry were disappointed as showed the failure of opening EU-Russian negotiations on a successor to the PCA<sup>48</sup>.
- Interestingly, the successful launch of a Central Asia strategy of the EU is not perceived as significant. However, Romania appreciates some progress in European Neighbourhood Policy (the third element of the eastern dimension), in particular as far as proposals for a Black Sea Synergy<sup>49</sup> are concerned.
- In Estonia, the German presidency and its reaction to the tensions with Russia about the "Bronze Soldier" crisis of April-May 2007 was closely followed: "The attempts of Merkel and the German government to mediate Estonian-Russian relations, the delayed but unequivocal condemnation of Moscow's activities by the EU and member states' governments, and Merkel's and Barroso's supportive statements at major international meetings were highly appreciated."<sup>50</sup>

Governments that found themselves fully consulted underline the integrative style of the German presidency<sup>51</sup>, Poland appreciate to be treated by the Merkel government as an equal partner<sup>52</sup>. However, the "German intransigence during the summit itself had some negative impact on the overall positive image of the Presidency"<sup>53</sup>.

Tendencies towards sidelining or isolating member states, because they are small states or peripheral in terms of geography or eccentricity of their political preferences and behaviour are generally refused. In Portugal, "both official and public opinion are always uncomfortable, due to Portugal's size, with any attempt to isolate member states"<sup>54</sup>.

Slovene and Portuguese governments who joined Germany in the trio-presidency experienced the German government and administration as a good team player. Overall, the new trio-presidency seemed to have worked fine<sup>55</sup> and is said to have brought about gains in coherence and predictability<sup>56</sup>.

From these reactions and considerations in member states one can conclude that the current state of the EU is far from having escaped the period of inward-looking preoccupations with the functioning of

<sup>43</sup> So, for example, in Austria "the agreements on the protection of the climate and the reduction of emissions have found great support in the Austrian public". See also the Cypriot, Dutch, Hungarian, Irish, Lithuanian, Spanish, and Swedish chapters on the future of the EU (question 1).

<sup>44</sup> Cf. the Estonian chapter on the future of the EU (question 1).

<sup>45</sup> Cf. the Hungarian chapter on the future of the EU (question 1). For further details see Council of the European Union: Brussels European Council (21/22 June 2007), Presidency Conclusions, doc. 11177/1/07 REV 1 CONCL 2 from 20 July 2007.

<sup>46</sup> This is especially mentioned in the Finnish chapter on the future of the EU (question 1).

<sup>47</sup> So, for example, in the Polish chapter on the future of the EU (question 1): "Merkel won biggest plaudits for her behaviour vs. Russia at the Samara Summit, where for the first time in a long time the EU took a tough, coherent and united line".

<sup>48</sup> This is pointed out in some of the new member states. Cf. e.g. the Hungarian, Latvian, Lithuanian, and Slovenian chapters on the future of the EU (question 1).

<sup>49</sup> Cf. the Romanian chapter on the future of the EU (question 1).

<sup>50</sup> Cf. the Estonian chapter on the future of the EU (question 1).

<sup>51</sup> For an example of this, see the Irish and Portuguese chapters on the future of the EU (question 1).

<sup>52</sup> Cf. the Polish chapter on the future of the EU (question 1).

<sup>53</sup> Cf. the Polish chapter on the future of the EU (question 1).

<sup>54</sup> Cf. the Portuguese chapter on the future of the EU (question 1).

<sup>55</sup> Cf. the Portuguese and Slovenian chapters on the future of the EU (question 1).

<sup>56</sup> Cf. the Portuguese and Slovenian chapters on the future of the EU (question 1).

the EU. Almost in every member state there is now a more constructive cooperation and good will to build up consensus. This is a big achievement of the German presidency. However, the EU has not yet come to terms after the blow of the failure of the apparently too ambitious Constitutional Treaty that shot high over the political state of mind of many EU citizens as well as politicians.

### Energy policy and climate change: two discourses about to meet?

Almost in all member states, energy security and the future of energy policy are highly salient political issues, while the challenges of climate change and environmental issues are mostly a major concern for the political elite and the wider public of the old member states<sup>57</sup>. Traditionally, the Nordic countries share a strong focus on environmental issues and currently on global warming and climate change<sup>58</sup>. Eighty per cent of the Danish citizens believe that each individual has a responsibility to reduce global warming<sup>59</sup>. Also in Southern members states, like Portugal, we meet a “growing awareness among policy-makers, opinion-makers and investors that a commitment to environmental objectives can be made compatible with economic interests, creating new industries and new jobs.”<sup>60</sup> Even in the UK a “national awakening” to the issues of climate change and environmental degradation is reported of. In the Central and Eastern European new member states<sup>61</sup>, energy policy and climate change are treated as two separate discourses in public opinion<sup>62</sup> and politics and, for example, in Bulgaria, they are treated with a high degree of inertia<sup>63</sup>.

Climate change, its consequences and the need to take concerted action in energy policy were at the heart of the EU-spring summit 2007. The major achievement, widely acknowledged among the 27 EU member states, were the (non-binding) agreement on an at least 20 per cent reduction of CO<sub>2</sub> emissions by 2020 as compared to 1990, the aim to save 20 per cent of the EU's energy consumption compared to projections for 2020, the binding target to have a 20 per cent share of renewable energies in EU energy, and the aim to liberalise the gas and electricity markets<sup>64</sup>.

It is also regarded as a sign of European leadership that these conclusions became reference points at the G8 summit of June 2007. Denmark that will host the 2009 UN climate conference greeted the G8 summit of Heiligendamm as the “beginning of climate diplomacy”<sup>65</sup>. Nevertheless, also in the frontrunning countries like Finland some reluctance to enter into binding obligations<sup>66</sup> is apparent. This is even more so in the case of catching up economies. So, EU emission goals are expected to impede Latvia's efforts to ensure its energy needs in the immediate future<sup>67</sup>. The Commission's decision on allowances for Polish emissions that were 26 per cent below the Polish allocation plans provoked “a wave of disagreement” because it is regarded as unfair, it puts extra-cost burdens on enterprises, and slows down growth in the new member states<sup>68</sup>.

In many of the old member states, but more and more also in new member states<sup>69</sup>, highly organised and experienced NGOs have a strong voice in public opinion on the environmental aspects of energy policy. They often point at the weaknesses of the agreements at G8 and EU level and the not sufficient, rapid and decisive steps<sup>70</sup>.

<sup>57</sup> In the Netherlands, “adaptation to the consequences of climate change has also become a priority issue. This is not surprising when realising that more than half of the Netherlands is below sea level.” Cf. also the British and German chapters on energy policy and climate change (question 2).

<sup>58</sup> Cf. e.g. the Danish chapter on energy policy and climate change (question 2).

<sup>59</sup> Cf. the Danish chapter on energy policy and climate change (question 2).

<sup>60</sup> Cf. the Portuguese chapter on energy policy and climate change (question 2).

<sup>61</sup> In Malta and Cyprus climate change and environmental protection are directly linked to tourism and enjoy more attention.

<sup>62</sup> See, for example, the Bulgarian, Lithuanian, and Polish chapters on energy policy and climate change (question 2).

<sup>63</sup> Cf. the Bulgarian chapter on energy policy and climate change (question 2).

<sup>64</sup> Cf. Council of the European Union: Brussels European Council (8/9 March 2007), Presidency Conclusions, doc.

7224/1/07/REV 1 CONCL 1 from 2 May 2007.

<sup>65</sup> Cf. the Danish chapter on energy policy and climate change (question 2).

<sup>66</sup> Cf. the Finnish chapter on energy policy and climate change (question 2): “Finland has been one of the most reluctant countries in the EU to commit to a binding 20 % emission cut and an increase in renewable energy. [...] Finland nevertheless had to budge in February in the EU environment ministers' summit where the 20 % goal was agreed upon”.

<sup>67</sup> Cf. the Latvian chapter on energy policy and climate change (question 2).

<sup>68</sup> Cf. the Polish chapter on energy policy and climate change (question 2).

<sup>69</sup> So, for example, in the Lithuanian chapter on energy policy and climate change (question 2).

<sup>70</sup> In Italy, for example, the “NGO Association and Legambiente, which represented Italian civil society at the meeting [G8 summit in Heiligendamm], said it is not enough. It was acknowledged that for the first time in a G8 statement there is recognition

Lobby organisation of the industries involved are both among the ambitious promoters for an environment friendly sustainable energy policy or argue against: For example in Portugal, Galp Energy has just opened a new biodiesel refinery and EDP, the biggest provider of electricity to consumers in Portugal and the former state monopoly, has, in turn, invested heavily in wind parks. Finland, on the other hand, has “plenty of energy-hungry industry with political leverage”<sup>71</sup>.

At the level of the member states, various initiatives with regard to energy policy have already been taken or are under preparation that reflect EU priorities but are pursued according to national preferences and constraints. They cover:

- *Energy mix*: The overall goal is diversification and restructuring of energy sources towards renewable energies<sup>72</sup>. For example, Portugal seeks to shift from “black gold (oil) to green gold (home grown renewable energy)” and plans to increase the share of renewable energy of currently 15 per cent to a level of 40 per cent by 2020, which seems a very ambitious and perhaps even unrealistic target. Contrary to these ambitions, in the Netherlands, to give one example, plans for new coal-fired plants are underway. In Latvia, a joint project of the three Baltics and Poland<sup>73</sup> for the construction of new nuclear power plants is stagnating, but similar plants are planned in Romania and Finland, and Slovakia joined at the spring summit “the group of EU members states led by France that pushed for including the nuclear energy among ‘clean’ energy sources (it does not produce CO<sub>2</sub> emissions)”<sup>74</sup>. Costs of doubling the share of renewable energy sources are calculated as being immense<sup>75</sup>. No wonder, additional funds for a sustainable future energy policy and investment in R&D from the EU budget are discussed<sup>76</sup>.
- *Energy efficiency*<sup>77</sup> is a short term goal and many governments plan special tax relieves or other incentives. It is an important issue also because in many of the catching up countries an increasing demand for energy is expected<sup>78</sup>.
- Special attention is also given to *transport and storage infrastructure* in some member states<sup>79</sup>.
- All member states are interested in a *EU strategy for external energy policy*<sup>80</sup>. Some, like Italy, look for partner countries in the Mediterranean, in particular Algeria and Turkey as an energy hub<sup>81</sup>, while Rome is more sceptical whether Russia can still be seen as a reliable partner<sup>82</sup>. The overall aim is to reduce dependency<sup>83</sup> through diversification of suppliers, routes<sup>84</sup> and energy sources. Among the new member states Poland is most active and has taken the initiative in many directions, such as the “energetic bridge” to be built between Poland and Lithuania by 2011, the politically revitalized Polish-Ukrainian project of the oil pipeline Baku-Poti-Odessa-Brody-Płock-Gdańsk or the planned new negotiations with Norway on the Norway-Denmark-Poland gas pipeline. Moreover, one of the preconditions for Poland to lift its

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of the need to avoid dangerous climate changes and to significantly reduce greenhouse gas emissions, but it was pointed out that no binding targets have been defined in this regard.” Cf. the Italian chapter on energy policy and climate change (question 2).

<sup>71</sup> Cf. the Finnish chapter on energy policy and climate change (question 2).

<sup>72</sup> The Netherlands even “aims to become a front runner in renewable energy and energy efficiency” Dutch chapter. Cf. also the Italian and Portuguese chapters on energy policy and climate change (question 2).

<sup>73</sup> Cf. the Latvian chapter on energy policy and climate change (question 2).

<sup>74</sup> Cf. the Slovakian chapter on energy policy and climate change (question 2).

<sup>75</sup> This is pointed out, for example, in the Lithuanian chapter on energy policy and climate change (question 2).

<sup>76</sup> Cf. e.g. the Portuguese chapter on energy policy and climate change (question 2).

<sup>77</sup> Goals in this context include, for example, eliminating heat losses and raising low levels of public awareness. Cf. the Latvian and Lithuanian chapters. See also the Dutch and Italian chapters on energy policy and climate change (question 2).

<sup>78</sup> Cf. the Latvian chapter on energy policy and climate change (question 2).

<sup>79</sup> Latvia, for example, proposes to further develop its extensive gas storage facilities, as they could be used by Nordic countries. Latvian chapter on energy policy and climate change (question 2). See also the Italian chapter.

<sup>80</sup> Cf. e.g. the Italian chapter on energy policy and climate change (question 2).

<sup>81</sup> Cf. the Italian chapter on energy policy and climate change (question 2).

<sup>82</sup> Cf. the Italian chapter on energy policy and climate change (question 2).

<sup>83</sup> For example Latvia is 100 per cent dependent on Russian gas imports. Latvian chapter on energy policy and climate change (question 2).

<sup>84</sup> Latvia is still against Northstream project pursued by a Russian-German consortium. Cf. Latvian chapter on energy policy and climate change (question 2).



veto against opening the negotiations with Russia on the successor PCA is that Moscow signs the energy charter<sup>85</sup>.

- *Solidarity* of EU member states in energy security issues is thus one of the major demands of Poland and other member states<sup>86</sup>. However, the Polish report states discontent with the EU: because it is “not the EU but rather Northern and Southern-Eastern neighbours of Poland (direct ones like the Baltic States and Ukraine and more remote ones like Georgia and Azerbaijan) that seem to be crucial in finding a solution of Polish energy security problems”<sup>87</sup>.

## Security cultures across the EU-27

Today, foreign and security policy is one of the most dynamic policy areas of the EU and a driver towards more integration and cooperation among member states. While their general visions and preferences for the further development of the European Foreign and Security Policy are deeply rooted in national history, geography and thus vary greatly, Europeans share the challenges of current developments in international politics, namely after 9/11/2001. Historic memories, myths (see e.g. “Finland’s Termopylae” of 1917) and experiences of war, occupation and liberation, go back far into European history and still influence current attitudes. This is particularly strong in countries that border on regions of instability<sup>88</sup> (like the Western Balkan) or live with neighbours like Russia that had for ages deeply determined the security in Northern and East Central Europe (Poland, Finland, the Baltic states)<sup>89</sup>. New experiences are acknowledged: “Latvia’s perception of its former overlords has changed significantly since 1991. Germany is a friend and an ally, while Russia is no longer an adversary to shun, but a very distinctive neighbour with whom pragmatic relations are both useful and essential, despite the fact that it has not become the democracy that Latvia had hoped for”<sup>90</sup>.

Looking for strong allies and reliable coalition partners is essential<sup>91</sup>. Poland which has a strong military tradition developed intensive cooperation with the Ukraine, Lithuania, Latvia (SFOR and KFOR Missions) and in addition with Denmark, Slovakia, Hungary, Romania, Bulgaria and Mongolia (in Iraq)<sup>92</sup>. Hungary wants to explore the Visegrád cooperation more systematically.

After World War II, security doctrines and security cultures developed in most of the EU-15 countries without major disruptions either in the framework of the Atlantic Alliance or in the group of neutral and non-aligned countries<sup>93</sup>, while the EU was late in developing a distinct security and defence dimension of its own in the 1990es. Thus, among the EU-15 the picture of institutional structures and politics is patchy.

While ‘1989’ also had its impact on NATO and the launch of the Common Foreign and Security Policy as a second pillar of the EU, it kicked off major transformations in the former countries of the Warsaw Pact Treaty Organisation. The Bulgarian report pictures major trends that most Central and Eastern European member states shared<sup>94</sup>:

- “the geopolitical realignment towards the transatlantic community,
- the redefinition of threats and vulnerabilities (including the recognition of new threats – international terrorism, transnational organized crime, regional conflicts and failing states, etc.),
- the democratization and civilian control of the security apparatus,

<sup>85</sup> Cf. Polish charter on energy policy and climate change (question 2).

<sup>86</sup> Lithuania, for example, declared that “one of the main Lithuanian objectives was to reinforce the provisions about the energy security and solidarity” Lithuanian chapter on energy policy and climate change (question 2).

<sup>87</sup> Cf. the Polish chapter on energy policy and climate change (question 2).

<sup>88</sup> For example, Romania perceives itself to lie “at the crossroads of four strategic evolutions within the following areas: Central Europe (a future pole of regional prosperity), South-Eastern Europe (a provider of instability), the former Soviet states (chronically undergoing identity crisis) and the Black Sea region (area of strategic importance for NATO, as well as a transit route for energetic resources from Central Asia)”. Romanian chapter on security culture (question 3).

<sup>89</sup> The former Finnish “*realpolitik*” strategy of military non-alignment” was, for example, “so profoundly dogmatized in Finnish politics and collective identity that it still affects security political debate today”. Finnish chapter on security culture (question 3).

<sup>90</sup> Cf. the Latvian chapter on security culture (question 3).

<sup>91</sup> This is mentioned, for example, in the Hungarian, Latvian, and Lithuanian chapters on security culture (question 3).

<sup>92</sup> Cf. the Polish chapter on security culture (question 3).

<sup>93</sup> For the special situation in Germany, cf. the German chapter on security culture (question 3).

<sup>94</sup> Cf. the Bulgarian chapter on security culture (question 3).

- the recognition of the human rights protection and democratic values as the core of the national security agenda (including protection of ethnic minority rights)”.

Despite this huge transformation, security policy and the armed forces enjoy strong public support and are trusted by the citizens, which underlines the generally smooth development. Take the example of the Czech Republic, where the army is more trusted than the press, churches, the police and definitely the political parties or Lithuania, where only the State Social Insurance Fund Board and the church are more trusted than armed forces<sup>95</sup>. Old and new member states share the experience of new threats culminating in the terrorist attack on 9/11/2001.

Member states' military forces are engaged in missions for peace keeping, conflict resolution and post-crisis management from Afghanistan<sup>96</sup> to the Western Balkans<sup>97</sup> and Africa<sup>98</sup>. A typical example for Central and Eastern European member states is given in the Czech report: “Geographically, missions in the Balkans are preferred (Kosovo, Bosnia and Herzegovina), deeper involvement in Iraq and Afghanistan is feared, while Africa is entirely absent from the security discourse”<sup>99</sup>.

For almost all member states, the mandate of the UN is an important pre-condition for the engagement in out of area military missions. For instance, Denmark, Finland, Ireland, and Italy have a longstanding tradition of cooperating in a multilateral framework with regard to civilian and military issues. The UN are less often referred to by new member states of Central and Eastern Europe. The Iraq war which was opened by the US without a UN mandate provoked conflict and frictions among and in many member states, cross cutting parties and opening a gap<sup>100</sup> between citizens and the political leadership.

Even if the UN and NATO remain the major actors in foreign and security policy, the EU is supported by almost all member states to strengthen its civil-military capacities and coordination. Central and Eastern European member states which heavily lean towards the US and NATO for their security are increasingly aware of the EU's potential and support a stronger role in foreign and security policy: “While Estonia used to regard NATO and the US as main guarantors of Estonian security, it has come to realize and appreciate the positive value added by CFSP/ESDP.”<sup>101</sup> They are proponents of closer EU-NATO cooperation and would favour a “more active role in solving conflicts in its neighbourhood, including the so-called frozen conflicts in Moldova and Georgia”. They seem to be generally supporting an enlargement of NATO to Georgia, the Ukraine and Western Balkans<sup>102</sup>.

<sup>95</sup> Cf. the Czech and the Lithuanian chapters on security culture (question 3).

<sup>96</sup> **International Security Assistance Force (ISAF)**, contributing nations: Belgium, Bulgaria, Czech Republic, Denmark, Estonia, France, Germany, Greece, Hungary, Italy, Latvia, Lithuania, Luxembourg, Netherlands, Poland, Portugal, Romania, Slovakia, Slovenia, Spain, Turkey, UK, Croatia, Austria, Ireland, Finland, Sweden.

<sup>97</sup> **An EU Military Operation in Bosnia and Herzegovina (EUFOR-Althea)**, participating states: Austria, Belgium, Bulgaria, Czech Republic, Estonia, Finland, France, Germany, Greece, Hungary, Ireland, Italy, Latvia, Lithuania, Luxembourg, Netherlands, Poland, Portugal, Romania, Slovakia, Slovenia, Spain, Sweden, UK, several non EU member states including Turkey.

**An European Union Police Mission in Bosnia and Herzegovina (EUPM)**, contributing states: Austria, Belgium, Bulgaria, Cyprus, Czech Republic, Denmark, Estonia, Finland, France, Germany, Greece, Hungary, Ireland, Italy, Latvia, Lithuania, Luxembourg, Malta, Netherlands, Poland, Portugal, Romania, Slovakia, Slovenia, Spain, Sweden, UK, several non EU member states including Turkey.

**Kosovo Force (KFOR)**, with Belgium, Bulgaria, Czech Republic, Denmark, Estonia, France, Germany, Greece, Hungary, Italy, Latvia, Lithuania, Luxembourg, Netherlands, Poland, Portugal, Romania, Slovakia, Spain, Turkey, UK, Austria, Finland, Ireland, Sweden.

<sup>98</sup> **Sudan: UNMIS**, Military personnel: Belgium, Croatia, Denmark, Finland, France, Germany, Greece, Italy, Netherlands, Poland, Romania, Sweden, Turkey, UK; Police personnel: Denmark, Finland, Germany, Netherlands, Sweden, Turkey, UK.

**Côte d'Ivoire: UNOCI**, Military personnel: Croatia, France, Ireland, Poland, Romania; Police personnel: France.

**Liberia: UNMIL**, Military personnel: Croatia, Czech Republic, Denmark, Finland, France, Ireland, Poland, Romania, UK; Police personnel: Czech Republic, Germany, Poland, Sweden, Turkey.

**DR Congo: MONUC**, Military personnel: Belgium, Czech Republic, Denmark, France, Ireland, Poland, Romania, Spain, Sweden, UK; Police personnel: France, Romania, Sweden, Turkey.

**Ethiopia and Eritrea: UNMEE**, Military personnel: Austria, Bulgaria, Croatia, Czech Republic, Denmark, Finland, France, Germany, Greece, Poland, Romania, Spain, Sweden.

**Western Sahara: MINURSO**, Military personnel: Austria, Croatia, Denmark, France, Hungary, Ireland, Italy, Poland.

<sup>99</sup> Cf. the Czech chapter on security culture (question 3).

<sup>100</sup> Cf. e.g. the Czech and Danish chapters on security culture (question 3).

<sup>101</sup> Cf. Estonian chapter on security culture (question 3). See also the Slovakian chapter on security culture (question 3).

<sup>102</sup> Cf. Estonian chapter on security culture (question 3).



Limits to Europeanisation of security policy have manifold reasons and are expressed by many of the old member states, such as Italy, the Netherlands, the UK, and also Portugal. The Italian report points at other current deficiencies: "...the slow process of integration of the defence market have reinforced the transatlantic orientation of military and defence industry leaderships"<sup>103</sup>.

Overall, the reports offer little information of concrete new projects as part of the European Security and Defence Policy, but show a strong interest to use and strengthen the EU's capacities for collective or concerted action.

### The future of the welfare states in Europe

Across the EU, the socio-economic climate is improving considerably. National reports inform about a general trend of declining unemployment and even about a growing concern because of current shortages on domestic labour markets as well as scenarios of a constantly shrinking workforce in the medium term.

- In some European countries with core economies, namely France and partly Italy, politics and citizens are still concerned over economic decline (delocalisation of industries and services) and stagnation, while in Germany, the climate as well as key economic indicators are constantly improving. However, unemployment remains high (8.9 per cent in July 2007).
- In other countries, like the UK and Ireland, unemployment is not a matter of great public debate, as the unemployment rate remains rather low.
- In Denmark, unemployment is even "at a historical low", and Estonia and Lithuania increasingly face labour shortages in some areas.
- Thus, there are many faces of labour market problems which cannot be reduced to problems of unemployment, which of course still matter<sup>104</sup>, but are more complex and must be solved within a dynamic and complex socio-economic development.

Discourses in member states centre around the probable impact of increased immigration on the labour markets<sup>105</sup>, in the Central and Eastern European states also around the problem of emigration and brain drain to the West<sup>106</sup>. While the Czech Republic opened its labour market to Romania and Bulgaria<sup>107</sup>, one of the frontrunners of 2004, the UK government, is now reluctant to do so. The pressure and consequences of illegal immigration also play a role in this context and are strongly discussed in Cyprus as well as in Spain and in the UK.

Moreover, implications of low birth rates for the social security systems and the economic competitiveness are basic themes across the EU. With regard to solving problems of a shrinking workforce, in Estonia, the "general attitude towards importing labour is cautious, given the history of massive influx of Russian-speakers in the Soviet period and the still unresolved problems of societal integration. The Western European experience, with all the complexities of multiculturalism, is also used as an example of the potential problems ahead."<sup>108</sup>

In general, various domestic reforms of the welfare states continue with regard to pension systems<sup>109</sup>, health care<sup>110</sup>, flat tax<sup>111</sup> etc. Denmark prepares a globalisation trust fund and the discourse on globalisation even intensifies in Finland, France, Malta and Portugal, according to the country reports. Generally speaking, the French proposals for a „economic patriotism“ have found little echo so far. The EU is rather seen as an additional forum to discuss best practices and learning. However, there

<sup>103</sup> Cf. the Italian chapter on security culture (question 3).

<sup>104</sup> Cf. e.g. the Greek and also the Hungarian chapters on unemployment and labour markets (question 4).

<sup>105</sup> As, for example, described in the Austrian, Cypriot, Danish, and Spanish chapters on unemployment and labour markets (question 4).

<sup>106</sup> Cf. e.g. the Bulgarian, Lithuanian, and Romanian chapters on unemployment and labour markets (question 4).

<sup>107</sup> Cf. the Czech chapter on unemployment and labour markets (question 4).

<sup>108</sup> Cf. the Estonian chapter on unemployment and labour markets (question 4). Cf. also the Danish chapter on unemployment and labour markets (question 4).

<sup>109</sup> For reforms of the pension systems, see e.g. the Austrian, Cypriot, Italian, Portuguese, Romanian, and Turkish chapters on unemployment and labour markets (question 4).

<sup>110</sup> As an example of two such reforms, see the Bulgarian and German chapters on unemployment and labour markets (question 4).

<sup>111</sup> Cf. the debates in Bulgaria or the Czech Republic.

are no major legislative initiatives in the pipeline of member states to improve the social dimension of the EU economic policy.

### **A list of domestic topics / issues**

Domestic issues of high salience vary from member state to member state and it is uncertain whether they will be uploaded on to the EU-level. Among them are: constitutional reforms in Italy, the goal to reform French institutions, changes in the party system (in Denmark and Germany), the integration of the Turkish minority in Germany, and the fight against corruption (Croatia, Latvia).

There are, however, also important issues that are directly linked to the EU and its agenda:

- Enlargement of the EU: accession of Croatia (Croatia), accession of Turkey (Austria, Cyprus),
- EMU accession (Cyprus, Hungary, Malta, Slovakia),
- Schengen accession (Lithuania, Slovakia),
- first European Parliament elections in Bulgaria,
- forthcoming EU presidencies of Slovenia (first half of 2008) and the Czech Republic (first half 2009),
- referendum on the reform treaty (UK, the Netherlands),
- US missile radar base in the Czech Republic and anti-missile shield in Poland.

Overall, this survey proves the relevance of constantly looking into the making of preferences and of mapping the ups and downs of highly salient topics that determine the debates in EU member states.

### **Chronology of main events** (between January and June 2007)

<b>1 January</b>	Accession of Romania and Bulgaria to the EU.  Germany takes over the EU-Presidency for the first half of 2007.  Germany takes over the G8-Presidency until 31 December 2007.  Slovenia introduces the Euro.
<b>7 January</b>	Russian pipeline monopolist Transneft interrupts oil supplies to Western Europe over Russian-Belarus energy conflict.
<b>16 January</b>	The European Parliament elects Hans-Gert Pöttering, EPP, as its new President.
<b>18 January</b>	EU Presidency – OSCE Permanent Council, Vienna.
<b>26 January</b>	On the initiative of the Spanish and Luxembourg governments the “Friends of the Constitution” meet in Madrid. Representatives of the 18 member states that have already ratified the Constitutional Treaty plus representatives from Ireland and Portugal back the current text and warn of minimalist solutions.
<b>30 January</b>	ECOFIN Meeting in Brussels. Finance ministers agree to end the excessive debt procedure against France begun in 2003.
<b>9-11 February</b>	43 <sup>rd</sup> Munich Conference on Security Policy: Global Crisis – Global Responsibilities.
<b>15-16 February</b>	Justice and Home Affairs Council. Home affairs ministers reach a political consensus on integration of the Prüm Treaty (Schengen III) into the European legal order.
<b>20 February</b>	Environment Council, Brussels. EU environment ministers agree on the international goal to reduce greenhouse gas emissions by 30 percent by 2020.
<b>8-9 March</b>	A European Council is held in Brussels. EU-27 agree on binding targets for greenhouse gas emissions and renewable energy by 2020. CO <sub>2</sub> emissions shall be reduced by 30 percent (compared with 1990 levels) and renewables shall cover for 20 percent of the overall energy consumption.
<b>18 March</b>	Finnish Parliamentary elections. Prime Minister Matti Vanhanen, as party leader of the Centre Party, forms a new government with Centre Party, National Coalition, the Greens and Swedish People's Party. Vanhanen's second Cabinet takes office on 19 April 2007.
<b>19 March</b>	EU Troika headed by Foreign Minister Steinmeier (Presidency) and Secretary of State, Rice, discuss latest preparations for EU/US summit to be held on 30 April in Washington D.C. Further issues: anti-missile bases in Poland and the Czech Republic, transatlantic cooperation in energy technologies.
<b>24-25 March</b>	Informal meeting of the Heads of State and Government in Berlin. Fiftieth Anniversary of the Treaties of Rome. Berlin Declaration.
<b>April – May</b>	“Bronze Soldier” affair in Estonia. Diplomatic relations between Tallinn and Moscow are tense after the relocation of a Soviet war monument. Enduring riots force the Estonian embassy in Moscow to close temporarily. Estonian servers become objective for massive cyber attacks.

<b>4 April</b>	Meeting of Home Affairs Ministers of the European Union, the United States of America and the Russian Federation, Berlin. Main Issues: counter-terrorism, border management, Afghanistan.
<b>17 April</b>	<p>Commissioner Olli Rehn welcomes the multi-annual reform programme (2007-2013) that intends to prepare Turkey for EU accession. Yet, he rejects the Turkish demand to set a fixed date for accession.</p> <p>Romanian President Basescu accused of violating the constitution and suspended by parliament. The Constitutional Court finds no evidence for a violation of the constitution.</p>
<b>30 April</b>	The EU-US Summit is held in Washington, D.C. Chancellor Merkel, President of the Commission Barroso and President Bush sign the 'Open Skies' agreement on transatlantic air transport. It is also agreed to develop closer economic relations during the next few years.
<b>6 May</b>	Nicolas Sarkozy is elected President of the French Republic.
<b>18 May</b>	EU-Russia-Summit, Samara: EU Troika headed by Chancellor Merkel. No substantial progress on the opening of negotiations on a new partnership agreement. Disagreement on: embargo on Polish agricultural products, interruptions of Lithuanian energy supply (Druzhba oil pipeline), Estonian "Bronze Soldier Crisis", and human rights issues.
<b>20 May</b>	A referendum is held on the impeachment proceedings of the Romanian President. A majority of 74 percent of the electorate votes in favour of Basescu.
<b>29 May</b>	French President Sarkozy announces his intent to start off a debate on EU external borders during the European Council in December 2007.
<b>5 June</b>	<p>EU – Japan Summit, Berlin. Angela Merkel and Shinzo Abe agree on climate policy and adopt a joint action plan on intellectual property.</p> <p>ECOFIN ends the excessive deficit procedures against Germany.</p>
<b>6-8 June</b>	G8 Meeting in Heiligendamm, Germany. Global warming: non-binding communiqué formulating the goal to halve global CO <sub>2</sub> emissions by 2050.
<b>21-23 June</b>	A European Council is held in Brussels. Agreement on a mandate for an Intergovernmental Conference to draft a Reform Treaty largely based on the Treaty establishing a Constitution for Europe; Heads of States and Governments agree on Cyprus and Malta to adopt the Euro on 1 January 2008.
<b>26 June</b>	<p>Fourth meeting of the Accession Conference at ministerial level with Croatia in Brussels. Decision to open six new chapters for membership negotiations.</p> <p>Third meeting of the Accession Conference at ministerial level with Turkey in Brussels. Decision to open two new chapters for membership negotiations.</p>
<b>27 June</b>	Gordon Brown becomes Prime Minister of the United Kingdom.
<b>1 July</b>	Portugal takes over the EU-Presidency for the second half of 2007.

# 1

## Future of the EU

- To agree on a roadmap for dealing with the continuation of the reform process was one of the priorities of the German presidency. In this regard, what are the reactions to the conclusions of the European Council in June 2007? How is success/failure explained?
- How was the Berlin declaration received in your country (involvement of member states, media impact etc.)? Did it meet your expectations?
- What is the general evaluation of other achievements, failures or weaknesses of the German presidency?

## Austria

Generally seen, Austria has strongly supported the German presidency's efforts to agree on a roadmap for the reform process. After all, the Austrian presidency of last year had tried to revive the debate on institutional reform after it was suspended due to the two negative referenda in France and the Netherlands.

The government, as well as the opposition and the media, have paid particular tribute to Angela Merkel's personal engagement. Various comments in the media acknowledged that only Merkel's negotiation skills and persistence enabled compromise on difficult matters.

Chancellor Gusenbauer (SPÖ)<sup>112</sup> acknowledged that it was due to Merkel's professional and dauntless leadership that the EU escaped from a nearly hopeless crisis.<sup>113</sup>

Whereas the conflict with Poland dominated media coverage, it was mainly Britain's resistance to the Charta of Fundamental Rights which crossed Austria's position. Ahead of the critical June summit, the Austrian government had declared that it regarded the legal binding of the Charta of Fundamental Rights as a non-negotiable requirement.

Austria, as one of the countries which already ratified the constitutional treaty, had aimed at maintaining as much as possible of the original text. Before the summit, Gusenbauer had commented that it should not be those countries which have not ratified the constitution which dictate the rhythm. He stated that he would not have any understanding for all those who earlier signed the treaty and do now raise new demands.<sup>114</sup>

After the summit, the Chancellor evaluated the result of the summit as acceptable.<sup>115</sup> This referred particularly to the fact that the legal binding of the Charta was only mentioned in the reform treaty, but that the Charta itself was not adopted into the treaty. Gusenbauer declared that it had been necessary to agree

on a compromise, in order to break the stalemate.<sup>116</sup>

Foreign Minister Ursula Plassnik (ÖVP)<sup>117</sup> assessed that, after the June summit, Europe was on target again, and that it was due to the merits of the German presidency, that the Union could overcome internal divisions and agree on a clear work and time schedule. She declared that although the supporters of a constitution made important concessions, 95 percent of the constitutional treaty were still intact, and that major issues such as tools for the better cooperation between police and the judiciary, the entity of the Union and the creation of a de facto common European foreign minister were guaranteed.<sup>118</sup>

Alexander Van der Bellen, the leader of the Green Party, acknowledged the achievements of the German presidency. However, he criticised Britain's refusal to adopt the Charta of Fundamental Rights. The same critique was uttered by the Chamber of Labour and the Trade Unions. Hundsdorfer, the President of the Federation of Trade Unions, stated that the compromise in regard to the Charta was acceptable, but that it was definitely not a step forward towards a social union, which he assessed as a requirement of globalization.<sup>119</sup>

The crisis around the institutional reform of the Union seems to have supported the idea of a Europe at two speeds, consisting of a core and a periphery. Former Chancellor Schüssel (ÖVP) underlined his conviction that in future we will be more and more confronted with the diversification of European policies and that Austria will have to decide whether it wants to be a part of the core group of the EU or not. He added that he was convinced that the country should be a part of such a group.<sup>120</sup> A similar position was supported by Schüssel's former coalition partner the BZÖ.<sup>121</sup> The BZÖ defended the idea of a core Europe, consisting of those countries which adopt the whole spectrum of a common European policy. This idea would then enable other, more critical

<sup>112</sup> Austrian Socialist Party.

<sup>113</sup> Available at:

[http://www.diepresse.at/home/politik/eu/313440/index.do?gal=313440&index=4&direct=&\\_vl\\_backlink=&popup=](http://www.diepresse.at/home/politik/eu/313440/index.do?gal=313440&index=4&direct=&_vl_backlink=&popup=) (last access 6 August 2007).

<sup>114</sup> „Kanzler beharrt auf starkem EU-Vertrag“, in: Kurier, 30.05.2007.

<sup>115</sup> „EU-Gipfel ebnet Weg für neuen Reformvertrag“, in: Der Standard, 28.06.2007.

<sup>116</sup> Plenarsitzungen des Nationalrates, Parlamentskorrespondenz 01/06.07.2007/Nr. 569.

<sup>117</sup> Austrian People's Party (conservative).

<sup>118</sup> „Plassnik: EU Verfassung intakt“, in: Wiener Zeitung, 24.06.2007.

<sup>119</sup> Einigung beim EU-Gipfel, available at: [http://www.oegb.at/servlet/ContentServer?pagename=OEGBZ/Page/OEGBZ\\_Index&n=OEGBZ\\_1.a&cid=1182166441578](http://www.oegb.at/servlet/ContentServer?pagename=OEGBZ/Page/OEGBZ_Index&n=OEGBZ_1.a&cid=1182166441578) (last access 6 August 2007).

<sup>120</sup> Plenarsitzungen des Nationalrates, Parlamentskorrespondenz 01/06.07.2007/Nr. 569.

<sup>121</sup> BZÖ; Union for the Future of Austria.

countries to adopt only some parts of the EU.<sup>122</sup>

### *The Berlin declaration*

The celebrations for the 50<sup>th</sup> anniversary of the treaties of Rome prompted a reflection of what advantages do we have from the European Union. The printed media and the TV largely reported and commented on the history of the EU, the culture of consensus it has produced and on the advantages and successes of the European Union. This seems particularly important in a country like Austria, where scepticism against the European Union is extremely high.

Chancellor Gusenbauer declared that the Berlin summit was a milestone for the EU. The summit was generally praised in the media as an important step towards the reactivation of the reform process.

Gusenbauer mentioned that the reform of the EU and of its institutions would be a necessary precondition in order to maintain its capacity to act, in face of the next enlargement round, the integration of the Western Balkans. The integration with the countries of the Western Balkans, particularly with Croatia, constitute a priority of the Austrian foreign policy, while Turkey's membership does not.

The newspaper Salzburger Nachrichten commented that the text of the Berlin Declaration seemed to be watered down in order to be acceptable to all different positions. The newspaper classified the position of the German Presidency, which followed the principle: concepts count rather than terms, as an attempt to avoid conflict through blurred and watered down definitions. The newspaper mentioned in this context the fact that the text had avoided the term enlargement, which was replaced by openness.<sup>123</sup>

While Vice Chancellor Molterer (ÖVP) defined the Berlin Declaration as an emotional invitation to the citizens of Europe, the Austrian National Union of Students sees the Berlin Declaration as a symptom of the ills of the EU. It is criticised as a watered down compromise

which had to bridge too many different opinions and positions.<sup>124</sup>

Leftist voices such as the Austrian Communist Party have a rather critical balance of the 50 years of European integration. The Communists do not believe that it is the lack of communication which has contributed to the unpopularity of the EU as illustrated by surveys, but that it is the fact that the EU has been a neo-liberal project which has further intensified the rift between the rich and the poor and which has been only to the favour of the rich. They further criticise the fact that countries such as Austria have denied referenda on the issue and they see this as a symptom for the lack of democracy in the EU.<sup>125</sup>

### *General evaluation of other achievements, failures or weaknesses of the German presidency*

The Austrian public has largely praised the German presidency as a success. Besides the roadmap for reform, the agreements on the protection of the climate and the reduction of emissions have found great support in the Austrian public, although environmentalist groups and the Green Party criticised these achievements as insufficient. All parties except the far right FPÖ appreciated the agreement on a common European immigration policy. This agreement was praised by some as a breakthrough.<sup>126</sup>

## **Bulgaria**

A very ambitious political programme called "Europe – succeeding together" was declared at the very beginning of the German presidency of the EU. It stated that, while at the helm of EU intergovernmental institutions, Germany would be committed to achieving significant improvements in key policy areas such as: climate change, energy security, internal market development, European educational area. The most important German

<sup>122</sup> Plenarsitzungen des Nationalrates, Parlamentskorrespondenz 01/06.07.2007/Nr. 569.

<sup>123</sup> Grosse EU – Reform bis 2009, in: Salzburger Nachrichten 27.03.2007.

<sup>124</sup> Available at: [www.oeh.ac.at/quicklinks/progress/ausgabe\\_307/doeer\\_europa/kurz\\_im\\_blick/](http://www.oeh.ac.at/quicklinks/progress/ausgabe_307/doeer_europa/kurz_im_blick/) (last access 6 August 2007).

<sup>125</sup> Available at: [www.kpoe.at/k/a127.html](http://www.kpoe.at/k/a127.html) (last access 6 August 2007).

<sup>126</sup> EU-Gipfel: Durchbruch bei Einwanderungspolitik, available at: [www.orf.at/ticker/238664.html](http://www.orf.at/ticker/238664.html) (last access 6 August 2007).

presidency priority outlined was “a functioning Community”.<sup>127</sup>

How were the above priorities articulated in Bulgarian media? What place did they find in the Bulgarian political discourse?

Bulgarian country reports in previous issues of the EU-25/27 Watch<sup>128</sup> have shed light on the very low degree of Europeanization of Bulgarian media and political discourse. More specifically, there has been an apparent lack of media and political analysis of the EU's political process and policy development and their impact on national politics and policies. Bulgarian media and politicians have tended to directly adopt the positions expressed by foreign sources on hot issues related to EU politics and policies, without trying to analyse them and place them in the domestic context. It has proven difficult for Bulgaria, as a new EU member state, to elaborate its own policy positions on many “hot topics”. Bulgaria has therefore been giving the impression that it is simply “adjusting” its positions to common tendencies that are prevailing in the EU in various policy areas. The Bulgarian media coverage and the articulation of the German presidency followed the same trend.

At the very beginning of the German presidency (January-February), Bulgarian media focused their attention on the fact that German Chancellor Angela Merkel was going to preside simultaneously over the “powerful economic giant” [i.e. Germany], the EU and G8<sup>129</sup>. That is why the year 2007 was named “the year of Germany”.<sup>130</sup> On the basis of these remarks, it could be argued that Bulgarian media were much more interested in some formal aspects of the German presidency than in the real content of the German presidency's programme. Nevertheless, in the first half of 2007 Bulgarian media covered some aspects of European environment policy, with particular attention to the programme “Natura 2000” and its implications for Bulgaria, the dimensions of the European energy policy<sup>131</sup>, and the further

development of the EU's institutional structure – the most widely covered topic.

In tune with other media in EU member states, Bulgarian media covered the Berlin Summit in March 2007 dedicated to the 50<sup>th</sup> anniversary of the Rome Treaties. More attention was paid to the organization of the summit rather than to its result – the Berlin Declaration. Nonetheless, this declaration has the potential not only to guide future development of the Union but also to strongly influence the Bulgarian positions within the EU in the near future. The political significance of the Berlin Declaration for Bulgaria is derived from the fact that EU leaders once again declared the commitment of EU member states to basic EU values of democracy, freedom, equal rights, prosperity, and social responsibility.<sup>132</sup> The expressed will of EU leaders “to promote democracy, stability and prosperity beyond its borders”<sup>133</sup> is of particular importance for the future development of Bulgaria. With its emphasis on key EU values, the Berlin Declaration could serve as a guiding light for EU development in policy areas such as energy security, environmental policy, common foreign and security policy and enlargement policy.

The European Council session in June 2007, which focused on the institutional development of the EU, was the event that received widest coverage in Bulgarian media during the German presidency. Bulgarian weekly newspaper “Kapital” described the June summit as “European treaty wars”, comparing negotiation talks among key EU member states (Germany, France, UK, Poland, and Spain) to the blockbuster “Star Wars”.<sup>134</sup> Bulgarian journalists focused their attention on German efforts aimed to reach a compromise on the future of the Draft Constitutional Treaty, as well as on the Polish position at the table of negotiations. The latter was described in two opposite ways – as “non productive” (by the “Kapital” weekly)<sup>135</sup>, and as a staunch “defence

<sup>127</sup> “Europe – succeeding together”; German Presidency Programme; 1 January to 30 June 2007; available at: <http://www.eu2007.de>; accessed on: 20.07.2007.

<sup>128</sup> Please, see National country reports for Bulgaria in EU-25/27 Watch (No.3 and No. 4).

<sup>129</sup> “Merkel komandva ot tri stola” (“Merkel issues commands sitting on three chairs”), article in the Bulgarian daily newspaper “Standart”; 8 January 2007; available at: <http://standartnews.com>; accessed on: 21 July 2007.

<sup>130</sup> Ibidem.

<sup>131</sup> Please see the Climate change/Energy chapter in this issue.

<sup>132</sup> Declaration on the occasion of the fiftieth anniversary of the signature of the Treaties of Rome; available at: <http://www.eu2007.de>; accessed on: 21.07.2007.

<sup>133</sup> Ibidem.

<sup>134</sup> “Evropejski dogovorny vojni” (“European Treaty Wars”) in the Bulgarian weekly newspaper “Kapital”; issue No 26; 29 June 2007; available at: <http://www.capital.bg>; accessed on: 21.07.2007.

<sup>135</sup> “Evropejski dogovorny vojni” (“European Treaty Wars”) in the Bulgarian weekly newspaper “Kapital”; issue No 26; 29 June 2007; available at: <http://www.capital.bg>; accessed on: 21.07.2007.



of the Polish national interest" (by the "Politika" weekly<sup>136</sup>).

The Bulgarian position on the negotiations for the continuation of the reform process can be summed up in the words of the Bulgarian Minister of European Affairs Ms. Gergana Grancharova in her interview for Bulgarian News agency "Focus". According to her, "Bulgaria chose a flexible approach within the constitutional debate", defending the "institutional balance" established during the European Convention, whose main point are the opportunities that this institutional framework gives to the EU to continue the enlargement process<sup>137</sup>.

A relatively more detailed description of official Bulgarian views on the new round of the EU institutional reform process can be given in the speech of the country's Vice Prime Minister and Foreign Minister Ivailo Kalfin at the opening of the conference held in Plovdiv on 13 April 2007 and dedicated to the 50<sup>th</sup> anniversary of the Rome Treaties. This forum, organized by the Bulgarian European Community Studies Association, was a major focal point of the public debate in the country on issues deriving from the current stage of EU constitutional reform. In his speech, Minister Kalfin emphasized several features of the Draft Constitutional Treaty that was signed in Rome on 29 October 2004, which he found essential for the "functioning of the EU: simplified decision making methods, a much stronger common foreign policy, many more rights for the national parliaments (something that brings the Union closer to the citizens), more rights for the EP. These are all elements that should be preserved."<sup>138</sup> He found that "the closer the text, which will be produced, remains to the current text – the better!" However, he admitted the possibility of cancelling some of "the ambitious terms, such as 'constitution',

'president', 'foreign minister'".<sup>139</sup> The general political and philosophical justification of Bulgaria's attitudes in the course of this stage of treaty reform negotiations, which is exemplified in this speech of minister Kalfin, is not based on perceiving the Draft Constitutional Treaty of 2004 as an asset in itself. Neither is the current negotiation process evaluated as one either contributing to or preventing the establishment of a European constitutional "construction". On the contrary, Kalfin develops arguments for approaching both treaty texts and the negotiation process from a functional perspective. According to him, the current treaty reform process will have a successful outcome if it ensures that the enlarged EU works efficiently and if the mechanisms "allow citizens to see European values".<sup>140</sup>

The final summit decisions were widely interpreted in Bulgarian media as a success for Germany, and for German Chancellor Angela Merkel – "the Queen of Summits"<sup>141</sup> – in particular.

## Croatia

Croatian politicians, academic analysts, experts and media followed the developments within the EU reform process and the outcomes of the June European Council with high interest. Media focused closely on the preparations and debates which were undertaken relating to the new Treaty, particularly addressing its potential impacts on future enlargement, as well as trying to answer the question whether the green light for continuation of the enlargement will be given, or not.

Even before the Summit, there were positive expectations reflected in media, mostly sharing a belief that it was possible to make a compromise regarding the institutional arrangement. Mr. Neven Mimica, the president of the Parliamentary Committee for the EU Integration, expressed his optimism by saying that both processes – the EU institutional reform and Croatia's accession negotiations – will be concluded approximately in the same

<sup>136</sup> Kostov, Valentin; "Berlin se machi da dogovori kompromis za stranite ot sajuza" ("Berlin is trying to reach a compromise for the EU member states"); in the Bulgarian weekly newspaper "Politika"; issue No 165; 15-21 June 2007; available at: <http://www.politika.bg>; accessed on: 21.07.2007.

<sup>137</sup> Interview of Bulgarian Minister of European Affairs Ms Gergana Grancharova for news agency "Focus", 12.06.2007, available at: <http://www.mfa.government.bg> (the official web site of the Bulgarian Ministry of Foreign Affairs); accessed on: 20.07.2007.

<sup>138</sup> Kalfin, Ivailo (2007): "What EU are we entering at the beginning of its second 50-year period?", speech in Plovdiv on 13 April 2007, published in: Zaharieva, Julia & Krassimir Nikolov (eds.) (2007): From the Rome Treaties to the Future of the EU: constitution, citizens' participation, identities, BECSA, September 2007 (forthcoming).

<sup>139</sup> Ibidem.

<sup>140</sup> Ibidem.

<sup>141</sup> "Evropejski dogovorni vojni" ("European Treaty Wars") in the Bulgarian weekly newspaper "Kapital"; issue No 26; 29 June 2007; available at: <http://www.capital.bg>; accessed at: 21.07.2007.

time, in 2009<sup>142</sup>. His opinion was that it would be very useful if Croatian representatives could take part and express their views in debates on the EU institutional reform.

Croatia very much welcomed the EU move out from the “reflection” phase of debates to preparation of the “Reform Treaty”, after the Constitution was rejected in France and Netherlands. Comments on the Summit were primarily focused on Presidency Conclusions that relate to the Treaty reform process and its relevance for continuation of enlargement. The voting question and the Charter of Fundamental Rights were elaborated in detail as problematic areas for Poland and UK. However, the other issues discussed at the Summit did not attract much attention.

Compromise on the Reform Treaty was seen as a big success that will give new strength to the EU internal development and create a ground on which to continue enlargement. The key message was the following: without having the agreement on the new Reform Treaty, EU would not be able to continue enlargement, making it was a success for the EU enlargement, and for Croatia. Most of media<sup>143</sup> immediately reported the Merkel and Barroso statements, given at the press conference at the end of the Summit, that enlargement could be continued after this historical decision which opened the way for Croatia to become a new EU member, instead of becoming a victim of EU failure.

“The door to the EU is even more opened now and Croatia could completely devote itself to finalise the negotiations as successfully as possible”, said Vladimir Drobniak, the chief negotiator with the EU. It is important for Croatia to complete as much work as possible on negotiations by the moment when the EU institutional reforms are finished. However, Croatia is only one side of negotiations and the speed is not only in its hands, rather it depends to a great extent on the European Commission and the member states<sup>144</sup>. Zoran Milanovic, the newly elected president of the Social

Democrat Party, stated that Croatia could now devote itself to negotiations, without thinking about technical and institutional problems that were outside of the area of its possible influence; knowing that nothing is on our way to the EU is a kind of psychological relief<sup>145</sup>. There were some speculations regarding the expected number of votes Croatia could have in the Council<sup>146</sup>, number of parliamentarians in European Parliament and on the possibility of having Croatian commissioner until 2014<sup>147</sup>.

The Berlin Declaration was presented by the Croatian media as a document setting out Europe's values and ambitions and confirming their commitment to deliver them. Signing the document on the occasion of commemorating 50 years of the Treaties of Rome and the speeches that followed this event was commented as a sign that some kind of agreement was reached to speed up the institutional reform in the EU. Particular importance was given to the statement on the openness of the Union, even though it did not relate directly to continuation of enlargement. The wording was seen as diplomatic cautious<sup>148</sup>. Most of the media mentioned that Croatia, being the candidate country, was not invited to sign the Declaration<sup>149</sup>. Even more, the question was raised by some of the media why Croatia was not mentioned in the Declaration. The Prime Minister Sanader commented it as a good news (by saying that “sometimes it is better not to be mentioned”), but expressed its confidence that Croatia will become the 28<sup>th</sup> EU member state<sup>150</sup>. He compared the Declaration with the Resolution of the European Peoples Party, stressing that the letter was wider, and referred to other values such as Christian and Jewish roots of Europe which were not mentioned in the EU declaration<sup>151</sup>.

In the academic circles, the Berlin declaration was announced at the international conference “Role of Academic Community in Communicating Europe to Citizens” organised by the Institute for International Relations<sup>152</sup>.

<sup>142</sup> Mimica, Neven “EU is an economic giant, but a political dwarf” in Poslovni dnevnik, May 31, 2007.

<sup>143</sup> To cover the event in more analytical manner, later on Croatian daily papers issued special supplement or whole paper sections dedicated to EU 50th Anniversary Day. See for instance the weekly supplement «Magazin» in Jutarnji list, 24 March 2007; Vecernji list, 25 March, 2007; Novi list 25 March 2007; Vjesnik, 24-25 March 2007 in its weekly supplement Panorama, pp.2-19.

<sup>144</sup> Vladimir Drobniak, Interview, Novi list, 23 June, 2007 and Jutarnji list, 24 and 25 July, 2007.

<sup>145</sup> Jutarnji list, 24 and 25 July, 2007.

<sup>146</sup> Augustin Palokaj, journalist, in Jutarnji list, 26 June, 2007.

<sup>147</sup> Stojan De Prato, journalist, in Vecernji list, 26 June, 2007.

<sup>148</sup> Jurica Körbler, journalist, Vjesnik, 26 March, 2007.

<sup>149</sup> Nacional, 24 March, 2007.

<sup>150</sup> Croatia will become the EU 28<sup>th</sup> member, Vjesnik, 26 March, 2007.

<sup>151</sup> Vjesnik, 26 March, 2007.

<sup>152</sup> The conference took place in a City Hall of Zagreb on 1 March 2007, as a part of the IMO project EU IMPACT -

Prof. Wolfgang Wessels, Jean Monet Chair for Political Sciences and European Affairs, University of Cologne, gave the introductory speech commemorating the 50th anniversary of the Treaties of Rome and referred to the declaration which was still under preparation. The EU widening, according to Prof. Wessels, did not stop its deepening, and most importantly, it strengthened the EU politically in the international arena. Therefore his optimistic message regarding the future of enlargement was that there cannot be the *finalité finale* in Europe since this process could bring new values to the EU in the future<sup>153</sup>.

As compared to the Berlin Declaration, the Rome declaration of the EU Youth Summit "Your Europe – Your Future" which took place in Rome, parallel to the EU 50<sup>th</sup> Anniversary Day, has caught far less media attention and was less commented by Croatian press and political analysts. Nevertheless, some political analysts, such as Dr. Damir Grubiša, Faculty of Political Science Zagreb,<sup>154</sup> consider this Declaration very important as it strives for larger participation of citizens and civil society, including the youth organizations, in shaping the future of Europe, thus contributing to building the legitimacy of European institutions.

For Croatia, the most important expectation from the German Presidency was progress in finding a solution for the EU Treaty. It was expected that consultations on the Constitution during the Presidency would lead to certain improvements, particularly through harmonising the ideas and general guidelines towards achieving mutual agreement on the constitutional framework and finding basic solutions for the functioning of the EU within new circumstances. Therefore, as it led the EU out of the institutional deadlock, the German Presidency is seen as a very successful one. Mrs. Angela Merkel was seen as a key figure which strongly contributed to the success through intensive preparations for the meeting and numerous bilateral consultations with the EU member states, particularly Poland, UK, France and Netherlands. The Prime Minister Sanader said that the German Presidency headed by Angela Merkel deserved all the gratitude for the effective leading of the

demanding negotiations which have resulted in the reaching of historical agreement within the member states. The outcome is encouraging for Croatia to continue the reforms and negotiations for the EU membership<sup>155</sup>. Media were mostly focused on the mentioned institutional reform priority of German presidency, leaving the other priorities related to the economic dynamism and social responsibility, energy policy, and Europe's social dimension in a shadow.

## Cyprus

Cyprus has been a strong supporter of the EU Constitutional Treaty, which had been approved by the House of Representatives on 30 June 2005<sup>156</sup>. The consensus reached at the June 2007 European Council for a new 'reform' or 'amending' treaty, was well received in the island. President Papadopoulos stated that the agreement was a great step for Europe, unimaginable 10 months ago, which would strengthen the Union's operation, its institutions and the national parliaments of the member states. He said the German Chancellor Angela Merkel deserved congratulations as, did all those who worked in a spirit of compromise and cooperation to secure the agreement<sup>157</sup>.

The Berlin Declaration and all relevant festivities of the EU's 50th anniversary celebrations also received great attention and exposure in Cyprus. Celebrations were hosted in the capital, Nicosia, at the 'House of Europe', the new premises of the Representation of the European Commission and of the Office of the European Parliament. There was intense media coverage of the celebrations that took place in Berlin and in Rome, while special television and radio programmes were hosted throughout the week. The special ceremony, hosted in Berlin by the German EU Presidency to mark 50 years since the Treaty of Rome, where the 27 EU heads of state and government signed the Berlin Declaration and paid tribute to the progress Europe has achieved over the past 50 years, also received extensive media coverage. On the Berlin Declaration, President Papadopoulos hailed the German Presidency's

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Academic network for communicating integration impacts in Croatia carried out within PHARE 2005 Multi-beneficiary programme on "Small Projects Programme".

<sup>153</sup> Available at: <http://www.imo.hr/europa/conf/index.html> (last access: 07.08.2007).

<sup>154</sup> In his column «European middle age crisis», in : Europe (special weekly supplement on EU integrations), Novi list, 2 April 2007, p. 1-6.

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<sup>155</sup> Jutarnji list, 24 and 26 June, 2007.

<sup>156</sup> Information obtained from the official website of the Cypriot House of Representatives, available at: <http://www.parliament.cy/> (last access: 08.08.2007).

<sup>157</sup> President Papadopoulos' statements, Brussels, 23/06/2007 (as reported by all Cypriot media).

success, commenting that the German Presidency had succeeded in reconciling the different views expressed and described both the approval of the declaration and the 2009 timeframe it sets as of great significance<sup>158</sup>.

The majority of political parties, which also held special ceremonies at their headquarters, welcomed the signing of the declaration and pointed out that it addresses key priorities for the future of Europe, underlining, though, that the declaration made no mention of controversial issues such as future enlargement and Turkey and the Balkan nations<sup>159</sup>.

Germany's efforts during its six-month EU chairmanship were undisputedly well received in Cyprus. Berlin has managed to conclude its term by producing a new treaty blueprint, in a climate of intense disputes. It also achieved to come up with a fresh justice legislation and reach a major deal on climate change. Taking into account the Presidency's goals, elaborated when it assumed its responsibilities in January, it seems that both the reopening of the discussions on the constitution for Europe and the celebration of 50 years of the Treaty of Rome were attained successfully.

In general terms, Nicosia was deeply satisfied with the progress reached in the EU arena. On the other hand, the discussions at the EU level over the issue of the trade regulation with the Turkish Cypriot community upset the sensitivities of the Cypriots.

Nicosia maintains that the Turkish and Turkish Cypriot claim of the alleged 'isolation' of the Turkish Cypriot community is unfounded and unacceptable. High ranking officials at the Ministry of Foreign Affairs (MFA) conveyed to KIMEDE that the government is constantly working abroad to communicate the facts for the real reasons leading to the under-development of the economy of the occupied areas of the Republic<sup>160</sup>. [The occupied territories of Cyprus are a product of the 1974 illegal Turkish military invasion. The occupation and declaration of attempted secession were unanimously condemned by the international community<sup>161</sup>.] Political circles wonder how is it

possible to have 'direct trade' with a regime that is a product of an illegal action and is not recognized by any other country in the world (except Turkey)<sup>162</sup>.

The MFA officials explain that the government could never accept the term 'isolation' of the Turkish Cypriots and stressed that the creation of separate interests in the island will "definitely lead to division and two separate states". They highlight the need for establishing common interests between the two communities, instead of granting autonomous trade rights<sup>163</sup>.

Cypriot MEP Panagiotis Demetriou (EPP-ED) explained that Turkey's aim is not the financial support of the Turkish Cypriots, but the upgrading of the illegal status of the non-government controlled areas<sup>164</sup>. He advocated that the European Commission does not keep a "balanced policy", since it is pressing for the adoption of a regulation which will undermine the Republic's sovereignty. Cypriot MEP Adamos Adamou (GUE/NGL) also adds that the direct trade regulation is a kind of 'partition' from the Republic of Cyprus<sup>165</sup>.

On April 1st, Foreign Minister Lillikas submitted to German Foreign Minister Steinmeier and to Enlargement Commissioner Rehn a set of new proposals for the financial support of the Turkish Cypriot community. The Lillikas stressed that besides the economic development of the Turkish Cypriots, the aim of the package is the enhancement of cooperation between the two communities and the strengthening of the prospect of reunification. In general the proposal provides for: (1) the increase of products which can be traded through the Green Line, (2) a section of Larnaca port to be used for the Turkish Cypriots' exports and be managed by Turkish Cypriots, (3) no extra taxation to be imposed, and (4) the establishment of joint Greek Cypriot and Turkish Cypriot enterprises. During a press conference in Bremen, Mr Giorgos Lillikas pointed out that the government had also submitted in the past various proposals for the financial aid of the Turkish Cypriots which it had unilaterally implemented in cooperation with the European Commission. He commented that the continuation of the measures requires a positive response from

<sup>158</sup> President Papadopoulos' statements, Rome, 26/03/2007 (as reported by all Cypriot media).

<sup>159</sup> Political Parties Announcements, Cyprus News Agency, 26/03/2007.

<sup>160</sup> Interviews conducted by Christos Xenophontos, Ministry of Foreign Affairs, Nicosia, 7-9/05/2007.

<sup>161</sup> See Costas Melakopides: *Unfair Play: Cyprus, Turkey, Greece, the UK and the EU*, Martello Papers 29 (Kingston,

Ontario: Queen's University Centre for International Relations, 2006).

<sup>162</sup> Ibid.

<sup>163</sup> Ibid.

<sup>164</sup> Interviews conducted by Nicoleta Athanasiadou, European Parliament, Strasbourg, 18-21/06/2007.

<sup>165</sup> Ibid.

the other side. He clarified that this proposal is independent from the direct trade regulation, explaining that the regulation does not facilitate the reunification of the country<sup>166</sup>.

At the end of its term and despite the constant contacts with the Cypriot government, the German Presidency was unable to promote a consensus among the EU-27 on the regulation at the latest COREPER sub-committee discussion on May 22 and thus the issue is being referred to the Portuguese Presidency. MEP Demetriou comments that during the Portuguese term, if Cyprus maintains a firm position on the matter, the Turkish positions will not be promoted<sup>167</sup>. He highlights that the European Commission's attempt to approve the regulation based on Article 133, i.e. by qualified majority, cannot be accepted. On this, he agrees with Foreign Minister Lillikas who repeatedly stated that Nicosia insists that the regulation should be adopted on the basis of Protocol 10 of the Accession Treaty which states that the non-government controlled areas are part of the Republic where the *acquis* is temporarily suspended. The government is ready to appeal to the European Court of Justice if necessary<sup>168</sup>.

## Czech Republic

### *From Eurosceptics to constructive critics?*

The debate in the Czech Republic regarding the future of Europe is mainly influenced by two factors. Firstly, since January 2007 the governing coalition is dominated by the euro-sceptical Civic Democratic Party. The party has repeatedly criticised the Treaty Establishing a Constitution for Europe.<sup>169</sup> Even though the views of the other two parties in the coalition (the Christian Democrats and the Greens) are more "Europhile", several analysts agree that the Czech foreign policy has generally turned in the direction of more outspoken criticism of the EU.<sup>170</sup> Secondly, because the Czech Republic will hold the EU presidency during the first half of 2009, this

has influenced the debate on the future of the Constitutional Treaty and the Reform Treaty. The Government would like to have things solved before the Czech presidency starts. It is believed that if the Czech Republic would have to take on these questions during its presidency it would impede their chances for a smooth presidency, and potentially hinder their ability to emphasise their own priorities during those six months.<sup>171</sup> Thus, the latter factor might be one explanation for what some analysts described as a more constructive turn of Czech EU policy at the June Council.<sup>172</sup>

Reactions from the Czech government about the outcome of the June European Council have been positive overall. The Czech Prime Minister, Mirek Topolánek, argued that the new agreement is much better than the Constitutional Treaty and was primarily satisfied with the fact that the treaty did not include constitutional or state symbols and that the EU would have a high representative and not a foreign minister.<sup>173</sup> Also representatives of the strongest opposition party, the Social Democrats, have expressed support for the Reform Treaty, even if their interpretation is slightly different from that of the Civic Democrats. The Social Democrats emphasise the similarities between the Reform Treaty and the Constitutional Treaty, yet in opposition to the government they call for a referendum.<sup>174</sup> The main voice of scepticism regarding the Reform Treaty has come from the Czech President, Václav Klaus, who believes that in comparison to the Constitutional Treaty the changes are merely of a cosmetic nature.<sup>175</sup>

In April the Czech coalition government agreed on the future of the Constitutional Treaty and claimed that the new treaty should be based on the Constitutional Treaty, only it should be simplified and more transparent. The

<sup>166</sup> Foreign Minister Lillikas' statements, Bremen, 01/04/2007 (as reported by all Cypriot media).

<sup>167</sup> Interviews conducted by Nicoleta Athanasiadou, European Parliament, Strasbourg, 18-21/06/2007.

<sup>168</sup> Foreign Minister Lillikas' statements, Nicosia, 25/02/2007 (as reported by all Cypriot media).

<sup>169</sup> For a detailed discussion see also EU Watch 25/27 No. 4. Scenarios.

<sup>170</sup> See e.g. Jiří Pehe, *Evropská politika? (European Policy?)* In Mf Plus, 2 February 2007, available at: <http://www.pehe.cz/Members/redaktor/clanek.2007-02-02.6922902983> (last access: 14.08.2007).

<sup>171</sup> Speech by Jan Sochorek (Government's office), Round table on the preparations for Czech EU presidency, Association for International Affairs 19 June 2007.

<sup>172</sup> See for instance interview with Pavel Tělička in *Údlosti a Komentáře*, Czech Television 22 June 2007, available at: <http://www.ct24.cz/vysilani/?id=155061&porad=&datum=> (last access: 14.08.2007).

<sup>173</sup> S výsledky summitu EU je spokojen i Topolánek (With the outcome of the EU summit it is also Topolánek satisfied), Czech News Agency, 23 June 2007.

<sup>174</sup> Paroubek: Přijetí unijní smlouvy ano, ale v referendu (Paroubek: Yes to the new treaty, but in referendum), Cesko.iHNed.cz, 25 June 2007, available at: [http://domaci.ihned.cz/c4-10076540-21477200-002000\\_d-paroubek-prijeti-unijni-smlouvy-ano-ale-v-referendu](http://domaci.ihned.cz/c4-10076540-21477200-002000_d-paroubek-prijeti-unijni-smlouvy-ano-ale-v-referendu) (last access: 14.08.2007).

<sup>175</sup> Češi chtějí jinou EU, moc šancí nemají (Czechs want another EU, but do not have big chances) Mladá Fronta Dnes 25 June 2007.



document called for fair representation of EU member states independent of their size. Later, representatives of the government embraced the Polish proposal and also expressed support for the so-called orange card. The main emphasis in the government's position was that a new treaty should not include any quasi-state symbols and should not be called a constitution – a point to which both Prime Minister, Mirek Topolánek, and Minister for European Affairs, Alexandr Vondra, have repeatedly returned to during the negotiations. Furthermore, the government's position also stated that the charter of fundamental rights should not be a legal part of the new treaty.<sup>176</sup>

Before the June Council, the opinion regarding possible agreement was already optimistic among Czech government representatives. The main reason for optimism was the belief that other member states had come closer to the Czech's view of the Constitutional Treaty, and that they had accepted the new treaty to be nothing more than a standard revision of the old treaty's framework.<sup>177</sup> The government could agree to support the Polish proposal of a changed voting system, even if the Greens were less interested in this issue than the Civic Democrats. In the end, Prime Minister Topolánek mandated the Polish proposal, stating that it was better than the original one, but not an important enough issue to block the Council's outcome.<sup>178</sup> Yet, before the June Council, Topolánek argued that veto was a possible Czech option in case the treaty would include "constitutional or quasi-state features".<sup>179</sup>

The Czech line further included a commitment not to accept any long lasting exceptions for

certain states from the general agreement. Therefore, the British exception in the field of internal affairs and justice was considered a minor setback. On the other hand, the Czech government presented the so-called two-way flexibility, with an emphasis on the possibility of returning competences to the national level as a specific Czech demand. This was integrated into the German proposal already before the summit. However, since two-way flexibility is part of the existing treaty specifying this demand, according to oppositional politicians, could not fail and the government was therefore accused of populism.<sup>180</sup>

Both oppositional politicians and some commentators argue that the Czech position at the June Council was too fixated on rejecting state symbols and state building. According to the opinion of critics, this is not in the national interest of the Czech Republic. Since the Czech Republic is a small country in the centre of Europe, deeper cooperation should be a priority for them; especially if the Czech republic wants the bigger European powers, who make the agreements, to take Czech opinion into account.<sup>181</sup> The Greens on the other hand view the focus on symbols as a necessary sacrifice in order to save the important parts of the Constitutional Treaty.<sup>182</sup>

In general, the German presidency has received media attention primarily in relation to the attempts to solve the problems surrounding the Constitutional Treaty. The first visit of the German Chancellor, Merkel, to the Czech Republic in January received rather extensive media coverage. Mainly it was about the differences between the German and Czech government's view for the future Constitutional Treaty. However, whereas Czech Prime Minister, Topolánek, endorsed the view that it was necessary to achieve some progress regarding the new treaty – as a precondition for further enlargement – and therefore in

<sup>176</sup> Pozice vlády České republiky v rámci jednání o institucionální reformě Evropské unie (Position of the government of the Czech Republic regarding the negotiations on the institutional reforms of the EU), available at: [http://www.vlada.cz/assets/cs/eu/dokumenty/Pozice\\_vlady\\_CR\\_final\\_25.4..pdf](http://www.vlada.cz/assets/cs/eu/dokumenty/Pozice_vlady_CR_final_25.4..pdf) (last access: 14.08.2007).

<sup>177</sup> Výběr odpovědí z rozhovoru s českým premiérem před summitem EU  
Datum vydání (Interview with the Czech Prime Minister before the EU summit). Czech News Agency, 20 June 2007.

<sup>178</sup> Liška ostře kritizoval českou evropskou politiku (Liška (the Greens) sharply criticised the Czech European Policy) Týden 12 June 2007, available at: [http://www.tyden.cz/rubriky/domaci/liska-ostre-kritizoval-ceskou-evropskou-politiku\\_13491.html](http://www.tyden.cz/rubriky/domaci/liska-ostre-kritizoval-ceskou-evropskou-politiku_13491.html) (last access: 14.08.2007).

<sup>179</sup> Výběr odpovědí z rozhovoru s českým premiérem před summitem EU  
Datum vydání (Interview with the Czech Prime Minister before the EU summit). Czech News Agency, 20 June 2007.

<sup>180</sup> Češi v Bruselu uspěli s většinou požadavků (Czechs successful with most of their demands) available at: <http://www.euroskop.cz/21479780/clanek-zpravodajstvi/cesi-v-bruselu-uspeli-s-vetsinou-pozadavku/> (last access: 14.08.2007).

<sup>181</sup> See for instance interview with Jiří Paroubek in Údlosti a Komentáře, Czech Television 22 June 2007, available at: <http://www.ct24.cz/vysilani/?id=155061&porad=&datum=> (last access: 14.08.2007), see also e.g. Lukáš Macek, Náš spojenec je Merkelová, nikoli Kaczyński (Our allied is Merkel and not Kaczyński) available at: <http://www.euroskop.cz/21465770/clanek-zpravodajstvi/lukas-macek-nas-spojenec-je-merkelova-nikoli-kaczy-sti/> (last access: 14.08.2007).

<sup>182</sup> Česko dokázalo nabídnout přemostění (Czech managed to offer a bridge, interview with the vice Chairman of the Greens ONDŘEJ LIŠKA. Právo 27 June 2007.

general supported the main priority of the German presidency, President Klaus criticised the whole idea and disliked forcing a quick solution. According to Klaus, there was no need to rush since the EU functions well without a new treaty.<sup>183</sup>

The preparation of the Berlin declaration was publicly criticised by government officials from the Civic Democratic Party. The criticism focused on the lack of participation and direct discussions about the content of the declaration.<sup>184</sup> In the end, they found the declaration text to be "acceptable" mainly because the Constitutional Treaty was not directly mentioned in the text.<sup>185</sup> The opposition (the Social Democrats), on the other hand, expressed regrets that the declaration did not refer directly to the Constitutional Treaty.<sup>186</sup> Yet, the official Czech line was that of acceptance but only given the symbolic nature of the declaration. At the March summit, President Klaus, who emphasised that he did not consider the Berlin Declaration necessary for the EU, represented the Czech Republic.<sup>187</sup> Representatives of the smaller governing parties, the Greens and the Christian Democrats on the other hand expressed their support for the formulations of the declaration.

## Denmark

The German Presidency in general, and Chancellor Angela Merkel in particular, have been praised in Denmark for their strong

leadership and work on negotiating the Berlin declaration, and for laying out a tight EU treaty timetable in the attempt to solve the problems left by the ratification failures of the constitutional treaty.<sup>188</sup> These two issues have largely coloured Danish coverage of the German Presidency.

With regard to the Berlin declaration, Danish Prime Minister, Anders Fogh Rasmussen (liberal party), expressed his contentment with Angela Merkel for listening to the Danish positions, and for leaving out the reference to the treaty that could offend some Danes.<sup>189</sup>

However some voices, especially in the social liberal party, also criticized the Berlin declaration for being too diluted and lacking concrete objectives on the future of the EU – thereby indirectly reflecting the internal division of the Union.<sup>190</sup> Two Danish parties published their own alternative to the Berlin declaration. The Danish people's party suggested a more restricted union and saw no need for a new constitutional treaty or future EU enlargement.<sup>191</sup> In contrast, the social liberals called for a more visionary declaration and would welcome Turkey and Croatia as new members.<sup>192</sup>

The Danish parliament's European Committee complained about the closed process leading to the Berlin declaration and the fact that national capitals only received the draft document two days before its adoption, thus making it difficult for them to debate the content. The European Committee held a consultation meeting on the Berlin declaration on the 23 March, where a majority expressed strong dissatisfaction with the fact that the Danish Prime Minister did not attend the meeting, but sent the Minister of Finance, Thor Pedersen (liberal party), as his replacement.<sup>193</sup>

<sup>183</sup> Václav Klaus, Zastavme slévání Evropy kvalitní ústavou (Let's stop fusing Europe by means of quality constitution), in Mladá fronta dnes, 22 January 2007.

Merkelová si od Topolánka vyslechla české výhrady k euroústavě (Merkel learned from Topolánek Czech criticism of the European constitution) Czech News Agency, 26 January 2007.

<sup>184</sup> Vondra: Evropská unie potřebuje reformy (Vonodra: the EU needs reforms) Czech News Agency, 20 March 2007., Berlín odmítá českou kritiku přípravy výroční deklarace EU (Berlin rejects Czech criticism of preparations of Berlin declaration) Czech News Agency, 21 March 2007.

<sup>185</sup> Vláda akceptuje deklaraci, která vyzdvihla sjednocení, hodnoty EU (The Government accepts declaration that emphasised EU values) Czech News Agency, 23 March 2007, Prohlášení premiéra Topolánka k přípravě Berlínské deklarace (Statement of Prime Minister Topolánek to the preparations of the Berlin declaration, Czech News Agency, 22 March 2007.

<sup>186</sup> Rouček by na rozdíl od ODS a KDU-ČSL ústavu do deklarace dal (Rouček would in difference to Civic Democrats and Christian Democrats include the Constitution in the declaration) Czech News Agency, 25 March 2007.

<sup>187</sup> Klaus: Integrace EU je prospěšná, ale nesmí jít nežádoucím směrem (Klaus: Integration of the EU is beneficial, but should not be allowed in the unwanted direction) Czech News Agency, 25 March 2007.

<sup>188</sup> Jyllands-Posten – Slagkraftig Merkel baner vej for ny EU-traktat. 26 March 2007; Berlingske Tidende - Tyskland sætter sig igennem med krav om ny traktat – 24 March 2007; Berlingske Tidende – Merkel i sit es som værtinde i Berlin – 23 March 2007.

<sup>189</sup> Berlingske Tidende: Ingen diskussion om EU-forbehold nu – 25 March 2007.

<sup>190</sup> Jyllands-Posten – EU 50 år: Merkel: Ny EU-traktat om to år – 25 March 2007; Information – Fokus: EU 50 år: Europa-skænderi: Fogh stærkt savnet i Europaudvalget – 24 March 2007.

<sup>191</sup> Mogens Camre – Alternativ Berlin-erklæring – March 2007.

<sup>192</sup> Lone Dybkjær – Det Radikale Venstres bud på en Berlin-erklæring – March 2007.

<sup>193</sup> Elisabeth Arnold, Formand for Europaudvalget – Udkast til Beretning om Berlin-erklæringens behandling i Europaudvalget.

It should also be mentioned that the Danish translation of the Berlin declaration was criticized for being too political, especially regarding the translation of the word 'Glück'. This German word translates into 'fortune' or 'happiness', but in the Danish translation it was translated as 'vores fælles bedste', which means 'for the common good'. According to Henning Koch, a professor in constitutional law at Copenhagen University, the use of the word *Glück* in the declaration to describe the good fortune of 50 years of peace and unity was considered too grandiose for the Danes' liking.<sup>194</sup> 'There are so many deviations in the Danish version that it cannot possibly be a coincidence' Koch told Danish daily *Politiken* on 26 March.

In general, the Berlin declaration opened a broader debate in the Danish media on the future of the EU which, apart from the fate of the constitutional treaty, has also increasingly concerned the issue of the four Danish opt-outs (on defence, justice and home affairs, citizenship and the euro).

With regard to the future of the constitutional treaty, Fogh Rasmussen was since the beginning of the German EU-presidency supportive of Angela Merkel's timetable. Prior to the European Council meeting in June, Fogh Rasmussen, together with Foreign Minister Per Stig Møller (conservative party), expressed the hope that the 27 member states would agree on a clear mandate and that a new treaty could be ratified before the 2009 elections to the European Parliament. Fogh Rasmussen reiterated in his concluding speech in the Danish parliament in late May that the constitutional treaty contained a number of very good elements, such as the compromise on the EU institutions and the new decision making procedure, which should be preserved.<sup>195</sup> Still, he generally supported the view that a new treaty should be simpler than the previous document. This point of view was also supported by the social democrats, the social liberals<sup>196</sup> and to some extent the socialist people's party, who insists upon a referendum.<sup>197</sup>

As recommended by the Ministry of Justice, and as has almost become a tradition on EU treaties, Denmark was planning to hold a referendum on the constitutional treaty. Prior to the June Council Fogh Rasmussen was reluctant to comment on whether or not there would be a Danish referendum on a new treaty.<sup>198</sup> This topic constitutes a major issue of debate in Denmark. Although there have been guesses that for some time Fogh Rasmussen has been keen on avoiding a referendum, the Prime Minister's own position was that as long as the exact contents of the treaty were unknown, it did not make sense to discuss the possible applicability of article 20 in the Danish constitution.<sup>199</sup> This article holds that if Denmark transfers sovereignty, a referendum must be held (unless a 5/6<sup>ths</sup> majority in parliament is secured). Prior to the negotiations in Brussels, nine mostly technical areas in the constitutional treaty would, according to the Danish Ministry of Justice, have involved a transfer of Danish sovereignty. With the exception of the left wing unity list and the right wing Danish people's party, prior to the June summit the EU spokespersons for the remaining parties in parliament appeared to accept ratification without a referendum *provided* there was no transfer of sovereignty.<sup>200</sup>

The EU June summit was widely covered in the Danish media. In the period just prior to the summit the leaked draft of the reform treaty was intensely discussed, with discussions revolving around the nine points of the treaty that would require its ratification through a referendum. After Danish civil servants held a consolatory meeting with the German presidency, the nine controversial points disappeared from the treaty, leading to allegations from both protagonists and antagonists of the treaty that the government had broken its mandate from parliament by deliberately negotiating a treaty that would not require a referendum.<sup>201</sup> The government maintains that removal of the nine points was not a deliberate strategy to avoid a referendum, but underlines that its general position is that it is in the Danish interest to minimise sovereignty-transfers.

<sup>194</sup> *Politiken* – Professor: EU-erklæring er politisk oversat – 26 March 2007.

<sup>195</sup> Prime Minister Anders Fogh Rasmussen's speech in the Danish Folketing, 31 May 2007, available at: [www.stm.dk](http://www.stm.dk) (last access: 08.08.2007).

<sup>196</sup> "Ja partier dropper EU forfatning", *Berlingske Tidende*, 21 April 2007.

<sup>197</sup> "Foghs europæiske mareridt" *Jyllands-Posten*, 6 June 2007.

<sup>198</sup> "Foghs europæiske mareridt", *Jyllands-Posten*, 6 June 2007.

<sup>199</sup> *Jyllands-Posten* – Fogh: EU- traktat på plads inden nytår - 26 March 2007.

<sup>200</sup> Debate meeting about a developing new treaty with members of the European Committee of the Danish Parliament, Christiansborg, 18 June 2007.

<sup>201</sup> Jakob Sorgenfri Kjær, 'SF: Regeringen sjøfler Folketinget', *Politiken*, 20 June 2007.



Especially the Danish people's party and the unity list call for a referendum on the reform treaty, both being largely against Danish EU-membership. They are supported in their calls for a referendum by the two EU-sceptical movements, 'Junibevægelsen' (June movement) and 'Folkebevægelsen mod EU' (the people's movement against the EU).<sup>202</sup> Following the summit the people's movement against the EU started collecting signatures to pressure the government to ratify the treaty through a referendum.<sup>203</sup> This reflects the attitude of the public, where a recent poll has shown a 70% majority for a referendum.<sup>204</sup> The actual contents of the reform treaty have been received tepidly. There is satisfaction with the climate declaration that has been included in the treaty,<sup>205</sup> but generally the treaty is viewed as carrying 'half of the ideals' from the Laeken process.<sup>206</sup> In particular the lack of transparency in the new treaty compared to the previous constitutional treaty is viewed as a drawback.<sup>207</sup> The Danish chamber of commerce has moreover expressed its concern over the adoption of the French proposal to strike the words 'undistorted competition' from the treaty.<sup>208</sup>

It should also be mentioned that recent debates on the future of the Union have sparked renewed attention to the four Danish opt-outs. At a European conference marking the 50<sup>th</sup> anniversary of the Treaty of Rome held on 23 March, Foreign Minister Per Stig Møller stated that a new debate on the opt-outs would be relevant as soon as a new treaty was ratified. He argued that the opt-outs posed too many obstacles for Danish EU membership.<sup>209</sup> A majority in the Danish parliament members agree that a referendum on the Danish opt-outs should be held and that the four opt-outs

should be abolished.<sup>210</sup> There is, however, a clear agreement amongst the five EU-positive parties in parliament (the liberals, the conservatives, the social democrats, the social liberals and the socialist people's party) that a referendum on the opt-outs should not be connected to a possible referendum on a new treaty.

## Estonia

With regard to its positions on the fate of the Constitutional Treaty, Estonia was certainly in the maximalist club. Following the ratification of the treaty on May 9<sup>th</sup>, 2006 by the Estonian Parliament, the country's key officials repeatedly called for ratification of the text by all member states. Although the results of the June 2007 European Council fall short of the maximalist objectives, the Estonian government welcomed the outcome, relieved, like many others, that the German Presidency succeeded in forging an agreement. An overview of the results of the meeting, prepared by the government's EU Secretariat claims that "the Mandate for the Intergovernmental conference corresponds to Estonia's positions and Estonia fully supported the Presidency in its proposals."<sup>211</sup> Overall, the media seems to have shared this sentiment. Over the weeks preceding the summit, the bargaining over the fate of the treaty was portrayed as a struggle between (integrationist) common sense and out-of-place selfishness. However, the media also pointed out the disappointing complexity of the new treaty, the envisioned 10-year delay in fully implementing the new voting system, and the deep divisions in the Union that once again manifested themselves at the summit. The debates over the fate of the treaty have not had noteworthy effects on public opinion. While public support for EU membership has broken new records (in May, 85% of voting age population supported membership) this can almost certainly be attributed to the Bronze Soldier crisis of April-May 2007 – for more information, see section 5 of this report.<sup>212</sup>

<sup>202</sup> "Debat: Kunsten at snyde os", Jyllands-Posten, 21 May 2007; "Folkebevægelsen: Regeringen manipulerer med EU traktat", Ritzau, 6 June 2007.

<sup>203</sup> Rina Ronja Kari, 'Folkebevægelsen samler underskrifter for folkeafstemning', available at: <http://www.folkebevaegelsen.dk/seartikel.php?artikelnr=1944> (last access: 25.06.2007).

<sup>204</sup> 'Stort flertal for dansk EU-folkeafstemning', Politiken, 24 June 2007.

<sup>205</sup> Jakob Sorgenfri Kjær, 'Fogh vil have klimaet med i ny EU-traktat', Politiken, 22 June 2007.

<sup>206</sup> Brigitte Alfter, 'Halvdelen af idealerne', Information, 25 June 2007.

<sup>207</sup> 'EU-forsker: EU bliver ikke smukkere', Politiken, 25 June 2007.

<sup>208</sup> 'Dansk Erhverv: Fransk undtagelse i traktaten bekymrer', 23 June 2007.

<sup>209</sup> UM - Tale af Udenrigsminister Per Stig Møller ved Europakonferencen den 23. marts på kunstmuseet Arken.

<sup>210</sup> DR Nyheder/Politik – Fogh: EU-forbehold skal væk – på sigt – 24 March 2007.

<sup>211</sup> State Chancellery, "Ülevaade 21.-23. juunil 2007. a Brüsselis toimunud Euroopa Ülemkogu Kohtumiseest," available at: [www.riigikantselei.ee/euroopa](http://www.riigikantselei.ee/euroopa) (last access: 13.08.2007).

<sup>212</sup> State Chancellery, Press Release, May 25, 2007, available at: [www.riigikantselei.ee/euroopa](http://www.riigikantselei.ee/euroopa) (last access: 13.08.2007).

A government's position paper prepared prior to the June European Council outlines Estonia's preferences in greater detail.<sup>213</sup> Estonia supported the presidency's objective of agreeing on the mandate for the Intergovernmental Conference that would preserve most of the reforms stipulated in the Constitutional Treaty. It was willing to abandon the constitutional character of the treaty (together with references to symbols such as the EU's flag, anthem, etc) and accept a less ambitious "reform treaty." While Estonia preferred that the supremacy of EU law be clearly spelled out in the treaty, it was willing to accept a text that does not mention this principle, given that the supremacy principle is already well established by decisions of the European Court. Estonia supported giving the Union a "legal personality" and abolishing the pillar system. While it preferred that the Charter of Fundamental Rights be incorporated in the treaty, it was willing to accept a legally binding reference to the charter.

Estonia wished to keep the institutional package intact and objected to opening the package to new negotiations. In particular, changing the system of voting weights in the Council of Ministers constituted a "red line" that Estonia was not willing to cross, according to Prime Minister Ansip.<sup>214</sup> It was firmly opposed to changing the system of qualified majority voting as defined in the Constitutional Treaty. Regarding the clause on enlargement, Estonia was willing to include a reference to the Copenhagen criteria but was opposed to wording that could be used to slow down further enlargement.

The Berlin declaration got little attention in Estonia and the celebration of the 50<sup>th</sup> anniversary of the Treaties of Rome remained mostly an official affair. According to a public opinion study by TSN Emor, less than a third of Estonia's inhabitants had heard of the fact that Estonia was celebrating the 50th anniversary of the Treaties.<sup>215</sup> The text of the declaration was printed in the main newspapers but there was little public discussion. One of the few commentaries called the declaration "not very

exciting," and reflective of the "lowest common denominator."<sup>216</sup> The EU was expected to demonstrate unity in deeds, not words. However, the declared intent to renew the foundations of the European project by 2009 was certainly consistent with Estonian government's integrationist positions. The government would probably have preferred a stronger declaration of support for further enlargement and more emphasis on EU's obligations in its neighbourhood; still, the respective references in the current text can be considered more or less satisfactory.

Estonian expectations regarding the German presidency, as outlined in the government's position paper, included developing an innovation policy to enhance competitiveness, ensuring sustainable energy supplies, reducing the tax burden in the internal market, starting discussion over the reform of EU budget, and speeding up international negotiations over climate change. In terms of external relations, Estonian priorities included fostering the European Neighbourhood Policy and developing a partnership with Russia based on common values.<sup>217</sup> Overall, Estonia seems content with progress made in these areas and joins the ranks of the admirers of Angela Merkel's "diplomatic magic" (in particular, with reference to the results of the June European Council and the G8 summit in Heiligendamm).<sup>218</sup>

However, perhaps the most important criterion by which Estonia will assess the German presidency is Germany's and EU's behaviour during and after the "Bronze Soldier" crisis of April-May 2007. The events that unfolded following the government's decision to remove a Soviet-era statue from central Tallinn (two nights of massive rioting and looting in Tallinn and other cities, a siege of the Estonian embassy in Moscow, physical attacks on the ambassador, three weeks of intense cyber-attacks on Estonia's IT-infrastructure) amounted to a most serious test of Estonia's statehood since the restoration of independence. The attempts of Merkel and the German government to mediate Estonian-Russian relations, the delayed but unequivocal condemnation of Moscow's activities by the EU and member states' governments, and

<sup>213</sup> Government's position paper for the June 2007 European Council: "Informatsioon ja Eesti seisukohad Euroopa Ülemkogu kohtumiseks 21.-22. juunil 2007", available at: [www.riigikantselei.ee/euroopa](http://www.riigikantselei.ee/euroopa) (last access: 13.08.2007).

<sup>214</sup> "Hirmud päevavalgel," editorial in Postimees, June 26, 2007.

<sup>215</sup> State Chancellery, Press Release, May 25, 2007, available at: [www.riigikantselei.ee/euroopa](http://www.riigikantselei.ee/euroopa) (last access: 13.08.2007).

<sup>216</sup> Interview with Quentin Peel, "Uskuda, edasi liikuda, eeskujuga," Diplomaatia, No. 43, April 2007.

<sup>217</sup> Ministry of Foreign Affairs, 24 January 2007, "Aims of the Estonian Government during the German Presidency", available at: [www.vm.ee](http://www.vm.ee) (last access: 13.08.2007).

<sup>218</sup> "Merkel's magic," The Economist, June 30<sup>th</sup>, 2007.

Merkel's and Barroso's supportive statements at major international meetings were highly appreciated. However, there are still lingering concerns that Germany is capable of treating the worries of new member states with a sense of great power superiority and may regard Estonia's problems with Russia as unnecessary bickering that stands in the way of more important, mutually beneficial deals between Germany (or other old member states) and Russia. Such sentiments were amplified by certain statements of German Foreign Minister Steinmeier during his visit to Estonia in July 2007.<sup>219</sup>

## Finland

The German EU Presidency, following the Finnish one, has been regularly featured in the Finnish media right from the beginning of the Presidency period. The general mood in the Finnish leading press (especially Finland's largest daily Helsingin Sanomat), regarding Germany's turn at the EU helm, is one of optimism coupled with high expectations.<sup>220</sup> These expectations centre mostly on Germany's potential ability to breathe new life into the perceived stagnation of the EU brought on by the failed Constitution (TCE)<sup>221</sup>, europessimism of the public opinion and the pursuit of national interests at the expense of Union politics. German Chancellor Angela Merkel's leadership in the Presidency is described as strong. She will be the most senior statesman of a European big power after power shifts in France and the UK. Her success in rallying European leaders behind strict green house gas emission goals in March is well noted, as is her successful mustering of support for the Berlin Declaration.<sup>222</sup> Hopes of the press of a reinvigoration of the Union are shared by the Finnish political leadership. For example Finnish President Tarja Halonen has described the German Presidency, and especially Germany's efforts to revive the Constitution, as ambitious and has assured the current EU President of Finland's full support in this endeavour.<sup>223</sup>

The consensus on the draft reform treaty on the EU – the main outcome of the European Council in June – was welcomed by Finland. Both the Finnish Prime Minister and the Finnish President confirmed that all of Finland's objectives regarding the Treaty were reached. Finland, having ratified the TCE, favoured preserving as much from the original treaty as possible. Finland emphasized the importance of improving the efficiency of the Union, which it believes may be achieved through majority voting. Media coverage on the conclusions of the Summit centred on presenting details of the new agreements, lamenting Poland's allegedly limited understanding of international diplomatic bargaining and lack of moderation, as well as lauding Merkel's leadership in the whole negotiation process.<sup>224</sup> The cooperation of both Sarkozy and Merkel was very helpful in convincing dissenters to join the consensus. For some commentators the success of the Summit even seems to signal a new era in the history of the Union: the power centre of the EU has now permanently shifted from France to Germany.<sup>225</sup>

The Berlin Declaration and the accompanying anniversary festivities prompted extensive media coverage in Finland along with pause-for-thought-analyses on the historic achievements of European unification. Among others, Helsingin Sanomat and Suomen Kuvalehti – Finland's biggest quality weekly – both ran editorials lauding the EU as an usher of peace on the continent. The Declaration is important as a spirit-lifter and a reminder of the EU's achievements and may contribute to the resurrection of the TCE.<sup>226</sup> Articles with less an optimistic emphasis noted that the content of the Declaration has been disputed among Europe's leaders, which is a telling sign of the lack of consensus within the Union. The fact that the word "Constitution" does not even feature in the Declaration is symptomatic of the Union's crisis.<sup>227</sup>

<sup>219</sup> Raimo Poom, „Steinmeier: suhted Venega on muredest tähtsamad“ Eesti Päevaleht, July 12, 2007.

<sup>220</sup> Suomen Kuvalehti, Editorial, 30.3.2007; Helsingin Sanomat, Editorial, 28.3.2007.

<sup>221</sup> The Finnish Parliament ratified the Treaty establishing a Constitution for Europe (TCE) on the 5<sup>th</sup> of December 2006.

<sup>222</sup> Helsingin Sanomat, Editorial, 6.1.2007; Helsingin Sanomat, Editorial, 28.3.2007.

<sup>223</sup> Presidentti.fi, President of Finland, Tarja Halonen, Speech during state visit to Germany, 3.5.2007, available at:

<http://www.presidentti.fi/netcomm/news/showarticle.asp?intNWSAID=62482> (last access: 13.08.2007).

<sup>224</sup> Aamulehti, Article, 25.6.2007, p. A18; Helsingin Sanomat, Article, 25.6.2007, p. B1.

<sup>225</sup> FIIA/European Finland seminar on the conclusions of the June 2007 European Council, 25.6.2007, private argument put forward in a presentation.

<sup>226</sup> Helsingin Sanomat, Editorial, 25.3.2007; Suomen Kuvalehti, Editorial, 30.3.2007; Helsingin Sanomat, Column, 27.3.2007, p. A1; Ilta-Sanomat, Article, 27.3.2007.

<sup>227</sup> Suomen Kuvalehti, Article, 23.3.2007, pp.28-31; Turun Sanomat, Editorial, 27.3.2007.

As to other achievements of the German Presidency, the following merits a remark: Helsingin Sanomat viewed Merkel's early January visit to the White House as a welcome effort to improve US-German relations after the cooling down of Germany's transatlantic relationship under previous Chancellor Schröder.<sup>228</sup> This reverberates in the Finnish context, as there is a general perception in Finland that Finno-US relations could be better than they are at the moment. This issue will be elaborated on in section 5.

## France

### *Reactions to the conclusions of the European Council in June 2007*

French reactions to the conclusions of the European Council in June 2007 are mixed. The French government and many right-wing politicians have hailed President Nicolas Sarkozy's personal accomplishment in creating a "Traité simplifié" (simplified Treaty) – defended by the President during a speech in Strasbourg on July 2<sup>nd</sup> and by Prime Minister François Fillon during his general policy speech at the National Assembly on July 4<sup>th</sup>.<sup>229</sup> – that was approved by Merkel's German presidency and finally adopted. With this treaty, the French President appears to have discovered a middle road between the "yes" and "no" votes.<sup>230</sup> Despite the fact that France had the mention of "free and non distorted competition" withdrawn from the treaty, the impact of this elimination is seriously questioned by experts, who believe that the liberal economic spirit of the treaty still remains. For right-wing politicians and many newspapers, the European Council marks the end of the two-year European paralysis<sup>231</sup> which began when France voted "no" to the constitution in May 2005. They also view it as the return of France<sup>232</sup> ("France is back in Europe" as Nicolas Sarkozy claimed the night of his election) and the "couple franco-allemand" (Franco-German couple) into European affairs. However, Nicolas Sarkozy has not limited his European policy to the Franco-German alliance, but rather attempts to develop new bonds with other European

member states, such as Poland<sup>233</sup>, Spain and Italy. A ratification via the Parliament and not via a referendum is widely advocated and supported within the UMP presidential majority party. Angela Merkel's leading role in the negotiations was also commented, although some criticized the way she had dealt with Poland.

Despite this, however, many also claim that the simplified treaty is only a limited success. According to Luxembourg's Prime Minister Jean Claude Juncker, the treaty is not simple but complicated and not readily accessible to the European citizens<sup>234</sup>. The left-wing politicians, particularly the "no" vote partisans, criticized the simplified treaty's lack of ambition, and some denounced its continuation of the liberal way of European construction. Marie-George Buffet, the Communist Party leader, claims that the agreement does not respond to the demands of society, but rather only exists in order to skirt the democratic "no" vote. For Ségolène Royal, the former Socialist presidential candidate, the new treaty is weak. She criticized, above all, the French president's presentation of the treaty to the media as a personal success. However, other Socialist leaders, who voted "yes" to the European Constitution, such as Dominique Strauss-Khan, Pierre Moscovici or Elisabeth Guigou, recognize the new treaty as a first step. François Bayrou pointed out that even if the Intergovernmental Conference mandate was clear, no one could know what the content of the final text would be.

Moreover, many are worried about the possible elimination of such European symbols as the European hymn or flag, or the non-insertion of the Charter of Fundamental Rights. They are even more concerned about the loss of the European spirit. They question the European intentions of some member states as Poland or the United Kingdom, who seem to desire an end to European integration<sup>235</sup>. Many policy makers and specialists criticized the return to the intergovernmental and non-democratic way, which excludes citizen participation.

<sup>228</sup> Helsingin Sanomat, Editorial, 6.1.2007.

<sup>229</sup> Available at: [http://www.premier-ministre.gouv.fr/acteurs/interventions\\_premier\\_ministre\\_9/discours\\_498/declaration\\_politique\\_generale\\_56763.html](http://www.premier-ministre.gouv.fr/acteurs/interventions_premier_ministre_9/discours_498/declaration_politique_generale_56763.html) (last access: 08.08.2007).

<sup>230</sup> Le Monde, 3 July 2007.

<sup>231</sup> Le Monde, 25 June 2007.

<sup>232</sup> Le Figaro, 25 June 2007.

<sup>233</sup> Le Figaro, 15 June 2007.

<sup>234</sup> Libération, 25-06-2007.

<sup>235</sup> See the interview of Daniel Cohn Bendit, a Green Party leader: Libération, 25-06-2007.



### *The Berlin Declaration*

The Berlin Declaration, which took place during the last European Council with Jacques Chirac, has received little coverage in France. It occurred during the thick of the presidential election campaign, when the candidates mainly avoided European issues. They did not wish to approach this delicate topic, particularly after the European Constitution referendum, which had divided the French. Thus, reactions were limited. François Bayrou, the center candidate, was sceptical. According to Bayrou, such a declaration, adopted by unanimity voting, was meaningless and without significant impact. Conversely, Nicolas Sarkozy's reaction was one of the few positive ones. He insisted on the necessity of reviving institutional reform and the respect for the agenda, as well as the commitment for 2009. Philippe de Villiers and Jean-Marie Le Pen, the conservative, extreme right leaders, criticized this as an attempt to continue a constitutional process that had been democratically rejected by the French people<sup>236</sup>. For many experts, the Berlin Declaration is empty of meaning, undermined by compromises and concessions. The non-existence of a social Europe, the Schengen area, or the European Constitution is also criticized.

## Germany

### *Reactions to the conclusions of the European Council in June 2007*

#### *Political actors*

Although the German EU presidency had to, of course, tackle other issues apart from reanimating the treaty reform process, the overall assessment of the European Council summit in June 2007 was mainly connected to the latter. Meeting the high expectations of the forefront<sup>237</sup>, the German government succeeded not only in developing a road map for the continuation of the reform process, but also in preserving most of the innovations of the Constitutional Treaty. As a result, German reactions to the conclusions of the European Council, including a kind of blueprint for the so-called EU Reform Treaty, were mainly positive.

The German government called the summit's outcome a major success, as it ended the EU's

institutional reform deadlock, whilst saving crucial elements of the Constitutional Treaty. Several respected German political actors qualified the June European Council as "historic summit" that finally brought all 27 EU member states back on stage and, therefore, represents a "milestone of EU history"<sup>238</sup>. Chancellor Angela Merkel described the outcome of the European Council as "a success, a success for Europe"<sup>239</sup>. "With the Reform treaty we are taking account of citizens' fears of an alleged 'European super state', of surrendering too much of the nation-states' identities. I do not share this fear, but I had to respect it"<sup>240</sup>, concluded the German chancellor. Her party, the governing Christian Democrats (CDU), also evaluated the results of the June Summit positively and praised Merkel's good negotiation skills.<sup>241</sup>

After the 'test run' of formulating the Berlin declaration<sup>242</sup>, Merkel was already aware how to successfully, bilaterally prepare an EU document. The chancellor was able to arrange, with the aid of a number of EU presidency staff<sup>243</sup>, a clear "blueprint compromise", which needed only to be agreed upon in Brussels by all 27 member states. The compromise strengthens the EU treaties' intergovernmental elements, however, it weakens their communitarian parts. National concerns became more important, for instance the protection of national social security and health systems. A German EU functionary stated that the explicit possibility to re-transmit community competence to the national level is another example of growing national interests.

According to German diplomats, the presidency had to accept that the ambitious project of a European Constitution had

<sup>238</sup> CDU/CSU Bundestagsfraktion: EU-Gipfel – Meilenstein in der Geschichte der EU, 25 June 2007, available at: [http://www.cducsu.de/section\\_\\_2/subsection\\_\\_1/id\\_\\_13999/Meldungen.aspx](http://www.cducsu.de/section__2/subsection__1/id__13999/Meldungen.aspx) (last access: 6 July 2007).

<sup>239</sup> Speech by Federal Chancellor Angela Merkel, European Parliament, Brussels, 27 June 2007, available at:

[http://www.bundesregierung.de/nn\\_6538/Content/EN/Rede/n/2007/06/2007-06-27-rede-merkel-ep-en.html](http://www.bundesregierung.de/nn_6538/Content/EN/Rede/n/2007/06/2007-06-27-rede-merkel-ep-en.html) (last access: 6 July 2007).

<sup>240</sup> Ibid.

<sup>241</sup> Cf. CDU press release: Angela Merkel hat die deutsche EU-Ratspräsidentschaft zum Erfolg geführt, 23 June 2007, available at: [www.cdu.de/index\\_20134.htm](http://www.cdu.de/index_20134.htm) (last access: 25 June 2007).

<sup>242</sup> See below.

<sup>243</sup> Cf. Sebastian Kurpas/Henning Rieke: The 2007 German EU Presidency: A Midterm Report, SIEPS, 1/2007, available at: [http://www.sieps.se/publ/occ\\_papers/bilagor/20071op.pdf](http://www.sieps.se/publ/occ_papers/bilagor/20071op.pdf) (last access: 20 July 2007).

<sup>236</sup> Les Echos, 26 March 2007; Le Figaro, 24 March 2007.

<sup>237</sup> Cf. Institut für Europäische Politik (Ed.): EU-25/27 Watch, No. 4, January 2007, Berlin, pp. 41

originally come to an unaccomplished end. As a result, the German presidency had to finally deal with the concerns of the French, Dutch and British governments. In that sense, the new mandate for the Portuguese presidency comes back to the Laeken mandate, which did not explicitly include the aim of a Constitution. Additionally, for the first time in European integration history, a mandate for an Intergovernmental Conference (IGC) is as clear as the current 2007 one. All possible conflicts are supposed to have already been discussed at the forefront. Therefore, it should be possible to conclude the IGC in only a few weeks duration. State Secretary Reinhard Silberberg explained that the IGC's main task will be to agree upon juridical details.<sup>244</sup> In general, only the last June summit showed that the key concepts of the EU's future are much more heterorganic than political actors had expected. That is why, it would be a major success, if in the aftermath of a successful 2007 IGC, all further treaty reforms could be postponed for a longer period of time.<sup>245</sup>

Accordingly, the coalition party, SPD, as well as the opposition parties, FDP and the Greens, all mainly welcomed the outcome of the June summit under German EU presidency. Even though all German political parties regretted that the strongly supported Constitutional Treaty was abandoned. Only the Left party rejected the former treaty, and the recent June European Council conclusions, as well as the clear mandate for the IGC. All political actors have claimed that the negotiations with Poland were difficult and personally heated. Nevertheless, in the follow-up of the summit, all interviewed politicians complied with diplomatic rules and have refrained from further criticising his or her Polish colleagues.

In detail, Kurt Beck, chair of the governing Social Democratic Party (SPD), underlined that the planned Reform Treaty would enable the Union to function properly in the future and allow it to deal with current challenges.<sup>246</sup> Keeping the initial positions of the British and Polish delegations in mind, the German

presidency achieved a solid agreement, which protected the most important innovations of the Constitutional Treaty. Making the Charter of Fundamental Rights a legally binding document was one of the SPD's central aims, and is, according to Beck, the first step to the creation of a European value system that puts more of an accent on European citizens than on its economy.<sup>247</sup>

The liberal opposition party (FDP) regrets the delayed introduction of the double majority voting system and criticises that the reference to "undistorted" competition will be removed from the European treaties.<sup>248</sup> The green opposition party (Bündnis 90/Die Grünen) declared that the June summit would, unfortunately, once more reveal the dominance of national egoism among political EU leaders. With the upcoming IGC in mind, the party demands the German government for a more transparent decision making process, that is to ensure more public and parliamentary participation in negotiations, which was missing in the secret run up to the June summit.<sup>249</sup> The Greens, as well as the German left party (*Die Linke*), are particularly disappointed about the Charter of Fundamental Rights not being directly included in the treaty text and only referred to through a cross reference in the article on fundamental rights. The Greens do, however, appreciate that the Charter will be legally binding, which also was one of their major claims. The party does however criticise that some countries have been given the possibility to opt out from its binding character.<sup>250</sup> The left party fears that the latter could be an impediment to a Social Union.<sup>251</sup> The EU-skeptic left party moreover rejects the treaty blueprint, as being a document that preserves the disliked "neo-liberal and military elements" of the Constitutional Treaty.<sup>252</sup> As for the green party, they criticise the undemocratic and un-transparent character of European Council and IGC negotiations. The left party therefore calls

<sup>247</sup> Cf. *ibid.*

<sup>248</sup> Cf. Motion of the delegates Löning/Hoyer et al.: EU Regierungskonferenz schnell zum Erfolg führen, Deutscher Bundestag, 03 July 2007, Drucksache 16/5882.

<sup>249</sup> Cf. Bündnis 90/Die Grünen press release: Kompromiss ohne Klarheit, 23 June 2007, available at: [http://www.gruene.de/cms/themen/dok/188/188283.kompromiss\\_ohne\\_klarheit.htm](http://www.gruene.de/cms/themen/dok/188/188283.kompromiss_ohne_klarheit.htm) (last access: 26 June 2007).

<sup>250</sup> Cf. *ibid.*

<sup>251</sup> Cf. Die Linke press release: DIE LINKE fordert Volksabstimmung über EU-Vertrag, 23 June 2007, available at: <http://www.linksfraktion.de/pressemitteilung.php?artikel=1205962370> (last access: 26 June 2007).

<sup>252</sup> *Ibid.*

<sup>244</sup> Cf. lunch debate with Reinhard Silberberg, State Secretary, Federal Ministry of Foreign Affairs, 25 June 2007, Institut für Europäische Politik, Berlin, summary available at: [http://www.iep-berlin.de/index.php?id=454&tx\\_ttnews\[tt\\_news\]=505&tx\\_ttnews\[backPid\]=453&cHash=1b2d2dbb8e](http://www.iep-berlin.de/index.php?id=454&tx_ttnews[tt_news]=505&tx_ttnews[backPid]=453&cHash=1b2d2dbb8e) (last access: 13 July 2007).

<sup>245</sup> Cf. *ibid.*

<sup>246</sup> Cf. SPD press release: Kurt Beck: Ein guter Tag für Europa, 23 June 2007, available at: <http://www.spd.de/menu/1717998/> (last access: 26 June 2007).

for the establishment of a new convention that should work out the exact wording of the Reform Treaty.<sup>253</sup> In that sense, the left party demands that the EU should not backslide to the methods of last IGCs, which have proven their inability to agree upon more than the smallest common denominator.<sup>254</sup>

### *Academic community*

The initial reactions of German scientific community to the June summit could be summarized under the following title: The footnote summit ("Der Fußnotengipfel")<sup>255</sup>. In that sense, several academics regret the lack of transparency and legibility of the new Reform Treaty.<sup>256</sup> The original objective of drafting a readable, new (constitutional) treaty failed. In addition, they can not be sure, thus far, whether the IGC will succeed.<sup>257</sup> Former federal Foreign Minister Joschka Fischer declared that any celebration of the June summit conclusions would come too early. As long as the IGC will not be successfully concluded, the compromise regarding the new EU Reform Treaty could still be jeopardised.<sup>258</sup> Moreover, one could not be happy about the way in which European Council discussions were held. By shying away from close cooperation with their EU partners in the framework of the June summit, according to Fischer, Great Britain and Poland both have lost influence and negotiating power.<sup>259</sup> He appreciated, however, that the last summit showed that the Franco-German tandem still

functions in times of the new French President Nicolas Sarkozy.<sup>260</sup> Wichard Woyke deplores that daily European business will not get rid of serious and difficult debates just because the new double majority system will only come into effect in 2014 (2017) and predicts that, thus, a "Europe of several speeds" will be more probable.<sup>261</sup>

Some academics, however, describe the summit under German EU presidency, and especially the compromise on the concrete mandate for the IGC, as "big success"<sup>262</sup>, as the outcome was more than what was hoped for under these difficult conditions and the high expectations from all EU member states. Interestingly enough, Merkel and Steinmeier succeeded in creating a concrete mandate for the drafting of the Reform Treaty by listening to their colleagues' concerns and not demanding.<sup>263</sup> In sum, the main successes which were reached with the June compromise are the legally binding Charter of Fundamental Rights, the strengthening of the European Parliament, the citizens' initiative, the EU becoming a legal personality, the introduction of the "High Representative of the Union for Foreign and Security Policy" and the External Service.<sup>264</sup>

### *Public opinion, media and Non Governmental Organisations (NGOs)*

In the forefront of the June summit under German EU presidency, 65 percent of German respondents were, according to a national survey, of the opinion that the European Union of 27 member states needed a Constitution.<sup>265</sup> These figures are even surpassed by an Eurobarometer survey<sup>266</sup> stating that 78

<sup>253</sup> Cf. Motion of the delegates Gysi/Lafontaine et al.: Für eine demokratische, freiheitliche, soziale und Frieden sichernde Verfassung der EU, Deutscher Bundestag, 8 November 2006, Drucksache 16/3402.

<sup>254</sup> Cf. Die Linke press release: DIE LINKE fordert eine friedliche, sozial gerechte und demokratische Europäische Union auf vertraglicher Grundlage, 25 June 2007, available at: <http://die-linke.de/presse/presseerklarungen/detail/browse/2/zurueck/presseerklarungen/artikel/die-linke-fordert-eine-friedliche-sozial-gerechte-und-demokratische-europaeische-union-auf-vertrag/> (last access: 2 July 2007).

<sup>255</sup> Annegret Bendiek: Die GASP nach dem »Fußnotengipfel«, SWP-Aktuell 2007, A 42, July 2007, available at: [http://swp-berlin.org/de/produkte/swp\\_aktuell\\_detail.php?id=7870](http://swp-berlin.org/de/produkte/swp_aktuell_detail.php?id=7870) (last access: 19 July 2007).

<sup>256</sup> Cf. Wolfgang Wessels, quoted according to tagesschau.de, Bilanz der deutschen EU-Ratspräsidentschaft. Der Baustelle EU eine Etage draufgesetzt, 27 June 2007, available at: [http://www.tagesschau.de/aktuell/meldungen/0,1185,OID6\\_995360\\_TYP6\\_THE\\_NAV\\_REF1\\_BAB,00.html](http://www.tagesschau.de/aktuell/meldungen/0,1185,OID6_995360_TYP6_THE_NAV_REF1_BAB,00.html) (last access: 2 July 2007).

<sup>257</sup> Cf. Andreas Maurer, quoted according to tagesschau.de, ibid.

<sup>258</sup> Cf. Joschka Fischer: Knapp am Totalschaden vorbei, in: Süddeutsche Zeitung, 26 June 2007, p. 2.

<sup>259</sup> Cf. ibid.

<sup>260</sup> Cf. ibid.

<sup>261</sup> Wichard Woyke, quoted according to tagesschau.de, available at: [http://www.tagesschau.de/aktuell/meldungen/0,1185,OID6\\_995360\\_TYP6\\_THE\\_NAV\\_REF1\\_BAB,00.html](http://www.tagesschau.de/aktuell/meldungen/0,1185,OID6_995360_TYP6_THE_NAV_REF1_BAB,00.html) (last access: 2 July 2007).

<sup>262</sup> Daniel Göler, quoted according to Welt online, Stehender Applaus für "Miss Europa", 27 June 2007, available at: [www.welt.de/politik/artivle/979664/Stehender\\_Applaus\\_fuer\\_Miss\\_Europa.html](http://www.welt.de/politik/artivle/979664/Stehender_Applaus_fuer_Miss_Europa.html) (last access: 2 July 2007).

<sup>263</sup> Cf. Andreas Maurer, in an interview with Oliver Seifrin, EU-Forscher: Deutschland hat die wichtigsten Reformen gerettet, available at: [www.magazine-deutschland.de/ereignis\\_meldung.php?id=540](http://www.magazine-deutschland.de/ereignis_meldung.php?id=540) (last access: 15 July 2007).

<sup>264</sup> Cf. ibid.

<sup>265</sup> Cf. Deutsche wollen EU-Verfassung, Stern poll, in: Stern Magazine Website, Heft 25, 12 June 2007, [http://www.stern.de/presse/vorab/590960.html?nv=ct\\_mt](http://www.stern.de/presse/vorab/590960.html?nv=ct_mt) (last access: 24 July 2007).

<sup>266</sup> Standard Eurobarometer 67, National report Germany, Spring 2007 (published in July 2007),

percent of Germans were in favour of the EU Constitutional Treaty (European average: 66 percent). With regards to the content of the text, 84 percent of German interviewed (European average: 72 percent) supported the creation of an EU Foreign Minister post, and 28 percent (European average: 25 percent) estimate social issues as being a future issue for the European Union.

Another national survey found that a majority of respondents (56.1 percent) expected the June summit to fail, while only 35.4 percent believed that Merkel could manage to find an agreement.<sup>267</sup> Following the summit, the conservative newspaper *Die Welt* asked their readers to express their degree of satisfaction with the EU treaty reform. 75 percent of those interviewed, thought that the summit conclusions were not a good compromise and that the Heads of State and Government had conceded too much to Poland.<sup>268</sup> On the contrary, only 25 percent were satisfied with Europe overcoming its political standstill.<sup>269</sup>

The media dealt widely with the German EU presidency and particularly with the concluding June summit, to which reactions were overwhelmingly positive. Germany performed as "Europe's best pupil" ("Klassenbester")<sup>270</sup> at the European stage, and Merkel was voted "Miss Europe"<sup>271</sup>. Several media commentators mainly attribute the successful de-blocking of EU treaty reform to the German chancellor herself. Lucky EU, because the random presidency rotation system brought her to the leading position at exactly the moment the EU needed her mediator skills.<sup>272</sup> Not forgetting the perfect cooperation of Merkel

(CDU) and Federal Foreign Minister Frank-Walter Steinmeier (SPD), who both made the observers forget the internal quarrels within the grand coalition.<sup>273</sup> Both were able to complete the "mission impossible"<sup>274</sup>, thus bringing together the friends and enemies of the Constitution.

However, the aim of solving the Constitutional Treaty as such was not fulfilled.<sup>275</sup> "The output is disappointing. Disappointing, if one compares it to what was hoped for and what was described as necessary at the beginning"<sup>276</sup>, sums up one commentator. The lacking legibility, the British opt-out from the Charter, as well as the postponed double majority voting introduction is strongly deplored by all journalists. The majority of German media is moreover disappointed about the Polish attempt to extort the German EU presidency and fears consequently that the German-Polish relationship could be seriously damaged.<sup>277</sup> In that context, the *Spiegel* underlines that even if all politicians could draw positive conclusions, at least the question of Polish behaviour in Brussels, vis à vis the German EU presidency delegation, is received as negative and unconceivable.<sup>278</sup> Due to the British and Polish conduct at negotiations in June, several observers presume the "EU à la carte" to be more probable in the future.<sup>279</sup> Not a general EU fragmentation, but the closer cooperation of the willing, would be the most passable way.<sup>280</sup>

[http://ec.europa.eu/public\\_opinion/archives/eb/eb67/eb67\\_de\\_nat.pdf](http://ec.europa.eu/public_opinion/archives/eb/eb67/eb67_de_nat.pdf) (last access: 24 July 2007).

<sup>267</sup> Cf. Scheitert der EU-Gipfel?, *Tagesschau.de* poll, in: *Tagesschau* Website, 21 June 2007, [http://service.tagesschau.de/poll/poll\\_dbdata.php?oid=6975238](http://service.tagesschau.de/poll/poll_dbdata.php?oid=6975238) (last access: 24 July 2007).

<sup>268</sup> Cf. Einigung beim EU-Gipfel, *Die Welt* poll, in: *Die Welt* Website, 25 June 2007, [http://www.welt.de/politik/article972875/Tiefe\\_Verstimmung\\_ueber\\_die\\_Kaczynskis.html](http://www.welt.de/politik/article972875/Tiefe_Verstimmung_ueber_die_Kaczynskis.html) (last access: 24 July 2007).

<sup>269</sup> Cf. Einigung beim EU-Gipfel, *Die Welt* poll, in: *Die Welt* Website, 25 June 2007, [http://www.welt.de/politik/article972875/Tiefe\\_Verstimmung\\_ueber\\_die\\_Kaczynskis.html](http://www.welt.de/politik/article972875/Tiefe_Verstimmung_ueber_die_Kaczynskis.html) (last access: 24 July 2007).

<sup>270</sup> Sabine Adler: Bilanz der EU-Ratspräsidentschaft, in: Deutschlandradio, 27 June 2007, commentary available at: [www.dradio.de/dlf/sendungen/kommentar/640949/](http://www.dradio.de/dlf/sendungen/kommentar/640949/) (last access: 2 July 2007).

<sup>271</sup> *Die Welt* online: Stehender Applaus für "Miss Europa", 27 June 2007, available at: [www.welt.de/politik/artivle979664/Stehender\\_Applaus\\_fuer\\_Miss\\_Europa.html](http://www.welt.de/politik/artivle979664/Stehender_Applaus_fuer_Miss_Europa.html) (last access: 2 July 2007).

<sup>272</sup> Cf. Martin Winter: Zum Glück vereint, in: *Süddeutsche Zeitung*, 30 June/1 July 2007, p. 4.

<sup>273</sup> Cf. Sabine Adler: Bilanz der EU-Ratspräsidentschaft, in: Deutschlandradio, 27 June 2007, commentary available at: [www.dradio.de/dlf/sendungen/kommentar/640949/](http://www.dradio.de/dlf/sendungen/kommentar/640949/) (last access: 2 July 2007).

<sup>274</sup> Berthold Kohler: Das polnische Menetekel, in: *Frankfurter Allgemeine Zeitung*, 25 June 2007.

<sup>275</sup> Cf. Sabine Adler: Bilanz der EU-Ratspräsidentschaft, in: Deutschlandradio, 27 June 2007, commentary available at: [www.dradio.de/dlf/sendungen/kommentar/640949/](http://www.dradio.de/dlf/sendungen/kommentar/640949/) (last access: 2 July 2007).

<sup>276</sup> Knut Pries: Bilanz der deutschen EU-Ratspräsidentschaft, in: Deutschlandradio, 30 June 2007, available at: [www.dradio.de/dkultur/sendungen/kommentar/641592/](http://www.dradio.de/dkultur/sendungen/kommentar/641592/) (last access: 2 July 2007).

<sup>277</sup> Cf. e.g. Rainer Kellers: Merckels durchwachsene EU-Bilanz, interview with Rolf-Dieter Krause, available at: [www.wdr.de/themen/politik/international/europa/ratspraesidentschaft\\_2007/070627.jhtml](http://www.wdr.de/themen/politik/international/europa/ratspraesidentschaft_2007/070627.jhtml) (last access: 2 July 2007).

<sup>278</sup> Cf. Florian Gathmann: Kritik von Rechts bis Links an Polen, in: *Spiegel online*, 25 June 2007, available at: [www.spiegel.de/politik/ausland/0,1518,druck-490558,00.html](http://www.spiegel.de/politik/ausland/0,1518,druck-490558,00.html) (last access: 26 June 2007).

<sup>279</sup> Cf. Christoph B. Schiltz: Chapeau Madame!, in: *Die Welt*, 28 June 2007, p. 1.

<sup>280</sup> Cf. Martin Winter: Zum Glück vereint, in: *Süddeutsche Zeitung*, 30 June/1 July 2007, p. 4.



Left wing commentators mainly criticise the following:<sup>281</sup> Military means will now be declared as appropriate tools of EU foreign policy, and decisions were made only in Brussels, whereas the citizens are again excluded from all debates about the EU's future. Thus, the EU remains an elite project.<sup>282</sup>

The Confederation of German Employers' Associations (BDA) and the Federation of German Industries (BDI) together express their general satisfaction with the conclusions of the June summit under German EU presidency. Considering the long-lasting negotiations and the postponing of double majority voting they do however, ask for quicker political reforms, so that "not the slowest ones decide about the tempo"<sup>283</sup>. Together with other national sections, the German section of the Association for the Taxation of Financial Transactions for the Aid of Citizens (ATTAC) demand a new convention that should negotiate the EU Reform Treaty instead of the EU leaders in secret IGC debates. ATTAC mainly criticises the lack of European proposals to solve recent social, ecological and democratic problems.<sup>284</sup>

### *The 'Berlin Declaration'*

The 'Declaration on the occasion of the fiftieth anniversary of the signature of the Treaties of Rome', usually just called 'Berlin Declaration', has been signed in Berlin by German Chancellor Angela Merkel on behalf of the presidency, José Manuel Barroso on behalf of the European Commission, and Hans-Gert Pötering on behalf of the European Parliament on 25<sup>th</sup> March 2007<sup>285</sup>. German Chancellor Merkel emphasised how important it was – 50 years after the signing of the Treaties of Rome – to be united in the aim of "placing the European Union on a renewed common basis before the European Parliament elections in

2009"<sup>286</sup>. 'Europe – succeeding together' was also mentioned by the Federal Minister for Foreign Affairs Frank-Walter Steinmeier to be the message of the anniversary and the tenor of the Berlin Declaration<sup>287</sup>.

In the German Parliament, the Berlin Declaration was generally welcomed, above all by members of the coalition parties CDU/CSU and SPD<sup>288</sup>. Volker Kauder, chairman of the CDU/CSU faction, regarded the declaration as a dynamic impulse for the constitutional process<sup>289</sup>. Members of the opposition parties – the liberal party (FDP), the Greens (BÜNDNIS 90/DIE GRÜNE), and the left party (DIE LINKE) – were more critical. They criticised especially the applied method of confidential consultations and that the parliament had not really been involved<sup>290</sup>. That the intransparent process was also counterproductive to what had been promised to the EU-citizens during the constitutional process was pointed out by Rainer Steinhilber (BÜNDNIS 90/DIE GRÜNE)<sup>291</sup>. A former petition by the faction BÜNDNIS 90/DIE GRÜNE requesting the involvement of the European Parliament and the national parliaments in the development of the Berlin Declaration<sup>292</sup> had been dismissed by votes of

<sup>281</sup> Cf. e. g. Detlef D. Pries: Brüsseler Basar, in: Neues Deutschland, 25 June 2007, p. 1.

<sup>282</sup> Cf. Jan-Werner Müller: Verhandlungsmasse der Eliten, in: Die Tageszeitung, 25 June 2007, p. 11.

<sup>283</sup> Press information of BDA and BDI, No. 51/2007.

<sup>284</sup> Cf. Declaration of European ATTAC sections: Die Zukunft der EU muss in die Hände der Bürger gelegt werden, Frankfurt a. M., 23 June 2007, available at: [www.attac.de/aktuell/presse/presse\\_ausgabe.php?id=746](http://www.attac.de/aktuell/presse/presse_ausgabe.php?id=746) (last access: 2 July 2007).

<sup>285</sup> Declaration on the occasion of the fiftieth anniversary of the signature of the Treaties of Rome, available at: [http://www.eu2007.de/de/News/download\\_docs/Maerz/0324-RAA/English.pdf](http://www.eu2007.de/de/News/download_docs/Maerz/0324-RAA/English.pdf) (last access: 10 July 2007).

<sup>286</sup> Speech by Angela Merkel, Chancellor of the Federal Republic of Germany and President of the European Council, at the official ceremony to celebrate the 50th anniversary of the signing of the Treaties of Rome, 25.03.2007, available at: [http://www.eu2007.de/en/News/Speeches\\_Interviews/Marc/h/0325BKBerliner.html](http://www.eu2007.de/en/News/Speeches_Interviews/Marc/h/0325BKBerliner.html) (last access: 10. July 2007).

<sup>287</sup> Speech given by Frank-Walter Steinmeier, Federal Minister for Foreign Affairs, at the debate marking the 50th anniversary of the signing of the Treaties of Rome on 22 March 2007 in the German Bundestag, 22.03.2007, available at: [http://www.eu2007.de/en/News/Speeches\\_Interviews/Marc/h/0322AABundestag.html](http://www.eu2007.de/en/News/Speeches_Interviews/Marc/h/0322AABundestag.html)? (last access: 10. July 2007).

<sup>288</sup> German Bundestag: Debate marking the 50th anniversary of the signing of the Treaties of Rome, Stenografischer Bericht, 88. Sitzung, 22.03.2007, Plenarprotokoll 16/88, 8836-8857.

<sup>289</sup> Volker Kauder: Arbeitsgrundlage der EU bis 2009 erneuern, Bericht des Vorsitzenden zur Sitzung der CDU/CSU-Bundestagsfraktion am 27. März 2007, available at:

[http://www.cduscu.de/section\\_1/subsection\\_5/id\\_1942/Meldungen.aspx](http://www.cduscu.de/section_1/subsection_5/id_1942/Meldungen.aspx) (last access: 10. July 2007).

<sup>290</sup> German Bundestag: Debate marking the 50th anniversary of the signing of the Treaties of Rome, Stenografischer Bericht, 88. Sitzung, 22.03.2007, Plenarprotokoll 16/88, 8836-8857.

<sup>291</sup> Ibid.

<sup>292</sup> German Bundestag: Berliner Erklärung – Werte und Aufgaben der EU im 21. Jahrhundert: Antrag der Abgeordneten Rainer Steinhilber, Jürgen Trittin, Omid Nouripour und der Fraktion BÜNDNIS 90/DIE GRÜNEN, Drucksache 16/4171, vom 31.10.2007, available at: <http://dip.bundestag.de/btd/16/041/1604171.pdf> (last access: 10. July 2007).

the CDU/CSU, SPD, DIE.LINKE, with abstention from voting by the FDP<sup>293</sup>.

According to members of the CDU/CSU, it would have been difficult, given the relatively short time, to agree on a declaration in an open discussion with all national parliaments<sup>294</sup>. Chancellor Merkel<sup>295</sup> and Foreign Minister Steinmeier<sup>296</sup> also expressed the necessity of confidential consultations for reaching a compromise in the short time frame: "Referring to how the Declaration was drawn up, Chancellor Merkel said: 'The Berlin Declaration involved the 27 Member States and the European Commission. You could not always guarantee success on the open market'"<sup>297</sup>.

The European Parliament and the European Commission had been actively involved in drawing up the declaration<sup>298</sup>. The major

groups in the European parliament welcomed the declaration<sup>299</sup>. For example, Martin Schulz (president of the Socialist Group in the European Parliament) congratulated Merkel for her excellent work. Some of the German parliamentarians, though, criticised the applied method as being not appropriate or the declaration as being too vague<sup>300</sup>. For example, Silvana Koch-Mehrin (leader of the German delegation in the Group of the Alliance of Liberals and Democrats for Europe) criticised the secretive consultations<sup>301</sup> and Daniel Cohn-Bendit (co-president of the Greens/European Free Alliance in the European Parliament) called the declaration a wonderful preamble still lacking 'real' meaning<sup>302</sup>.

Guido Westerwelle, chairman of the FDP, was also disappointed about the vague content of the declaration<sup>303</sup>. The left party (DIE.LINKE), though, did not agree with the contents of the declaration in general<sup>304</sup>. They have created a counter-declaration signed by many people working in the cultural sector, in which they especially criticised the neo-liberal approach and requested among other things an end to

<sup>293</sup> German Bundestag: Beschlussempfehlung und Bericht des Ausschusses für die Angelegenheiten der Europäischen Union (21. Ausschuss) zu dem Antrag der Abgeordneten Rainder Steenblock, Jürgen Trittin, Omid Nouripour, weiterer Abgeordneter und der Fraktion BÜNDNIS 90/DIE GRÜNEN – Drucksache 16/4171 – Berliner Erklärung – Werte und Aufgaben der EU im 21. Jahrhundert, Drucksache 16/4448 vom 28.02.2007, available at: <http://dip.bundestag.de/btd/16/044/1604448.pdf> (last access: 10 July 2007). German Bundestag: Stenografischer Bericht, 82. Sitzung, 01.03.2007, Plenarprotokoll 16/82, 8221, available at: <http://dip.bundestag.de/btp/16/16082.pdf> (last access: 10 July 2007).

<sup>294</sup> German Bundestag: Debate marking the 50th anniversary of the signing of the Treaties of Rome, Stenografischer Bericht, 88. Sitzung, 22.03.2007, Plenarprotokoll 16/88, 8850.

<sup>295</sup> European Parliament: MEPs debate Berlin Declaration with Merkel, Press service, 29.03.2007, available at: [http://www.europarl.europa.eu/news/expert/infopress\\_page/008-4691-087-03-13-901-20070326IPR04616-28-03-2007-2007-false/default\\_en.htm](http://www.europarl.europa.eu/news/expert/infopress_page/008-4691-087-03-13-901-20070326IPR04616-28-03-2007-2007-false/default_en.htm) (last access: 10 July 2007).

<sup>296</sup> German Bundestag: Berliner Erklärung: mehr als Beschreibung einer EU-Erfolgsgeschichte. Ausschuss für die Angelegenheiten der Europäischen Union, hib-Meldung (heute im Bundestag) 074/2007, 21.03.2007, available at: [http://www.bundestag.de/aktuell/hib/2007/2007\\_074/07.htm](http://www.bundestag.de/aktuell/hib/2007/2007_074/07.htm) (last access: 10 July 2007).

<sup>297</sup> European Parliament: MEPs debate Berlin Declaration with Merkel, Press service, 29.03.2007, available at: [http://www.europarl.europa.eu/news/expert/infopress\\_page/008-4691-087-03-13-901-20070326IPR04616-28-03-2007-2007-false/default\\_en.htm](http://www.europarl.europa.eu/news/expert/infopress_page/008-4691-087-03-13-901-20070326IPR04616-28-03-2007-2007-false/default_en.htm) (last access: 10 July 2007).

<sup>298</sup> Speech by Frank-Walter Steinmeier, Federal Minister for Foreign Affairs, on the Berlin Declaration to the European Parliament in Strasbourg on 14 March 2007, available at: [http://www.eu2007.de/en/News/Speeches\\_Interviews/Marc\\_h/0314AAStrassburg.html](http://www.eu2007.de/en/News/Speeches_Interviews/Marc_h/0314AAStrassburg.html)? (last access: 10 July 2007). Speech by Chancellor Angela Merkel to the European Parliament in Brussels on 28.03.07, available at:

[http://www.eu2007.de/en/News/Speeches\\_Interviews/Marc\\_h/0328BK.html](http://www.eu2007.de/en/News/Speeches_Interviews/Marc_h/0328BK.html) (last access: 10 July 2007).

<sup>299</sup> European Parliament: Debatte zur Berliner Erklärung, 28.03.2007, available at:

[http://www.europarl.europa.eu/news/expert/infopress\\_page/008-4691-087-03-13-901-20070326IPR04616-28-03-2007-2007-false/default\\_de.htm](http://www.europarl.europa.eu/news/expert/infopress_page/008-4691-087-03-13-901-20070326IPR04616-28-03-2007-2007-false/default_de.htm) (last access: 10 July 2007). English version: European Parliament: MEPs debate Berlin Declaration with Merkel, Press service, 29.03.2007, available at: [http://www.europarl.europa.eu/news/expert/infopress\\_page/008-4691-087-03-13-901-20070326IPR04616-28-03-2007-2007-false/default\\_en.htm](http://www.europarl.europa.eu/news/expert/infopress_page/008-4691-087-03-13-901-20070326IPR04616-28-03-2007-2007-false/default_en.htm) (last access: 10 July 2007).

<sup>300</sup> Ibid.

<sup>301</sup> Silvana Koch-Mehrin: „Raus aus dem Hinterzimmer!“, Gastkommentar, in: Financial Times Deutschland, 25.03.07, available at: <http://www.ftd.de/meinung/kommentare/177399.html> (last access: 10 July 2007).

<sup>302</sup> Daniel Cohn-Bendit: Berliner Erklärung: „Ein wunderbares Vorwort“, Pressemitteilung, 23.03.2007, available at: [http://www.gruene-europa.de/cms/presse/dok/174/174637\\_berliner\\_erklaerung\\_ein\\_wunderbares\\_vorw.htm](http://www.gruene-europa.de/cms/presse/dok/174/174637_berliner_erklaerung_ein_wunderbares_vorw.htm) (last access: 10 July 2007).

<sup>303</sup> Deutschlandfunk: Westerwelle mit „Berliner Erklärung“ unzufrieden, Interview with Guido Westerwelle, 26.03.02, available at: [http://www.dradio.de/dlf/sendungen/interview\\_dlf/608792/](http://www.dradio.de/dlf/sendungen/interview_dlf/608792/) (last access: 10 July 2007); Portal Liberal: Westerwelle zu Europa / „Berliner Erklärung“, Pressemitteilung, 23.03.07, available at:

[http://www.liberal.de/webcom/show\\_websiteprog.php/c-730/\\_lkm-167/\\_nr-8105/\\_nr-8079/kids/-i.html](http://www.liberal.de/webcom/show_websiteprog.php/c-730/_lkm-167/_nr-8105/_nr-8079/kids/-i.html) (last access: 10 July 2007).

<sup>304</sup> German Bundestag: Debate marking the 50th anniversary of the signing of the Treaties of Rome, Stenografischer Bericht, 88. Sitzung, 22.03.2007, Plenarprotokoll 16/88, 8836-8857.

secretive consultations, Europe-wide referenda about a European constitution, and social rights<sup>305</sup>.

Some civil society organizations also published counter-declarations. The European Preparatory Assembly (EPA) for the European Social Forum drafted in Lisbon a declaration in which it requested a really democratic discussion and referenda<sup>306</sup>. The non-profit association Mehr Demokratie e.V. also requested in their 'Alternative Berlin Declaration' a more transparent and democratic process and that EU-citizens have the last word in such a process<sup>307</sup>.

Other non-governmental organizations emphasised different points that were of particular interest for them: The German Farmers' Union (Deutscher Bauernverband, DBV) appreciated the aim to enable Europe taking a leading role with regard to fighting poverty, hunger and disease and emphasised the potential of agriculture in this regard<sup>308</sup>. The Confederation of German Employers' Associations (BDA) and the Federation of German Industries (BDI) were impressed by the declaration and supported the German government<sup>309</sup>. A relief organisation for refugees was appalled by the fact that illegal

immigration has been put on a level with terrorism and organised crime<sup>310</sup>. According to the protestant non-profit association Diakonisches Werk der Evangelischen Kirche in Deutschland, the social dimension was lacking in the declaration<sup>311</sup> and Pope Benedict XVI. cautioned against the lack of a religious dimension<sup>312</sup>.

The Berlin Declaration was well-covered in German media. This might also be due to the circumstances, as the festivities to celebrate the 50<sup>th</sup> anniversary of the Treaties of Rome fulfilled many news values: festivities took place in the German capital, there were many events for everybody to join in, and many prominent persons were involved<sup>313</sup>. Many German media focused on the development, the signature, the accompanying celebrations and the reception of the declaration<sup>314</sup>. The tone of the coverage of the Berlin Declaration and the accompanying celebrations by

<sup>305</sup> Alexander Ulrich/Oskar Lafontaine/Gregor Gysi/Diether Dehm/Lothar Bisky: Berliner Gegenerklärung, Nachricht, Fraktion DIE LINKE im Bundestag, 25.03.2007, available at: <http://www.linksfraktion.de/nachricht.php?artikel=1468219624> (last access: 10 July 2007).

<sup>306</sup> Attac Germany: Soziale Bewegungen mobilisieren gegen "Berliner Erklärung", Erklärung von Lissabon fordert eine demokratische EU, Pressemitteilung, 03.04.2007, available at: [http://www.attac.de/aktuell/presse/presse\\_ausgabe.php?id=680](http://www.attac.de/aktuell/presse/presse_ausgabe.php?id=680) (last access: 10 July 2007); European Preparatory Assembly (EPA) for the European Social Forum (ESF/FSE): Nein zur Merkels „Berliner Erklärung“, in: Sand im Getriebe, der deutschsprachige Newsletter von Attac Österreich, Deutschland, Schweiz, 31.03.2007, available at: <http://sandimgetriebe.attac.at/5389.html> (last access: 10 July 2007).

<sup>307</sup> Mehr Demokratie e.V.: Alternative Berliner Erklärung, available at: <http://www.mehr-demokratie.de/eu-zukunft.html> (last access: 10 July 2007).

<sup>308</sup> agrarheute.com: Römische Verträge, DBV erhofft sich von „Berliner Erklärung“ Wegweiser in gute Zukunft, 26.03.2007, available at: <http://www.agrarheute.com/index.php?redid=143934> (last access: 10 July 2007).

<sup>309</sup> BDI: Thumann und Hundt begrüßen Berliner Erklärung, BDI zur EU-Ratspräsidentschaft, 26.03.07, available at: <http://www.bdi-online.de/download/PMBerlinerErklaerung.pdf> (last access: 10 July 2007); BDA: Hundt und Thumann begrüßen Berliner Erklärung, Presse-Information 31/2007, 25.03.07, available at: <http://www.bda-online.de/www/bdaonline.nsf/id/F0E63BC14EB036C9C12572A90049B2AD> (last access: 10 July 2007).

<sup>310</sup> no-racism.net: Flüchtlingshilfsorganisation entsetzt über Wortwahl der Berliner Erklärung, 27.03.07, available at: <http://no-racism.net/article/2034/> (last access: 10 July 2007).

<sup>311</sup> Diakonisches Werk der Evangelischen Kirche in Deutschland: „Berliner Erklärung“: Diakonie vermisst deutlichere Worte zur sozialen Dimension Europas, Pressemitteilung, 26.03.07, available at: [http://www.diakonie.de/de/html/presse/77\\_4938.html](http://www.diakonie.de/de/html/presse/77_4938.html) (last access: 10 July 2007).

<sup>312</sup> Vatikan Radio: Papst pocht auf christliche Werte der EU, 24.03.07, available at: <http://www.vaticanradio.org/tedesco/tedarchi/2007/Maerz07/ted24.03.07.htm> (last access: 10 July 2007).

<sup>313</sup> This was discussed in a panel discussion about Europe and the media with Sylvia-Yvonne Kaufmann, MEP; Harald Händel, Press Officer of the Representation of the European Commission in Germany; Albrecht Meier, Journalist Tagesspiegel; Anke Offerhaus, Free University Berlin. Cf. „Europa und die Medien - Feindschaft oder Freundschaft“, 18.07.07, Berlin, Europäischer Salon' organised by Junge Europäische Bewegung and part of the campaign Speak Up Europe. More information available at: <http://www.junge-europaeische-bewegung.de/projekte-diskussionsforen.html> (last access: 19 July 2007).

<sup>314</sup> For the signature and the celebrations see for example Handelsblatt: Berliner Erklärung unterzeichnet, 25.03.2007; Tagesspiegel: „Berliner Erklärung“ ist auf dem Weg, 24.03.2007; Focus: EU-Spitzen unterzeichnen „Berliner Erklärung“, 25.03.2007; N24: Nach „Berliner Erklärung“: Berlin feiert Europa, 25.03.2007; Financial Times Deutschland: Berliner Erklärung unterzeichnet, 25.03.2007. For the receptions see for example Die Zeit: „Das Vorwort von Berlin“. Die „Berliner Erklärung“ stößt auf ein geteiltes Echo. Zu ihren Kritikern zählt auch der Papst, online 12/2007; Spiegel online: Opposition zerpfückt Merkels EU-Erklärung, 25.03.2007; tagesschau.de: Vor der Unterzeichnung der „Berliner Erklärung“. Papst fordert Gottesbezug in EU-Verfassung, 25.03.2007. For the development see for example Johannes Leithäuser: Dramaturgische Diskreton. Wie die „Berliner Erklärung“ entstand, in: Frankfurter Allgemeine Zeitung, 23.03.07 or Peter Ehrlich: „Selbst um Kommas wurde gerungen“, in: Financial Times Deutschland, 23.03.2007.

German media was mostly neutral or positive<sup>315</sup>. Some commentators stated that the declaration, despite of being a modest compromise formulated in very diplomatic words, was important for showing that the EU is still worth our while<sup>316</sup>.

There are some scholarly articles that discuss the process of formulation and the content of the Berlin Declaration<sup>317</sup>. According to Kurpas/Riecke, the method of confidential consultations excluded parliaments, NGOs and the public, yet it also had a “valuable benefit”, namely “the growing personal trust among the sherpas”<sup>318</sup>. In this regard, Riecke/Techau pointed out that the declaration could be viewed as having several functions – as a political manifesto, a signal for EU citizens, a turning point in the staging of the German presidency, and also as a rehearsal of this method also to be applied in the reform process – but that the declaration had not fulfilled all those functions to the same extent<sup>319</sup>. Goosmann emphasised in his article that the agreement on the wording of the Berlin Declaration could be interpreted as an important step towards the Reform Treaty, especially since the declaration sent strong signals of unity and a new confidence<sup>320</sup>.

<sup>315</sup> Cf. Adrian Pohr's comments on the spectrum of opinion: Adrian Pohr: Die Europäische Kanzlerin, in: Die Zeit, 26.03.07, available at: <http://www.zeit.de/online/2007/13/presseschau-merkel-eu> (last access: 10 July 2007).

<sup>316</sup> Martin Winter: Schluss mit lustig, Kommentar, in: Süddeutsche Zeitung, 26.03.07; Andreas Theyssen: Berliner Erklärung, die Erste, in: Financial Times Deutschland, 12.03.07; Klaus-Dietrich Frankenberger: „Berliner Erklärung“. Ein bescheidener Kompromiss, 24.03.07.

<sup>317</sup> For example the articles by Timo Goosmann: Die ‚Berliner Erklärung‘ – Dokument europäischer Identität oder pragmatischer Zwischenschritt zum Reformvertrag?, in: *integration* 3/07, p. 251-263; and Sarah Seeger: Europa-Euphorie und Europa-Ermüchterung, Bilanz des Europäischen Rates am 8./9. März 2007, C-A-P Aktuell 4/07.

<sup>318</sup> Sebastian Kurpas/Henning Riecke: The 2007 German EU Presidency: A Midterm Report, SIEPS 1/2007, available at: [http://www.sieps.se/publ/occ\\_papers/bilagor/20071op.pdf](http://www.sieps.se/publ/occ_papers/bilagor/20071op.pdf) (last access: 10 July 2007), p. 32.

<sup>319</sup> Henning Riecke/Jan Techau: Ist Europa konfliktscheu? Gedanken zur „Berliner Erklärung“, DGAPstandpunkt 2/2007.

<sup>320</sup> Timo Goosmann: Die ‚Berliner Erklärung‘ – Dokument europäischer Identität oder pragmatischer Zwischenschritt zum Reformvertrag?, in: *integration* 3/07, p. 251-263.

### *General evaluation of other achievements, failures or weaknesses of the German presidency*

Apart from the above described reactions to the successful June summit, including the decision about an EU treaty reform mandate, the German EU presidency was evaluated mainly positive by a variety of politicians and scholars in Germany. Together with the simultaneous G8 presidency Merkel's and Steinmeier's chairing in Brussels also attracted a lot of media attention. However, other issues dealt with by the German EU presidency were more or less discussed in the background and therefore attracted a reduced amount of evaluation.

### *Political actors*

The government stated in its official balance sheet of the EU presidency<sup>321</sup> that the “positive overall record can be summed up in five central spheres”<sup>322</sup>: 1. treaty reform, 2. integrated climate and energy policy, 3. strengthening competitiveness and the social dimension, 4. justice and home affairs, and 5. the EU's external relations.

One of the main achievements of the German EU presidency, apart from the treaty reform process, was the turn for the better in European energy issues and the step to taking the climate change serious<sup>323</sup>. In this regard, the German Federal Environmental Minister, Sigmar Gabriel, emphasised the historical agreement to reduce greenhouse gas emissions and the agreement on several concrete measures<sup>324</sup>.

<sup>321</sup> Cf. German Federal Government: „Europa gelingt gemeinsam“. Bilanz der deutschen EU-Ratpräsidentschaft, Juni 2007, available at: <http://www.bundesregierung.de/Content/DE/Artikel/2007/06/Anlagen/2007-06-27-bilanz-praesidentschaft.property=publicationFile.pdf> (last access: 13 July 2007).

<sup>322</sup> Federal Foreign Minister Steinmeier: Taking stock of Germany's EU Presidency, Press Release, 27.6.07, available at: [http://www.eu2007.de/en/News/Press\\_Releases/June/0627AABilanz.html](http://www.eu2007.de/en/News/Press_Releases/June/0627AABilanz.html) (last access: 13 July 2007).

<sup>323</sup> For further details, see also chapter 2 of this EU-25/27 Watch volume.

<sup>324</sup> Federal Ministry for the Environment, Nature Conservation and Nuclear Safety: Success for the environment, climate and innovations. Minister Gabriel draws positive balance of EU Presidency, Press Release, No. 186/07, 29.06.2007, available at: [http://www.bmu.de/english/current\\_press\\_releases/pm/39603.php](http://www.bmu.de/english/current_press_releases/pm/39603.php) (last access: 13 July 2007).



The German Federal Interior Minister, Wolfgang Schäuble, regarded the presidency as a great success and underlined the substantial progress made in many areas, among others<sup>325</sup>: the political agreement to transfer the Treaty of Prüm in the legal framework of the EU, the strengthening of FRONTEX, the start of a common "Coastal Patrol Network", and the adherence to the timetable for the introduction of SISone4all.

The Bavarian group of the CSU (the CSU-Landesgruppe) in the German Bundestag also fully appreciates the results of the German presidency<sup>326</sup>. In their view, the achievements become also obvious by looking at concrete results, such as the closer cooperation to protect external borders, or the ambitious goals for climate, energy security and simplifying the regulatory environment.

The opposition parties – the liberal party (FDP), the Green party (BÜNDNIS 90/DIE GRÜNEN), and the left party (DIE.LINKE) – were more critical of the results of the German presidency:

The faction of the liberal party (FDP) in the German Parliament considered the results of the German presidency to be mixed. Especially with regard to the Internal Market, there had been few results and the presidency had actually failed in the area of justice and home affairs<sup>327</sup>.

In the view of the faction of the Green party (BÜNDNIS 90/DIE GRÜNEN) in the German Parliament, the June summit had been marked by an "unworthy" struggle between member states, even though the substance of the Constitutional Treaty had been kept<sup>328</sup>. They

criticised, moreover, among other things, that none of the goals envisaged for the Common Agricultural Policy had been reached and that no new Partnership and Cooperation Agreement between the EU and the Russian Federation had been agreed on. Neither had there been a "reasonable" development of the European Neighbourhood Policy, nor a humanitarian approach in immigration policy. In the areas of social and fiscal policy, the German presidency failed according to them.

Some members of the left party (DIE.LINKE) even called the results of the German presidency "disastrous"<sup>329</sup>.

### Media

German media coverage of the German EU presidency was astonishingly high, although that might also be due to a lack of international crises<sup>330</sup>.

The German media was mainly positive about the German presidency, often highlighting the efficient and skilful work of Merkel, Steinmeier and the German team; the successful climate summit; and the so-called 'Europe of results'. In this context, especially the capping of mobile roaming charges received a lot of attention<sup>331</sup>.

<sup>325</sup> Federal Interior Minister Wolfgang Schäuble: German Council Presidency a great success, Press Release, 29.6.07, available at: [http://www.eu2007.de/en/News/Press\\_Releases/June/0629BMBilanz.html](http://www.eu2007.de/en/News/Press_Releases/June/0629BMBilanz.html) (last access: 13 July 2007).

<sup>326</sup> CSU-Landesgruppe/Thomas Silberhorn: Volle Anerkennung für die deutsche Ratspräsidentschaft, Press Release, 29.06.2007, available at: <http://www.csu-landesgruppe.de/pressemitteilungen.aspx?hash=c2VjdGlvbj0wJnN1YnNIY3Rpb249NjI5JmIkPTE0MDIwJg==&control=2031005744236238179357216226914417515147> (last access: 13 July 2007).

<sup>327</sup> Markus Löning: Bilanz der deutschen Ratspräsidentschaft durchwachsen, Presseinformation Nr. 673, 27. June 2007, Bundestagsfraktion der FDP, available at: <http://www.liberal.de/files/541/673-Loening-EU-Ratspraesidentschaft.pdf> (last access: 13 July 2007).

<sup>328</sup> Bundestagsfraktion Bündnis 90/DIE GRÜNEN: Bilanz der deutschen EU-Ratspräsidentschaft, 27.06.2007, available at: [http://www.gruene-bundestag.de/cms/europaeische\\_union/dok/188/188672.htm](http://www.gruene-bundestag.de/cms/europaeische_union/dok/188/188672.htm) (last access: 13 July 2007).

<sup>329</sup> Dehm (Linke): Bilanz der EU-Ratspräsidentschaft "verheerend", Regierung malt deutschen Vorsitz im EU-Rat in schönsten Farben, in: Linkszeitung, 27. Juni 2007, available at: <http://linkszeitung.de/content/view/124004/1/> (last access 13 July 2007).

<sup>330</sup> Interview with Rolf-Dieter Krause, Head of the ARD television studio Brussels: Deutsche Ratspräsidentschaft geht zu Ende. Merkels durchwachsene EU-Bilanz, in: WDR.de, 27.06.2007, available at: [http://www.wdr.de/themen/politik/international/europa/ratspraesidentschaft\\_2007/070627.jhtml](http://www.wdr.de/themen/politik/international/europa/ratspraesidentschaft_2007/070627.jhtml) (last access: 13 July 2007).

<sup>331</sup> Interview with Rolf-Dieter Krause, Büroleiter des ARD-Studios in Brussels: Deutsche Ratspräsidentschaft geht zu Ende. Merkels durchwachsene EU-Bilanz, in: WDR.de, 27.06.2007, available at: [http://www.wdr.de/themen/politik/international/europa/ratspraesidentschaft\\_2007/070627.jhtml](http://www.wdr.de/themen/politik/international/europa/ratspraesidentschaft_2007/070627.jhtml) (last access: 13 July 2007); Knut Pries: Bilanz der deutschen EU-Ratspräsidentschaft, Kommentar, in: Deutschlandradio, 30-6.2007, available at: <http://www.dradio.de/dkultur/sendungen/kommentar/641592/> (last access: 13 July 2007); Sabine Adler: Gefeierte Kanzlerin. Bilanz der EU-Ratspräsidentschaft, Kommentar, in: Deutschlandradio, 27.6.2007, available at: <http://www.dradio.de/dkultur/sendungen/kommentar/640949/> (last access: 13 July 2007); Cf. Christoph B. Schiltz: Chapeau Madame!, in: Die Welt, 28 June 2007, p. 1; Christoph B. Schiltz: Bilanz der deutschen Ratspräsidentschaft. „Nüchtern, effizient und hervorragend gemanagt“, in: Die Welt, 30. Juni 2007, available at: [http://www.welt.de/welt\\_print/article986627/Nuechtern\\_effizient\\_und\\_hervorragend\\_gemanagt.html](http://www.welt.de/welt_print/article986627/Nuechtern_effizient_und_hervorragend_gemanagt.html) (last access: 13 July 2007).

And yet, the media also described some areas in which the German presidency was not totally successful<sup>332</sup>: e.g. no solution of the 'meat quarrel' between Poland and Russia, no new Partnership and Cooperation Agreement between the EU and Russia, no preservation of the Constitutional Treaty as such, no liberalisation of the postal services market.

Steinmeier admitted remaining problems with regard to the relation between the EU and Russia, the situation in Kosovo and the Middle East<sup>333</sup>.

#### *Academic community*

There are already some articles assessing successes and weaknesses of the German EU presidency<sup>334</sup>. Overhaus, for example, remarked, among other things<sup>335</sup>, that there were few concrete results in the area of social policy and that there was no agreement on measures for liberalising the gas, electricity and postal services markets. With regard to enlargement and external relations, he pointed out that the official balance sheet of the presidency remained very vague on the ongoing enlargement process and that there was no breakthrough in the stalled negotiations over the Doha Development Agenda. He also stated that "Interestingly, Russia is the one point where the national and international assessments of German's Council presidency

have been mixed – while some commentators insist that Berlin did not do enough to improve the relationship with Moscow, others complain that it was too soft"<sup>336</sup>.

Several scholars also underlined the leadership qualities of Chancellor Merkel and the skilful mediation of the German team<sup>337</sup>.

#### *Public opinion*

In general, most Germans seemed to be satisfied with the German EU presidency. In a poll led on 26 June 2007 for the TV news channel N24, 79 percent of the respondents thought that the German presidency was successful<sup>338</sup>. According to Gerhard Sabathil, director of the European Commission Representation in Germany, "the successful German Presidency helped bringing Europe closer to the citizens"<sup>339</sup>.

In Germany, much importance is generally attached to environmental issues. A poll led in early June by the opinion poll institute *Emnid* showed that while 47 percent of the respondents found the G8 Summit meaningless, 94 percent thought that the main issue to be dealt with during the Summit was the protection of the environment<sup>340</sup>.

The public opinion in Germany also favours a strong role of the European Union in the field of justice and home affairs. In the latest Eurobarometer survey, most of the German respondents supported decisions at the European level with regard to issues of terrorism (89 percent/European average: 81 percent), criminality (77 percent/European

<sup>332</sup> Sabine Adler: Gefeierte Kanzlerin. Bilanz der EU-Ratspräsidentschaft, Kommentar, in: Deutschlandradio, 27.6.2007, available at: <http://www.dradio.de/dkultur/sendungen/kommentar/640949/> (last access: 13 July 2007); Christoph B. Schiltz: Eine Bilanz der sechsmonatigen deutschen EU-Ratspräsidentschaft. Die Tops und Flops der deutschen Minister, in: Die Welt, 30. Juni 2007, available at: [http://www.welt.de/welt\\_print/article986625/Die\\_Tops\\_und\\_Flops\\_der\\_deutschen\\_Minister.html](http://www.welt.de/welt_print/article986625/Die_Tops_und_Flops_der_deutschen_Minister.html) (last access: 13 July 2007).

<sup>333</sup> Die Welt: Stehender Applaus für „Miss Europa“, 27.06.2007, available at: [http://www.welt.de/politik/article979664/Stehender\\_Applaus\\_fuer\\_Miss\\_Europa.html](http://www.welt.de/politik/article979664/Stehender_Applaus_fuer_Miss_Europa.html) (last access: 13 July 2007).

<sup>334</sup> To mention but a few, see Bertelsmann Forschungsgruppe Politik: Bilanz der deutschen EU-Ratspräsidentschaft. Analyse und Bewertung des Centrums für angewandte Politikforschung (C-A-P), C-A-P Analyse 6/2007, available at: <http://www.cap.lmu.de/download/2007/CAP-Analyse-2007-06.pdf> (last access: 20 July 2007) or Gesa-Stefanie Brincker/Daniel Göler/Mathias Jopp: Die deutsche EU-Ratspräsidentschaft 2007 – Bilanz und Perspektiven [working title], in: *integration* 4/07 (forthcoming).

<sup>335</sup> Marco Overhaus: Online Dossier: Balance Sheet of Germany's EU Council Presidency 2007, Overview, in: Your Gateway To German Foreign Policy, available at: <http://www.deutsche-aussenpolitik.de/resources/dossiers/German-Presidency2007/overview.php> (last access: 13 July 2007).

<sup>336</sup> Ibid.

<sup>337</sup> For example Kristina Notz, Wolfgang Wessels, Andreas Maurer, and Wichard Woyke in the article by Jonathan Fasel: „Der Baustelle EU noch eine Etage draufgesetzt“, in: tagesschau.de, 27.06.2007, available at: [http://www.tagesschau.de/aktuell/meldungen/0.1185.OID6.995360\\_TYP6\\_THE6239274\\_NAV\\_REF\\_BAB.00.html](http://www.tagesschau.de/aktuell/meldungen/0.1185.OID6.995360_TYP6_THE6239274_NAV_REF_BAB.00.html) (last access: 13 July 2007).

<sup>338</sup> Cf. Emnid-Erhebung poll for N24, in: Die neue Epoche Online, 26 June 2007, <http://www.dieneuepoche.com/articles/2007/06/26/135428.html> (last access: 24 July 2007).

<sup>339</sup> "Die erfolgreiche deutsche EU-Ratspräsidentschaft hat dazu beigetragen, Europa den Bürgern nahe zu bringen". Die EU in Deutschland – EU Aktuell, in: European Commission Website, 12 July 2007, [http://ec.europa.eu/deutschland/press/pr\\_releases/index\\_7212\\_de.htm](http://ec.europa.eu/deutschland/press/pr_releases/index_7212_de.htm) (last access: 24 July 2007).

<sup>340</sup> Emnid-Erhebung poll for N24, in: N24 Website, 6 June 2007, <http://www.n24.de/politik/article.php?articleId=123356&teaSerId=125859> (last access: 24 July 2007).

average: 60 percent), and immigration (61 percent/European average: 59 percent)<sup>341</sup>.

## Greece

### *The European Council in June 2007*

In the run-up to the Brussels June 2007 European Council, Greek Prime Minister K. Karamanlis seized the occasion of a Party conference to set out the official Greek position on the forthcoming negotiations over the post-Constitutional Treaty institutional equilibrium in the EU-27.<sup>342</sup> He put the accent on the fact that Greece, along with 17 other member states had already ratified (in Parliament, with a very wide majority) the Draft Constitutional Treaty, which embodied major principles and Greece was very much in support of it. He also tried to counter the negative British position and the intransigent Polish one by pointing out that, were Euro-negative positions to lead to an impasse, the only remaining way would be for “the willing” to proceed on the basis of enhanced co-operations.

This point gained quite a lot of support in the press, both in commentaries and embedded in reporting. It was also the basis of the Greek argumentation at Foreign Ministers’ level just before the Summit, i.e. that the Government had argued positively over the Draft Treaty to the people, so that radical changes would be politically difficult to explain. Elements thus considered as being fundamental to the institutional equilibrium achieved by the Draft Constitutional Treaty were the weighting of votes, the representation of member states at Commission level, the effective restriction of veto to groups of countries and not to single member states; less importance was afforded to the symbolic aspects of the Treaty (preamble, flag/anthem, position of

Fundamental Rights Charter in the Treaty proper or in annexed Protocol, title of Foreign Minister and Chair of the Council).

No real difference of positions was to be detected with the main Opposition party, the Socialist PASOK, who reminded public opinion that the essence of the Draft Constitutional Treaty had been (according to Greek pride) effectively negotiated at the Thessaloniki 2003 Summit, that ex-Prime Minister Costas Simitis was ever now associated to the Wisemen Committee of (ex) personalities calling for federalist options etc.

An interesting point that should not be overlooked concerns the effective substratum of Greek opinion about “Europe”/things European at the eve of the June Summit. Greeks, who for several years accepted “Europe” as a clearly positive value, consider it now “a good thing” at a level of 55%, for the first time lower than the European average of 57%; at the same time 75% of Greeks consider their country to “have benefited from EU participation”, as opposed to 59% of European average. Concerning, now, the acceptance of the positive character of a European Constitution, Greek public opinion led European public opinion in spring 2007 by 69% vs. 66%: but such acceptance was down in Greece (from 75% in fall 2006), while up in European average (from a precedent of 63%).

When the final “Reform Treaty” negotiations got underway in Brussels, Greece welcomed the efforts of the German Presidency and – when the impasse grew closer – praised the pragmatism of the consensus-building compromises presented. (*Idem* for the new French President’s Nicolas Sarkozy participation to the efforts, along with departing Tony Blair, to break the “Polish deadlock”). The outcome of the June European Council was, thus, greeted with positive feelings but in no way with enthusiasm: the technical IGC negotiations to shape the binding text that is to travel anew the ratification route will be followed in Greece with rather low interest. Be it said, though, that the general press was all too ready to demonise the Poles and (to lesser extent) the perfidious Albion for blocking “Political Europe”. The exact content of the agreed compromises was little discussed – certainly not in detail – in the days immediately following the Brussels Summit. Prime Minister Karamanlis got on-the-record stating that the future of the EU might after all reside in enhanced co-operations, but without specifying

<sup>341</sup> Cf. Standard Eurobarometer 67, National report Germany, Spring 2007 (published in July 2007), [http://ec.europa.eu/public\\_opinion/archives/eb/eb67/eb67\\_de\\_nat.pdf](http://ec.europa.eu/public_opinion/archives/eb/eb67/eb67_de_nat.pdf) (last access: 24 July 2007).

<sup>342</sup> General information about Greek politics: Prime Minister of the Hellenic Republic, official homepage available at: [http://www.primeminister.gr/index.php?option=com\\_content&task=view&id=4762&Itemid=89](http://www.primeminister.gr/index.php?option=com_content&task=view&id=4762&Itemid=89) (last access: 03.09.2007); Ministry of Foreign Affairs, official homepage available at: <http://www.yplex.gov.gr/www.mfa.gr/el-GR/> (last access: 03.09.2007); Hellenic Parliament, official homepage available at: <http://www.parliament.gr/english/default.asp> (last access: 04.09.2007); general news on Greek politics available at: <http://www.politicsgr.com/> (last access: 05.09.2007) and <http://noitikiantistasis.com/wordpress/> (last access: 05.09.2007).

the exact content or scope of such initiatives. Post-Summit, the press was mainly critical of the lack of specific advances for the EU, but as the days passed by, opinions more positive as to the Reform Treaty's contribution to breaking the two-years long deadlock of the EU began to surface.

In academic events like the June 25 post-Summit discussion organized by EKEME and the Workshop for European Policy of Athens University, there were two clearly diverging schools of thought expressed: that the Reform Treaty was a case of "two steps forward, one step back", or of "one step forward, two steps back", as it came after the much more advanced Constitution process.

The first, negative evaluation of the Reform Treaty considered that by leaving behind the symbolic items that the Constitutional Treaty had taken up – its very title ("Constitutional"), the reference to the flag and to the anthem, the mention of laws instead of regulations, the title of "Foreign Affairs Minister" – as well as the overall tone of the institutional debate, constitute an important, if not decisive, step back on the road to a Political Europe.

That element of losing ground is underlined also, according to the same negative assessment, by the fact that the Reform Treaty will not be discussed in a Convention, with the participation of national Parliaments' representatives and open to the Civil Society; instead, we will have a "trivial" IGC, with its hands already tied by the Summit conclusions. Moreover, the fact that the text of the Constitutional Treaty that has been left behind had already been ratified by 18 out of 25 member states (with the two newcomers being considered *ab initio* positive) was written down as a political defeat.

In more specific terms, institutional "retreats" such as:

- Relegating the Fundamental Rights Charter from the very text of the Treaty to the status of a Protocol (with less than clear binding legal status)
- Having the principle of precedence of Community/Union law (the well-known *acquis*) retreat from the body of the Treaty to a simple Declaration
- Granting the UK a double additional opt-out (from the Charter as well as from home affairs/justice cooperation)
- Shifting the new system of weighted majority (55/65) to a 2014-2017 horizon,

while keeping in place the "Ioannina mechanism"

- The integration of the CFSP in the Union, with a single legal personality, but with special "intergovernmental" decision-making procedures, with no juridical control

were considered as so many institutional defeats for Europe.

The other side of the argument mainly stressed the fact that the institutional changes introduced were necessary since two peoples – the French and the Dutch – clearly voted against an institutional text that, in itself, made provision for ratification by the constitutional procedures chosen in each member state; two more peoples, the British and the Poles, had also deeply-seated negative feelings – as was made amply clear by the thorny Summit negotiations. So, the very democratic legitimacy of the institutional exercise in the EU demanded a change in both objectives and style.

The fact, now, that the "27" are once more marching forward together, while the possibility remains for "the willing" to go forward at a faster pace on the basis of enhanced co-operations (with a marginal increase of the minimum required: from 8 to 9 member states, i.e. the 1/3 provided for by the Constitutional Treaty) should also be considered a weighty achievement.

Further to these general considerations, from a functional point of view the following were considered major steps forward:

- Change in the Presidency of the Council
- Constitution of a (unified) post of High Representative for Foreign Affairs
- Election of the Commission President by the EP
- Rationalisation of the seats at the EP and of the members of the Commission,
- along with the new way of calculation (55/66) of the weighted majority, even if its application is deferred in time
- Increase of the role of national parliaments
- Important enhancement of the cooperation in the field of internal security
- and (at a lesser degree) in the field of external security and of defence.

The chasm between diverging assessments of the "Reform Treaty" even in the relatively serene environment of an academic/analytical



meeting can be shown by the two following cases of dissent:

- Concerning the Fundamental Rights Charter and its “exile” away from the main body of the Treaty, – in conjunction with the restrictive UK interpretation about the ECJ “reading” of social rights – the point has been made that there might arise a de facto “pruning” the reach of Community Law in that respect. The counter-argument was put forward that decades of Court work, long before the Charter was discussed, had already integrated a whole web of fundamental rights in the EU legal order (based on the Constitutional traditions of member states and on the ECHR) along with a procedure for the protection of such rights. It would be thus difficult to imagine the ECJ accepting to limit its interpretation on such a basis – and to do so, in matters of fundamental rights.
- Concerning the wider role/influence over Community decisions attributed to the national parliaments, the very fact considered positive by the second school of thought (indeed, an evolution taken over from the Constitutional Treaty), was deemed by the opposite opinion to be a “quasi veto” surreptitiously introduced through the parliaments into the EU legal order.

#### *The Berlin Declaration*

The Berlin Declaration was closely followed by Greek public opinion while prepared/negotiated, but much less interest was shown to the outcome. Officially it was greeted as a major milestone in Europe’s progress – but both academic and journalistic analysis varied from the “interesting” to the “expected” to the “anodyne”. Interestingly, the Declaration’s text was widely excerpted in the press, but the full text can only be found in the (April 2007) issue of *International and European Politics* (quarterly review in Greek) – along with a spate of analyses of “Europe at 50”<sup>343</sup>.

#### *General evaluation of the German presidency*

Overall, the German Presidency was positively assessed – but with a creeping feeling of missed opportunities for “something more” – in

institutional negotiations, but also in the major issues of energy and the environment which were viewed as of special importance/major promise for German leadership.

#### **Hungary**

##### *Reactions to the conclusions of the European Council in June 2007*

The initial negotiating position of Hungary (a country that ratified the Constitutional Treaty as the second member state) was preferably not to reopen the institutional deal reached by the Constitution and not to revise the present status of competences (namely, Hungary is against re-nationalisation of EU competences). At the same time, Hungary stuck to such points as the protection of minority rights, equality of member states or the possibility of using enhanced cooperation. Hungary welcomed the fact that these latter items have not been questioned by any of the member states.<sup>344</sup>

During the negotiations preparing the European Council, as well as during the summit talks, Hungary – representing the above mentioned interests – belonged to the mainstream of member states showing flexibility and being ready for compromises. The Hungarian delegation did not evoke any red lines and avoided even mentioning a veto or a blockage. After the marathon talks of the European Council of 21-22 June, Hungary agreed with the outcome (including compromises on the majority voting system, on the status of the Charter of Fundamental Rights, on the EU foreign affairs high representative, or eliminating the expression of “constitution”), and is now heading to the IGC elaborating the new Reform Treaty which should be ready before the end of this year and would preferably enter into force in 2009.

As regards the echo of the European Council achievements, the general evaluation in Hungary was mainly “double-edged”. On the one hand the media, the politicians and experts overwhelmingly welcomed the fact that the reflection period (or the two years long “paralysis”) of the EU is over and the member states could finally agree to move on in making the EU more efficient. In this respect, the performance of the German presidency and the personal commitment of Chancellor Angela

<sup>343</sup> Among them: H.-G. Poettering, J. Delors, M. Wallstrom and most of Greece’s political, academic and journalistic arsenal.

<sup>344</sup> Hungarian Press Agency, available at: <http://www.mti.hu/eu> – 5 June 2007 (last access: 13.08.2007).

Merkel have particularly been praised. On the other hand it has also been underlined that any treaty reform is only the background or the framework for a well functioning and successful EU, so it is not the end but only the means.

### *The Berlin declaration*

The Berlin declaration was perceived in Hungary as an important – although not substantial – step forward in solving the deadlock of the European constitutional process. According to the official communiqué of the Hungarian Ministry of Foreign Affairs,<sup>345</sup> the Berlin declaration has been a diplomatic success, containing not only the fundamental values and achievements of the Union over the past 50 years but also highlighting the most important challenges of the near future, including the deadline of 2009 as regards laying down new foundations for the Union. The media coverage of the declaration has not been very extensive, at the same time the reactions of the major daily newspapers have been varied. Their evaluations ranged from labelling the declaration as “wise”, “successful”, “giving new impetus for the EU” to writing about “birthday with anxiety”.

### *Evaluation of other achievements, failures or weaknesses of the German presidency*

In Hungary the performance of the German presidency is largely associated with the diplomatic activities aimed at overcoming the two years long constitutional deadlock – and in this respect it is judged to be a success. The main achievement of the German presidency has been to initially draw up a road map, then, more ambitiously, to go from the Berlin declaration through the June European Council decisions towards a new IGC coupled with further target dates. The would-be Reform Treaty may improve the EU’s decision-making capabilities, as well as its external action. Some criticism has been raised though, that all these talks have mainly been conducted behind closed doors.

To the further successes of the German presidency belongs the adoption of the following key documents: the extension of the Prüm Treaty to all member states, the strategy fighting climate change (the known triple 20

formula to be reached by 2020) and the framework regulation on anti-racism. All these achievements have been positively assessed by Hungary, including the opposition and the interested civil organisations. Nevertheless, the – hopefully only transitional – worsening of EU-Russia relations (including the postponement of the new partnership agreement) has been commented as a failure of the German presidency.<sup>346</sup>

## **Ireland**

### *European Council in June 2007*

Ireland reacted very positively to the conclusions of the June European Council and mandate for the Intergovernmental Conference.<sup>347</sup> Following the June 2007 European Council, Taoiseach Bertie Ahern praised Chancellor Merkel for her “*commitment, patience, fairness and her enduring determination to achieve agreement*”. The Irish Government’s priority had been to secure retention of the Constitutional Treaty to the maximum extent possible; it was willing to contemplate some presentational adjustments but wished to preserve the political substance of the Constitutional Treaty. Ireland is very satisfied with the outcome achieved by the German Presidency. It believes that its own core objectives were fulfilled; the Taoiseach (Irish Prime Minister) commented after the European Council that in his view some 90% of the Constitutional Treaty’s substance had been preserved in the mandate agreed for the IGC. Key Irish concerns in relation to individual aspects were also addressed satisfactorily by the German Presidency.

With regard to the Charter of Fundamental Rights, Ireland reserved the right to study the implications of the opt-out granted to the UK in relation to the Charter; Media response to the statement by an Taoiseach, Bertie Ahern, before the Irish Parliament, Dáil Éireann, on 27

<sup>345</sup> Available at: [http://193.6.227.231/kum/hu/bal/Aktualis/latogatasok\\_es\\_e\\_semenyek/Gyurcsany\\_diplomaciai\\_siker\\_a\\_Berlini\\_Nyilatkozat.htm](http://193.6.227.231/kum/hu/bal/Aktualis/latogatasok_es_e_semenyek/Gyurcsany_diplomaciai_siker_a_Berlini_Nyilatkozat.htm) (last access: 13.08.2007).

<sup>346</sup> Available at: <http://www.euvo.hu/index.php?op=hirek&id=4234> (last access: 13.08.2007).

<sup>347</sup> General information about Irish politics: Government of Ireland website, available at: <http://www.irlgov.ie/> (last access: 03.09.2007); Department of Foreign Affairs website, available at: <http://www.dfa.ie/home/index.aspx> (last access: 03.09.2007); Houses of the Oireachtas website, available at: <http://www.oireachtas.ie/ViewDoc.aspx?fn=/home.asp> (last access: 03.09.2007); general news on Irish politics available at: <http://www.politicsinireland.com/> (last access: 03.09.2007) and <http://www.irishnews.com/> (last access: 03.09.2007).

June 2007 that the Irish delegation intended “to study the implications of the [UK] Protocol” was initially reported in the national press as Ireland seeking an ‘opt-out’ and led a major umbrella group of trade unions to state that unless Ireland fully signed up to the Charter, the grouping would campaign for a ‘No’ vote in the forthcoming 2008 referendum. However, Taoiseach Bertie Ahern categorically stated that the Irish delegation “*did not seek an ‘opt-out’ from the Charter, nor did we seek the inclusion of a footnote in the draft mandate recording any reservations.*” Ireland, in other words, has neither a Protocol nor a Declaration annexed to the Reform Treaty on how the Charter should apply or be interpreted at a national level.

Under the Irish Constitution, ratification of the Reform Treaty by referendum will be required. The Irish government has indicated that is likely to call a referendum for this purpose during the summer of 2008. The Green Party, a junior partner in the coalition Government, which took office following the recent general election in Ireland, has campaigned for ‘No’ votes in previous referenda on EU treaties. Its presence in government is expected to modify this traditional opposition on the next occasion, however. So far, none of Ireland’s political parties has indicated whether they will call for a “Yes” or “No” vote. It is broadly assumed, however, that a majority will be available for the Reform Treaty, which is likely to emerge from the Intergovernmental Conference.

#### *Berlin Declaration*

The Berlin Declaration was welcomed in Ireland, if in somewhat muted tones in the media, which was largely focused on the Fianna Fail Party Conference, which preceded the general election in Ireland. The celebratory nature of the declaration and the manner in which its presentation was organised were regarded in hindsight as the first publicly perceived successful moments of the Presidency – to be later followed by the success of the Spring summit on energy and climate change and culminating in the agreement achieved at the European Council in June on the Reform Treaty. Media commentary saw the declaration as a welcome reaffirmation of commitment to the Treaty project and the other critical challenges facing the European Union. It was judged a useful stepping-stone towards the June European Council and the decisions to be taken there on the future of the Treaty process. The Irish

language version of the Declaration was well received by the public and policy community.

#### *German Presidency*

Overall, Ireland has given a very positive evaluation of the German Presidency. The personal contribution of Chancellor Merkel has been warmly praised in the media and by the Taoiseach, particularly in relation to the achievements of the Spring European Council on energy and climate change and to the June decisions on a new Reform Treaty.

There was particular appreciation in Ireland for the Chancellor’s efforts to ensure full consultation of all Members States on these and other Presidency priorities and the emphasis with which, in the aftermath of the June European Council, she rejected all talk of a “core Europe”, or smaller groupings of Member States to take forward key issues

#### **Italy**

The outcome of the European Council in June 2007 has been described by the Italian press as a good compromise because the substance of the innovations contained in the Constitutional Treaty has been safeguarded while meeting the expectations of European public opinion in terms of greater influence on the decisions taken in Brussels and the guarantee of autonomy of national policies. Some controversial aspects of the compromise reached in Brussels have been outlined: the decision to eliminate, among the objectives of the EU, the reference to a free and undistorted competition in the internal market, seen as a price paid to French public opinion, and the delay of the entry into force of the new voting rules for the Council of the EU, due to the Polish opposition.

Prime Minister Romano Prodi expressed disappointment by the obstructive attitude of some member states, which openly tried to diminish the role of the EU in favour of a greater national role and to eliminate any reference to the symbols of the EU. The draft Reform Treaty is generally considered a step backward compared to the Constitutional Treaty. However, all the red lines identified by the Italian government before the European Council have been obtained: a stable presidency of the European Council; a representative for EU foreign policy and an external action service; the extension of the

majority voting; and the legal personality of the EU.<sup>348</sup>

President Giorgio Napolitano was much more critical of the outcome of the European Council: he said the majority of member states which had already ratified the Constitutional Treaty had to succumb to the requests of the minority, in particular to the Polish-British tandem.<sup>349</sup> Many have identified the option of a two-speed Europe as the only credible one to go ahead with the integration process after the European Council agreement. Both the Prime Minister and the President agreed on the necessity to launch reinforced cooperations, in particular to attain an enhanced coordination of economic policies among the countries of the Eurozone and to develop a Mediterranean policy.

The laborious effort by the German presidency to reach an agreement was very much appreciated. The press focused on the uncompromising attitude of Britain and Poland as the main cause of the shortfalls in the European Council conclusions.

The Berlin Declaration received considerable attention in the Italian media and was positively welcomed in our country. The role played by German Chancellor Angela Merkel was very much appreciated, despite the fact that the Declaration was only signed by three Presidents of the Council, the Commission and the European Parliament. This was viewed as a result of the difficulty to elaborate a text that all the 27 leaders could agree on. Italy had ambitious expectations in the Declaration, but in the end it was a pragmatic approach that prevailed. The approved text seems quite attenuated: however, it was acknowledged that this was due to the need to meet a number of significant pressures and demands coming from the different member states. The centralised process adopted by the German presidency to draft the text was criticised, but it was recognised that it was due to the necessity to go beyond a generic and declamatory text. As Prime Minister Romano Prodi stated: "The Berlin Declaration could seem weak, but it is the maximum we could say in the current situation", referring to the political tensions in

Prague and Warsaw and to the fact that Paris was in the middle of electoral campaign.<sup>350</sup>

In general, the judgement on the German presidency has been very positive.

## Latvia

Because of internal political developments set off by public dissatisfaction with the high-handed actions of the government in early 2007, there were few public discussions of the Berlin declaration before or after its adoption. Nonetheless, the document appeared to be received favourably.

Similarly, domestic events took precedence over European developments in the spring and early summer. Given that the June 2007 European Council nearly coincided with the Midsummer holidays, when nearly all of Latvia goes to the countryside to celebrate the summer solstice, as well as with the continuing heated debates about the performance of the government, the presidential elections, and a referendum on July 7, the reaction in Riga to the intense discussions in Brussels and the conciliatory results that were achieved was positive but mild. The Latvian parliament - having endorsed the Constitutional Treaty, the decision-makers and the people wanted concrete steps taken in order to get out of the impasse. They approved of the German intent to achieve agreement on a road map for the Union's reform and the future of the treaty.<sup>351</sup> In fact, this was the first of eight priority points (followed by a long and detailed list of specific tasks) that Latvia's Ministry of Foreign Affairs believed the EU should focus upon during the German presidency of the Union.

While five of the eight priority points were formulated as recommendations to continue working on issues already on the EU's agenda, such as the Constitutional Treaty, Lisbon strategy and common energy policy, specific results were anticipated in three points:

- Agreement should be reached upon a mandate for negotiations with Russia about a new EU-Russia treaty on their

<sup>348</sup> La Repubblica, Prodi: "Un'Europa senza cuore abbiamo fatto un passo indietro", p. 5, 24 June 2007.

<sup>349</sup> Corriere delle Sera, Napolitano: 'Sull'Europa meschini ripiegamenti', p. 15, 27 June 2007.

<sup>350</sup> Il Sole 24 Ore, La Dichiarazione di Berlino, tabella di Marcia per la Ue del futuro (con solo tre firme in calce), 24 March 2007.

<sup>351</sup> See Point 1 of the Latvian Foreign Ministry's list of priority tasks for the German presidency of the EU, available at: <http://www.mfa.gov.lv/lv/eu/Prioritates/VacijasPrezidentura/> (last access: 20.08.2007).



relations and negotiations should be started concerning such a treaty.

- Discussions should be continued so that agreement is achieved about the further development of the European Neighbourhood Policy (ENP) and its increased focus on the ENP Eastern dimension.
- EU strategy on Central Asia should be drafted.

Though not stated in the document, the entire list of tasks is formulated as a brief compilation of what Latvia would like the Union to pursue in particular. Hence, Latvia does not intend to reproach the German presidency for not having achieved notable progress on every point, even the priority points. However, considering this document alongside the priority points that the Latvian Ministry of Foreign Affairs wishes to stress during Portugal's presidency of the EU<sup>352</sup>, it is clear that in the future Latvia will continue to remind every EU presidency of the tasks that it believes the Union should focus upon, regardless of the specific tasks that each presidency has delineated for itself.

While there has hardly been any discussion of the achievements or shortcomings of the German presidency or of the June 2007 European Council, the Latvian decision-makers have so far been favourable to the idea of a shortened and revised document that would enable the EU to proceed with its reform course and to act as a Union on issues of principal importance to the member states. What is more, Latvia's new president, Valdis Zatlers indicated to European Commission President José Manuel Barroso on 17 July that Latvia would use its diplomatic skills in order to achieve complete agreement among the EU member states on the reform treaty before the end of the Portuguese presidency of the Union. Nonetheless, Latvia continues to look askance on the ideas about a two-speed Europe and its various permutations.

<sup>352</sup> Latvia's list of priority tasks for the Portuguese presidency of the EU, available at: <http://www.mfa.gov.lv/lv/eu/Prioritates/PortugalesPrezidentura/> (last access: 20.08.2007).

## Lithuania

### *Reactions to the conclusions of the European Council in June 2007*

Speaking about the results of June European Council, Lithuanian President Valdas Adamkus declared that he was happy that the EU member states focused and showed their wisdom in finding an agreement upon the document which will be very important for the future. According to him, "The European Union proved once more its capability to clear the obstacles on the road of integration"<sup>353</sup>.

The President claimed that during the European Council meeting Lithuania implemented its tasks by 100 per cent, among which the objective to keep the essence of the constitutional treaty was the most important.

Before the European Council meeting the President declared that one of the main Lithuanian objectives was to reinforce the provisions about the energy security and solidarity, that the energy policy would be clearly regulated and would become a common European Union policy<sup>354</sup>. Therefore commenting on the results of the European Council meeting the President said, "a big advantage of this document is that it emphasizes the solidarity of the EU member states upon the energy issues"<sup>355</sup>.

Answering the question if he was fully satisfied with the outcomes of the European Council meeting the Lithuanian President noticed that the disunity in the European Union became very clear during this meeting and there are

<sup>353</sup> Prezidentas teigia, kad net ir nedidelė jauna ES šalis gali svariai prisidėti sprendžiant Europos problemas (The President claims that even a small young EU member state can seriously contribute to solving the problems of Europe), President press release, June 23, 2007, available at: <http://www.president.lt/lt/news.full/8015> (last access: 20.08.2007).

<sup>354</sup> Prezidentas dalyvaus Europos Vadovų Tarybos susitikime Briuselyje (The President will participate in the European Council meeting in Brussels), President press release, June 20, 2007, available at: <http://www.president.lt/lt/news.full/8000> (last access: 20.08.2007).

<sup>355</sup> Prezidentas teigia, kad net ir nedidelė jauna ES šalis gali svariai prisidėti sprendžiant Europos problemas (The President claims that even a small young EU member state can seriously contribute to solving the problems of Europe), President press release, June 23, 2007, available at: <http://www.president.lt/lt/news.full/8015> (last access: 20.08.2007).

still many questions, which the governments of the EU member states will have to resolve<sup>356</sup>.

### *Berlin Declaration*

With concerns to the Berlin declaration, there is a general satisfaction and agreement on the importance of the Berlin declaration among the highest Lithuanian officials. Lithuanian President Valdas Adamkus declared during the ceremony of signing the Berlin declaration that this document is of historic importance. As the President said "The Berlin declaration sends a clear message to the world – the EU is strong, united and ready to deal with the future tasks"<sup>357</sup>. He hopes that the Berlin declaration will not stay double-talk and Europe will have a new constitution by 2009<sup>358</sup>.

According to the President, most of Lithuanian proposals for the text of the declaration were taken into consideration<sup>359</sup>. The Lithuanian President finds important that the provisions about the reforms of integration, the success of the EU enlargement were included into the declaration<sup>360</sup>. As Lithuania was the first EU member state to ratify the Treaty establishing a Constitution for Europe, Lithuania also appreciated that a concrete date was indicated in the declaration by which the political reform of the EU should be implemented<sup>361</sup>. According to the President, "It is crucial that the importance of the accession of the Central and Eastern European states to the EU to the uniting Europe is emphasized"<sup>362</sup>. Lithuanian

Prime Minister Gediminas Kirkilas said that this signifies that the European Union treats positively the last enlargement of the European Union. According to him, "this means that there is a background for the further enlargement of the European Union"<sup>363</sup>. Speaking about the Berlin declaration the Lithuanian President also added that by signing this document the EU has taken obligations to promote democracy and stability behind the borders of the Union. This is a good signal for the Eastern neighbours of the EU, claimed the President<sup>364</sup>.

Speaking in a plenary meeting dedicated to celebrating the 50<sup>th</sup> anniversary of the treaty of Rome the Chairman of the Lithuanian Parliament Viktoras Muntianas questioned why there are doubts inside the EU about the future of its development. As he said, the Berlin declaration demonstrated that our fundamental ideals are the same and this is the most important. Therefore the Chairman expressed his believe that an agreement upon the ways to implement these ideals will be reached<sup>365</sup>.

Speaking on the same occasion Lithuanian Foreign Affairs Vice-Minister Jaroslav Neverovič said that the Berlin declaration shows the unity of the European Union countries upon the fundamental values and resolution to deal with most crucial future tasks. He added that a decision to finish the political reform of the EU by 2009 declared in the Berlin declaration could be congratulated<sup>366</sup>.

Despite the optimistic evaluations from the highest Lithuanian officials, there were also not so positive comments on the Berlin declaration. As Kęstutis Girnius wrote in the

<sup>356</sup> ES sostinėje – naktys be miego (Sleepless nights in the capital of the EU), Newspaper "Lietuvos rytas", June 26 d., 2007, 3 p.

<sup>357</sup> Berlyno deklaracija skelbia – Europa yra mūsų bendra ateitis (The Berlin declaration declares – Europe is our common future), President press release, March 25, 2007, available at: <http://www.president.lt/lt/news.full/7667?pm=1> (last access: 20.08.2007).

<sup>358</sup> Europos 50-metis: kanclerės pamokslas ir pažadai (The 50th anniversary of Europe: lecture and promises by the German Chancellor), Vytenė Stašaitytė, Newspaper "Lietuvos žinios", March 26, 2007, 2 p.

<sup>359</sup> Berlyno deklaracija skelbia – Europa yra mūsų bendra ateitis (The Berlin declaration declares – Europe is our common future), President press release, March 25, 2007, available at: <http://www.president.lt/lt/news.full/7667?pm=1> (last access: 20.08.2007).

<sup>360</sup> Į bendrą ES deklaraciją įtraukta 90 proc. Lietuvos pasiūlymų (90 percent of Lithuanian proposals were included into the common EU declaration), News agency ELTA, March 22, 2007.

<sup>361</sup> Berlyno deklaracija skelbia – Europa yra mūsų bendra ateitis (The Berlin declaration declares – Europe is our common future), President press release, March 25, 2007, available at: <http://www.president.lt/lt/news.full/7667?pm=1> (last access: 20.08.2007).

<sup>362</sup> Berlyno deklaracija skelbia – Europa yra mūsų bendra ateitis (The Berlin declaration declares – Europe is our common future), President press release, March 25, 2007,

available at: <http://www.president.lt/lt/news.full/7667?pm=1> (last access: 20.08.2007).

<sup>363</sup> Į bendrą ES deklaraciją įtraukta 90 proc. Lietuvos pasiūlymų (90 percent of Lithuanian proposals were included into the common EU declaration), News agency ELTA, March 22, 2007.

<sup>364</sup> Berlyno deklaracija skelbia – Europa yra mūsų bendra ateitis (The Berlin declaration declares – Europe is our common future), President press release, March 25, 2007, available at: <http://www.president.lt/lt/news.full/7667?pm=1> (last access: 20.08.2007).

<sup>365</sup> A speech by Chairman of the Seimas Viktoras Muntianas delivered during the Seimas plenary sitting dedicated to commemorating the 50<sup>th</sup> anniversary of the treaty of Rome and the 3<sup>rd</sup> anniversary of Lithuanian membership in NATO), March 29, 2007, available at: [http://www3.lrs.lt/pls/inter/w5\\_show?p\\_r=847&p\\_d=65186&p\\_k=1](http://www3.lrs.lt/pls/inter/w5_show?p_r=847&p_d=65186&p_k=1) (last access: 20.08.2007).

<sup>366</sup> A speech by Foreign Affairs Vice-Minister Jaroslav Neverovič delivered in the Seimas plenary sitting dedicated at commemorating the 50<sup>th</sup> anniversary of treaty of Rome, March 29, 2007.

Internet news portal "Bernardinai", there are disagreements in the EU on the different issues and the Berlin declaration once again confirmed that. As he commented, this declaration says no word about the new European constitution, there is no hint about the further enlargement of the EU, the Euro is mentioned in the declaration despite the disagreement of England, there is no reference to Christianity and the declaration itself was not signed by all the leaders of the EU member states<sup>367</sup>.

### *German Presidency*

With concerns to the German presidency, there were quite many comments on the German presidency before and in the beginning of the presidency in Lithuania. However, when the German presidency ended, for a while there were very few comments and evaluations of this presidency. One example of these comments can be a comment by J. Urbanavičius, published in the Internet news portal "Politika.lt". As he claims German presidency can be evaluated as successful enough because during this half-year many important decisions were made: the discussions about the climate change have finally started, the questions of the EU institutional reform moved from a deadlock. Nevertheless this journalist also observed what Germany was unable to achieve, that the negotiations with Russia upon the new cooperation agreement would be at least started<sup>368</sup>.

### **Luxembourg**

The road map dealing with the continuation of the reform process, one of the priorities of the German presidency, was set up after consultations with all member states' governments including the Luxembourg Prime Minister Jean-Claude Juncker and minister of foreign affairs Jean Asselborn. Generally speaking the Luxembourg government was convinced that the reform process must go on but that the core of the European constitution

treaty must be preserved<sup>369</sup>. The Berlin Declaration was welcomed by all political parties in Luxembourg except the populist ADR, the Communist and far left parties both not represented in parliament.<sup>370</sup>

The "friends of the constitution" Spain and Luxembourg voted in a referendum in 2005 in favour of the constitution treaty. Both countries were very strong supporters of a continuation of the ratification process. Until the last moment Luxembourg's political parties except the populist ADR were still arguing that the treaty is not dead and that Luxembourg needs this treaty in its original handwriting to bring Europe back on the track and to implement common European policies from foreign policy to climate policy.

At the Brussels June 2007 summit things went the other way. It is no secret to anyone that Luxembourg Prime Minister Juncker was not happy with the new French president's idea of a so-called "mini treaty", what Sarkozy himself considered to be a "simplified treaty"<sup>371</sup>. The proposed modifications went too far, according to the Luxembourg government and most Luxembourg political parties (liberals, socialists, greens and Christian democrats).<sup>372</sup> Under strong leadership of the German chancellor Mrs Merkel a compromise was found and hailed by the Luxembourg government. Juncker confessed: "I would never have had this patience (Mrs Merkel had)"<sup>373</sup>. The Irish Times puts it this way: "Jean-Claude Juncker Luxembourg's veteran premier pointed out 'The constitutional treaty was an easily understandable treaty. This is a simplified treaty which is complicated.'"<sup>374</sup>

Even very eurosceptical EU observers like the British "Economist" columnist "Charlemagne" cannot ignore Juncker's mediator role although Sarkozy took the very big part in the media. "Leaders of smaller countries can still gain power, but only through long experience and understanding detailed dossiers, Jean-Claude Juncker, a multilingual master of the dark arts of EU politicking, carries serious heft, even though Luxembourg is basically a local

<sup>367</sup> Europos Sąjunga – pavyzdys, kaip gyventi ir tvarkytis (The European Union – an example how to live and behave), Kęstutis Girnius, March 31, 2007, available at: <http://www.bernardinai.lt/index.php?url=articles/60642> (last access: 20.08.2007).

<sup>368</sup> Portveinas ir pirmininkavimas Europos Sąjungai (Port and presidency for the European Union), J. Urbanavičius, June 30, 2007, available at: [http://www.politika.lt/index.php?cid=9316&new\\_id=436059](http://www.politika.lt/index.php?cid=9316&new_id=436059) (last access: 20.08.2007).

<sup>369</sup> „Tageblatt“ 3.1.2007. Deutschland wird Verfassungskern erhalten.

<sup>370</sup> „La Voix du Luxembourg“ 14.03.2007. L'Europe doit sortir de sa crise. „Zeitung vum Letzebuurger Vollek“ 14.03.2007 Hart an der Realität vorbei.

<sup>371</sup> „Rheinische Post“ 19.05.2007. Juncker warnt.

<sup>372</sup> „Die Welt“ 25.06.2007 ... und Merkel wirkte frisch.

<sup>373</sup> „Handelsblatt“ 25.06.2007. Ein Duo rettet den Vertrag.

<sup>374</sup> „Irish Times“. 25.06.2007. Constitution no more.



government".<sup>375</sup> As Poland's Prime minister Jaroslaw Kaczynski manoeuvred the negotiations in a dead lock from distant Warsaw and his twin brother Lech, the president, threatened to veto any agreement in Brussels, Juncker and his Spanish counterpart Zapatero turned to telephone diplomacy. The anti German mood of the new Polish leaders found the Luxembourg Prime Ministers' disapproval: "All German chancellors, I met (since 1995) have always been strong supporters of Poland. Never your country had to complain about Germany. Without Germany you would not have been accepted as a member at the same time as your neighbours".<sup>376</sup> Nevertheless Juncker "cajoled the Poles"<sup>377</sup> and proposed a way out<sup>378</sup>. The "double majority" rule starts only in 2014. Poland will keep its votes it gained in the Nice treaty until 2017.

In Luxembourg the role of the "youngest doyen", the once "hero of Dublin", was merely underscored except in the press friendly to his party. This fact seems to have something to do with the biblical wisdom that nobody can be a prophet in his one country<sup>379</sup>.

The vice president of the European socialist party group, the MEP and former minister of economy Robert Goebbels, does not like the Brussels compromise at all. He condemns chancellor Merkel's achievement where as he puts it: "the appearances are deceptive and hide only a worthless agreement". The constitution treaty is dead and buried, the European citizens were misled in his eyes. He attacks not only Sarkozy and his "mini treaty" or the Kaczynski twins and their "dying for the square root" but his main target is his fellow member of the European socialist party, the British Labour Prime minister Tony Blair: Goebbels seems to lose his countenance when he writes: "Brits quit the EU!"<sup>380</sup> (...) "The real rogue of the Brussels second rate theatre is Tony Blair.(...) He did sign the treaty in Rome. Instead of fighting at home for the ratification of this treaty as he did in favour of Bush's Iraq war he jumped on the French 'non'

to capitulate in front of the tabloid press"<sup>381</sup>. De Gaulle was right, Great Britain is and remains an island. Britons do not have friends only interests... they want liberalized deregulated, free trade zone for the greater profit of the London city finance business. All other European policies must have opted out solution". Goebbels calls for the non-ratification of this fake treaty. Goebbels way to see it might be an extreme position. But the general mood among Luxembourg political parties is pessimistic. Of course "it's better than Nice" says Juncker<sup>382</sup>. "Luxembourg demands concerning the Fundamental rights Charta and the Common foreign policy have been adopted". He even believes that the expectations of the Luxembourg voters were respected. Henri Wehenkel, one of the leading protagonists of the "No"-alliance in the 2005 referendum campaign, criticizes the outcome of the Brussels summit.<sup>383</sup> He fears that the dialogue and the participation of the peoples in the discussion on Europe's future will now again be overrun by secret negotiations policy and cabinet agreements.

## Malta

### *The European Council in June 2007*

The outcome of the European Council which brought to an end the German Presidency is regarded as a major success by everyone in Malta in that it succeeded in breaking the logjam that existed when it came to the future structure of an enlarged European Union.<sup>384</sup>

<sup>381</sup> „The Sun“ 04.07.2007. Michael Lea Gord says no treaty referendum Lux PM's bid to keep Brits in dark: "He (Juncker) said there should be no public debate in the UK (...) Britain is different. Of course there will be transfers of sovereignty, but would it be intelligent to draw the attention of public opinion to this fact? (...) There is an enormous extension in the fields of the EU 's powers". According to the Sun G. Brown does not think that a referendum is necessary in Britain "the treaty does not surrender power to Brussels".

<sup>382</sup> LW 25.06.2007 Juncker: „Besser als Nice“.

<sup>383</sup> „Letzebuerger Land“ 06.07.2007. 80 000

Luxembourgeois avaient dit Non.

<sup>384</sup> General information about Maltese politics: Government of Malta, official homepage available at:

<http://www.gov.mt/index.asp?l=2> (last access: 03.09.2007); Office of the Prime Minister, official homepage available at: <http://www.gov.mt/frame.asp?l=2&url=http://www.opm.gov.mt/> (last access: 03.09.2007); Maltese Parliament, official homepage available at: <http://www.parliament.gov.mt/> (last access: 03.09.2007); general news on Maltese politics available at: <http://www.timesofmalta.com/core/index.php> (last access: 03.09.2007) and [http://www.aboutmalta.com/GOVERNMENT\\_and\\_POLITICS/POLITICAL\\_PARTIES/](http://www.aboutmalta.com/GOVERNMENT_and_POLITICS/POLITICAL_PARTIES/) (last access: 03.09.2007).

<sup>375</sup> „The Economist“. 23.06.2007. Charlemagne: The summit dances.

<sup>376</sup> „Le Soir“ 25.06.2007. L'Europe sonnée sort d'une trop longue nuit.

<sup>377</sup> „Herald Tribune“ 25.06.2007. The new EU power broker: Sarkozy.

<sup>378</sup> „Die Welt“ 25.06.2007 ... und Merkel wirkte frisch.

<sup>379</sup> „Luxemburger Wort“ (LW) 25.06.2007. Europa junger Nestor.

<sup>380</sup> „Tageblatt“ 25.06.2007. Briten raus aus der EU!

### *The Berlin Declaration*

The Berlin Declaration was very well received with the Maltese press largely focusing on the fact that Malta together with Cyprus were given the green light to join the Eurozone in January 2008. This has been a major objective of the Government which is also supported by the Opposition Labour Party.

### *General evaluation of the German presidency*

The fact that consensus emerged when it came to addressing the reform treaty was regarded as extremely positive as this will allow Malta to have six instead of five seats in the European Parliament from 2009 onwards and even more importantly allow the EU to move ahead and focus on other issues instead of focusing on internal reform. Top of Malta's agenda is a more EU comprehensive approach towards the security challenge of illegal migration that has put a heavy burden on the Mediterranean state with hundreds of illegal migrants arriving monthly.

### **Netherlands**

The Dutch government wrote in its coalition agreement that following the negative referendum outcome in 2005 a new Treaty 'should be manifestly different from the previously rejected Constitutional Treaty in terms of its content, scope and name'.<sup>385</sup> The Minister of Foreign Affairs Verhagen and Minister for European Affairs Timmermans in a letter to Parliament underlined that the government's foremost aim is 'a better Europe, one that does not conjure up images of a "superstate", one that is more democratic and effective, with clearly defined tasks and more input from national parliaments'.<sup>386</sup> There was a long list of points the Dutch government wanted to achieve in the negotiations on a new EU Treaty:

- Modifying existing treaties: no Constitutional Treaty, but an amendment to the current Treaties
- No inclusion of the Charter of Fundamental Rights
- A more explicit delimitation of EU competences as condition for further extension of areas where decision-

making would switch from consensus to qualified majority voting

- Explicit protection for services of general interest in order to ensure that some private services performing public duties, notably social housing agencies, would be safeguarded from EU competition policy
- Introduction of a red-card system in which a majority of national parliaments can block new proposals on the basis of subsidiarity concerns
- No mentioning of constitutional elements such as the flag, anthem and 'Minister' title for the Foreign Affairs representative
- Strengthening of commitment on security of energy supply and climate change
- Inclusion of Copenhagen criteria in the Treaty to guarantee strict adherence to them in the process of accession of new member states

The government has been keen to hail the results achieved at the European Summit. It emphasised the vast majority of its "wish list" had been accepted by the negotiating partners<sup>387</sup>. Commentators were less impressed and pointed to what the government had not achieved and to the image of a "European Superstate" being confirmed by a strategy emphasising the need to reduce the powers of Brussels.<sup>388</sup> To a certain point this was to be expected as flaws in the Dutch strategy and its allegedly lonesome position ahead of the negotiations were widely mentioned and criticised by EU experts. Eurosceptic opposition parties on the other hand were quick with underlining that most of the aspects of the Constitutional Treaty they opposed were copied and pasted into the new compromise deal.<sup>389</sup>

<sup>387</sup> Verhagen and Timmermans, *Bijeenkomst van de Europese Raad te Brussel*, letter to parliament, 25 June 2007; "Coalitie en VVD tevreden over afloop Eurotop", NRC, 25 June 2007.

<sup>388</sup> See for instance: Rob Boudewijn, "Premier juicht te vroeg met verdrag", *Trouw*, 28 June 2007; Jan Rood and Bas Limonard, "Nederland en de EU na afloop van de Europese Raad", *CESP commentaar*, 28 June 2007; Mendeltje van Keulen, "Nederland heeft zijn zin helemaal niet gekregen", *Volkskrant*, 29 June 2007; Ko Colijn, "Europees toneelspel", *Vrij Nederland*, 29 June 2007; Hans Goslinga, "Nederland op weg Albanië aan de Noordzee te worden", 30 June 2007.

<sup>389</sup> See for instance the press release by the Socialist Party (SP) of 23 June, "Nieuw EU-verdrag verzwakt positie lidstaten", available at:

[http://www.sp.nl/nieuwsberichten/4630/070623-nieuw\\_eu\\_verdrag\\_verzwakt\\_positie\\_lidstaten.html](http://www.sp.nl/nieuwsberichten/4630/070623-nieuw_eu_verdrag_verzwakt_positie_lidstaten.html) (last access: 13.08.2007), or a commentary by the conservative-right leader Geert Wilders (PVV), "Europa lacht, Nederland huilt", 26 juni 2007, published on

<sup>385</sup> Coalition Agreement between the parliamentary parties of the Christian Democratic Alliance (CDA), Labour Party (PvdA) and Christian Union (CU), 7 February 2007.

<sup>386</sup> Kamerbrief inzake stand van zaken discussie EU-verdragswijziging, 21 May 2007.

Overall, the Summit and reasons for the European project featured prominently in the media both in the months preceding and after the Summit.<sup>390</sup> Various bilateral meetings, political discussions in parliament on the Dutch position in the negotiations, and a visit by Prime Minister Balkenende to the European Parliament were highlights in the debate. Items included ones on the “image of the Netherlands” abroad, the advantages of European integration and whether a new Treaty should again be subjected to a referendum. In the coalition agreement it was decided to seek advice from the Council of State<sup>391</sup> on this question as input for decision-making. In the meantime, several members of parliament, including the faction leader of coalition partner PvdA (social democrats) have indicated a preference for submitting the new text to a referendum but others, notably coalition partners Christian Democrats (CDA) and Christian Union (CU) are strictly opposed. The official government line is to consider a referendum not necessary as the new Treaty has been stripped from its constitutional aspirations, but time will tell whether the Council of State agrees with this, and whether coalition partners will manage to keep ranks closed on this sensitive issue.

On the Summit itself press coverage overwhelmingly focused on the negative role of Poland in the negotiations, while giving the German Chancellor Merkel and to a lesser degree French President Sarkozy much credits for settling the Polish issue. Somewhat less attention was given to a dispute with Belgium, which accused the Netherlands of stripping the Constitutional Treaty and increasing the complexity of the EU's Treaty structure with unnecessary protocols and footnotes. This is generally considered as undermining attempts to revitalise the Benelux. Also the deletion of “free and undistorted competition” as one of the EU's explicit objectives insisted by France drew some attention with firm reactions by (Dutch) Commissioner Kroes denying this will have any real implications to the application of the EU's competition policy.

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Geenstijl, available at: <http://www.pvv.nl/> (last access: 13.08.2007).

<sup>390</sup> See for instance “Artikelenbrij moet spoken verjagen”, Trouw, 25 June 2007; „EU-top bereikt akkoord over nieuw verdrag, NRC, 23 June 2007; „De Europese Top: Van Constitutie naar wijzigingsverdrag”. Volkskrant, 25 June 2007.

<sup>391</sup> The Council of State (Raad van State) advises the Dutch government and parliament on legislation and governance and is the country's highest administrative court.

The Berlin declaration has had widespread media coverage, and evoked a couple of moderate reactions from public commentators. This average attention could have been expected in the Netherlands, where public enthusiasm for the EU as a political project is all-time low. The ‘National Youth Council’ even qualified the Berlin declaration as insignificant<sup>392</sup>, when some closely watching students called for ‘an appealing statement on future vision on the EU’, instead of ‘a diplomatic compromise’.

However, on the whole the German Presidency was evaluated highly positive in Dutch press articles.<sup>393</sup> A large amount of attention was devoted to the performance of German Chancellor Angela Merkel. Her efforts to bring the Treaty reform process back on track, outstanding negotiation skills and elegant style were praised widely. Similar to the June Summit also the outcome of the Spring European Council on energy and climate change was considered a success mainly to be attributed to the German Presidency.

## Poland

### *Immediate reactions to the June Summit outcomes*

The Polish government (coalition of Law and Justice (PiS), League of Polish Families (LPR) and Self-Defence (Samobrona)), as well as the biggest opposition party – the Civic Platform (PO), would have preferred for the IGC to tackle the substantive issues and not turn into a mere redaction exercise, hence giving everyone some more time to address the most difficult issues. The pressure for the German government to resolve all the issues during the June summit was not welcomed in Poland, although everyone understood the reasons for such a strategy.

When it comes to the public opinion, before the summit, 38% of the respondents thought that if Poland's position in the Council were to be weakened, the government should veto the treaty, 53% of the respondents thought that

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<sup>392</sup> Jongeren: ‘Berlijn declaratie is nietszeggend’, 25 March 2007, press release by the National Youth Council, available at:

<http://www.jeugdgraad.nl/indemedia.php?pagina=persbericht&bericht=92> (last access: 13.08.2007).

<sup>393</sup> See above footnotes with references to news articles and for instance “De macho's in Brussel werden aangepakt door Angela Merkel”, Volkskrant, 28 June 2007.

Poland should respect the will of the majority. Within the question on the square root proposal, 34% of the respondents supported the tough line concerning the square root proposal (53% thought it was not the right strategy to follow).<sup>394</sup>

The reactions to the conclusions of the June European Council were mixed. The government announced a resounding success, claiming that the results obtained (prolongation of the Nice system and Ioannina mechanism) protected the Polish interests to the greatest possible degree.

The League of Polish Families (LPR), (which is the member of the governing coalition) behaved very predictably and vehemently criticized the deal from its usual euro-sceptic position. The opposition was divided. The social-democrats (LID) were of the opinion that it was not worth fighting for the voting system at all. Therefore it is not at all strange that the leaders of LID congratulated the government, showing visible relief that the deal was reached. The Civic Platform (PO), which supported the government in its quest to introduce a system based on the square root formula offered a much more nuanced assessment of the summit. The PO leaders found the square root system appealing because – in principle – it allowed Poland to adopt a positive strategy (undermined by the government's aggressive rhetoric). Unlike the negotiated deal, which focuses on the size of the blocking minorities and the prolongation of discussion, the square root was all about retaining a more balanced relation within the Council. It would have allowed Poland to be a more valuable partner in building up of the positive coalitions, making blocking very difficult (the square root principle in this respect seems to be far more effective than the double majority basis, not mentioning Nice). At the same time it constitutes a substantial compromise while referred to Nice and the first (pre-summit) position.

PO, although declaring its overall satisfaction that some kind of a deal was reached after all, voiced its disappointment with the switch in government's strategy and openly criticized Law and Justice divisive, aggressive rhetoric,

and the lack of diplomatic skill (the inability to get a clear wording in the mandate). PO leaders also pointed out to the fact that the government does not even know what it negotiated in the final deal.

Poland's President Lech Kaczyński claims that the Ioannina mechanism he negotiated should prolong the discussions for two years (sic!), whereas the mandate and our partners claim that decision-making can be put off only for a "reasonable time" (which according to the Council's Rules of Procedure amounts to 3 months). The difference of opinion on that very point may lead the government to try to reopen that very problem during the IGC.

The majority of the press and the public opinion initially reacted rather positively to the outcome of the summit. When doubts as to what exactly was negotiated and insinuations that the Polish negotiators behaved non-professionally (how is it possible to negotiate the mandate and then question its contents?) emerged the reactions became much more nuanced. The headlines such as "The Summit - failure or success?" – adorned the front pages of many Polish newspapers.

### *The German Presidency*

The German Presidency is assessed rather positively in Poland. Merkel won biggest plaudits for her behaviour vs. Russia at the Samara Summit, where for the first time in a long time the EU took a tough, coherent and united line. All the efforts on the part on the new German chancellor to treat Poland as an important partner, whose opinion has to be taken into account, which stood in stark contrast to the behaviour of her predecessor, were also welcomed in Poland. The German intransigence during the summit itself had some negative impact on the overall positive image of the Presidency. The behaviour of the German government (emotional reactions were frequent both in Poland and Germany) highlighted the incoherence between the rhetoric (our only aim is to defend the solutions which are beneficial for the Union) and reality (we defend the solutions which are in accordance with German national interest).

### *The Berlin Declaration*

The Berlin Declaration enjoyed interest of the politicians and media already before its proclamation, in the wider context of reflection on the EU, past, present and future present in

<sup>394</sup> In general 43% of the respondents assess the Kaczyński's attitude towards the EU as too tough and 30% think that it is just about right. Overview of this public opinion pole made by PBS can be found at: <http://www.pbsdga.pl/x.php?x=541/UE-Szczyt-pierwiastkowy.html>, (last access: 14.08.2007).



Polish public discourse around the Rome Treaties anniversary. A couple of days before the signature of the Declaration a number of anniversary-related interviews were published by the Polish Press Agency. The interviews containing a number of questions related to Union's achievements and perspectives enabled a number of politicians from governing and opposition parties, former members of Polish governments, Polish Euro-deputies as well as experts in EU issues to present their views and opinions together with their expectations towards the proposed Berlin Declaration. The main issues commented included the reflection on: a) greatest achievements of the EC/EU, b) major failures of EU integration to date, c) major challenges facing the Union, d) the future and prospects for the Constitutional Treaty, e) future of the Union, including the questions of future enlargements and evolution of the Union, f) expectations related to the Berlin Declaration and g) assessment of Polish membership in the Union.

*The Berlin Declaration was assessed ex ante mostly positively*, although it was perceived sometimes as a prelude to June European Summit and therefore put in the wider context of the expectations related to the Summit and the questions to be debated in June.

*Politicians' voices:* In the opinion of the President of the Republic of Poland, Lech Kaczynski, the Berlin Declaration was hoped to be a declaration of authentic success represented by the EU<sup>395</sup>.

A representative of the main coalition party Law and Justice, presented the future Declaration as the document "that can be significant", the one that should outline the Union's success and values. Also the document was hoped to include the well balances referral to Union's future, including the key role of further enlargements. The concern of the Law and Justice was the one about the lack of referral to Christian roots of Europe in the proposed text of the Declaration.<sup>396</sup>

According to the governing coalition party, the Declaration was seen as a rather symbolic

document, however hopefully constituting an important symbol for further works on the Constitutional Treaty and future directions of the EU.<sup>397</sup>

The voice of the third governing coalition party, the League of Polish Families was more critical: the head of the party commented on the Declaration as a document without much meaning, the one to be full of banal phrases, likewise many similar declarations and merely a roadmap for Germany paving the way to adoption of the Constitutional Treaty.<sup>398</sup>

The representatives of the main opposition party the Civic Platform saw the future Declaration as the document that should contain an attempt of description of the Union that Member States want to build: the one that will be of the community rather than of the intergovernmental nature, the Europe of single market and not the one characterized by protectionism, the political Europe and not only the one based on economic and monetary union, the one wishing to develop further the common policies<sup>399</sup>.

Jacek Saryusz-Wolski, the Chairman of the Foreign Affairs Committee of the European Parliament, representing the Civic Platform described the Declaration as the one representing the winning tendency to be the one that unites rather than divides, the one presenting the positive assessment of the Union's past, definition of common challenges and declaring the will to jointly face the challenges.<sup>400</sup>

In the view of the MEP, Bronislaw Geremek, representing Democratic Party the Declaration should have included: the common values that unite the EU nations (including the historic tradition of middle ages Christendom and the Enlightenment tradition as the two communities preceding today's European unity), referral to the sources of European integration's success, the answer to the

<sup>395</sup> Press Conference of President Lech Kaczynski in Brussels, on 9 March 2007, source: Polish Press Agency, [www.pap.com.pl](http://www.pap.com.pl), (last access: 14.08.2007).

<sup>396</sup> Interview with MEP Konrad Szymanski of Law and Justice party, 24 March 2007, source: Polish Press Agency, [www.pap.com.pl](http://www.pap.com.pl), (last access: 14.08.2007).

<sup>397</sup> Interview with Mateusz Piskorski, Spokesman of government coalition party – Self-Defence, Polish Press Agency, 24 March 2007, source: [www.pap.com.pl](http://www.pap.com.pl), (last access: 14.08.2007).

<sup>398</sup> Interview with Roman Giertych, Head of the League of Polish Families, Polish Press Agency, 23 March 2007, source: Polish Press Agency, [www.pap.com.pl](http://www.pap.com.pl), (last access: 14.08.2007).

<sup>399</sup> Interview with Jan Maria Rokita of the Civic Platform, 23 March 2007, source: Polish Press Agency, [www.pap.com.pl](http://www.pap.com.pl), (last access: 14.08.2007).

<sup>400</sup> Interview with Jacek Saryusz-Wolski of the Civic Platform (EPP-ED), 22 March 2007, source: Polish Press Agency, [www.pap.com.pl](http://www.pap.com.pl), (last access: 14.08.2007).

question why European nations want to be together and last but not least – the diagnosis of the main challenges facing today's EU<sup>401</sup>.

The former Chief Negotiator of Poland and MEP, Jan Kulakowski, expressed his concern of the proposed Declaration being too general, deprived of concrete proposals and vision. As the one that should lay the foundations for the Constitutional Treaty should be the one that will be powerful enough to pave the way for successful future of the Union, especially taking into account the fact that the Berlin Declaration will be a more difficult one than the Messina Declaration to which the new document is sometimes compared<sup>402</sup>.

In the opinion of Janusz Onyszkiewicz, MEP (Democratic Party, ALDE), the Declaration should contain the assessment of the past 50 years of EC/EU's history, referral to all common values that the Union has and should build on. The Declaration should also present the challenges and obstacles to overcome so that to proceed with the integration process as well as to provide guidance for a new treaty that should be called Basic Treaty and not the Constitutional one so that not to create the impression that the Union becomes a super-state<sup>403</sup>.

One of the former Ministers of Foreign Affairs, Stefan Meller, would like to see the Declaration as the document being a good compromise or at least the forecast of Union's member's ability to achieve good results for the Union's future, still with a lot of necessary reflection and sense of responsibility. In the view of S. Meller, the Declaration would also have a symbolic meaning, if not blocked and – as Europe's consists of symbols – as such would be a forecast for further joint initiatives<sup>404</sup>.

Adam Daniel Rotfeld, a former Foreign Minister has seen the Declaration as a strategic document, presenting fundamental formulas, one that would stress all that the Union has

already agreed about and one forward-looking into the common future<sup>405</sup>.

*Experts views:* The experts stressed the importance of the Declaration as the first document of the EU with great significance and symbolic meaning that is adopted with participation of Poland as a full member. The document should avoid being merely a means for Europe to "celebrate itself" and should contain clauses that would clearly present two-fold nature of hitherto integration, namely unquestionable success of integration (common market and introduction of the EURO) on the one hand and on the other hand also the process of liberation of Central and Eastern Europe and overcoming the division imposed on Europe after World War II. For Poland important issues that she would like to see in the document would be as well the referral to Christianity and the values that build Europe's unity, namely the solidarity and the openness of the Union as the principle on which the Union should base its important role on the global scale<sup>406</sup>.

Furthermore, the Declaration should contain – following the example of the Messina Declaration – at least one concrete project for further integration (common foreign policy development or reconciliation of requirements of open, global economy with the development of the European social model) include a political commitment. It should also contain the referral to Christian tradition as the part of Europe's common past. Yet still, in the opinion of the expert the Declaration would in reality be rather of solemn and symbolic nature<sup>407</sup>.

In the view of the experts, the Declaration – in the current era of crisis in the EU – may be of great importance, not necessarily by proposing some concrete solutions but rather defining the common political denominator in fundamental issues: what should be the Union's position in the future, what is the meaning of integration for European states and the global relations. Furthermore the Declaration should be a signal from the EU member states that integration is

<sup>401</sup> Interview with Bronisław Geremek (Democratic Party, ALDE), 22 March 2007, source: Polish Press Agency, [www.pap.com.pl](http://www.pap.com.pl), (last access: 14.08.2007).

<sup>402</sup> Interview with Jan Kulakowski (ALDE), 25 March 2007, source: Polish Press Agency, [www.pap.com.pl](http://www.pap.com.pl), (last access: 14.08.2007).

<sup>403</sup> Interview with Janusz Onyszkiewicz, 20 March 2007, source: Polish Press Agency, [www.pap.com.pl](http://www.pap.com.pl), (last access: 14.08.2007).

<sup>404</sup> Interview with Stefan Meller, 20 March 2007, source: Polish Press Agency, [www.pap.com.pl](http://www.pap.com.pl), (last access: 14.08.2007).

<sup>405</sup> Interview with Adam Daniel Rotfeld, 21 March 2007, source: Polish Press Agency, [www.pap.com.pl](http://www.pap.com.pl), (last access: 14.08.2007).

<sup>406</sup> Interview with Marek Cichocki of the European Centre Natolin and the President's advisor for the Constitutional Treaty, 19 March 2007, source: Polish Press Agency, [www.pap.com.pl](http://www.pap.com.pl), (last access: 14.08.2007).

<sup>407</sup> Interview with Paweł Świeboda, the President of Demos-Europa Centre for European Strategy, 19 March 2007, source: Polish Press Agency, [www.pap.com.pl](http://www.pap.com.pl), (last access: 14.08.2007).



the fundamental value for them and for the European continent<sup>408</sup>.

The Berlin Declaration was referred to as the one that should have not only symbolic but also political meaning, the one that would present the will of all 27 Member States to overcome the current impasse and declaration of the joint work on a new treaty that Europe needs in realistically delineated time perspective. The expert also support the including of the Christian tradition clause into the declaration as the one for the exclusion of which the grounds are not convincing<sup>409</sup>.

In the view of the experts expressed before the official proclamation of the document, the Declaration would have most probably stressed the achievements of the past 50 years of integration and provide roadmaps for the future years. However, in the opinion of the expert, most probably the declaration would not have as great importance as e.g. the Schuman Declaration or the Messina Declaration. Still the agreement as to the Declaration would be an important step and the good idea would be that the Declaration constitutes a starting point for the debate over the Union's future<sup>410</sup>.

Apart from the options expressed in the media, the Berlin Declaration was also present in the debates of the Conference organized in Cracow on the occasion of the Rome Treaties anniversary and attended by a number of scholars and experts on EU issues. In the opinion of the participants to the conference, the Berlin Declaration would not change much, yet still however can be an expression of the member states will to proceed with a new treaty works in a situation when no-one speaks of a "dead treaty". Furthermore, the Declaration should be an impulse for further works on a new treaty, which – if adopted – would be a sign of recovery from the illness the Union has experienced for the past two and a half years<sup>411</sup>.

<sup>408</sup> Interview with Jan Barcz, the Head of the European Law Chair of the Warsaw School of Economics 20 March 2007, source: Polish Press Agency, [www.pap.com.pl](http://www.pap.com.pl), (last access: 14.08.2007).

<sup>409</sup> Interview with Roman Kuznar, 21 March 2007, source: Polish Press Agency, [www.pap.com.pl](http://www.pap.com.pl), (last access: 14.08.2007).

<sup>410</sup> Interview with Leszek Jesien, former minister in the Chancellery of the Prime Minister 24 March 2007, source: Polish Press Agency, [www.pap.com.pl](http://www.pap.com.pl), (last access: 14.08.2007).

<sup>411</sup> Source: Polish Press Agency, report from the Conference organised by Institute of Strategic Studies in

### *Ex post assessment of the Berlin Declaration*

*Politicians' views:* Speaking at a press conference after the end of the Berlin Conference the President of the Polish Republic Lech Kaczynski, suggested that "the Union can have the new Treaty in 2011 and stressed that Poland would like to be an active member of the Union but strongly advocates the position that the formula of the nation state has not been used up yet. Therefore, Poland stresses the importance of the sovereignty of individual nations within the EU and expressed Poland's satisfaction with the inclusion in the Berlin Declaration of the clause on Union's support for Member States sovereignty. The President expressed his satisfaction with the adoption of the Declaration, general one, yet containing the reference to both past and future of the European construction and the one that Poland was able to ascribe to"<sup>412</sup>.

In the interview of 14 April 2007, the Undersecretary of State in the Ministry of Foreign Affairs, stressed the significance of the Berlin Declaration as the first political document adopted by the enlarged Union and the one that shows the possibility and political will of Member States for further cooperation. He stressed as well – quoting other commentators – that as such the Declaration had to be general and uncontroversial one, searching for lowest common denominator, containing the text acceptable for all, which results in rather vague message emerging from the document<sup>413</sup>.

Alongside the generally positive assessment of the Berlin Declaration, still there are also voices of criticism both on the side of governing coalition parties as well as on the side of the opposition parties.

A representative of the Law and Justice and a Member of the European Parliament, suggests that the two main achievements of the integration, namely the common market and enlargements instead of being clearly named are rather hidden under the vague wording about openness and cooperation. Furthermore, the role of member states seems to be underestimated as the Declaration is written

Cracow, on 24 March 2007, [www.pap.com.pl](http://www.pap.com.pl), (last access: 14.08.2007).

<sup>412</sup> Polish Press Agency 25 March 2007, [www.pap.com.pl](http://www.pap.com.pl), (last access: 14.08.2007).

<sup>413</sup> Interview with Krzysztof Szczerski in Polish Radio, Undersecretary of State in the Ministry of Foreign Affairs, 14 April 2007, available at: [www.polskieradio.pl](http://www.polskieradio.pl), (last access: 14.08.2007).

down on behalf of the citizens and signed only by the representatives of the Union's institutions, whilst the greater role should be attached to the member states themselves, which are the base and not the enemies of integration. Further concerns expressed by the representative of Law and Justice concern as well the lack of referral to the Christian tradition in the text of the document<sup>414</sup>.

The coalition party League of Polish Families during its programme conference devoted to the Constitutional Treaty expressed the opinion that most concerns about the Berlin Declaration arise around the formula of its adoption, which shows that the Union can take undemocratic decisions over the heads of the nation states<sup>415</sup>. Furthermore, other concerns result from the Declaration's attempts to revive old, unsuccessful projects, namely the already rejected Constitutional Treaty and the idea of reviving it and the European Defence Community, building up the common European army. All these taken together give birth to another fundamental concern that the Declaration can be a starting point for turning the Union into a super-state, which does not seem to have been an idea of the fathers of Europe<sup>416</sup>.

The Eurodeputy Bronisław Geremek assessed the adopted text of the Berlin Declaration as the one that eventually turned out to be less significant than originally expected, the one most routine in its wording and lack of clear definition of the values on which the Union is based as well as the priorities for the future (unclear statement about the new framework of Union's function to be achieved by 2009 that requires some amount of "cryptology analysis"). The deputy also depicted the idea of signing the document by the representatives of the European Commission, European Parliament and the German Presidency as an unfortunate one, whilst the signature by all Member States would have constituted a moment of symbolic unity of the Union<sup>417</sup>.

<sup>414</sup> Interview with the MEP Konrad Szymanski (Law and Justice), *Najwyższy Czas* newspaper, 5 April 2007, quoted after the website of the Law and Justice party, available at: [www.pis.org.pl](http://www.pis.org.pl), (last access: 14.08.2007).

<sup>415</sup> Source: Polish Press Agency 3 April 2007, [www.pap.com.pl](http://www.pap.com.pl), (last access: 14.08.2007).

<sup>416</sup> Secretary of State in the Office of the Committee for European Integration 3 April 2007, Source: Polish Press Agency, [www.pap.com.pl](http://www.pap.com.pl), (last access: 14.08.2007).

<sup>417</sup> Bronisław Geremek speaking for the Polish Press Agency on 25 March 2007, [www.pap.com.pl](http://www.pap.com.pl), (last access: 14.08.2007).

*Experts' views:* Already quoted Paweł Świeboda suggested that the declaration could have been more ambitious and dealt with more concrete integration projects to undertake in the coming years. According to the expert, unlike the Messina Declaration that represented clearly political nature, the Berlin Declaration was rather of symbolic nature and the one preparing the ground for further debates over the Constitutional Treaty. He suggests that the only concrete part is the last paragraph of the Declaration about the agreement about the new institutional framework to be agreed by 2009. The document is said to miss the detailed description of the five projects of vital importance for the Union, namely the advancement of foreign and security policy, common European army, common energy policy, European social model question as well as the ecological issues. The expert stresses however that the document is still an important one as the EU rarely reflects on the common past and joint achievements, although he suggests as well that the Declaration would be more ambitious if signed by all 27 Member States<sup>418</sup>.

In the view of the expert of the Centre of International Relations, the Berlin Declaration possesses mostly symbolic meaning, the one stressing what unites European Union, rather than what is disintegrative factor. The document is – according to the expert a declaration of values, containing also "some vision of the future" and general objectives of the Union. Similarly to other commentators he perceives the signature formula as not very good one, the one that provides arguments for integration opponents, especially as the document – expressing the will of the citizens – had not been consulted with them (even given that difficulty in public consultation is a permanent problem for the EU with every adoption of major EU document)<sup>419</sup>.

According to other experts, Poland should be satisfied by the contents and the fact of adoption of the Berlin Declaration. The document is important both in its symbolic and political dimension. It is said to be the renewal of certain unity of values among the 27 Members. From the Polish point of view the Declaration is a success as – despite for one

<sup>418</sup> Paweł Świeboda speaking with the Polish Press Agency on 25 March 2007, [www.pap.com.pl](http://www.pap.com.pl), (last access: 14.08.2007).

<sup>419</sup> Source: Polish Press Agency, 25 March 2007, [www.pap.com.pl](http://www.pap.com.pl), (last access: 14.08.2007).

point – lack of the Christian tradition clause – the document contains all priorities Poland has opted for: issues related to the role of the nations of Central and Eastern Europe in overcoming the division of the continent as well as the questions related to solidarity and openness as the common Union's principles. The expert states that signature formula should not constitute a problem to which much attention should be paid, although – as he noted – in the future this fact may constitute for some Member States a useful excuse for distancing themselves from the Declaration<sup>420</sup>.

Apart from some objections regarding the Declaration (major and most often quoted ones concerning missing Christian traditions clause, signature formula, sometimes too general contents and the wording unclear for citizens)<sup>421</sup> the general assessment of the Berlin Declaration by political parties media commentators and experts is largely positive one, the one that Poland can welcome with satisfaction thanks to inclusion in the document at least part of the Polish postulates including the referral to such chapters of European history important for Central and Eastern Europe as the era communism and the Balkan wars and role of Central Eastern Europe in reunification of the Continent<sup>422</sup>.

## Portugal

There was a broadly positive reaction to Germany's successful efforts to put the institutional reform process back on track. Traditional critics of European integration were the exception. The Berlin Declaration did not have much echo. There were, however, some reflections on the fifty years of EEC/EU and the place of Portugal in the process of European integration. The detailed mandate for an institutional reform treaty was widely believed to have eased things for the Portuguese Presidency of the EU, but also to have made success in finalising the negotiations imperative. The question of whether to hold a referendum on the new treaty remains unresolved.

## Berlin Declaration and EU at Fifty

The Berlin Declaration, specifically, did not have much echo in Portugal, certainly not at the level of the general public. One of the few texts explicitly focused on the Declaration came from a former leader of the Popular Party (in Portugal this is not the main party of the right, but it was in power until recently as a junior coalition partner). He believed praise was due to the EEC/EU for decades of peace and prosperity, and found the Declaration inspiring enough as a 'European prayer' regarding 'common values' and solidarity, but regretted the lack of 'concrete aims' that would mobilise people. A grand vision is important, he argued, but European integration has always needed a strong dose of pragmatism and gradualism.<sup>423</sup> This concern with concrete results over grand vision, and a concern with what poorer countries get from the process in terms of solidarity, is naturally common in more conservative Portuguese political actors, both pro-EU and anti-EU. Criticism of the Declaration was scarce and came from familiar quarters. The Portuguese Communist Party – despite slowly falling voter-support in recent elections, it has the third largest parliamentary group – issued a statement portraying it as the usual celebration of the European 'capitalistic integration process'.<sup>424</sup>

There was, however, some wider interest surrounding the anniversary of the Treaty of Rome. In terms of Portuguese public opinion the EU at fifty seems to evoke essentially positive feelings – 56% are hopeful about it according to the latest Eurobarometer.<sup>425</sup> References were made in this context to Portugal's tortuous route into the EU through EFTA. Not least due to the reservations by Salazar's authoritarian regime regarding the EEC as an exclusive club for democracies.<sup>426</sup>

Mário Soares, former President and former Prime Minister and the elder statesman most closely associated with Portuguese accession, remarked to some effect that, in the ideological civil wars of the twentieth century, European

<sup>420</sup> Marek Cichocki speaking the Polish Press Agency on 25 March 2007, [www.pap.com.pl](http://www.pap.com.pl), (last access: 14.08.2007).

<sup>421</sup> Source: Polish Press Agency 21 March 2007, [www.pap.com.pl](http://www.pap.com.pl), (last access: 14.08.2007).

<sup>422</sup> M. Cichocki for the Polish Press Agency, 23 March 2007, [www.pap.com.pl](http://www.pap.com.pl), (last access: 14.08.2007).

<sup>423</sup> Adriano Moreira, 'A Declaração de Berlim', *Diário de Notícias* (03.03.2007).

<sup>424</sup> Pedro Guerreiro [Communist MEP], 'Seguimento da Declaração de Berlim' in [http://www.pcp.pt/index.php?option=com\\_content&task=view&id=28479&Itemid=129](http://www.pcp.pt/index.php?option=com_content&task=view&id=28479&Itemid=129) (28.03.2007).

<sup>425</sup> *Eurobarómetro. Relatório Nacional Portugal*. Vol.67 (Spring 2007), p.38.

<sup>426</sup> Lurdes Ferreira e Luís Villalobos, 'Contra a Europa federalista, Salazar escolheu a EFTA para "não ficar de fora"', *Público* (25.03.2007); António C. Pinto, 'Roma e Portugal', *Diário de Notícias* (24.03.2007).

integration was the 'utopia that worked'. The question is, of course, whether it can continue to do so. Soares expressed his conviction that, after years of resisting the existence of different levels of integration within the EU, it was now time to accept this is already a reality with Schengen and the Euro. And it may actually be the only way forward in terms of, in his view, a desirable stronger integration.<sup>427</sup>

More generally those committed to European ideals, in Portugal, have tended not to see the Berlin Declaration as perhaps as ambitious as it could be, but still – and this would apply as well to the broader performance the German Presidency – moving the EU forward as much as was possible at this point in time.<sup>428</sup>

#### *The German Presidency as a Good Team Player*

Portuguese official sources have often underlined how well the "trio" – Germany, Portugal and Slovenia – has been working together. The Secretary of State for European Affairs, in his initial presentation of the priorities of the Portuguese Presidency of the EU, made a point of underlining that they 'are coherent with the plan traced' by the "trio". He insisted that Portugal was committed to continue to work within that framework, which 'brought clear gains in both coherence and predictability of the actions carried out by the rotating [EU] presidencies'. He further remarked that 'it enhances trust, proximity and the consequent establishment of a close relationship between politicians, diplomats and civil servants' of the three states.<sup>429</sup> Portuguese officials have, indeed, frequently mentioned how correct and fruitful their working relation was with German officials during the Presidency.

In light of this, it is natural that Germany's traditional role as a driver of European integration was both acknowledged and welcomed publicly by the Portuguese Secretary of State of European Affairs, who bluntly declared in an interview that 'it is good

for Europe that Germany remains willing to provide leadership'.<sup>430</sup>

Angela Merkel was widely praised by decision-makers, opinion-makers and the media for her political and diplomatic skills in managing the European constitutional crisis and getting an agreement that 'probably no one but her could have achieved'.<sup>431</sup> Germany reinforced the perception of some in Portugal that it is the major European power most willing to involve everyone and to use its clout not in pursuit of narrow domestic political aims alone, but also of a certain vision of the greater European good. Probably because it is so confident that it will always play a very large role in the EU.

The German strategy to press Poland by invoking the possibility of an Intergovernmental Conference (IGC) without it, however, was not welcomed by Portuguese officials and decision-makers. Portugal likes to see itself as an effective bridge-builder, not a confrontational actor, which would be the role it would be forced to play were it to accept presiding over an IGC without Poland. Moreover, both official and public opinion are always uncomfortable, due to Portugal's size, with any attempt to isolate member states. As the Portuguese Prime Minister put it: 'we are a Union, not an alliance, and in a Union no one is dispensable'.<sup>432</sup> The most recent Eurobarometer confirms the echo this concern has in Portuguese public opinion – with the likely fear that 'smaller and more peripheral countries like Portugal' might be excluded from any core group making the Portuguese the most unfavourable within the EU to the notion of a two velocities Europe.<sup>433</sup> Still in terms of the press – namely opinion columns and editorials – the prevailing sense was of amazed criticism with the kind of arguments and tactics used by the Polish government.

#### *Future of the Treaty and Referendum: a Lisbon Treaty?*

All Portuguese official statements, particularly by the Portuguese Prime Minister and Secretary of State for European Affairs, have

<sup>427</sup> Mário Soares [interviewed by Teresa de Sousa and Graça Franco], 'A Europa foi a grande utopia da segunda metade do século XX', (25.03.2007).

<sup>428</sup> Seixas da Costa [former Secretary of State for European Affairs interviewed by Paulo Silva] 'Declaração de Berlim é pouco ambiciosa', *Jornal de Notícias* (25.03.2007).

<sup>429</sup> Manuel L. Antunes [Secretary of State for European Affairs] 'Presentation of the Priorities of the Portuguese Presidency', MNE Press Release (28.06.2007).

<sup>430</sup> Manuel L. Antunes [Secretary of State for European Affairs interviewed by Teresa de Sousa], 'É bom que a Alemanha queira continuar a ser o motor da Europa', *Público* (24.03.2007).

<sup>431</sup> Teresa de Sousa, 'O fio condutor', *Público* (04.07.2007).

<sup>432</sup> José Sócrates [statement to] SIC Notícias TV Station (14.07.2007).

<sup>433</sup> *Eurobarómetro. Relatório Nacional Portugal*. Vol.67 (Spring 2007), p.26.

insisted that the German Presidency achieved a 'clear and precise' mandate for the Reform Treaty. Of course, this reaffirmation is itself testimony that they fear that this is not, in fact, the case, and of their determination to avoid any slippage back into endless bargaining. The repeatedly stated key task for the Portuguese Presidency is, therefore, to make sure that the momentum for reaching an agreement is not lost. So that other, more concrete problems of greater concern for the ordinary European citizens can be addressed without this institutional cloud hanging over the EU's head. This is why it was decided to move as quickly as possible with the IGC, so that there is no time for member states to start engaging in creative interpretations of the agreement reached by the German Presidency. The IGC has been scheduled to take place on 27 July 2007.<sup>434</sup>

The final text of the new Treaty should be ready to be signed in the Lisbon Summit in October. This would make it the Lisbon Treaty. Unless, that is, it is argued that this formality is unsuitable for an informal summit, and the treaty should actually be formally signed in Brussels. Official sources, no least the Portuguese President, have been keen both on playing down this narrow national concern, while at the same time expressing their pleasure if indeed the treaty would be signed in Lisbon. There have been analysts pointing out that if this Reform Treaty was to be the Treaty of Lisbon, then this should make ratification in Portugal – with or without a referendum – even easier than expected.<sup>435</sup>

The Portuguese Prime Minister reacted to news of Polish attempts to revise the treaty well in line with this determination to move forward without any further major bargaining by declaring: 'this has to be a misunderstanding'. He added, with what seems like a deliberate mix of wishful thinking and irony: 'we think Poland will be one of the most co-operative [member states] because they were so fundamental to the agreement' reached in Brussels by the German Presidency.<sup>436</sup>

In Portugal, again it was from the Communist Party and the Left Bloc, and those ideologically

close to these two parties, but also from some right-wing nationalists, that came the main criticism of the Reform Treaty in the press and in parliament. This agreement, in their view, represented a betrayal of democracy because of the "no" votes in the referenda in France and the Netherlands. It was also a negative step forward in promoting further integration in an EU that is intrinsically elitist and one over which a small poor country like Portugal will have less and less control over.<sup>437</sup>

As far as can be gauged by polls negative views of the Treaty, however, are not dominant in Portugal but rather the opposite: with 44% of the people stating they would vote yes, and 29% expressing the intention to vote no. However, 23% still remain undecided.<sup>438</sup> These numbers are not surprising in light of the latest Eurobarometer, which placed the Portuguese in the EU average with 52% expressing a positive overall view of the EU. These relatively low numbers have to be read in the context of euphoria giving way to strong pessimism after the economic boom of the 1990s was replaced by years of very slow growth and rising unemployment. Still it is in light of these numbers that the demands made by the Communist Party and the Left Bloc that a referendum be held have to be analysed. Or indeed that, somewhat surprisingly, it found support in the leadership of the main opposition party PSD, a center-right and traditionally pro-EU member of the EPP, as well as with a number of influential commentators close to it.<sup>439</sup> However, some leading personalities within the centre-right PSD, including a vice-president, criticised the position of the leader, because to demand a referendum in Portugal risked derailing such a prolonged negotiation process and further delay the much needed closure of this institutional crisis of the EU.<sup>440</sup>

The argument that the people have the right to choose regarding the future of the EU in a referendum does seem to have some popular appeal. With a poll showing that 64% were in favour of holding it. Still it should be noted that

<sup>434</sup> Teresa de Sousa, 'Tratado, tratado, tratado, dizem em unísono Sócrates e Durão', *Público* (03.07.2007).

<sup>435</sup> Isabel Arriaga, 'Porquê Tratado de Lisboa?' in Eurotalk Blog in <http://eurotalkiac.blogspot.com/2007/06/porqu-tratado-de-lisboa.html> (25.06.2007).

<sup>436</sup> 'Barroso warns member states against unravelling treaty deal', *EUobserver* in <http://euobserver.com/?aid=24408> (02.07.2007).

<sup>437</sup> Joana Amaral Dias, 'Nem paz, nem pão', *Diário de Notícias* (26.03.2007).

<sup>438</sup> Carlos Pessoa, 'Portugueses querem referendo sobre o Tratado da União e a maioria votaria "sim"', *Público* (18.04.2007).

<sup>439</sup> Sofia Branco, 'Referendo ao tratado domina debate sobre presidência portuguesa', *Público* (28.06.2007).

<sup>440</sup> São José Almeida, 'Vice-presidente do PSD está contra referendo europeu defendido por Marques Mendes', *Público* (29.06.2007).



this is below the EU average of 75%.<sup>441</sup> Yet it is particularly significant fact that the President of the Republic, himself a former leader of PSD, and upon whom the decision to call a referendum will ultimately rest, has made it clear that he did not believe one would be necessary. The President was in turn criticised for this position by some of his supporters more critical of the EU. Perhaps most important is the still relatively recent and mostly failed Portuguese experience with referenda. All referenda so far have had less than 50% voter participation, making them non-binding. This might ultimately prove to be the crucial argument for those arguing that a new referendum on such a complex issue as the EU would not be a good idea.<sup>442</sup>

The Socialist government has argued that it does not fear the results of a popular vote on the Reform Treaty in Portugal, but rather its implications for the success of the agreement in the rest of Europe. To commit now to a referendum, the Portuguese Foreign Minister stated, would constraint other EU countries – most obviously the UK – in agreeing to the new treaty.<sup>443</sup> It is true that EU membership remains popular in Portugal, and there is still a wide consensus that there are no good alternatives to it. Even the Communists or the Left Bloc have tended to reframe their traditional criticism of European integration and their rejection of the Reform Treaty in terms of building a different, better, fairer, less capitalistic future for Europe.<sup>444</sup>

## Romania

During the first semester of 2007, two types of major developments on the Romanian political scene could be mentioned: Romania's accession to the EU and, soon after, the relapse of the political disputes between the President and the Prime Minister, as well as between the President and the largest part of the Romanian political class. This complex political struggle has engendered the first ever suspension of a Romanian President by the

Parliament under the allegations of abuse of power and constitutional violations leading to a referendum calling for his impeachment in May. Thus, the European-related dimension of the national political agenda have been outshined in the eyes of the public opinion and mass media by the hot debates regarding the Romanian political crisis. In this context, the consequences of this situation on the country's ability to meet the European requirements and to move forward with the necessary reforms outlined in the Accession Treaty have been also analysed.

On the one hand, the fragile political stability has been the major cause of an obvious disconnection of the Romanian leaders, other representatives of the political area, as well as of the citizens from the larger issues related to the European reform process. The priorities of the German presidency have been placed in the middle ground on the public agenda and rather ignored by journalists during the first months of this year. One can say that it has been much more dynamically tackled before the moment of Romania's accession to the European Union. On the other hand, there was a timetable overlap with the European Commission's *Report regarding Romania's progress on accompanying measures following Accession*, document issued soon after the European Council (on June 27). The tension entailed by the report imminence encouraged at that moment mass media speculations regarding the possibility of safeguarding clause activation and thus monopolized the attention of the public opinion.

### June 2007 European Council

However, in the run-up of the June summit, the major topics of reviving the stalled Constitutional Treaty and re-launching the European institutional reform process drawn again the attention of the Romanian decision makers and the political analysts. The background of this sudden interest in the possible scenarios of continuing the constitutional reform process has not been released of controversial features. The dilemma concerning the existence of a coherent and integrated Romanian position for the June summit has been one of the angles from which the talk shows and the press approached the issues related to the European Council agenda. As it seems, the confusions generated by the incompatible statements presented by the Prime Minister Calin Popescu-Tariceanu and the Foreign Affairs

<sup>441</sup> Carlos Pessoa, 'Portugueses querem referendo sobre o Tratado da União e a maioria votaria "sim"', *Público* (18.04.2007).

<sup>442</sup> 'Tratado europeu: Medeiros Ferreira e Ernâni Lopes criticam oposição de Cavaco Silva ao referendo', *Lusa News Release* (03.07.2007).

<sup>443</sup> Interview Luís Amado [Portuguese Foreign Minister interviewed by Ana Lourenço] SIC Notícias TV Station (02.07.2007).

<sup>444</sup> Miguel Portas [Left Bloc MEP], 'Europa minimal, não obrigado!', *Público* (03.07.2007).



Minister Adrian Cioroianu concerning the Romanian position on the Constitutional Treaty were more interesting for the journalists than the related-issue Romanian vision itself. The substance of the subject was somehow diluted due to a certain determination of the largest part of Romanian mass media to analyse a crucial European issue from a narrow and circumstantial national perspective. More than this, the poor communication and the overall divergent opinions voiced by the political parties' representatives led to the difficulty faced by the Prime Minister a few days before the June summit to bring together the Romanian MPs in order to discuss and to finalize a clear and unitary Romanian position on the Constitutional Treaty matter.

Even rather reactive than proactive, Romania's delegation to the summit still had a clear mandate and exigencies to negotiate at the last European Council. The major elements of this mandate have been outlined as responses to the issues raised by the German presidency's "questionnaire", an initiative otherwise unknown to the public opinion, but occasionally discussed by the specialised think tanks. Despite the other Member States' EU-focused policy institutes and think-tanks concerns and comments regarding the risks entailed by the "closed-doors" method of pre-negotiation used by the German presidency, the discretion of this approach has been finally perceived in Romania like a lack of transparency imputable to the Romanian government<sup>445</sup>.

The official reaction to the conclusions of the European Council in June 2007 presented by the Romanian President, Traian Basescu, at the end of the event revealed a rather optimistic message about the outcome of the negotiations. He emphasized the fact that "it was an extremely difficult Council, but it succeeded in reaching a compromise. It will last as a reference point summit because it settled the crucial issue of the Constitutional Treaty."<sup>446</sup> The Romanian President nuanced the "success" label of the Council bringing the idea that if the starting "ambition" of the summit was the will to reach a compromise, then – from a purely political attitude perspective – the Council was a great success of the European Union. It was an important moment when, after a long reflection period, the EU Member States

found resources to move beyond their particular options focused on national interests in order to surpass the constitutional deadlock and to re-launch the process of EU modernisation.

To which extent the results of the summit might be considered satisfying for the starting mandate of the Romanian delegation, it is not very difficult to observe. Romania's exigencies have been lined up to the scenarios defended by the "maximalist" camp of the "Friends of the Constitution". Being one of the 18 ratifying states, the country's first objective was to preserve as much as possible of the initial document's content in the finally agreed version of the Reform Treaty. According to the statement<sup>447</sup> presented by the President at the departure to the summit, in spite of its starting goals, Romania has been prepared to take a flexible stance on the most contentious items of the negotiations in order to find the path toward the best compromise in the EU-27 formula. The most important elements kept in the final agreement and seen by the Romanian decision makers as a proof of a successful exercise to design the next IGC's mandate could be summarized as follow: the Charter of Fundamental Rights, the single personality of the EU empowering the Union to be more engaged in the international scene's challenges, as well as the position of High Representative for External Affairs and Security Policy contributing to the same goal, the increased role for the national parliaments, the prevailing of the community law on the national one.

From a Romanian official perspective, the importance of the June summit has been related to the capacity of the EU Member States to shape the future of the Union endowing it with the best tools in order to enhance its role as a global actor. "Romania is willing to be part of a family capable to defend its citizens' interests in the process of globalization."<sup>448</sup> The moment was seen as a turning point, but the expectations regarding the capacity of the German presidency to face the challenges were also high: "It is a strong presidency in which we have put a lot of hopes that it will be able to move forward the Constitutional Treaty issue."<sup>449</sup>

<sup>445</sup> TV talk show with the participation of Romanian Foreign Minister and the journalists.

<sup>446</sup> Press release, June 23, 2007, Department of Public Communication, Romanian Presidency.

<sup>447</sup> Press release, June 21, 2007, Department of Public Communication, Romanian Presidency.

<sup>448</sup> Idem 3.

<sup>449</sup> Idem 3.

The Romanian citizens' interest as regards the work and the results of the June European Council might be considered quite high during the short period of the Council's works, especially taking into account the parallel recurrent mass media end-June themes, namely: the expectations concerning the Commission report on Romania and Bulgaria and the correspondence from Brussels on the summit developments. The citizens have been less interested in technicalities of the final agreement concerning the mandate of the Intergovernmental Conference than in the TV and newspapers' discussions on more general issues, such as: the sensitiveness of the negotiations, the general atmosphere induced by the British and Polish inflexible positions, the efforts of the German and French leaders to keep the direction of the debates toward the finality of a compromise.

Among the most important think tanks initiatives to discuss the priorities and the possible results of the German presidency works, a roundtable on "The German EU Presidency and the resumption of the constitutional process"<sup>450</sup> has been organised by the European Institute of Romania. The main topics of the debate were an inside view on the German EU Presidency outcome and the evolution of the discussions on the Constitutional Treaty, with a special focus on the risks and possibilities entailed by the negotiations.

EU energy security policy, European Neighbourhood Policy developments and Black Sea Synergy could be also mentioned as additional subjects of interest for Romanian officials and EU-related topics specialists.

### *Berlin Declaration*

Looking back to the Berlin anniversary moment and the Declaration signed by EU leaders, one cannot conclude that the document's text has been subject of numerous subtle analysis undertaken by EU experts. At the official level, the Declaration has been described as the "most important document of the European Union in whose drafting Romania has worked together with other Member States" (President Basescu statement).

The largest part of press articles have been focused on a descriptive approach of the document, also mentioning its political weight. Only few of them have been drafted in a more analytic style, these being interested both in the general message of the Declaration and in the terms chosen to present it. Some of these analysis noted that the vague diplomatic style of the content is a consequence of the necessity to conceal the divergence within the Member States positions and interests.<sup>451</sup> A satisfactory "formula of compromise", the Berlin Declaration has been cleared of committed phrases concerning the future of the European construction through using the word "opening" instead of "enlargement" and avoiding the term "Constitution".

Regarding the objective of the EU institutional reform mentioned in the line "putting the EU on a renewed common basis before the 2009 European elections", the journalists pointed out that the only concrete element in this formula is the time, without any specific reference regarding the means to meet the goal.

There have also been opinions stressing the idea of lacking both European common values' definition and an indication regarding the way to get a consensus at this level. "There is only one mention concerning the EU commitment to preserve the identities and diversity of Member States' traditions. (...) It is included only the fact that there are in Europe different languages, cultures and regions and there is no continuation of this enumeration with the term *religion(s)* which would have been logically correct"<sup>452</sup>. From Radu Carp's point of view, EU would need more politicized visions instead of a neutral – and just politically correct – discourse. The expression of disappointment regarding the content of the Berlin Declaration came probably from those who previously had set high expectations concerning the visionary pragmatic dimension of the document.

Nevertheless, if it is to take into account the increasing difficulty to get a consensus among the positions of the EU 27 Member States, the scenarios built upon the principle of taking the lowest common denominator might become almost usual in the future and the above-mentioned principle – the first "rule" of the EU negotiations. From this particular angle, the Berlin Declaration is a good political example

<sup>450</sup> "The German EU Presidency and the resumption of the constitutional process", Special guest Prof. Dr. Mathias Jopp, Institut für Europäische Politik Berlin, roundtable held on June 4, within the project *EIR's Guest at Infoeuropa. Romania in Europe*.

<sup>451</sup> March 26, 2007, "The EU Future sounds vaguely", *Evenimentul Zilei* newspaper.

<sup>452</sup> Radu Carp, "One Declaration, more visions", *Adevarul* newspaper, June 29 2007.

to conceive a quite encouraging message by resorting to diplomatic phrases meant to spare so much different national sensitiveness.

## Slovakia

Overall, Slovakia's ruling politicians welcomed the initiative of the German Presidency to move forward the reform of EU treaties. The Berlin declaration adopted in March 2007 was perceived as consensual document. It did not spark any controversy nor did it raise important public and media attention like in the neighbouring Czech Republic. Prime Minister Robert Fico commented the text of the declaration as "a bit general, a bit formal." Yet, he also said that "the Berlin declaration clearly states the most important principles upon which Europe stands. I am personally pleased that the text repeatedly contains the word solidarity and that it talks of the need to combine economic growth with social cohesion." Still, Fico's major pre-occupation during the Berlin summit in informal talks with other prime ministers was to inform EU partners of Slovakia's strategic goal to introduce the common currency euro in 2009.<sup>453</sup> Hence, the country's leadership is principally concerned with Slovakia's completion of EU integration rather than with discussing questions of the EU's future.

The majority of Slovakia's politicians welcomed – albeit for different reasons – the agreement of the European Council meeting on 23 June 2007 that outlined the mandate for the Intergovernmental Conference tasked with revising the EU treaties in the latter half of 2007. Prime Minister Robert Fico expressed satisfaction with the conclusions of this EU summit as these reflect the position of Slovakia. Fico underlined the importance of the reference to the Charter of Fundamental Rights that ought to be legally binding, especially due to its contents of social rights. The former Prime Minister Mikuláš Dzurinda, whose government supported the adoption of the EU Constitution, said after the European Council in June 2007: „We needed this result since elections to the European Parliament are getting close, we are in need of effective decisions in Europe and therefore I believe that the agreement is a good starting point.” Pavol Hrušovský, leader of the opposition Christian Democratic Movement (KDH), said that his

party was pleased that the EU moved away from the EU Constitution that the KDH opposed.<sup>454</sup>

Slovakia's government accepted already prior to the European Council in June 2007 that the ratification of the EU Constitution would not continue and that the EU needed a new document or a set of documents as the basis for reforming the treaties. Prior to the EU summit during negotiations of the European affairs committee in Slovakia's parliament the Foreign Minister Ján Kubiš said that Slovakia's government "will see its potential concessions as a part of an agreement to keep in place the whole system of institutional agreements in the constitutional treaty..."<sup>455</sup> Hence, Slovakia is going to be interested in reaching a swift agreement during the Intergovernmental Conference. The reform of the EU treaties enjoys public support as evidenced by the Eurobarometer surveys that indicate the support of the Slovak public for the adoption of the EU Constitution. As table 1 shows the support for the Constitution has not dropped down under the 60 percent during the last three years in Slovakia.

**Table 1: Constitution for Europe**

Attitude/Year	2004	2005	2006	2007
In favour	71 %	60 %	67 %	64 %
Against	11 %	18 %	18 %	22 %
Do not know	18 %	21 %	15 %	14 %

Source: Standard Eurobarometer 63, 64, 66, 67

In general terms the German EU presidency has been seen as successful because it re-started the debate on the reform of EU treaties. In terms of other issues raised during the German presidency, Slovakia kept a relatively low profile and there has not been a noticeable public debate on the achievements of the presidency. Perhaps the only other issue that sparked some public attention and mobilized specific Slovak interests had to do with Germany's initiative to reduce greenhouse gas emissions discussed under the heading Climate Change / Energy below.

<sup>453</sup> The quotes in this section originate from "Fico na Berlínskom summite hovoril aj o eure" TASR, 25 March 2007.

<sup>454</sup> Quotes above are from: <http://www.euractiv.sk/buducnost-eu/clanok/nova-zmluva--oslavovana-i-kritizovana> (last access: 24.09.2007).

<sup>455</sup> Available at: <http://www.euractiv.sk/verzia-pre-tlac/clanok/vlada-rozhoduje-o-postoji-k-novej-zmluve-eu> (last access: 24.09.2007).

## Slovenia

In the last years (in the last decade) EU affairs were part of the Slovenian public space predominantly, firstly, as a part of an ongoing pursuit to join the EU, and, secondly, in the process of adopting the Euro. The void after the successful completion of these two processes has been quickly filled in by the preparations on the upcoming presidency of the Council of the EU, which Slovenia will hold in the first half of the 2008. Though one can notice comparably (as to the previous years) more attention placed onto the wider European Union (EU) issues paid by the Slovenian political elite as well as media, the attention paid is more in terms of an educational function and almost without exception in reference to the Slovenian presidency in 2008, rather than being a subject of a debate among politicians or in public sphere at large.

Reactions to the Berlin Declaration are an example of such an attention paid by the politicians and the media for educational purposes, with reference to the meaning this has for the future Slovenian presidency. Media coverage was extensive (but instructive, not opinionated) and general observations to the Berlin Declaration by politicians were highly positive. It was only the Slovenian MEPs who expressed their dissatisfaction over the way the declaration was drafted and outlined by the German presidency at the plenary session of the EP in March prior to its formal declaration.<sup>456</sup> Prime Minister Janša described the Berlin Declaration<sup>457</sup> as “perfect, good”, in his statement immediately after the declaration was made public; he pointed to two positive elements of the declaration: (1) the consensus on a roadmap and readiness for a compromise to move the EU beyond the current stalemate in questions on the future and (2) the compromise achieved over the wording and the inclusion of the phrase “we are united in our aim of placing the European Union on a renewed common basis before the European Parliament elections in 2009.” Prime Minister Janša stressed the difficulties over phrasing of this sentence and its importance, not only in terms of European Council being able to achieve compromises and reach a consensus, but also for it is the new institutional foundation that will enable enlargement, “which is of particular importance from the point of view of

Slovenian interests”. He also added that mentioning of the Euro and the social model in the declaration are also important for Slovenia. Unlike the abovementioned disappointment of some of the MEPs over the tactics and non-transparent coming about of the declaration, Prime Minister Janša praised German presidency for having changed the moods in the EU by beginning with the informal declaration to achieve the symbolic move forward, which is to be followed by the formal decisions taken at the summit in June. He also made an observation to the improved situation in the Netherlands, but the open question of France stance, due to the then still ongoing presidential election’s campaign. Similarly, Mr. Janez Lenarčič, Director of Government’s office for European Affairs, expressed his optimism over the Berlin Declaration, pointing to the fact that it shows that European leaders can still reach the consensus on necessity of reaching a new common ground before the next elections for the European Parliament. He also concluded that the Berlin Declaration allows for optimism on the way to the summit in June.<sup>458</sup>

Prime Minister’s Janša observations at the Berlin Declaration point to the expectations Slovenia had before the summit: the ability to reach a consensus and move the EU beyond the stalemate and thus enable institutional changes that would allow for further enlargement of the EU. Prior to the summit, Director of the Government office for European Affairs, also Slovenian negotiator on the questions of the future of the EU, explained, in an interview,<sup>459</sup> that having ratified the Constitutional Treaty, Slovenia forms part of the block of the 18 countries, which ratified the Treaty so far and strive for retaining of the text as it is. However, he added, this is no longer possible and Slovenia aims at retaining as much content as possible from the Constitutional Treaty, but will be flexible in its stance and expects such an attitude from other member states as well. Solution for a new treaty needs to be found, Mr. Lenarčič stressed, also because it is of particular

<sup>456</sup> Authors’ conversation with some Slovenian MEPs.

<sup>457</sup> Slovenian Press Agency (STA) (25 March 2007) Janša: Berlinska izjava izboljšala možnosti za kompromis [Janša: Berlin Declaration improved chances for a compromise].

<sup>458</sup> Speech by Mr. Janez Lenarčič on the occasion of Europe Day, May 2007; available at: <http://www.svez.gov.si/index.php?id=1978> (16 July 2007).

<sup>459</sup> Radiotelevision Slovenia, thereon RTVSLO (20 June 2007) Ustava je prihodnost, a ne tako bližnja [Constitution is the future, but not that near]; interview with Mr. Janez Lenarčič, Director of Government’s Office for European Affairs, interviewed by Mitja Kandare; available at: [http://www.rtvsl.si/modload.php?&c\\_mod=rnews&op=sections&func=read&c\\_menu=16&c\\_id=145022](http://www.rtvsl.si/modload.php?&c_mod=rnews&op=sections&func=read&c_menu=16&c_id=145022) (25 June 2007).

importance for Slovenia due to its upcoming presidency over the Council. Following the Foreign Ministers' meeting prior to the summit, Slovenian Foreign Minister, Dr. Dimitrij Rupel, stressed that Slovenia "strongly wishes for negotiations on the reform of the European Union to end before the end of this year".<sup>460</sup> Prime Minister Janša expressed his optimism in adopting crucial decisions in the summit; however, he added that a single unresolved issue can swift away with the optimism.<sup>461</sup>

In this regard, Slovenian Prime Minister expressed his content with the results of the European Council meeting. In his opinion the compromise achieved at the summit does not present an essential deviation from the text of the Constitutional Treaty; he added that crucial institutional solutions remain, so does the wording on the foundations and values. As to the question of the symbols, he added that certain symbolic elements will be "cleaned up and some formulations softened." The compromise reached with Poland does not, in his opinion, lessen the weight of the (new) treaty. The summit raised hopes for Slovenia to preside over the "cheerful working atmosphere in the EU, since the main problem will be solved," only according to the most pessimist scenario the negotiations on the Treaty would be delayed into the Slovenian mandate.<sup>462</sup>

Though the June summit overshadowed other achievements of the German presidency, the end of June and beginning of July, together with the handing over of the presidency to Portugal and thus Slovenia entering the Troika of a previous, current and future country to hold the presidency, some assessments of the German presidency as such also appeared.

<sup>460</sup> Ministry of Foreign Affairs (MFA) (18 June 2007) Minister dr. Rupel na zasedanju Sveta EU za splošne zadeve in zunanje odnose [Minister Rupel attended the meeting of General Affairs and External Relations Council]; available at:

[http://www.mzz.gov.si/index.php?id=13&tx\\_ttnews\[tt\\_news\]=23250&tx\\_ttnews\[backPid\]=](http://www.mzz.gov.si/index.php?id=13&tx_ttnews[tt_news]=23250&tx_ttnews[backPid]=) (25 June 2007).

<sup>461</sup> RTVSLO (20 June 2007) Do dogovora kar brez Poljske? [Agreement reached without Poland?]; available at:

[http://www.rtvsllo.si/modload.php?&c\\_mod=rnews&op=sections&func=read&c\\_menu=16&c\\_id=145169](http://www.rtvsllo.si/modload.php?&c_mod=rnews&op=sections&func=read&c_menu=16&c_id=145169) (25 June 2007).

<sup>462</sup> STA (23 June 2007) Janša: Rezultat vrha čisti teren za predsedovanje Slovenije [Janša: Results of the summit clear the ground for Slovenian Presidency].; RTVSLO (23 June 2007) Evropska unija storila korak naprej [European Union made a step forward]; available at: [http://www.rtvsllo.si/modload.php?&c\\_mod=rnews&op=sections&func=read&c\\_menu=16&c\\_id=145250](http://www.rtvsllo.si/modload.php?&c_mod=rnews&op=sections&func=read&c_menu=16&c_id=145250) (25 June 2007).

The politicians as well as the media seem to be united in the high praise for the conduct of the German presidency, especially in handling the European internal affairs, maybe not so much in relations with Russia. Members of the Government also speak highly positive about the inclusion of Slovenian officials in the conduct of business of German presidency.<sup>463</sup>

Media coverage, in electronic as well as printed media, surrounding the European Council meeting was extensive, but there was a considerable lack of expert commentaries and even a very narrowed circle of Slovenian political elite were commenting on the results of the summit (Prime Minister and Director of Government's office for European Affairs), which reflects the usual consensus of the Slovenian political parties on a pro-European stance as well as high salience of domestic issues prevailing in the public discourse in Slovenia at the end of June. It is worth adding that we found no opinion poll conducted in the period covered by the report with questions including attitudes towards specific issues in the European Union.<sup>464</sup>

## Spain

### *Reactions to the conclusions of the European Council in June 2007*

Speaking to the Spanish Parliament on 27 June 2007, the President of the government, Mr. Rodríguez Zapatero expressed his "profound satisfaction" with the agreement reached in Brussels on June 22. According to him, the IGC mandate ends a lasting period of blockade and represents a "big step forward both for Europe in general and for Spain in particular". The agreement, he emphasized "preserves the essential elements and principles which inspired the Constitutional Treaty", which was Spain's main negotiation

<sup>463</sup> E. g. Speech by Mr. Matej Marn; Directorate-General for Bilateral Relations and European Affairs of Ministry for Foreign Affairs of Slovenia, at the TEPSA pre-presidency conference in Lisbon, 27 June 2007.

<sup>464</sup> The closest to European issues in public opinion polls that we found was an eminent public opinion survey Politbarometer, which asked in their March poll on "How would you decide if a referendum on the EU and NATO membership was carried out now?" (68 % of respondents would say 'yes' to the EU membership, 24 % would decide against). Politbarometer 3/2007 (March 2007) Javnomnenjske raziskave o odnosu javnosti do aktualnih razmer in dogajanj v Sloveniji [Public opinion surveys on the attitude of the public towards current affairs and developments in Slovenia], p. 33, available at: [http://www.cjm.si/sites/cjm.si/files/file/raziskava\\_pb/pb3\\_07.pdf](http://www.cjm.si/sites/cjm.si/files/file/raziskava_pb/pb3_07.pdf) (16 June 2007).



target. He conceded that important sacrifices had been made on the symbolic aspects but said these concessions were unavoidable in order to reach agreement. The final result, including the extension of qualified majority voting from 36 to 85 matters; the generalization of co-decision; the preservation of the Charter of Fundamental Rights; the new provisions on foreign and defence policy as well as on Justice and Home Affairs; and the new energy and climate change policy was dubbed as "excellent". The new Treaty, Mr. Zapatero concluded, may not be a Constitution, but it is much more than another Treaty and will have a lasting impact on the European integration process. The opposition leader, Mr. Rajoy (centre-right, People's Party), focused his criticism on the government for not having sided with the Polish government in the defence of the Nice Treaty voting system and accused the government of sacrificing Spain's national interests for the sake of preserving Mr. Zapatero's good European image.<sup>465</sup>

#### *The Berlin Declaration*

The Berlin Declaration was basically a non-event in the Spanish political media landscape. In the run up to the Summit meeting, press reports mostly focused on the disagreements among the member states and the ensuing need to dilute the Declaration to the most uncontroversial aspects. After the Declaration was issued no solemnity was attached to it, either by the government or the media. Therefore, the Declaration had no impact on the public or the debate on Europe.

#### *The general evaluation of the German presidency*

The German Presidency is generally praised for having met its main goal of saving the "substance" of the Constitutional Treaty. Both the Chancellor's leadership role and the efficiency of the Presidency in managing the agenda and meetings have been very positively assessed. Chancellor Merkel has thus acquired a very visible and respected European leadership profile. Her commitment to climate change issues during the G8 Summit has also received quite positive assessments in the media.

<sup>465</sup> Diario de Sesiones del Congreso de los Diputados, Año 2007, VII Legislatura, núm. 267, pp. 13342-44.

## Sweden

### *Future of the EU*

The Swedish centre-right government perceives the outcome of the reform process as a success, as a number of Swedish priorities were honoured (i.e. environment and climate policy and enlargement), and items such as social policy, absorption capacity, the flag and the anthem were avoided. "We are very satisfied with the result", proclaimed Swedish Prime Minister Fredrik Reinfeldt after the European Council meeting in June.<sup>466</sup> In the government's work program for EU affairs for the fall of 2007, it is further noted that it is a Swedish priority to work actively for the intergovernmental conference on treaty reform to execute the mandate given by the European Council.<sup>467</sup>

The Social Democratic Party leader Mona Sahlin has noted her satisfaction with the treaty outcome and has argued, in parallel to the government's negotiating position, it to be positive that the Copenhagen criteria for enlargement are not formalized and placed in the treaty.<sup>468</sup> The Social Democrats, still the largest party but in opposition since September of last year, is continually split over issues pertaining to the EU. Regarding treaty reform, the party leadership is generally more positive than the main bulk of voters, hence no surprise that Prime Minister Reinfeldt and Social Democratic leader Sahlin were in agreement regarding the Swedish priorities and the negotiating mandate at the June European Council.<sup>469</sup> Simultaneously, numerous critical voices have been raised regarding the reform treaty, and a referendum has been called for. In addition to critical Social Democrats, such a position is also maintained by the EU-sceptical Green Party and Left Party, as well as the June List (with seats in the European Parliament only). The leader of Left Party has

<sup>466</sup> "Detta betyder EU-beslutet", *Svenska Dagbladet*, June 23 2007, available at: <http://www.svd.se> (last access: 11.09.2007).

<sup>467</sup> The Swedish government's work program for the EU, fall 2007, pp. 2-3, available at: <http://www.regeringen.se> (last access: 11.09.2007).

<sup>468</sup> "Krav på folkomröstning om EU-fördrag", *Svenska Dagbladet*, June 23 2007, available at: <http://www.svd.se> (last access: 11.09.2007).

<sup>469</sup> "Det sammansatta konstitutions- och utrikesutskottets betänkande om EU:s nya fördrag", speech by EU Minister Cecilia Malmström, June 19 2007, available at: <http://www.regeringen.se> (last access: 11.09.2007).

"S och regering överens om EU-fördrag", *Svenska Dagbladet*, April 26 2007, available at: <http://www.svd.se> (last access: 11.09.2007).

declared the differences between the constitutional treaty and the reform treaty “cosmetic” and “marginal”, whereas the Green Party counterpart perceives the new treaty to be “at the same level” as the constitutional one; hence, its original call for a referendum is still intact. The June List has argued that the reform treaty actually implies a change of Swedish form of government, which necessitates a referendum.<sup>470</sup> Interestingly enough, also one fourth of the parliamentarians of the Centre Party (one of the coalition parties) recently argued for a referendum to be held.<sup>471</sup> A current opinion poll indicates that only 29% of the respondents accept that the Riksdag (Parliament) decide on the reform treaty, and as many as 67% answer that they would like to vote in a referendum.<sup>472</sup>

There are further signs of a general agreement regarding Swedish EU policy between the government and the Social Democrats: In March of this year, in connection to the celebration of the 50<sup>th</sup> anniversary of the EU, the Swedish Prime Minister (from the Moderate party) wrote an opinion article in the leading Swedish daily *Dagens Nyheter* together with EU Commissioner Margot Wallström, a former Social Democratic minister.<sup>473</sup> In response to criticism against their action, Social Democratic leader Sahlin came to their defence.<sup>474</sup> Beyond the symbolic value of the co-authored article, the event also pointed out what are the main Swedish priorities – that the EU should focus on true cross-border problems, such as environment, employment, migration, security and enlargement. Further enlargement of the EU remains a key priority for Sweden, both from the perspective of the current government and that of the opposition parties. All seven parties in the Riksdag (the Swedish Parliament) are in favour of Turkish EU membership, and do not exclude the possibility of membership for the Ukraine and Moldova in

a longer perspective.<sup>475</sup> The government's ambition is to assure that the enlargement process remains active and that “the doors of the EU remain open”.<sup>476</sup>

Regarding the German Presidency, the praise for Mrs Angela Merkel has been quite extensive, both regarding treaty reform and the climate issues. Yet, some criticism has been levelled against the rather secretive way of conducting negotiations during the spring, as compared to the transparent process regarding the constitutional treaty. The Berlin declaration has not received much attention in Sweden, which may be indicative of the rather scant attention, interest and debate that the EU generates in Sweden.

## Turkey

On 22 July 2007, the general elections were held in Turkey. Justice and Development Party (AKP) gained the elections and recently formed the new government. Different from the previous period, the opposition in the parliament is now quite fragmented including the Republican People's Party (RPP), Nationalist Action Party (MHP) and “independents”, mostly elected from the Kurdish-nationalist *Democratic Society Party* (DTP). As well informed observers of Turkey-EU relations might have noticed, different from the previous election in November 2002, neither the accession negotiations to EU nor the political and institutional reforms that should be made throughout the accession process constitute a significant propaganda item for the political parties entering to the current elections. The political parties including the Justice and Development Party (AKP) known as the leading political party of the conservatives, liberals and the Europhiles in Turkey is unable to openly defend the EU cause and the necessary political and institutional reforms. This is closely related with the observable decline to the support for EU membership in Turkish public opinion and the sharp divisions within the governing elite on the matter as a result of different approaches to the central issues of Turkey's domestic

<sup>470</sup> “Krav på folkomröstning om EU-fördrag”, *Svenska Dagbladet*, June 23 2007, available at: <http://www.svd.se> (last access: 11.09.2007).

<sup>471</sup> “Utlis folkomröstning om EU:s nya statsbygge”, *Dagens Nyheter*, August 25 2007, available at: <http://www.dn.se> (last access: 11.09.2007).

<sup>472</sup> “Nästan sju av tio svenskar vill rösta om EU-fördraget”, *Dagens Nyheter*, July 9 2007, available at: <http://www.dn.se> (last access: 11.09.2007).

<sup>473</sup> “Vi kämpar gemensamt för EU eftersom det gynnar Sverige”, *Dagens Nyheter* March 24 2007, available at: <http://www.dn.se> (last access: 11.09.2007).

<sup>474</sup> “Sahlin försvarar Wallströms debattartikel”, *Dagens Nyheter*, March 24 2007, available at: <http://www.dn.se> (last access: 11.09.2007). Also see “Reinfeldt välkomnar ny motståndare”, *Dagens Nyheter*, March 17 2007, available at: <http://www.dn.se> (last access: 11.09.2007).

<sup>475</sup> “Europa, igår, idag, imorgon”, speech by Foreign Minister Carl Bildt, March 23 2007, available at: <http://www.regeringen.se> (last access: 11.09.2007);

“Europeiska utmaningar”, speech by EU Minister Cecilia Malmström, May 23 2007, available at: <http://www.regeringen.se> (last access: 11.09.2007).

<sup>476</sup> The Swedish government's work program for the EU, fall 2007, p. 4, available at: <http://www.regeringen.se> (last access: 11.09.2007).

politics and foreign policy such as the Cyprus issues and Kurdish problem. The surveys held in late 2002 just before the groundbreaking reforms of August 2002 (the abolition of capital punishment, the recognition of the property right of the minorities and the extension of broadcasting in languages other than Turkish), showed that the support for EU membership was more than 70%. This relatively high support for EU membership started to decline from the beginning of 2005 even though the EU decided to open accession negotiations in Turkey in December 2004. This was particularly due to the Turkish public opinion's perception that Turkey was treated unfairly by the EU as a result of both the high accent on the open-ended nature accession negotiations and the referendum clause added to that.

This negative perception of the EU was coupled with the rise of the discourse of alternatives to full membership for Turkey such as the privileged partnership vocally defended by some of the leading members of the EU from the early 2005 onwards, and the stress to ratify Ankara protocol extending the Customs Union to 10 new members of the EU including the Republic of Cyprus which is not officially recognized by Turkey. When the negotiations started in October 2005, the support for EU membership was around 50%. The decline after that period was even sharper and recent surveys show that the support is rather low, probably around 30%. This trajectory shows that even the start of the negotiations did not cover the declining European credibility in Turkish public opinion and the governing elite.

In fact, not only for circles analyzing Turkey-EU relations but also for the Turkish governing elite, the recent debates in Europe on Turkey's membership prospect show that the main problem of Turkey-EU relations, the lack of any contractual basis, once resolved at the Helsinki Summit of the European Council in 1999, is still there as if it is not resolved yet, and accordingly the EU is still not bound with its commitments to Turkey. Therefore, the leading political, bureaucratic and academic, and the opposition parties started to ask the reiteration of the EU commitment to Turkey's membership. Having said this, the accession negotiations to the EU in Turkey is actually coupled with negotiations within the governing elite between the pro-reform coalition of forces and the circles taking any step forward in this process as an unjustified concession to the Europeans aiming to weaken and even disintegrate Turkey. Although the mood of the

EU debates has slightly changed after the July elections, and the new AKP government seems to follow a rather energetic EU policy different from the past two years in this new period, both, the domestic reform process and the Europeanization of Turkey's foreign policy in line with the EU principles presently have a rather low chance without EU's encouragement though incentives in the accession negotiations.

As one of the leading scholars of Turkey-EU relations put in a bold manner, on the eve of general elections, the EU has turned to a non-issue in Turkey.<sup>477</sup> For instance, the suspension of a very important chapter of the EU accession negotiations on Turkey's convergence to EMU criteria by the French veto in June at the European Council did not create a very large echo in Turkish press. The international press paid more attention to this decision which will have very crucial effects on Turkey's membership prospect than the Turkish press, political parties and the public opinion.

In fact, the decline of EU leverage on Turkey can, first of all be observed in the poor performance of the current government of JDP in furthering the reform process and implementing the legal and political reforms included in the previously issued nine reform packages. Even the JDP government had a clear difficulty in defending the EU cause and the proper implementation of reform packages in front of its constituency and the Turkish public opinion, leaving aside the clear resistance shown by the bureaucracy and the hardliners within the governing elite towards the continuation of the reforms.

Turkey-EU relations had many ups and downs in the last forty plus years. However, the relations passed from one of its lowest episodes during the December 2006-January 2007 period when the decision of the EU Council in Brussels to suspend eight chapters of accession negotiations as a result of Greek Cypriot veto, coupled with the assassination of journalist Hrant Dink, one of the most prominent figures of Turkey's Armenian community, in Istanbul under the pressure of hot debates on the controversial Article 301 of the Turkish Penal Code, accepting "insulting Turkishness" a crime punishable by up to three years in prison. The present stage of the

<sup>477</sup> Cengiz Aktar quoted at Turkey-EU Conference organized by the Istanbul Policy Center of the Sabanci University and IEMED on 15 June 2007 in Istanbul.

Cyprus problem, affecting Turkey's membership perspective, contributed extensively to the already declining EU credibility in Turkish public opinion and governing elite. The European Council meeting in Brussels in December 2006, where the EU decided to suspend eight chapters of the accession negotiations with Turkey, unveiled the negative climate dominating Turkey-EU relations since the failed referendum for the Annan Plan in Cyprus and the subsequent EU-paralysis to take action to end the isolation of the Turkish community in the island. At the EU Summit, the "train crash" was avoided and the possible great damage that Turkey-EU relations would have been partly controlled<sup>478</sup>.

The EU's credibility in Turkish public opinion and inevitably its leverage on Turkey declined so much that even the Army did not hesitate to make a clear intervention to the functioning of Turkey's politics. The Army have been cautiously following the transformation of Turkey's domestic politics and foreign policy under the pressure of the EU accession process during the recent years. It even permitted to downgrade its prominent role in Turkish politics through the change of duties, functioning and composition of National Security Council in the seventh reform package issued by the current government. However, this did not prevent them to violate a very well-known principle of European democracies through an intervention to the process of the election of the new president of the Republic nominated by the same government on 27 April. The governing elite in Turkey, this time more seriously in response to the sinking EU perspective and as the recent high level military visits to Russia and China shows, search for alternative international economic and political opportunities for Turkey. This crucial shift in Turkey's foreign projections was even noticed by some European journalists<sup>479</sup> and particularly by Greek foreign policy analysts who are worried about the immediate repercussions of this shift in Turkey's foreign policy orientation on Greek-Turkish relations, living its *belle epoch* since late 1990s in spite of difficulties in Cyprus<sup>480</sup>.

A well informed observer of Turkey-EU relations diagnoses a discursive alliance between the Sarkozys, referring mainly to the

enemies of Turkey in Europe, and the enemies of democracy in Turkey, searching for political and economic alternatives in Asia<sup>481</sup>. This situation, Turkey surfing in other seas for new alliances, will have serious impacts on questions related with the future of Europe such as EU's global role, security of energy to Europe, dialogue with Islam and European Islam. A disappointed Turkey should not be expected to contribute to neither Europe's current social and political problems nor EU's future projections in a positive manner. In this context, Turkey had strong expectations from the German presidency of the EU to correct the negative mood and overcome the current state of paralysis in EU-Turkey relations, particularly through a new initiative in the Cyprus problem. This initiative did not come. Furthermore, the occasions like the one which was lost in the Berlin Declaration would have been good opportunities to gain Turkey through giving it a clearer sense of direction in foreign policy and cultural identity and accordingly domestic politics. Particularly the pro-reform coalition of forces needed such kind of incentives coming from the European side for Turkey's membership to push further the reform process. Both, the progress in the accession negotiations and the EU encouragement for this constitute the key features of the recent democratic reforms in Turkey. Until now, the EU strategy in Turkey's accession negotiations has shown clear limitations in furthering the process of democratization in Turkey. The German presidency of the EU did not show any change in this strategy. Some friends of Turkey clearly see the linkage between Turkey's domestic political transformation and its foreign policy orientation and consider that the Europeanized Turkey would contribute to the future of Europe, desperately needing a broader perspective together with its neighbourhood in the Mediterranean, Balkans and the Eastern Europe as a region with different and progressively integrating sub-regions in a multiregional world<sup>482</sup>.

## United Kingdom

The German Presidency is seen in the United Kingdom almost exclusively in the light of the agreement at the European Council of 21-22 June on a political mandate to the IGC to draft

<sup>478</sup> K. Hughes, Turkey and the EU: four scenarios from train crash to full steam ahead, Friends of Europe, September 2006, available at: [www.friendsofeurope.org](http://www.friendsofeurope.org).

<sup>479</sup> Daniel Vernet, *Le Monde*, 20 July 2007.

<sup>480</sup> A series of interviews in Athens, 10-14 July 2007.

<sup>481</sup> Hasan Cemal, *Tarih kimleri ahmak ilan eder? I, II, III, Milliyet* (Turkish Daily), 27-28-29 July.

<sup>482</sup> Claudia Roth and Michael Lake quoted at the Lisbon Civic Forum meeting in Augsburg, 29 July 2007.

an “amending” treaty to the existing European treaties.<sup>483</sup> It is generally accepted that considerable diplomatic skill was shown by the Presidency in the facilitation of this agreement, but the role of the Presidency is almost wholly eclipsed by the internal debate about whether the new amending treaty should be ratified by a referendum or a purely parliamentary procedure. The Prime Minister who negotiated the new agreement, Mr Blair, has argued that the new treaty is sufficiently different to the Constitutional Treaty not to need the referendum envisaged for the Constitutional Treaty. His successor, Mr Brown, has repeated this argument, albeit with less vehemence. The Conservative Opposition and other Eurosceptic groups are calling for a British referendum on the grounds that the new treaty will contain the great bulk of the innovations contained in the Constitutional Treaty.

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<sup>483</sup> General information about British politics: 10 Downing Street, available at: <http://www.number-10.gov.uk/output/Page1.asp> (last access: 03.09.2007); Directgov, the official website of the UK government, available at: <http://www.direct.gov.uk/en/index.htm> (last access: 03.09.2007); Foreign and Commonwealth Office, available at: <http://www.fco.gov.uk/servlet/Front?pagename=OpenMarket/Xcelerate/ShowPage&c=Page&cid=1007029390554> (last access: 03.09.2007); Parliament of the United Kingdom, official website available at: <http://www.parliament.uk/> (last access: 03.09.2007); general news about British politics available for example at: <http://www.keele.ac.uk/depts/pol/ukbase.htm> (last access: 03.09.2007), <http://www.bbc.co.uk/> (last access: 03.09.2007) and <http://www.guardian.co.uk/> (last access: 03.09.2007).



# 2

## Climate Change/Energy

- **Looking at the conclusions of the EU spring summit and the results of the G8 summit in Heiligendamm (June 2007), which points and considerations are most important for your country?**
- **Is there a follow-up in terms of discourse, initiatives and concrete policies?**

## Austria

The objective to bisect CO<sub>2</sub> emissions until 2050 and the US' consent to deal with climate protection under the umbrella of the UNO were seen as the most important achievements of the G8 summit in Heiligendamm. However, it was criticised that the text of the conclusion paper which aimed at formulating definite targets, remained rather vague.<sup>484</sup>

The fact that the EU spring summit dealt with such current and urgent issues such as energy policies and climate change were highly welcomed. The conclusions regarding energy policies and the ambitions to seek an integrated concept for climate and energy policies are mostly positively acknowledged. Even though some environmentalist groups and the Greens found the conclusions insufficient, it was largely acknowledged that the decisions on the reduction of CO<sub>2</sub> emissions and the conclusion that renewable energy is a binding target, are important steps into the right direction.<sup>485</sup>

The government highlighted that the matter of traffic has been included into the question of climate protection. For Austria as a country struggling with the negative effects of transit, traffic is a crucial matter. The inclusion of traffic as a part of the climate protection issue was presented as a real breakthrough and as an achievement of the Austrian government.<sup>486</sup>

## Bulgaria

The Bulgarian discourse on climate change and energy policy, as well as concrete measures taken in these fields, demonstrate a considerable degree of inertia.

Environmentalist viewpoints are still considered by and large as quite alien and any public impact they may have is very limited. This was eloquently demonstrated in the first half of 2007 by the colliding views of environmentalist organizations in favour of inclusion of some protected areas in the NATURA-2000 Network and antagonist

entrepreneurs and private land owners who try to influence decision makers for a more limited and selective procedure. The issue at stake was the insistence of environmentalists on the inclusion of as many protected areas as possible in the network and the government's reluctance to do so. This collision of views has been largely attributed to the entanglement of common sense, policy makers' allegiances and business interests in the tourist and extracting industries.<sup>487</sup>

An influential environmentally-friendly public discourse in Bulgaria is still absent. Environmental issues are only very loosely linked to the problems of energy efficiency. Such a detachment can be exemplified by the recent speech of Bulgaria's President Georgi Parvanov at a regional summit in Zagreb (June 2007). The president reassured his counterparts in South Eastern Europe (SEE) that Bulgaria will try to convince its EU partners that nuclear energy is a viable energy option both for Bulgaria and for SEE. However, this statement was made with regard to the persistent electricity deficit in SEE as a result of the closure of the reactors of Kozloduy Nuclear Power Plant in Bulgaria,<sup>488</sup> and not as a proposal to opt for efficient energy technologies caring better for the environment.

On nuclear power proper, although commitment to this energy source goes alongside with promises for observing the best practices and safety regulations, doubts are cast by the overwhelming presence of Russian companies in Bulgaria's energy sector. It is true that the whole of Europe is heavily dependent on Russian energy sources. However, Bulgaria's particular case shows not only dependence on imports of energy sources but also disproportionate dependence on energy production facilities.

Global warming and the reduction of CO<sub>2</sub> emissions – key highlights of the Spring 2007 European Council and the G8 Summit in Heiligendamm – do not seem to be adequately translated in Bulgaria's domestic discourse. Although politically present on the agenda, these priorities have no particular impact on

<sup>484</sup> „USA gestehen UNO Führungsrolle beim Klimaschutz zu“, in: Der Standard, 25.06.2007.

<sup>485</sup> Available at: [www.gemeindebund.at/news.php?id=336&PHPSESSID=a3ce71d382](http://www.gemeindebund.at/news.php?id=336&PHPSESSID=a3ce71d382) (last access 6 August 2007).

<sup>486</sup> Gusenbauer: Klimaschutzstrategie Erfolg bei EU-Gipfel, available at: [www.bka.gv.at/site/infodate\\_19.03.2007/5371](http://www.bka.gv.at/site/infodate_19.03.2007/5371) (last access 6 August 2007).

<sup>487</sup> The Next Drama of European NATURA-2000 Network, Dnevnik Daily, 3 October 2006, available at: [http://www.evportal.bg/article\\_view.php?id=731067](http://www.evportal.bg/article_view.php?id=731067); accessed on: 21.07.2007.

<sup>488</sup> President Georgi Parvanov's Address to the Southeast European Summit on Energy Issues, 24 June 2007, Zagreb, available at: <http://www.president.bg/news.php?id=2893&st=0>; accessed on: 21.07.2007.

everyday life. The country is still far from reaching any reasonable levels of energy efficiency. Outdated production facilities, the high levels of energy consumption, and the steady trend of the last 17 years of importing second-hand cars (10 years and older) from West European countries to Bulgaria reveals a complicated and multifaceted picture of environmentally-uncertain behaviour and domestic policies.

Although Bulgaria formally adheres to international and European norms and principles such as those proclaimed at the European Council (March 2007) and the G8 Summit in Heiligendamm (June 2007), on 20 June 2007 the Bulgarian government issued a decision thereby endorsing the construction of a new thermal-power plant in the Maritsa Iztok coal-mining region.<sup>489</sup> As stated in the respective press release, the government will remain supportive of coal-based power generating plants in Maritsa-Iztok basin in the years to come due to the reportedly high reserves of fossil fuel in this area and the importance of economic activities related to coal-mining and fossil-fuel power-generation in the region. Notwithstanding that the government declares its allegiance to EU environmental criteria, it remains unclear how such decisions could ultimately lead to CO<sub>2</sub> emissions reduction.

In the public sphere, climate change and energy policy continue to be regarded as separate issues. Those who claim to defend the public interest maintain that priority is to be given to cheap energy production, hence, cheap electricity. Such a consumerist approach to energy policies, however, collides with the more strategic vision about climate change. Environmentally-friendly production usually incurs higher costs, which in the Bulgarian case, happens to be the conflict point of utilitarian and strategic thinking. Both of them follow their own logic but prioritize different objectives.

Public discourse towards climate change and energy policy in Bulgaria is quite nascent and requires dedicated efforts to be nurtured and established. At present, it is definitely not self-sustainable. People who care and are

concerned about it are predominantly from the NGO sector, and most notably – environmental organizations. The concern of the public at large, of political organizations, of businesses and governmental institutions about this issue still remain dubious.

## Croatia

The most important considerations for Croatia related to issues raised at the EU spring summit and the G8 summit in Heiligendamm fall into three broad themes: commitment to reduce greenhouse gas emissions, alignment with and integration into EU internal market for gas and electricity and international energy policy.

The focus of the media coverage of the EU spring summit was on the renewable sources of energy and commitment to achieve at least a 20% reduction of greenhouse gas (GHG) emission by 2020 compared to 1990 level.<sup>490</sup> Such commitment was strongly supported by environmental NGOs (e.g. “Green Action”), and independent media.<sup>491</sup> The first step towards defined emission reduction policy in Croatia followed in April, when Kyoto Protocol was ratified.<sup>492</sup> Clubs of all parliamentary parties supported the ratification, but some of the opposition parties expressed concerns whether the implementing measures will follow.<sup>493</sup> The Ministry of Environmental Protection, Spatial Planning presented a draft of National Implementation Strategy of the UNFCCC and the Kyoto Protocol together with the action plan in June.<sup>494</sup> The action plan stipulates policy instruments, mitigation measures, organisational scheme, responsibilities, as well as financing options and timetable for implementing Strategy. Adopted implementing measures include monitoring of GHG emissions<sup>495</sup> and CO<sub>2</sub> fee.<sup>496</sup>

<sup>490</sup> Such as daily newspapers Vjesnik on 10 May 2007, Poslovni dnevnik, 9-10 May 2007, Jutarnji list, 12 May 2007, as well as TV news programs (including Croatian TV and commercial stations).

<sup>491</sup> Such as reknown Radio 101, in its commentary on 27 April, 2007.

<sup>492</sup> Official Gazette, International Treaties No5/2007.

<sup>493</sup> Namely Tonči Tadić, member of the Parliament of HSP (Croatian Party of Right), as presented at Radio 101 News, 27 April, 2007.

<sup>494</sup> Ministry of Environmental Protection, Spatial Planning and Construction, available at: [www.mzopu.hr](http://www.mzopu.hr) (last access: 07.08.2007).

<sup>495</sup> Regulation on monitoring GHG emissions, Official Gazette No 1/2007, 2 January 2007.

<sup>496</sup> Regulation on CO<sub>2</sub> fee, adopted by the Government on 10 July 2007 (not yet published in Official Gazette),

<sup>489</sup> “Nova moshtnost za proizvodstvo na elektricheska energiya shte bade izgradena v kompleksa “Maritsa Iztok” (“A new power plant for the production of electric energy will be built in the “Maritsa Iztok” kompleks”), 20 June 2007, available at: <http://www.government.bg/cgi-bin/cms/vis/vis.pl?s=001&p=0012&n=002091&q>; accessed on: 21.07.2007.

Improving energy efficiency and promotion of “renewables” are key elements of the action plan. The raising awareness campaign on energy efficiency was launched with special radio programs on different aspects of energy efficiency<sup>497</sup>. In addition to that, on World Environment Day, 5th July 2007, all major daily newspapers had a special supplement, the brochure “Accept the 1 tonne challenge”. The brochure was prepared within the promotion of Energy Efficiency Project implemented by the UN Development Programme and Croatian Ministry of Economy, Labour and Entrepreneurship and contains advice on efficient use of energy in households. As concerns promotion of renewables, a number of implementing measures supporting renewables and cogeneration was adopted.<sup>498</sup> The Croatian Chamber of Commerce organised discussion about the implications of these measures for business community, representatives of the relevant ministries and other administrative bodies. It was announced that in 2008 a law on bio-fuels will be adopted.<sup>499</sup>

The government considers that energy efficiency measures and promotion of renewables (including wind energy and bio-fuels) alone cannot provide acceptable level of energy security.<sup>500</sup> External energy policy, diversification of sources and routes (for which infrastructure is prerequisite) are necessary to increase security of supply. The infrastructure is also a prerequisite for integration into the EU internal market for gas and electricity, and participation in the Energy Community. Major infrastructure projects which should increase security of supply being discussed include the Pan European Oil Pipeline (PEOP) project and construction of the liquefied natural gas terminal in the Northern Adriatic. These projects require international support and co-

ordination of national policies among participating countries. A common session of Croatian and Hungarian government held in Zagreb on 17 May 2007, which focused on the energy infrastructure, may be regarded as a specific initiative for co-ordination of national policies. During its Chairmanship-in-Office of the South-East European Co-operation Process (SEECp), Croatia intensified regional co-operation in the field of energy.<sup>501</sup> Another official forum on energy security cooperation potentials and investment, entitled “Southeast Europe - an Energy Bridge between Russia, Mediterranean, Caspian and Middle-East Regions and the European Union”, was held in Zagreb on 3rd April 2007. On the margins of the conference Croatia, Italy, Romania, Serbia and Slovenia signed the Ministerial Declaration on the Pan European Oil Pipeline (PEOP) and the Ministerial Declaration on the Development of the Hydrocarbons Dimension of the Energy Community.<sup>502</sup>

This was followed by organisation of the Energy Summit, held in Zagreb on 24th June, which brought together 10 heads of states (Albania, Bosnia-Herzegovina, Bulgaria, Croatia, Greece, Macedonia, Montenegro, Romania, Slovenia, and Serbia). The forum focused on regional energy cooperation and construction of a pan-European oil pipeline, which is expected to connect oil-producing countries in the Caspian region with Europe, bypassing the Bosphorus Straits. President Mesić said he was proposing agreements guaranteeing that certain states would not safeguard their own interests by forcible means or use access to energy resources as a political tool. Russian President Vladimir Putin attended the forum as a special guest.<sup>503</sup>

Environmental NGO and Green Action were strongly opposed to any project enabling oil export through Adriatic Sea and thus labelled it absolutely unacceptable. Some media commentators viewed the initiative as an attempt of the president Mesić to enable Russia to maintain its dominance as a key energy supplier to European customers,

available at:

[http://www.vlada.hr/hr/naslovnica/novosti\\_i\\_najave/2007/srpanj/vlada\\_naknada\\_za\\_izpustanje\\_velikih\\_kolicina\\_co2](http://www.vlada.hr/hr/naslovnica/novosti_i_najave/2007/srpanj/vlada_naknada_za_izpustanje_velikih_kolicina_co2) (last access: 07.08.2007).

<sup>497</sup> Such as the one on Croatian radio, 6 March, 2007.

<sup>498</sup> These include: Rulebook on the renewables and cogeneration (Official gazette 67/2007), Regulation on incentives for electricity produced from renewables and cogeneration (Official Gazette No 33/2007), Tariff system for production of electricity from renewables and cogeneration (Official Gazette 33/2007), Regulation on minimal share of electricity produced from renewables and cogeneration (Official Gazette No 33/2007).

<sup>499</sup> Privredni vjesnik (business weekly), 30 May, 2007.

<sup>500</sup> Statement of Dr. Nikola Ružinski, State secretary, Ministry of Environment Protection, Spatial Planning and Construction, at the Round Table on energy sector development and environment, Sibenik, 21 April 2007, as quoted by HINA (Croatian news agency).

<sup>501</sup> Ministry of Foreign Affairs and European Integration, Report on the activities of the Croatian Chairmanship-in-Office of the South-East European Co-operation Process (SEECp), May 2006/May 2007, available at:

[http://www.mvpei.hr/seecp/docs/070514\\_SEECp%20CiO%20Report-09.05%20final.pdf](http://www.mvpei.hr/seecp/docs/070514_SEECp%20CiO%20Report-09.05%20final.pdf) (last access: 07.08.2007).

<sup>502</sup> HINA (Croatian News Agency), 3 April 2007.

<sup>503</sup> Lider (business weekly), online edition, 25 June 2007, available at: <http://www.liderpress.hr/Default.aspx?sid=21219> (last access: 07.08.2007).

offering a number of transit projects in an attempt to prevent the European Union from creating alternative routes. According to the Green Action, Croatia should align its energy policy with the EU, and considers balancing between EU and Russia unacceptable.<sup>504</sup> This could be achieved by the implementation of the Energy Community, which sets a minimum level of alignment with the EU acquis<sup>505</sup> and building a partnership with Russia.

## Cyprus

The overall conclusions of the Spring 2007 European Council Summit, namely the adoption of the target for the reduction of carbon dioxide emissions by 20 percent by 2020 and the provision that 20 percent of each state's annual energy consumption should be produced from renewable energy sources and the use of bio-fuel stirred various reactions in Nicosia due to its particularities as a remote country far from the natural gas and oil networks. Returning from Brussels after the Spring Summit, President Papadopoulos revealed that the European Council accepted that the burden of CO<sub>2</sub> reductions to be shared by the states would be determined on the basis of their particularities<sup>506</sup>.

The Minister of Agriculture, Natural Resources and Environment, Mr. Fotis Fotiou, repeatedly stated that the decision (which also provides for the reduction of aircraft emissions) would be difficult, if not impossible, for Cyprus to achieve, because the EU is insisting that in Cyprus' quota the emissions resulting from the island's air connections with other countries are also calculated.

As an island, whose economy largely depends on tourism, Cyprus maintains its position that, along with Malta, it should not be obliged to submit to the European Commission CO<sub>2</sub> emission measurements from its entire area due to their specific circumstances as small island states. Nevertheless, fearing the possibility of facing heavy penalties from the EU, Nicosia is currently in consultation with the

EU Environment Commissioner Stavros Dimas. The Minister of Agriculture told KIMEDE that if no common ground is reached, then the dispute may need to be resolved at the European Court of Justice<sup>507</sup>. The Republic's Legal Service is also considering all aspects of the matter.

Despite, however, the aforementioned concerns, Nicosia has been endorsing various schemes for the best possible reduction of CO<sub>2</sub> emissions and the use of renewable energy sources. The operation of the seven approved Aeolic (Wind) Parks is currently elaborated at the Energy Department of the Ministry of Trade and Industry. The Director of the Department, Mr. Solon Kasinis, conveyed to us that the government is introducing an integrated energy policy in an attempt to withdraw from its dependence on oil imports, seeking to use renewable energy<sup>508</sup>. Mr. Kasinis highlighted that Cyprus is among the first in the EU in seeking renewable energy solutions and pointed to the various programmes launched to engage people participation in energy saving efforts. He also mentioned that his office will be reinforced with additional officers to cope with the growing applications for grants on renewable sources of energy. Mr. Kasinis underlined that Cyprus is also among the first to have adopted the EC regulation on energy saving in new buildings. Training is being granted to architects, engineers and developers with regards to its specifications.

In addition, the Minister of Agriculture, Natural Resources and Environment announced in February that heavy industries in Cyprus will be called to pay the cost in the case they are unable to redesign their programmes in accordance with the EU regulations aimed at reducing carbon dioxide emissions<sup>509</sup>. Interviewed by SIGMA TV, Minister Fotiou said that he plans to bring before the House of Representatives a bill on incentives to facilitate the promotion of hybrid cars<sup>510</sup>.

Even before the Spring 2007 Summit, the government had engaged in actions to save energy and encourage the use of alternative energy sources. The Ministry of Commerce,

<sup>504</sup> Večernji list (daily), 24 June 2007.

<sup>505</sup> For Croatia the pace of alignment with the energy acquis is defined by negotiating position on energy chapter, adopted by the Government on 10 July 2007, available at:

[http://www.vlada.hr/hr/naslovnica/novosti\\_i\\_najave/2007/srpanj/vlada\\_prihvaceno\\_pregovaracko\\_stajaliste\\_za\\_poglavlje\\_energetika](http://www.vlada.hr/hr/naslovnica/novosti_i_najave/2007/srpanj/vlada_prihvaceno_pregovaracko_stajaliste_za_poglavlje_energetika) (last access: 07.08.2007).

<sup>506</sup> President Papadopoulos' statements, Larnaca, 09/03/2007 (as reported by all Cypriot media).

<sup>507</sup> Interviews conducted by Nicoleta Athanasiadou, Ministry of Agriculture, Natural Resources and Environment, Nicosia, 22/03/2007.

<sup>508</sup> Interviews conducted by Nicoleta Athanasiadou, Ministry of Trade and Industry, 15/01/2007.

<sup>509</sup> Minister of Agriculture, Natural Resources and Environment Fotiou's statements, Nicosia, 01/02/2007 (as reported by all Cypriot media).

<sup>510</sup> SIGMA TV Main News Bulletin, 25/02/2007.



Industry and Tourism presented last February its 2007 Special Fund to promote and encourage the use of renewable energy sources and the saving of energy. The fund is worth CYP 12 million. In parallel, it announced that the purchase of regular vehicles with significantly lower carbon dioxide emissions would receive a government subsidy worth CYP 400 (until then only the purchase of hybrid cars had received a subsidy of CYP 700). During the announcement of the fund, Minister Michaelides pointed out that, by 2010, Cyprus must achieve the target of six percent of its electricity power generated to derive from renewable energy sources (23/02/2007)<sup>511</sup>.

## Czech Republic

### *From Eurosceptics to constructive critics?*

Surprisingly, the debate on climate change in the country was, until recently, similar to the discussions about European integration: One strong critic (in both cases President Klaus) virtually dominated the debate with a host of torpid opponents only passively waiting for the President's next step, which always started off yet another wave of critical comments. For Klaus, the fight against "ecologism"<sup>512</sup> has become closely intertwined with his outspoken euroscepticism, since according to Klaus, both "ecologists" and "Brussels bureaucrats" aim to limit human freedom.

However, in recent months the situation has started to change both at the political level and the level of societal awareness. The political scene has been gradually transformed by the presence of the Green Party in the ruling coalition. Not only has Klaus's own Civic Democratic Party toned down its anti-ecological rhetoric, but opposition parties, such as the Social Democrats, have also begun to slowly adopt a number of "green" measures lest their voters side to the Greens.

As a result, the government has begrudgingly agreed to the emission cuts negotiated at the EU spring summit.<sup>513</sup> Interestingly, the political

discourse on climate change is connected to the discussions about nuclear energy. Obviously, the Greens are strong opponents of building new nuclear plants, but some government officials, supported by the Security Council of the State, would like to see further development of nuclear energy, labelling it as a renewable resource.<sup>514</sup> This would make it easier for the Czech Republic to reach the target that eight percent of energy production should be renewable by 2010. Czech diplomacy is also trying to re-launch debates about nuclear energy on the EU level, and Prague and Bratislava are going to hold semi-annual EU meetings about nuclear energy under the patronage of the European Commission.<sup>515</sup>

At the societal level, the shift to more active involvement in the debate has also been palpable. Opposition to President Klaus is, unsurprisingly, most pertinent among Czech environmental NGOs such as Hnutí Duha (Rainbow Movement), Greenpeace or Děti země (Children of Earth). These NGOs vigorously support the European Commission in its attempts to reduce emissions and point to the fact that the Czech Republic belongs to the biggest per capita polluters in the EU. Moreover, at the beginning of July, a conference of Czech climatologists explicitly rejected the view propounded by the President that climate change is not caused by human activities.<sup>516</sup>

## Denmark

Denmark's traditionally strong focus on environmental policy has continued in recent years. In general, environmental concerns are high on the political agenda, and also enjoy

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energie z obnovitelných zdrojů (EU agreed a higher share of renewable energy), Czech Press Agency, 9 March 2007.

<sup>514</sup> Zajištění energetické bezpečnosti ČR, stav a riziko realizace hrozeb (Securing ČR's energy security: current state and potential risks), approved by the Security Council of the State, available at: [http://media.rozhlas.cz/izurnal/cesko/\\_binary/00509400.pdf](http://media.rozhlas.cz/izurnal/cesko/_binary/00509400.pdf) (last access: 14.08.2007).

<sup>515</sup> Praha bude hostit evropské jaderné forum (Prague will host European nuclear forum), 20 June 2007, available at: <http://www.euractiv.cz/energetika/clanek/praha-bude-hostit-evropske-jaderne-forum> (last access: 14.08.2007).

<sup>516</sup> Za oteplování můžou lidé, míní čeští klimatologové (Czech climatologists believe that warming is caused by people), iDnes.cz, 4 July 2007, available at: [http://zpravy.idnes.cz/za-oteplovani-muzou-lide-mini-cesti-klimatologove-fwn-/vedatech.asp?c=A070704\\_135327\\_vedatech\\_joh](http://zpravy.idnes.cz/za-oteplovani-muzou-lide-mini-cesti-klimatologove-fwn-/vedatech.asp?c=A070704_135327_vedatech_joh) (last access: 14.08.2007).

<sup>511</sup> Minister of Commerce, Industry and Tourism Michaelides' statements, Nicosia, 01/02/2007 (as reported by all Cypriot media).

<sup>512</sup> See for instance Klaus, Václav: O ekologii, ekologismu a životním prostředí. (On ecology, ecologism and the environment), available at: <http://www.klaus.cz/klaus2/asp/clanek.asp?id=k4cfwhvYQqNyd> (last access: 14.08.2007).

<sup>513</sup> On the position of the government, industrialists and Czech NGOs, see EU se dohodla na vyšším podílu

widespread attention from the Danish population. Global warming seems to be a special subject of concern: 80% of the public believes each individual has a responsibility to reduce global warming.<sup>517</sup>

Prior to the EU summit for Ministers of the Environment in February, the Danish minister for the Environment, Connie Hedegaard (conservative party) took a leading role alongside her Swedish counterpart Andreas Carlgren. Backed by the Danish parliament, they suggested a 30% reduction of CO<sub>2</sub> emissions. When the EU ministers reached the 20% reduction agreement, she considered the joint Swedish and Danish proposal to have played a decisive role in pulling the final result up to a relatively high level.<sup>518</sup> Prime Minister Rasmussen supported the 30% reduction of CO<sub>2</sub> emissions, and joined Hedegaard in portraying the 20% reduction agreement as a victory for both the environment and for Denmark.<sup>519</sup>

Rasmussen moreover published a joint newspaper article with the Swedish Prime Minister, Frederik Reinfeldt (moderate party), just prior to the summit, where he explicitly characterised the 30% CO<sub>2</sub> reduction as an ambitious goal, which should set the tone for the 2012 Kyoto Protocol. In general, this global perspective is important for the Danish government, which considers the EU crucial for the spreading of ambitious climate goals. A binding agreement on renewable energy (20%) as well as on bio-fuels (10%) was seen as necessary for breaking away from the almost total dependence on fossil fuels, as well as for creating positive conditions for future investments.<sup>520</sup>

The reduction of CO<sub>2</sub> emissions and the question of whether or not the summit would bring about binding agreements were the main foci in Denmark. Prior to the summit the socialist's peoples party argued that if a 30% reduction on CO<sub>2</sub> emissions and binding agreements on bio-fuels and renewable energy were not agreed upon, the Prime Minister

should block an agreement.<sup>521</sup> The social democrats considered non-binding recommendations on CO<sub>2</sub> emissions worse than no agreement at all.<sup>522</sup>

In the end, all parties in the Danish parliament except the left wing unity list welcomed the climate deal, although with varying emphases. The Danish people's party saw the deal as lessening the dependence on Middle Eastern oil,<sup>523</sup> the socialist's peoples party characterised it as a 'historic breakthrough',<sup>524</sup> and the social democrats saw it as a triumph for the German Presidency.<sup>525</sup> The unity list regarded the 20% renewable energy agreement as a means to let nuclear energy in through the backdoor.<sup>526</sup>

Denmark is hosting the UN climate summit in 2009. Therefore, in connection with the G8 summit of early June, Denmark was especially interested in the conclusions and recommendations on climate issues. In particular, the position of the United States was widely covered in the media, and had the attention of the entire political elite. Both the Prime Minister and the Minister for the Environment considered US expressions of readiness for long-term global goals on CO<sub>2</sub> emission within the framework of UN as a breakthrough, and the beginning of climate diplomacy.<sup>527</sup> The Danish trade organisation 'Danish energy' (Dansk Energi) estimated that Danish exports of energy technology will reach a historic high. Especially the coming 2009 climate summit in Copenhagen is considered to constitute an excellent opportunity for the promotion of Danish environmental technology.<sup>528</sup>

<sup>517</sup> Gallup poll, February 2007, available at: [www.gallup.dk](http://www.gallup.dk) (last access: 08.08.2007).

<sup>518</sup> "EU vedtager skrappe klimamål", Politiken 20 February 2007. Accessed 21 February 2007.

<sup>519</sup> Anders Fogh, Politiken 9 March 2007; Connie Hedegaard, 9 March 2007. Accessed online 9 March 2007 at: <http://www.mim.dk/Nyheder/Pressemeddelelser>.

<sup>520</sup> "Debatindlæg: EU må tage førertrøjen på", Anders Fogh Rasmussen and Frederik Reinfeldt, Politiken, 8 March 2007.

<sup>521</sup> "SF: Fogh skal trække i nødbremsen", Politiken, 7 March 2007.

<sup>522</sup> "Nødvendigt med bindende mål for energi", 8 March 2007, available at: [www.socialdemokraterne.dk](http://www.socialdemokraterne.dk) (last access: 08.08.2007).

<sup>523</sup> "DF: EU-aftale mindsker afhængigheden af Mellemøsten", Berlingske Tidende, 9 March 2007.

<sup>524</sup> "SF: Historisk EU-gennembrud", Berlingske Tidende, 9 March 2007.

<sup>525</sup> "Svend Auken: Flot EU-klima aftale, 9 March 2007, available at:

<http://socialdemokraterne.dk/print.aspx?func=article.view&iid=181359>, (last access: 07.06.2007).

<sup>526</sup> "EU stopper ikke marchen mod klimakatastrofen", 12 March 2007, available at: [www.enhedslisten.dk](http://www.enhedslisten.dk) (last access: 08.08.2007).

<sup>527</sup> "Klimaforandringer: far Kyoto til København – Fogh vil bestemme vejen", Politiken, 9 June 2007.

<sup>528</sup> "G8 baner vejen for boom i dansk teknologiekspert", Berlingske Tidende, 11 June 2007.

## Estonia

Reactions to the conclusions of the EU spring summit and the results of the G8 summit in Heiligendamm were generally positive. The government approves of the ambitious goals set at the EU spring summit (increasing the share of renewables to 20% by 2020 and attaining the level of ten percent of biofuels in the transport sector) and vows to take these commitments seriously. It supports the objectives for the post-Kyoto negotiations set by the EU (reducing global greenhouse gas emissions by 30%, compared to 1990 emissions levels, by 2020 and by 50% by 2050). Also, Estonia considers it important to extend the emissions trading scheme to cover more sectors and greenhouse gases.<sup>529</sup> It also emphasizes the importance of getting all major polluters on board, both in the developed and developing world.

Despite the rhetoric, it is not clear how far the Estonian government is willing to go when it comes to tough decisions about reducing emissions and promoting environmentally friendly sources of energy. So far, it has been very easy for Estonia to meet Kyoto emission targets. Thanks to the extensive restructuring of the economy after the collapse of the USSR, CO<sub>2</sub> emissions have declined by more than 50% since 1990. Thus, Estonia can pull off the trick of increasing CO<sub>2</sub> emissions while also keep earning money from the sale of emission quotas. Partly, this helps explain why climate change has not played a prominent role on the domestic political agenda or in the public discourse. A newspaper of the Estonian Green Movement even claims that in terms of awareness and attention to climate change, Estonia seems to be situated on another planet.<sup>530</sup> However, Estonia will soon have to meet more stringent requirements. In the context of double-digit economic growth, it will be difficult to keep energy consumption and emissions at the constant level. Although Estonia has been able to substantially increase energy efficiency, its economy remains highly carbon intensive compared to the EU average.

Estonia has already taken the European Commission to court over emission quotas for the 2008-2012 trading period, after the Commission cut the emission quota for Estonia

in half. Prime Minister Ansip argues that this decision infringes Estonia's sovereignty by not taking into account the country's unique energy situation (Estonia is the only country in the world where oil shale is the most important source of energy). According to Ansip, member states have the right to determine their own energy mix.<sup>531</sup>

Renewable sources of energy currently constitute 16.5% of Estonia's energy mix. Thus, Estonia does not have a long way to go to meet the objective of increasing the share of renewables to 20% by 2020. Again, this good standing is not the result of major governmental programmes or societal efforts but, in the words of Prime Minister Ansip, the fact that "our great-grandfathers began to heat their stoves with wood and this continues to this day."<sup>532</sup> However, the share of renewable sources in Estonia's electricity production is only 0.7% (over 90% of electricity is produced from domestic oil shale) and Estonia will have to work hard in order to meet its promise to increase this share to 5.1% by 2010.<sup>533</sup> Some important steps have been taken: in 2006, the government prepared a strategy for promoting the use of biomass and bioenergy; in 2007, the Parliament adopted a law which guarantees a generous and competitive price for energy produced from renewable sources.

## Finland

Climate change as an issue area and concept is – as expected – very salient in Finland and features in the rhetoric of the political elite and in the everyday discussions of ordinary Finns alike. The concept has forcefully entered into public consciousness and discourse through popular culture (movies, TV documentaries, "climate events") and the media. Little doubt seems to exist within the general public, scientific community, party system and even the business sector regarding the anthropogenic origins of the phenomenon.<sup>534</sup>

<sup>531</sup> Kadri Masing, "Valitsus kaebas EK Euroopa Liidu kohtusse" Eesti Päevaleht, July 13, 2007.

<sup>532</sup> Eesti pooldab Euroopa Liidu ühist energiapoliitikat, Eesti Päevaleht, February 1, 2007.

<sup>533</sup> "Eesti keskkonnaprioriteetid Saksa eesistumise ajal", available at: [www.envi.ee](http://www.envi.ee) (last access: 13.08.2007).

<sup>534</sup> Ajatuspaja e2 (Centre Party affiliated think tank), Survey, 29.1.2007, available at: <http://www.e2.fi/index.php?contentid=13&uid=13> (last access: 13.08.2007); EK.fi, Confederation of Finnish Industries, Oikeudenmukaista ja tuloksellista ilmastopolitiikkaa, 2007, p.3, available at: [http://www.ek.fi/ek-suomeksi/ajankohtaista/tutkimukset\\_ja\\_julkaisut/ek\\_julkaisuarkisto/2007/09012007\\_oikeudenmuk](http://www.ek.fi/ek-suomeksi/ajankohtaista/tutkimukset_ja_julkaisut/ek_julkaisuarkisto/2007/09012007_oikeudenmuk)

<sup>529</sup> Ministry of Foreign Affairs, 24 January 2007, "Aims of the Estonian Government during the German Presidency", available at: [www.vm.ee](http://www.vm.ee) (last access: 13.08.2007).

<sup>530</sup> "Eesti valikud kliimamuutuse taustal – küüniline või julge tee?" Roheline värv, May 11, 2006.

Finland held Parliamentary elections in March 2007. Tackling climate change was to some degree embedded in most parties' campaigns to the extent that some commentators (in a rather cavalier manner) called the elections "climate elections" and the consequent new centre-right government "climate and energy government". Especially the Centre Party, biggest party in Finland, has (obviously in addition to the Green Party) increasingly tried to profile itself through the climate issue area.<sup>535</sup> Even the Evangelical Lutheran Church of Finland has proposed to create its own climate programme.<sup>536</sup>

The European Council in March 2007 reached agreement on a 20 % (unilateral) reduction (from 1990 emission levels) in greenhouse gases by the year 2020. EU countries also agreed to produce 20 % of its energy with renewable energy sources by the same year 2020. Finland has been one of the most reluctant countries in the EU to commit to a binding 20 % emission cut and an increase in renewable energy. Finland's reluctance is explained by an energy supply relying on a diverse energy mix<sup>537</sup> and the concerns of the private sector: Finland has plenty of energy-hungry industry with political leverage.<sup>538</sup> Finland nevertheless had to budge in February in the EU environment ministers' summit where the 20 % goal was agreed upon.<sup>539</sup>

The official position of the Finnish government regards the spring summit agreement as successful in appreciating the different points of departure of member states in striving towards collective climate and energy goals. Thanks to Finnish initiative the cost efficiency of additional actions is taken into account in the national allocation plans. Finland

emphasizes that member states should be able to continue to choose their energy mix.<sup>540</sup>

Obviously not departing from the Finnish official position, The Ministry of Trade and Industry nevertheless still expresses a more reserved stance towards the conclusions of the summit. Minister of Trade and Industry Mauri Pekkarinen characterizes the EU emission and renewable energy goals as very challenging and adds that the EU must waive its "burden allocation" to Finland. The reason for this is that if Finland were to cut its greenhouse gas emissions by 30 % (from 1990 levels) it would mean a decrease of 40 % from last years levels. If Finland had to force a threefold increase in renewable energy – which Finland already uses a great deal – it would mean employing the full capacity of water power and burning timber instead of refining it for Finland's crucial timber industry. This kind of commitment – in the words of the Minister – would be impossible.<sup>541</sup>

Other reactions to the summit conclusions from across the Finnish society include the following: the Confederation of Finnish Industries (EK), the country's leading business organization, published its climate policy in early 2007. In this policy statement EK expressed the view that the EU and therefore Finland should not unilaterally commit to fighting climate change: the inclusion of at least China, India and Brazil is required for efficient and just climate politics.<sup>542</sup>

Greenpeace Finland described the climate conclusions of the summit as the most important decision since the Kyoto Protocol. Greenpeace, along with four other Finnish environmental organizations, has called for a 30 % emission cut by the year 2020.<sup>543</sup>

The G8 summit hosted by Germany in Heiligendamm in early June featured an

[aista\\_ilmastopol.pdf](#) (last access: 13.08.2007); Helsingin Sanomat, Article, 2.2.2007, available at: <http://www.hs.fi/kotimaa/artikkeli/Vanhanen+Ilmastonmuutos+oksen+v%C3%A4h%C3%A4tely+on+lopetettava+heti/1135224794258> (last access: 13.08.2007).

<sup>535</sup> Nykypäivä, Article, 13.4.2007, p.13; Suomenmaa, Article, 23.3.2007, p.13.

<sup>536</sup> EVL.fi, Evangelical-Lutheran Church of Finland, Documents, 2007, available at: <http://evl.fi/EVLfi.nsf/Documents/4E5D0C1E25F1597DC22572AE00292244?OpenDocument&lang=FI> (last access: 13.08.2007).

<sup>537</sup> This includes nuclear energy: plans of building a new nuclear power plant in Finland are underway, to the dismay of many environmental NGO's (Greenpeace.fi, Uutiset, 4.4.2007).

<sup>538</sup> Helsingin Sanomat, Editorial, 14.2.2007.

<sup>539</sup> Greenpeace.fi, Press Releases, 20.2.2007, available at: <http://www.greenpeace.org/finland/fi/mediakeskus/lehdistotiedotteet/eu-n-oma-paastotavoite-tarkea> (last access: 13.08.2007).

<sup>540</sup> Valtioneuvosto.fi, Government, Press Releases, 9.3.2007, available at:

<http://www.valtioneuvosto.fi/ajankohtaista/tiedotteet/tiedote/fi.jsp?oid=185126> (last access: 13.08.2007).

<sup>541</sup> KTM.fi, Ministry of Trade and Industry, Speeches: Minister Mauri Pekkarinen, Speech, 25.5.2007, available at: <http://www.ktm.fi/index.phtml?i=2193&s=1878> (last access: 13.08.2007).

<sup>542</sup> EK.fi, Confederation of Finnish Industries, Oikeudenmukaista ja tuloksellista ilmastopolitiikkaa, 2007, p.3, available at: [http://www.ek.fi/ek\\_suomeksi/ajankohtaista/tutkimukset\\_ja\\_julkaisut/ek\\_julkaisuarkisto/2007/09012007\\_oikeudenmukaista\\_ilmastopol.pdf](http://www.ek.fi/ek_suomeksi/ajankohtaista/tutkimukset_ja_julkaisut/ek_julkaisuarkisto/2007/09012007_oikeudenmukaista_ilmastopol.pdf) (last access: 13.08.2007).

<sup>543</sup> Greenpeace.fi, FAQ, 2007, available at: <http://www.greenpeace.org/finland/fi/vaalit-2007/ukk> (last access: 13.08.2007).



ambitious agenda centring on African development and climate protection. It is noteworthy that the interest of the Finnish media regarding the summit tended to centre on the more acute and dramatic issues surrounding the summit than the ones enshrined in its agenda. The mobilization of protesters at the site of the summit received much attention and the massive security measures taken against these activists were said to undermine the public image of the summit.<sup>544</sup> The alarming rhetoric of Russian President Putin concerning planned US interceptor missile deployment plans in Poland was well noted in Finland and the ensuing détente between Bush and Putin in Heiligendamm commanded much media attention. Finland very closely follows the political developments in Russia in general – for obvious geopolitical reasons.<sup>545</sup> Regarding the actual results of the summit concerning climate issues the general atmosphere in the media was one of slight disappointment. No detailed binding emission cuts were agreed upon although a public general commitment to tackling climate change is recognized as important.<sup>546</sup> It is understood that the USA is reluctant to agree to binding emission cuts without rising economic powers China and India following suit.

## France

The French government insists on the unilateral commitment of the European Union to reduce CO<sub>2</sub> emissions by 20 % by 2020, the will to improve the directive implementing the Kyoto Protocol and other environmental proposals. Jacques Chirac, who recently attended his last European Council, hailed these provisions as “historic”. France clearly wishes to pursue this direction when it succeeds to the EU presidency in the second semester of 2008. Indeed, sustainable development issues, particularly climate change and renewable energy sources, were central during the presidential election campaign. Once elected, Nicolas Sarkozy created a larger ministry that combined ecology and transportation, and was lead by only one minister of Sarkozy’s own government (first Alain Juppé and currently

Jean-Louis Borloo). Environmental preservation, particularly via the reduction of carbon emissions, is one of the French president’s main priorities in domestic and international affairs. He criticized the United States’ position and attempted to persuade George W. Bush to play a leading role in this field. In October 2007, a “Grenelle de l’environnement” will take place. This will be a decisive moment of reflection and negotiations, and will determine the course of action to follow in the environmental domain. Sustainable development is a final objective, expressed in the Environmental Charter of 2005 and integrated into the Constitution. The government now considers the environmental question not as a necessary burden for the economy, but as a new obligation to maintain competitiveness in the world. Furthermore, the government has evoked the idea of “ecological democracy”<sup>547</sup> in which the environment is considered to be a fundamental right. The government desires to reach 21 % of renewable energy in the production of electricity by 2010. Although the use of renewable energy sources in France is currently proportionally lower than in other European countries, France is the second-largest world producer of renewable energy. At the same time, however, the government also intends to revive the country’s nuclear program, planning the construction of new nuclear stations, according to the objective of reducing CO<sub>2</sub> emissions. In addition, the government is planning other measures, such as a decree that imposes upon energy producers a significant and obligatory effort to save energy.

## Germany

The goal of reducing carbon dioxide emissions by 20% by 2020 and using a target of 20% renewable energy sources, come as a result of the EU spring summit and are subject to controversial discussion on energy policy in Germany.<sup>548</sup> The goal of halving global greenhouse gas emissions by 2050, a conclusion of the G8 summit of Heiligendamm<sup>549</sup>, is also subject to the same controversy. The question of the right energy

<sup>544</sup> Helsingin Sanomat, Article, 30.5.2007, p. B2.

<sup>545</sup> Suomen Kuvalehti, Editorial, 15.6.2007; Aamulehti, Article, 5.6.2007, available at: <http://www.aamulehti.fi/uutiset/stt/ulkomaat/32344.shtml> (last access: 13.08.2007).

<sup>546</sup> Helsingin Sanomat, Article, 30.5.2007, p. B2; Hufvudstadsbladet, Editorial, 9.6.2007.

<sup>547</sup> See the speech of Jean-Louis Borloo, State Minister of Ecology and Sustainable Development, 29 June 2007.

<sup>548</sup> Seeger, Sarah (2007): Europa-Euphorie und Europa-Ernüchterung. Bilanz des Europäischen Rates am 8./9. März 2007 [= CAP Aktuell, No. 4, March 2007], p. 5.

<sup>549</sup> G8 Summit in Heiligendamm (2007): Growth and Responsibility in World Economy. Summit Declaration 7 June 2007, p. 15.



mix is no longer only being discussed in terms of energy security, but also in terms of climate change and environmental protection.

Mrs. Merkel announced a concrete national energy concept to come into affect in autumn 2007. In order to fulfil the ambitious climate goals, the government has set measures according to three pillars of energy policy: 1) The most important goal set by Merkel is to increase energy efficiency by 3% from year to year.<sup>550</sup> Particularly the consumers of energy are supposed to decrease energy consumption. This proposal has been criticized by the energy industry to be unrealistic without cancelling the nuclear power phase-out by 2020, passed by the former Schröder/Fischer government. A phase-out revision does not appear to be an option for the present government, as the coalition treaty between CDU and SPD clearly maintains the goal of terminating the use of nuclear power in Germany. 2) The security of the energy supply must be maintained. In 2005 fossil fuels represented the fundamental component of Germany's primary energy sources (36 % oil, 24.1 % coal, 22.7 % natural gas). Nuclear power stations contribute 12.5 %, while the contribution of renewable energy lies at only 4.6 %. During the next years, this dependency on fossil fuels imports will increase, due to the planned nuclear power phase-out. According to current plans, the existing German nuclear power stations will have to be replaced, for the most part, by natural gas, coal and other renewable sources. 3) Energy production has to be consistent with environmental sustainability. Therefore, the federal government wants to reduce the carbon dioxide emissions by 40% by 2020 – twice the amount of the EU obligation.<sup>551</sup> The most important measure needed to reach the ambitious goals, is – besides the increased energy efficiency – the further development of the renewable energy sources. The promotion of fuel-efficient cars, combined heat and power generation and an improved thermal insulation of houses, are further points under consideration. Germany is one of the main countries to benefit from higher environment standards, as it belongs to the pioneer group of the leading producers and exporting countries of ecologic technologies.

<sup>550</sup> Mihm, Andreas (2007): Regierung beharrt auf Klimaschutzzielen, in: Frankfurter Allgemeine Zeitung of 4 July 2007, p. 9.

<sup>551</sup> Dehmer, Dagmar (2007): Mit voller Energie, available at: <http://www.tagesspiegel.de/politik/Deutschland-Energiegipfel:art122.2332881> (last access: 20.08.2007).

The question of the use of nuclear power represents the core controversy in the current German energy debate, that have been intensified by the recent problems in two nuclear power station in the northern part of Germany (Brunsbüttel and Krümmel). Related to this central issue, you find the main political cleavages. The Social Democrats, the Greens and the former GDR state party, "Die Linke", favour and back the planned nuclear power phase-out. The Liberal Democrats and the Christian Democrats on the other hand oppose this plan.

The left wing parties stress the danger of a possible nuclear accident and the still unsolved problem of disposal. On the other hand, the right wing parties regard nuclear power as a way to reduce green-house emissions, as well as a way to stabilize energy prices. The main problem concerning this question is, therefore, the opposing positions held by the current coalition parties. Indeed, the coalition treaty envisions no change in the current legal basis. Nevertheless, the Christian Democrats and the Liberal Democrats made it clear that they will continue to use nuclear energy if they win the next election.<sup>552</sup> This position has been backed by the compromise concerning the use of nuclear power made during the EU spring summit. Because the member states did not find a common answer to the status of nuclear power, they thus opened the door for those pushing for the prolongation of the nuclear power stations. In this context, the question of the extended use of brown coal instead of nuclear power will also have to be answered. At the moment there are no clear opinions among German parties concerning the future of this technology.

Consequently, this uncertain political condition leads to a situation that hinders the energy companies from investing in new power-plants and infrastructure projects.

Another important aspect is the question of energy security in terms of the security of supply. Whereas the supporters of nuclear energy underline that nuclear power stations will reduce dependency on oil and gas (and on the producers of both), the critics of nuclear energy stress that the most secure way of reducing energy dependency is to extend "domestic resources" – which are primarily

<sup>552</sup> Rey, Manfred (2007): Streit um Atomkraft bestimmt Spitzentreffen bei Merkel, available at: <http://www.spiegel.de/politik/deutschland/0,1518,491986,0,0.html> (last access: 20.08.2007).

renewable such as wind, water, photovoltaic and biomass. Yet besides the aspect of the diversification of the energy sources, the German discussion on energy security implies more and more the question of a coordinated “foreign energy policy” with a strong European dimension.

## Greece

Environmental matters in general and climate change as lately discussed have grown suddenly in importance both at public opinion level and within political discourse in Greece.<sup>553</sup> Both the EU Spring Summit and the G8 meeting at Heiligendamm were high-visibility matters, but it is interesting to notice that the few weeks separating the two events were enough for public-opinion and political concerns to grow: the G8 was seen as insufficient, with undertones of moral outrage at US reticence to accept initiatives to move forward more forcefully. The EU decisions – and the German Presidency’s role in order to reach an “enhanced European consensus” – were seen as important achievements; the Karamanlis Government used the European debate (as also it did with the Al Gore initiative) in order to further raise consciousness in Greek public opinion over this issue, that was up to now rather low in social priorities.

Energy matters have gained a high profile in Greece, due to the fact that a (minor) oil pipeline by-passing the Bosphorus Straits and to be built as a Russian (31%) – Greek – Bulgarian venture, gained prominence as “putting Greece on the global energy map”. A far more important scheme to build a gas pipeline from Turkey through Greece to Italy, with intermediate links to Albania, the Former Yugoslav Republic of Macedonia, FYRoM, (and thence to Serbia) and Bulgaria is also underway. Public opinion has been viewing these projects more as objects of national pride than as rational moves linking Greece

with a wider energy picture; moreover, the “Russian dimension” is gaining (through the energy card) in importance as a new-era node of international politics, based on the anti-Americanism ever-present in Greek public opinion. The fact that both oil and gas flowing westwards through Greece may partly be Kazakh and/or Azeri in the future is usually downplayed; more importantly, the strong-arm energy tactics of Russia towards countries like the Ukraine and (closer to Greece) Bulgaria have been noted, but not really integrated in public policy as important elements. At least, they have not stopped Greece from declaring its willingness to participate to another gas-pipeline scheme, of Gazprom-ENI, leading from the Black Sea, through Bulgaria and Greece, to Italy.

At any rate, the stabilizing role of the EU in energy politics is viewed as of paramount importance, mainly based on hope than on concrete analysis.

## Hungary

The official reactions of the Hungarian foreign minister (Ms. Kinga Göncz) after the spring EU summit can be summarised as follows.<sup>554</sup> Hungary finds it important that member states tackle the issues of energy supply and climate changes closely together. When formulating these policies the key point should be carbon dioxide emissions which should be reduced by minimum 20% or even more. Hungary is ready to reduce the CO<sub>2</sub> emissions by the indicated rate although it must be clarified which year shall be the reference year, since in the end of 1980s emissions have been much higher than in the year of 1990 when many old heavy industry factories have already been shut down.

The other central issue discussed on the summit has been that of renewable energy sources. In this respect it must be underlined that the situation differs heavily from member state to member state and these national peculiarities must be taken into account when negotiating commitments. From this point of view Hungary is not in a favourable position in the EU, since the share of renewable energy sources within all energy supply is around 4%. Substantially increasing the use of alternative energy (i.e. to 20% by 2020) would entail huge

<sup>553</sup> General information about Greek politics: Prime Minister of the Hellenic Republic, official homepage available at: [http://www.primeminister.gr/index.php?option=com\\_content&task=view&id=4762&Itemid=89](http://www.primeminister.gr/index.php?option=com_content&task=view&id=4762&Itemid=89) (last access: 03.09.2007); Ministry of Foreign Affairs, official homepage available at: <http://www.yplex.gov.gr/www.mfa.gr/el-GR/> (last access: 03.09.2007); Hellenic Parliament, official homepage available at: <http://www.parliament.gr/english/default.asp> (last access: 04.09.2007); general news on Greek politics available at: <http://www.politicsgr.com/> (last access: 05.09.2007) and <http://noitikiantistasis.com/wordpress/> (last access: 05.09.2007).

<sup>554</sup> Available at: [http://www.kulugyminiszterium.hu/kum/hu/bal/Aktualis/Miniszeri\\_allasfoglalasok/](http://www.kulugyminiszterium.hu/kum/hu/bal/Aktualis/Miniszeri_allasfoglalasok/) (last access: 13.08.2007).

investments, moreover Hungary does not really have favourable geographical conditions for that. Given this situation Hungary would not like the EU to decide on obligatory measures on alternative (e.g. sun, wind, water) energy usage, but only to declare that the member states bind themselves to increase their application. Hungary supports the EU-27 to reach 20% by 2020 but this should be an average level and not a national quota. This would be a more gradual and flexible approach.

As regards the Hungarian position on the common energy strategy, Hungary welcomed the 2006 Green Paper of the European Commission and would like to see a strong solidarity among member states in the field of safe energy supply. Hungary prefers to harmonise the storage capacities of the member states (there are plans to build a gas hub in the region: Hungary and Austria are both aiming to be the location for this hub) and supports the EU to speak with one voice in the international energy negotiations. Regarding the issue of import diversification, Hungary agrees with the idea and would also support the Nabucco project supplying gas from Central Asian countries. The problem is – according to the government – that since its signing in 2002 the project has not been started even though it should be operational by 2011. It is not clear neither whether the Nabucco and the extended Russian Blue Stream pipeline (now linking Russia with Turkey) could be used in parallel or would mutually exclude each other.<sup>555</sup>

The Hungarian foreign minister also had to react in April to the written question of three Hungarian MEPs from the European Peoples Party group (their party being in opposition in Hungary) regarding energy supply security. In her answer<sup>556</sup> the foreign minister admitted the risks implied by the unilateral dependence on Russian supplies. The best solution to this problem will necessarily be a common European energy strategy aiming at diversification in terms of both sources and transit routes. In parallel to diversified imports Hungary should make efforts to increase efficiency, to continue with liberalisation of

energy markets and to enhance the share of renewable energy. The Hungarian government actually committed itself to all these steps in the Union's Action Plan. The foreign minister also drew attention to the fact that the Hungarian oil company MOL is also a signatory to the Nabucco consortium while – given the increasing energy needs of the country – Hungary deems it also important to participate in Blue Stream. The Hungarian energy strategy actually rests on three pillars: secured energy supplies, import diversification and common European energy policy (including greater use of trans-European interconnections).

## Ireland

Spring summits tend to be conservative in terms of ambit and achievements, as major policy announcements are normally left for end-of-Presidency European Councils. Often, the Spring summits tend toward a 'Christmas Tree effect', where the best of intentions to have clear objectives are often confused by Member States adding their own private agendas. The Spring summit in March 2007 largely avoided the 'Christmas Tree effect', mainly due to having a large Member State such as Germany heading up the Presidency and a tight agenda which focused on 3 key areas:

1. The Lisbon Strategy for Growth and Employment
2. Better Regulation
3. Energy and Climate Change

## Energy & Climate Change

The ambitious commitments on climate change proposed at the Spring summit were deemed unprecedented in Ireland.<sup>557</sup> The most important considerations from the conclusions of the March European Council were:

- Agreements on 20/30% emissions reductions targets for 2020 based on 1990 baseline

<sup>555</sup> Available at: [http://www.kulugyminiszterium.hu/kum/hu/bal/Aktualis/Miniszeri\\_allasfoglalasok/070412\\_nabucco.htm](http://www.kulugyminiszterium.hu/kum/hu/bal/Aktualis/Miniszeri_allasfoglalasok/070412_nabucco.htm) (last access: 13.08.2007).

<sup>556</sup> Available at: [http://www.kulugyminiszterium.hu/kum/hu/bal/Aktualis/Miniszeri\\_allasfoglalasok/070508\\_epkepviselek\\_levelere\\_valasz.htm](http://www.kulugyminiszterium.hu/kum/hu/bal/Aktualis/Miniszeri_allasfoglalasok/070508_epkepviselek_levelere_valasz.htm) (last access: 13.08.2007).

<sup>557</sup> General information about Irish politics: Government of Ireland website, available at: <http://www.irishgov.ie/> (last access: 03.09.2007); Department of Foreign Affairs website, available at: <http://www.dfa.ie/home/index.aspx> (last access: 03.09.2007); Houses of the Oireachtas website, available at: <http://www.oireachtas.ie/ViewDoc.asp?fn=/home.asp> (last access: 03.09.2007); general news on Irish politics available at: <http://www.politicsinireland.com/> (last access: 03.09.2007) and <http://www.irishnews.com/> (last access: 03.09.2007).

- Agreement on 20% penetration of renewables into total primary energy requirement by 2020
- Agreement on 60/80% indicative target for emissions reductions for all developed countries by 2050 based on 1990 baseline
- Agreement on 10% penetration of biofuels into transport fuel consumed by 2020

### *Emissions Reductions*

The targets for emissions reductions and penetration of renewables have attracted considerable attention from the Irish government, media and civil society organisations. As a result, there has been an increase in public interest in EU developments in energy and climate change policy.

The 20% cut proposed for carbon emissions is an overall Union target and does not translate as a 20% cut per Member State. It is expected that there will be a “tremendous battle” in the near future regarding “burden sharing” and the setting of national targets in terms of carbon emissions, but that at least the political will to achieve them has been demonstrated at the Spring summit

Ireland has a Kyoto emissions “reduction” target of +13% on 1990 levels by 2020. Currently emissions are approximately +25% on 1990 levels and are continuing to rise. There is considerable concern that the agreed targets, particularly the -30% which will be proposed for all industrial nations at post-2012 negotiations, could place considerable strain on the Irish economy and pose a challenge to future economic growth.

In April 2007, the Government published its *Revised National Climate Change Strategy*, in which it referred to the new targets; it also contained a brief section on projections to 2020 under the two emissions reductions scenarios (-20/-30%). It assumed a pro-rata distribution of targets among member states based on the Kyoto burden sharing agreement and acknowledged that a significant shortfall should be anticipated under either scenario. It recommended that additional policies and measures would have to be considered in order for either target to be achieved. The Irish policy community cautiously anticipates the actual burden-sharing proposal.

Several civil society organisations welcomed the commitment to pursue a -30% emissions-reductions target for all industrial countries and indicated that this level of emissions reductions would bring industrial nations into line with what the science of climate change tells us will be needed in the coming period to avoid “dangerous climate change”.

Media reports acknowledged the ambitious nature of the targets as well as the leadership being offered by the EU on the issue, and tended to highlight the government’s perceived historically “poor performance” on emissions reductions.

The Irish Institute for European Affairs launched a major climate change initiative: The IEA Climate Change Working Group to explore how Ireland can pursue a more proactive climate change policy in the post-2012 period. The project involves coordinating the work of 60 stakeholders and experts in five working sub-groups. The project will culminate in the publication of a book in February 2008, which aims to offer a blueprint for the de-carbonisation of the Irish economy. Irish government officials and policy makers have been engaged with and are very supportive of the project.

### *Targets for Renewables*

The targets for penetration of renewable energy into the energy-mix also attracted considerable attention in Ireland. While the emissions reductions targets have been expected for some time and it has generally been acknowledged that Ireland is tied into a process of emissions reductions at international level; targets affecting energy mix were somewhat less anticipated. In a sense, these targets have brought home the magnitude of the challenge Ireland faces. Ireland currently has a 7% penetration renewables in the energy mix. SEI/ESRI energy forecasts show renewables supplying 30% of electricity supply, 8% of road transport energy, and 10% of thermal energy in 2020. These numbers equate to around 11% of renewables in overall primary energy supply by 2020.

The Irish Energy White Paper, published immediately after the Spring European Council, included a commitment to increased penetration of renewables in power generation to 33% by 2020, among other proposals. Considerable additional measures will

therefore be required if Ireland's target is to be achieved. Again, the Commission's burden-sharing proposal is cautiously anticipated.

The renewables target was generally well received, though not always accurately understood, by media, civil society organizations and public. There is a general belief that Ireland has great potential for renewables and that the government should be working towards the development of these resources. There was a degree of confusion on the difference between renewables penetration in power generation and penetration in total energy requirement. The EU's 20% target for renewables is more ambitious than is generally perceived.

### *Energy Efficiency*

The Council's call for rapid implementation of the Commission's Energy Efficiency Plan, which had been agreed in November 2006 with a target of 20% energy saving by 2020, was confirmed in March. Irish policy makers propose to follow up this call in September/October with the Irish Energy Efficiency Action Plan. The Institute of European Affairs will host a conference on Energy Efficiency in September 2007.

### *G8 Summit at Heiligendamm*

The agreement to work towards opening negotiations on post-2012 agreement in Bali was universally welcomed in Ireland. The commitment to engage in negotiations under the auspices of the United Nations Framework Convention on Climate Change (UNFCCC) was also well received. The agreement to "consider" a target of 50% emissions reductions by 2050 with no baseline indicated is not considered particularly significant, though it was interpreted as a slight movement by the US administration towards the EU position.

Most of the media attention in Ireland focused on the role of the US in the negotiations. Media and civil society organisations were largely critical of the position taken by the US on climate change in the talks and called for a more constructive engagement with the international process. Chancellor Merkel was widely perceived to have played a strong leadership role in at both the March European Council and the G8 Summit.

### **Italy**

The overall assessment of the outcome of the G8 summit in Heiligendamm (June 2007) has been mixed. Italy's Prime Minister Romano Prodi welcomed the results of the summit as "a good compromise", saying that the document produced commits the big Eight "to undertake a strong and rapid action to facing climate changes and stabilising the greenhouse gases emissions at a level which would not damage human health and the environment".<sup>558</sup> However, the Italian NGO Association and Legambiente, which represented Italian civil society at the meeting, said it is not enough.<sup>559</sup> It was acknowledged that for the first time in a G8 statement there is recognition of the need to avoid dangerous climate changes and to significantly reduce greenhouse gas emissions, but it was pointed out that no binding targets have been defined in this regard. At least, the US accepted to "consider seriously the decisions made by the European Union, Canada and Japan, which include at least halving global emission by 2050" and there is a shared responsibility to work within the UN Framework Convention on Climate Change on a post 2012 agreement.

Concerning the conclusions on climate and energy policy adopted at the EU level in the spring summit, a number of key areas have been prioritised by Italy. The integration of national electricity and gas markets in the EU is perceived as a necessity particularly because of recent blackouts affected various regions in Europe. Italy considers it is particularly important to further harmonise the powers of national energy regulators and procedures of national energy markets, progressively abolishing regulated tariffs and in particular those tariffs which are fixed at a level below the market price, impeding the access of new actors in the market. A deeper integration between Transmission System Operators should be encouraged, starting with the effective and transparent management of transnational energy flux and congestions of energy grid. Italy also favours the appointment of a European regulator. New investments in crucial infrastructures should be promoted, as well as the development of a common EU external energy policy.

<sup>558</sup> RaiNews 24, G8, raggiunto un compromesso sul clima. Prodi: soddisfatto, 7 June 2007.

<sup>559</sup> AGImondoONG, Compromesso sul clima. Ma non basta, 7 June 2007, available at: <http://www.ong.agimondo.it> (last access: 13.08.2007).



At the national level, various initiatives have been promoted in terms of:

- diversifying the energy mix, developing renewable energies and increasing energy efficiency;
- developing transport and storage infrastructures;
- rethinking external energy policy.<sup>560</sup>

Italy highly depends on gas for its energy production. In order to reduce the impact of the energy crises, due to interruptions and limitations of gas supply, Italy needs to effectively diversify its energy sources. This should be done firstly by investing in renewable energies: tax incentives will be available by 2008 for solar thermodynamic energy.<sup>561</sup> However, renewable energies will not be sufficient, at least in the medium term, to completely replace fossil fuels. Therefore, research in carbon sequestration technologies – such as Carbon Capture and Storage – should also be promoted.

As far as nuclear energy is concerned, reintroduction would be a very difficult objective to achieve because it was banned in Italy in 1987. There is however ongoing debates about allowing Italian enterprises to participate in programmes and projects abroad and not to abandon research in this sector. It is also important to adopt a programme on energy efficiency that includes binding targets and adequate incentives in order to reduce energy demand by 10-15 %.

Italy recognises the need to improve its gas transport and storage system in order to face the increased demand volatility. Building three or four regassificators is a primary objective to reduce dependency on import through pipelines but it should be coupled with the increase in transport capacity of existing gas pipelines, to effectuate new ones – like GALSI in Algeria and IGI in Greece and Turkey – and to significantly enhance the capacity of storage infrastructures.

The Final Destination Clauses, which impede exports of gas originally allocated to a certain country, should be eliminated in order to facilitate market fluidity both in transit and final destination countries.

<sup>560</sup> Available at: [http://www.esteri.it/MAE/EN/Politica\\_Estera/Temi\\_Globali/Energia/Interventi\\_Importanti.htm](http://www.esteri.it/MAE/EN/Politica_Estera/Temi_Globali/Energia/Interventi_Importanti.htm) (last access: 13.08.2007).

<sup>561</sup> Available at: <http://www.minambiente.it> (last access: 13.08.2007).

As concern the external energy policy, it is perceived that Italy needs to diversify the countries from which it imports gas (mainly Algeria and Russia). There is a risk that Russia will not be a reliable partner for the future, due to the inadequacy of energy infrastructures and the new investment opportunities coming from China. Therefore, Italy will inevitably try to consolidate its relationship with countries in the Mediterranean area, Algeria in particular. Attention should also be paid to the opportunities in terms of energy supply linked to the possible access of Turkey to the EU.

## Latvia

Issues related to energy have been of particular importance since Latvia regained its independence and even more so in recent years. Latvia's geopolitical situation, size and very limited energy resources are factors that convinced Latvia already in the early 1990s to seek solutions to its energy, as well as its climate and environment related concerns in a regional and a European context and to rely on its own resources as much as possible. Thus, any kind of agreement toward resolving some or any of these issues internationally, such as at the EU spring summit and G8 summit in Heiligendamm, is considered as a step in the right direction. At the same time, Latvian environmentalists tend to see the modest but laudable goals announced in Heiligendamm as a half-hearted commitment because of failure to set specific tasks, goals and a timeframe. Others, such as the Latvian decision-makers, see the lack of unanimity of the G8 as something that was to be expected given that for many years the countries that pollute the most have been extremely reluctant to pay for and correct their bad practices. The Latvian government has, therefore, decided to champion local economic priorities which may, in some cases, lead to taking issue with the decisions adopted by the EU leaders in March.

While it is difficult to pinpoint direct results in Latvia owing to these events, indirectly they served to encourage the government in Riga to focus public attention more than heretofore on energy and climate issues<sup>562</sup>, reassess the

<sup>562</sup> Though recently there have been many energy-related events taking place in Latvia, the one that stands out is the Baltic Regional Energy Forum which took place in Riga on 12 and 13 June 2007. It was attended by the EU Energy Commissioner Andris Piebalgs, the Prime Ministers of Estonia, Latvia and Lithuania, and energy specialists from Europe and North America. Focusing on the strategic development of the energy sector in the Baltic States, the

existing plans and strategies related to energy and climate<sup>563</sup>, as well as set specific goals and pursue more vigorously what needs to be done.

Four immediate challenges stand out:

- meet the growing demand for energy;
- reduce the heretofore enormous dependency on Russia for energy resources, especially gas;
- fill the supply gap in electricity after 2009 when Lithuania will close the Ignalina nuclear power station;
- seek a more equitable solution to the carbon dioxide emissions quota.

These challenges were addressed by Prime Minister Aigars Kalvitis at the Baltic Dialogue in Berlin on 23 April 2007 and at the Baltic Regional Energy Forum in Riga on 12 June 2007.

The first challenge is one that concerns Europe as a whole and the same general EU recommendations and decisions apply to all member states, even if the situation in each country is different. A significant task for Latvia is to continue work on raising energy efficiency, especially by eliminating heat losses in the poorly constructed buildings of the Soviet era and by raising public awareness of the need to economise on all utilities, whether at home or at work.

In order to meet the second challenge Latvia has taken several steps and these need to be pursued further: diversification of energy suppliers and sources, greater reliance on

renewable and locally available energy resources, and greater integration into the European and regional energy networks (electricity<sup>564</sup>, gas, oil et al.). Latvia is a very small customer for the Russian energy market and its relations with Russia have been uneven; therefore Moscow has in the past used energy as an instrument for political and economic pressure against Riga. Since Latvia is still 100% dependent on Russia for its gas needs and most Latvians continue to have serious misgivings about the construction of the Nordstream gas pipeline, Riga is proposing both to the EU partners and to Moscow the possibility to further develop and use its very extensive underground gas storage facilities and develop further the already existing underground gas pipelines. This could provide an additional and much safer and more affordable option especially for the countries of Eastern and Northern Europe and make better use of already existing gas pipelines. At the same time, Latvia is looking into the possibilities offered by Liquefied Natural Gas (LNG). Understandably, the Latvian Minister of the Economy Juris Strodz joined his Estonian, Lithuanian and Polish counterparts, in a letter asking the European Commission to consider their proposals, reassess the Nordstream project and use its influence to persuade the German and Russian companies involved in this project that there are other and better alternatives<sup>565</sup>.

Concerning electricity, Estonia, Latvia and Lithuania agreed in February 2006 to construct a new nuclear power plant in Lithuania to replace the Soviet-era Ignalina plant, which is to be closed in 2009. Subsequently Poland expressed interest in the project, but until mid-July 2007 the four countries had not reached an agreement on the details of participation. Thus it is unclear whether the new nuclear power plant in Lithuania will be completed in 2015 as originally planned. At this time Latvia is investigating other suppliers and planning to expand the existing hydroelectric works and construct small, coal- or gas-powered plants to generate electricity. Some interest in this regard has been shown by Russia's Gazprom, but the Latvian Minister of the Economy has cautioned against increasing Latvia's energy dependence on Russia. So far wind-generated electricity does not seem to be a realistic

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forum dealt with issues such as the optimal energy mix and aspects of supply and energy security, clean and sustainable energy, energy efficiency, new technologies, enhanced cooperation and coordination not only among the three Baltic States, but also within the Baltic region.

See <http://www.conferences.lv/lat/> (last access: 20.08.2007).

<sup>563</sup> The Latvian government adopted a program for the production of biogas for the years 2007-2011 on 5 June 2007, issued an assessment of the supply of electricity on 30 January 2007. In October 2006, the government adopted The Guidelines for the utilisation of renewable energy resources in the years 2006-2013; this is a framework document on ways to increase the renewables in Latvia's energy mix, promote secure supply of energy resources, and foster a reduction of emissions through a greater reliance on renewable energy sources. In December 2006 the government endorsed a plan concerning The allocation of emission quotas for the years 2008-2012. A program for limiting climate change for the years 2005-2010 was adopted in April 2005. It goes without saying that other basic studies and programs on these topics have been adopted during the past decade. These documents are published in the Council of Ministers internet site: <http://ppd.mk.gov.lv/ui/default.aspx> (last access: 20.08.2007).

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<sup>564</sup> In June 2007 the Estonian, Latvian and Lithuanian prime ministers formally expressed to the European Commission their countries' interest in joining the UCTE (BNS, 11 June 2007).

<sup>565</sup> LETA, 24 July 2007.

alternative because of the climate conditions and costs – it is by far the most expensive way to generate electricity in Latvia.

Currently under scrutiny is the carbon dioxide emission quota allocated by the EU to Latvia. Although the 3.43 millions tons accorded to Latvia is 0.14 million tons more than was offered initially, the amount is much less than expected and inadequate for carrying out the planned economic development in the coming years. For example, a contract was signed in July 2007 with CEMEX for the construction of a much needed cement plant and when it will start production it will use up one-third of the emission quota currently allocated Latvia. What is more, the emission quota set by the EC impedes Latvia's efforts to ensure its energy needs in the immediate future, including the reconstruction of a thermal power plant of Latvia's power utility Latvenergo and the construction of new power plants.

The government and Latvian economists believe that the European Commission's allocation of carbon dioxide emissions quotas is not only much too small but also inequitable and discriminatory; what is more, such an allocation system promotes trading in emissions quotas rather than an overall reduction in emissions. After careful consideration, the Latvian government decided on 31 July 2007 that it would contest the decision of the Commission in court.<sup>566</sup> The Latvian decision-makers believe that the country's energy needs and its demonstrated commitment to renewables – Latvia is one of the leaders in Europe in the use of energy derived from renewable sources: in March 2007 the figure was 36% of the energy consumed in the country as a whole<sup>567</sup> – should serve well to strengthen its case.

<sup>566</sup> BNS, 31 July 2007. The Latvian Greens, however, disagree with the government and believe that their country should concentrate more on reducing the carbon dioxide emissions (BNS, 2 August 2007).

<sup>567</sup> LETA, 2 March 2007. With such a record, it is understandable that Latvia did not support the obligatory goal of 20% of consumed energy in all EU countries by the year 2020 and opted for individually set goals set by each country. On 11 May 2007, the first energy agency in Latvia, which is supported by the European Commission Intelligent Energy Europe (IEE) programme, was inaugurated. The city of Riga is a partner in another Intelligent Energy Europe sponsored project entitled "Bottom up to Kyoto" and aims, therefore, to significantly reduce energy use for public lighting. See the Commission press release: <http://europa.eu/rapid/pressReleasesAction.do?reference=IP/07/664&format=HTML&aged=0&language=EN&guiLanguage=en> (last access: 20.08.2007).

## Lithuania

What concerns the evaluation of the results of March European Council, the attention of the highest Lithuanian officials and the society have concentrated more on the energy issues than on the climate change.

According to the Lithuanian Prime Minister Gediminas Kirkilas, the biggest Lithuanian achievement during the Spring European Council was the recognition by the European leaders of the need to use all the instruments of cooperation while communicating with the external providers in order to guarantee the secure energy supply to the EU. Lithuania has always tended to emphasize the importance of the energy supply security.

Another significant outcome of the European Council meeting for Lithuania was the recognition of a need for new projects which could link the isolated EU energy markets (as far as Lithuania is one)<sup>568</sup>.

Recognition of nuclear energy as an energy source which does not pollute the nature was also important to Lithuania, as Lithuania has a nuclear power plant which is to be dimensioned in 2009 and Lithuania is going to build a new nuclear power plant. The highest Lithuanian officials tend to emphasize the significance of the nuclear energy as an energy source. According to the Prime Minister, the priority in Lithuania today is given to the nuclear energy<sup>569</sup>.

Speaking about the use of renewable energy sources, giving an interview to the Lithuanian radio the Prime Minister told that Lithuania will have to double the share of the renewable energy sources in the Lithuanian energy mix and that will not be cheap<sup>570</sup>.

What regards the follow-up, lately there is an obvious increase in the discussions about the climate change in Lithuania (for example recently the discussions about the climate change have been organized by the Lithuanian

<sup>568</sup> ES parėmė Lietuvos energetinius interesus (The EU has supported Lithuanian energetic interests), March 9, 2007, available at: <http://www.balsas.lt/naujienos/lietuva/straipsnis55558> (last access: 20.08.2007).

<sup>569</sup> A speech by the Prime Minister G. Kirkilas delivered during the conference "European energy challenge: to guarantee security", May 21, 2007, available at: <http://www.lsdp.lt/index.php?862261452> (last access: 20.08.2007).

<sup>570</sup> Lietuva turės pasitempti (Lithuania will have to do better), Internet news portal "Delfi", March 9, 2007

Parliament, Ministry of Environment and European Commission Representation to Lithuania). However, it has to be mentioned that the public awareness of this problem is not great. As the last Eurobarometer survey indicates, only 41 percent of Lithuanians think that this issue should be dealt with by the EU urgently (among the EU member states Lithuania occupies the 25th place)<sup>571</sup>. Another survey, completed by "AC Nielsen Baltics" demonstrates that only 6 percent of Lithuanians are concerned about the climate change (here Lithuania occupies the 41st place out of 47)<sup>572</sup>.

Speaking about the concrete actions taken to combat climate change, according to the Lithuanian Minister of Environment, one of the principal means to reduce the greenhouse gas emission in Lithuania is the saving of energy, which is achieved by implanting the technologies which use little energy in manufacturing, by modernizing the power stations, by using the renewable energy sources, by renovating the blocks of flats and thus increasing their energy efficiency, by foresting the land. For example, it is planned to renovate about 80 percent of blocks of flats in Lithuania by 2020, it is also planned to increase the amount of forested land by 3 percent<sup>573</sup>. The Minister claims that Lithuania is successful in reducing the greenhouse gas emission: the amount of greenhouse gas emissions had been reduced by half in the last 15 years.

Actors other than governmental organizations also take part in combating climate change in Lithuania. For example, a project "Raising the awareness of people in the field of combating climate change" was implemented by a NGO called a Center for Environmental management and technologies. The goal of the project was to rise the awareness of people in combating climate change, to discuss the possible ways of cooperation among the governmental and nongovernmental organizations in combating the climate change. While implementing the project different

discussion and seminars about the climate change were organized, articles about this topic were published in the regional newspapers<sup>574</sup>. Another example can be an initiative taken by the Lithuanian children and youth center and one European Parliament member from Lithuania who organized a drawings competition about the climate change<sup>575</sup>.

## Luxembourg

Luxembourg welcomed the decisions taken on the climate summit in Brussels on March 9<sup>th</sup> 2007. The very special geographical conditions Luxembourg is confined to (exiguity of its territory, no sea shore, high urbanisation, dense individual traffic ...) implicate that Luxembourg must be seen as a special case.<sup>576</sup>

The EU climate summit decided to cover one fifth of the total energy consumption from renewable energy sources. Luxembourg could only sign this commitment under two conditions: First, Luxembourg must have the Commission's support to be able to sponsor the alternative energy investments with public money. Otherwise it would be impossible to reach the 20% goal. Presently alternative energy sources merely cover 3-4% of the total energy consumption. Secondly, Luxembourg must have the right to sponsor alternative energy projects abroad to fulfil its commitments.

The minister of economy Jeannot Krecké was happy to announce that the different economic preconditions are taken into account when considering the climate conference commitments of the member states.

Luxembourg environment minister Lucien Lux presented a special study explaining the

<sup>571</sup> Eurobarometer survey No. 67, Eurobarometras 67, available at: [http://ec.europa.eu/public\\_opinion/archives/eb/eb67/eb\\_67\\_first\\_en.pdf](http://ec.europa.eu/public_opinion/archives/eb/eb67/eb_67_first_en.pdf) (last access: 20.08.2007).

<sup>572</sup> Lietuviai susirūpinę klimato kaita (Lithuanians are concerned about the climate change), Newspaper "Kauno diena, June 23, 2007, p. 19.

<sup>573</sup> Klimato kaita ir Lietuva (Climate change and Lithuania), Press release of the Ministry of Environment, February 27, 2007, available at: [http://www.am.lt/VI/article.php3?article\\_id=6161](http://www.am.lt/VI/article.php3?article_id=6161) (last access: 20.08.2007).

<sup>574</sup> Presentation by Elena Toločkaitė „Educating society about climate change: the experience from Lithuanian NGOs" delivered during the discussion organized by the Committee on Environment and the European Information Centre of the Committee on European Affairs of the Parliament.

<sup>575</sup> Europarlamentaras skatina vaikus susimąstyti apie klimato kaitą (The European Parliament member stimulates the children to think about the climate change), Press release of the European Parliament member from Lithuania Šarūnas Birutis, January 3, 2007, available at: <http://birutis.lt/lt/naujienos/piesiniai> (last access: 20.08.2007).

<sup>576</sup> „Tageblatt" 10.03.2007. EU setzt sich ehrgeizige Ziele für Klimaschutz.



potentialities of Luxembourg to develop alternative energy.

The Luxembourg MEP Claude Turmes from the Green party urged the government to become active at last: he required a serious program to reduce electric energy consumption, to sponsor the old houses renovation and a socially balanced ecological tax reform.<sup>577</sup>

The G8 conclusions on climate change had repercussions in Luxembourg. The general mood is to pay tribute to the German chancellor Angela Merkel for granting the success of the summit. Merkel's sister party, the CSV – Luxembourg Christian-democrats – who recently has chosen Marco Schank as secretary general, a green tainted figurehead, hails the “doggedness” of the German chancellor. Two big steps on the way to global climate protection have been achieved. The UN climate conference in Bali in December has to implement the expectations raised at Heiligendamm. A post-Kyoto program has to be launched. China, India, Brazil Mexico and Indonesia should be invited as equal partners.<sup>578</sup>

#### *Follow-up in terms of discourse, initiatives and concrete policies*

Environment minister Lux and minister of economic affairs Krecké (both Socialist party) stress in a parliament declaration that the EU must play a leading role in the post-Kyoto process and set ambitious goals. An international agreement on CO<sub>2</sub> emissions after 2012 has to be signed at latest in 2009. Asked on their position on the relation between competitiveness and climate protection the ministers declared that they do not want to reduce their ambitious goals in climate protection in order to prevent industries from leaving Luxembourg and heading for CO<sub>2</sub> regulations low standard countries. They prefer to introduce a CO<sub>2</sub> tax on imports from these countries. Imports from companies or countries respecting high standard CO<sub>2</sub> regulations should be sponsored by special tax deductions<sup>579</sup>.

Nevertheless there is a gap between official declarations and day-to-day policy. The so-

called “filling up tourism” is very profitable to Luxembourg treasure<sup>580</sup>. Low taxes on gas invite foreign drivers to stop over in Luxembourg and fill up their tank with cheap Luxembourg fuel. Their CO<sub>2</sub> emissions are being put on Luxembourg's account according to the Kyoto agreement. Furthermore the EU commission intends to harmonize taxes on Diesel in the EU as it was decided in 1992. In order to comply with both requirements Luxembourg has to give up its low tax policy and hence the treasure will be stripped of income. In 2006 the Luxembourg government earned alone 1.1 billions Euros in taxes on petrol products<sup>581</sup>. If Kyoto requirements are to be respected then the government will have to give up its low tax policy on petrol products. Out of 13 million tons CO<sub>2</sub> emissions Luxembourg has to get rid of six are due to the so-called “filling up tourism”. Juncker pretends that the 1.1 billion less tax income will not be lost to the public treasure from one year to the other as Claude Meisch from the opposition liberal party claimed. It will dwindle continuously over period of several years.

François Bausch the leader of the Green party welcomed the government's realistic attitude not to wait until the last moment to change the policy he argued against populists' slogans to leave everything as it is because it's in favour of the Luxembourg tax payer.

In his address to the nation, Prime Minister Juncker warned the members of parliament to ask for further tax reductions on other fields and in the same time calling for a respect of the Kyoto agreements. In his address to the nation, Juncker presented a shopping list of measure his government intends to undertake in the next years. The Greens regret that subsidizing private investments in alternative energy has been cut.

Several members of parliament especially the leader of the liberal opposition party and former environment minister Charles Goerens stressed the absence of coherence of the Luxembourg government policy in particular and the European environment policy in general<sup>582</sup>. He doubted seriously that it would be possible to implement the ambitious projects without widening the competences of

<sup>577</sup> „Républicain Lorrain“ 08.03.2007. „Claude Turmes parvenir à des économies d'énergie sous dix ans“.

<sup>578</sup> LW. 14.06.2007. CSV sieht Klimaschutz auf «Erfolgspur».

<sup>579</sup> LW. 08.06.2007. Kompetitivität und Klimaschutz.

<sup>580</sup> See EU Watch 2/2006.

<sup>581</sup> Available at:

[www.gouvernement.lu/gouvernement/etatnation2007/index.html](http://www.gouvernement.lu/gouvernement/etatnation2007/index.html) (last access: 07.08.2007).

<sup>582</sup> Rapport des séances de la Chambre des députés. Débat sur la déclaration de l'état de la nation 10.5.2007, available at: [www.chd.lu](http://www.chd.lu) (last access: 07.08.2007).



the environment ministers. A rehabilitation project of an existing gas turbine was not properly handled by the environment minister's administration according to Goerens. Luxembourg could have saved a lot of money if the environment minister's aids had watched out that these millions of tons of saved CO<sub>2</sub> emissions could be put on the credit of the Luxembourg CO<sub>2</sub> emission balance. The European climate policy could only be credible if the necessary efforts were made on a global level. Quick and decisive action is necessary. European climate policies must be coherent. Subsidizing reforestation programs seems in vain when we know that deforestation is so huge that it takes up more than a quarter of all CO<sub>2</sub> worldwide.

Goerens even saw a link with the constitution treaty. This treaty would give the EU the necessary authority to go real radical change in climate policy.

## Malta

### *The EU spring summit and the results of the G8 summit in Heiligendamm (June 2007)*

Malta is very interested in seeing the advancement of climate change proposals coming into force and the implementation of an alternative energy strategy being adopted.<sup>583</sup> The EU study dealing with the impact of climate change in Spring 2007 was very well publicised in Malta and raised awareness of the serious nature of the challenge for all Mediterranean countries if climate change is not reversed through a series of policies in the short to medium term.

Throughout 2007 global warming, global climate and global environment protection have become a key issue for Malta as a result of the German EU presidency taking appropriate actions through leadership in relevant key technologies. New innovation policies for Europe (e.g. FP7), for Germany

<sup>583</sup> General information about Maltese politics: Government of Malta, official homepage available at: <http://www.gov.mt/index.asp?l=2> (last access: 03.09.2007); Office of the Prime Minister, official homepage available at: <http://www.gov.mt/frame.asp?l=2&url=http://www.opm.gov.mt/> (last access: 03.09.2007); Maltese Parliament, official homepage available at: <http://www.parliament.gov.mt/> (last access: 03.09.2007); general news on Maltese politics available at: <http://www.timesofmalta.com/core/index.php> (last access: 03.09.2007) and [http://www.aboutmalta.com/GOVERNMENT and POLITICS/POLITICAL PARTIES/](http://www.aboutmalta.com/GOVERNMENT_and_POLITICS/POLITICAL_PARTIES/) (last access: 03.09.2007).

(High-Tech Strategy, launched late 2006). Thus the Government of Malta decided to launch a Euro-Mediterranean Innovation and Technology Initiative, EuroMedITI (for the Euro-Mediterranean region; an initiative starting from Malta early 2007 and opening up for partnerships between research, business and countries) and other national and regional programs are supporting the overall innovation policies. The EuroMedITI platform is focussing on technologies, business, north-to-south and south-to-north cooperation, such as

- Water and environment technologies
- Sustainable energy technologies
- Marine technologies
- Information and Communication technologies.

The Lisbon strategy so far is lacking behind targets due to isolated innovation processes of countries, regions, universities, R&D organizations and business. Malta believes that there is a unique chance to bring all such individual interests together under joint actions. EuroMedITI is aiming at a joint effort between R&D, business and politics, with a special emphasis on the Mediterranean needs, which reflect the technologies and their applications as mentioned above.

EuroMedITI aims to develop and empower an outstanding technology and innovation platform in the Mediterranean markets for business-driven services in Training, Applied Research and Development, Testing and Prototyping, Incubation, and Dissemination in the region. This will appeal directly to industries searching for a location to execute applied research and development under favourable conditions, and a hub to access the emerging Mediterranean market of approximately 400 million people. EuroMedITI is engaging European and Mediterranean Entrepreneurs, Businesses, Research and Technology Organisations (RTOs), and Regional Governments to create a collaborative community spanning the Euro-Mediterranean space. The main focus will initially be on technology sectors of relevance to the Mediterranean region, as mentioned above.

## Netherlands

The Netherlands strives for a more firm climate policy, both nationally and internationally. With respect to energy policy, the Netherlands aims to become a front runner in renewable energy

and energy efficiency. The official objective is to reduce energy use by 2% per year, to increase the share of renewable energy in the energy mix to 20% by 2020 and to reduce greenhouse gas emissions by 30% by 2020.<sup>584</sup> This objective is more ambitious than the European target agreed upon at the Spring Summit in March 2007. In order to achieve it, the Dutch government wants to focus on energy efficiency (notably in the build environment), renewable energy and carbon capture and storage. With regard to nuclear energy it was decided that no new plants will be built during this government period, but already existing plants will remain open.

In June the Minister sent a letter to parliament announcing permits for five new coal-fired plants are likely to be given in order to accommodate expected increases in electricity demand.<sup>585</sup> The plants will be subject to the highest environmental standards, but nevertheless it is difficult to see them being in line with the government's climate change objectives. The idea is that they would work with Carbon Capture and Sequestration, but as environment NGOs were keen to underline, this technology is still in its infancy.<sup>586</sup> Preferably two plants would become official EU pilot projects for carbon capture and storage in empty gas fields. In September 2007 the government is expected to publish a more detailed work programme on how it wants to achieve its ambitious climate change and energy goals ("werkprogramma Schoon and Zuining").

Adaptation to the consequences of climate change has also become a priority issue. This is not surprising when realising that more than half of the Netherlands is below sea level. An elaborate White Paper on the issue was published in March 2007.<sup>587</sup> Additionally, a large scale five-year-long research programme has been decided upon to focus on how to adjust and tackle large scale climate change policy issues affecting the Netherlands.<sup>588</sup> These activities are connected to the policy

ideas of the Commission, as outlined in the Green Paper on Adaptation it published in June 2007.

Internationally, the Dutch government has indicated a strong willingness to encourage an effective multilateral agreement on climate change through active EU diplomacy.<sup>589</sup> It strongly supported the Presidency Conclusions decided upon at the Spring Summit.<sup>590</sup> Traditionally, the Netherlands is a strong supporter of the United Nations Framework Convention on Climate Change (UNFCCC) process with Dutch nationals heading the organisation's Secretariat in Bonn for two subsequent periods. The G8 Heiligendamm summit outcome on climate change, including the US support, was very much welcomed in the Netherlands.<sup>591</sup> The compromise text was perceived as more than could have been expected in advance, a result mainly attributed to the diplomatic skills of Chancellor Merkel.

Among the general public climate change has become a popular theme. Al Gore's film "An inconvenient truth" was broadcasted free of charge in several cinema's and in general very well attended. Also, the Life Earth concerts on 7 July 2007 drew quite some attention.

Security of energy supply is a key issue as well. Issues of concern are the sometimes unpredictable or undesirable behaviour of energy producing countries and the overall availability of sources.<sup>592</sup> Minister of Economic Affairs Van der Hoeven has indicated at a meeting of the International Energy Agency (IEA) to be in favour of an international system for gas supply to reduce the chance for interruptions of supply.<sup>593</sup> With regard to a common European energy policy the Netherlands is a staunch supporter of more cooperation, for instance by integrating energy aspects to a larger degree in the Common Foreign and Security Policy and Neighbourhood Policy.<sup>594</sup> The importance the

<sup>584</sup> Coalition Agreement between the parliamentary parties of the Christian Democratic Alliance (CDA), Labour Party (PvdA) and Christian Union (CU), 7 February 2007.

<sup>585</sup> Evaluatienota Klimaatbeleid – Voorzienings- en leveringszekerheid energie, letter to Parliament, 28 June 2007.

<sup>586</sup> "Minister Cramer laat klimaatambities varen voor kolencentrales", Greenpeace, 28 June 2007.

<sup>587</sup> Maak ruimte voor klimaat! Nationale adaptatiestrategie – concept, beleidsnotitie, 30 March 2007.

<sup>588</sup> See for further details:

<http://www.vrom.nl/pagina.html?id=32078> (last access: 13.08.2007).

<sup>589</sup> See for instance "Over the dikes and into the world: using a moral compass to plot a realistic course", speech by Foreign Affairs Minister Verhagen on globalisation and Dutch foreign policy, 31 May 2007.

<sup>590</sup> Report to parliament on the outcome of the Spring European Council, 13 March 2007.

<sup>591</sup> G8-top akkoord over klimaat, NRC, 7 June 2007; De G8-top heeft vooral over het klimaat toch iets opgeleverd, Trouw, 11 June 2007.

<sup>592</sup> Ibid speech Verhagen, 31 May 2007.

<sup>593</sup> Source in Dutch:

<http://www.minez.nl/content.jsp?objectid=151755&rid=home> (last access: 13.08.2007).

<sup>594</sup> A paper published together with Belgium and Luxembourg ahead of the European Council in June 2006,

Dutch government attached to the relationship between energy, security and climate change has also been underlined in a statement by Development Minister Koenders in the UN Security Council.<sup>595</sup>

## Poland

### *Climate change*

In Poland there is a quite broad consensus on Carbon dioxides – CO<sub>2</sub> being the main perpetrator of a global warming procedure. That is why Poland undertook efforts to fulfil the Kyoto Protocol,<sup>596</sup> as well as the EU directives, restricting emission of CO<sub>2</sub> in the perspective of forthcoming years. It constitutes an enormous challenge for countries like Poland from the economic point of view and necessity and depth of the adjustments needed. On the other hand, for – the based on coal – energy sector it is a great chance for development of environmentally friendly, clean coal technologies, and share of renewable energy sources in the energy production.

One of the most urging issues of the European debates is environmental issue, and more precisely limitation of greenhouse gases emission.

One of the main aims of the German presidency is 3 x 20 rule, which means by 2020 – 20 % reduction in CO<sub>2</sub> emission (comparing to 1990) 20 % increase in electric efficiency, and up to 20 % increase of the renewable energy share in the total amount of energy production.

According to Eurobarometer<sup>597</sup> survey from March 2007, Polish citizens are not highly concerned by issues of global warming and negative implications of climate changes. According to published data 27% of Poles (the highest percentage in the EU) declares lack of any threats related to global warming. At the same time 32% declares that they are 'very much' concerned and 39% "to some degree".

available at: <http://ec.europa.eu/energy/green-paper-energy/doc/contributions/ms/benelux.pdf> (last access: 13.08.2007).

<sup>595</sup> Statement by Minister Koenders, 18 April 2007.

<sup>596</sup> Since 2002 Poland is one of the signatory countries of Kyoto Protocol. Until 2005 Poland overwhelmingly fulfilled the Kyoto principles while reducing CO<sub>2</sub> emission (in comparison to 1988) by 31% while the expectation was at the level of 6%.

<sup>597</sup> Findings for Poland from Eurobarometer survey „Attitudes on issues related to the EU energy policy”; Survey 02/07; report 03/07.

However looking at Polish research pools,<sup>598</sup> Poles in majority agree with the fact that global warming is one of the most urging problems, the point of different opinions brings the issue how to deal with the problem. 69% of respondents claims that something has to be done with climate changes. Within that 69%, 39% agrees that implications of changes will be resent slowly and in long perspective, so the problem needs to be solved in long perspective and with low cost manner. 30% declares high level of understanding for priority for anti climate change actions despite of great financial cost. 90% of the vast majority of researched population agrees with pro climate protection agreements and obligations.

Following Polish public discussion on issues of climate change in recent months, most part of attention was attracted by European Commission's decision on new emission allowances allocated for member state countries for the years 2008-2012. The main participants of the discussion are representatives of industry sector of Polish economy, financial, market and economic experts and Prime-Minister of Polish government and Ministry of Environment.

In June 2006, Poland applied to the European Commission's new project on greenhouse gases emission for the years 2008-2012, the negotiations concerns level of allowed emission of greenhouse gases which are given to enterprises. Poland estimated country needs for emission on 284 million tons. "National plan was accepted by the European Commission on condition that a number of changes are made, including a significant reduction in the total number of emission allowances proposed in the plan. For Poland reduced number of emission allowance suggested by the European Commission was 208.5 million tones, which gives 26% lower than proposed.

Listed changes for Poland required by the European Commission were:

- The annual allocation may not exceed 208.5 million allowances
- The allocations to installations, benefiting from bonuses for early action, biomass and co-generation may not exceed expected needs
- More information needs to be provided on how new entrants will be treated

<sup>598</sup> CBOS – Centrum Badań Opinii Publicznej, Problemy Zmian Klimatycznych na Świecie, Warszawa, Wrzesień 2006.

- Intended ex-post adjustments must be eliminated
- The overall maximum amount of Kyoto project credits which may be used by operators for compliance purposes may not represent an addition to its annual allocation of more than 10%.<sup>599</sup>

Justification for the Commission's decision was statement of the Environment Commissioner Stavros Dimas "The European Commission has assessed the Czech and Polish allocation plans in the same fair and consistent way as we are assessing all others. Our decisions are based on Member States' verified emissions in 2005, give credit for projected economic growth and take into account expected improvements in carbon intensity."<sup>600</sup>

The decision arouses wave of disagreement, lack of understanding and for the decision of the European Commission. Immediately after the EC decision FORUM CO2<sup>601</sup> released its attitude to a question of reduced limits of greenhouse gases emission. FORUM CO2 claims that European Commission in its decision did not take into account any of the arguments and suggestions given by entrepreneurs, justifying necessity of higher quotas of allocation allowances. The biggest disagreement brings the fact that on the one hand the European Commission gives Poland financial means for development of the country, such as structural funds and cohesion funds. At the same time, according to FORUM, takes away the chance to exploit the funds on a good level putting on Polish enterprises strict limitations on gas emission. Also, in the

<sup>599</sup> Based on Emissions trading: Commission decides on Czech and Polish national allocations plans for 2008-2012; Brussels, 26 March 2007 IP/07/412, available at: <http://europa.eu> (last access: 14.08.2007).

<sup>600</sup> Quotation from „Emissions trading: Commission decides on Czech and Polish national allocations plans for 2008-2012; Brussels, 26 March 2007 IP/07/412, available at: <http://europa.eu> (last access: 14.08.2007).

<sup>601</sup> FORUM Branżowych Organizacji Gospodarczych (FORUM CO2) – Forum of the Trade Economic Organisations is branch organisation associating majority of the industry subjects under the National Allowances Allocation Plan (KPRU – Krajowy Plan Rozdziału Upwnień). Forum associate industries in the strategic branches of Polish economy: energy; metallurgy; paper industry; chemical industry; cement industry; glass industry; sugar industry and warm producers. The main aim of the Forum is to assure systematic increase of competitiveness of Polish industry sector in new conditions, and also increase efficiency of actions undertaken in the name and in their interest. Forum signatories establish their cooperation according to requirement results from Kyoto Protocol and EU Directive 2003/87/WE. Forum was established in year 2005. Source: <http://www.forumco2.pl>, (last access: 14.08.2007).

statement FORUM brings the argument, that the European Commission, as the base of the calculations, took the year 2005, which was a completely non-representative year for the Polish economy and should not be treated as a referring point for 2008-2012 prognostics. According to FORUM, Poland needs many years of extensive and stable economic growth, based in a first line on investments in Polish industry to partly level the economic and development distance between Poland and economically developed countries of Western Europe. For Polish entrepreneurs allowances limitations will as a result stifle Polish economic growth for many years and deepen existing disproportions.<sup>602</sup>

In the Polish newspapers reactions on the European Commission's decision by broader groups of industry sector representatives, experts in market and economy and opinion of Ministry of Environment and Polish government were represented. In most cases their arguments touched the same points.

The Business Centre Club also underlines the most up-to-date economic prognosis, which was not taken into account by European Commission, results in drastic limitations of allocation allowances. As a result of too strict limits, enterprises will be forced to buy allowances on a market what will result in an increase of price for many materials, losses in competitiveness, lower investments and in longer perspective can lead to increase of inflation.<sup>603</sup>

Cement producers underline that the given limits will be enough to produce 11,5 million tons of cement yearly. This is the amount of produced cement in Poland in years 2002-2004, however, the Polish housing market was then in time of definite crisis. Today, Polish housing market is booming. The estimations are that in two-three years time it will be needed twice as much of cement. Buying additional limits on the market is not solution, prices of cement would reach then a very high level or we will be forced to import cement from other countries such as China or India. Representatives of the cement industry see the limits as very unfair, especially since cement

<sup>602</sup> based on Stanowisko Forum Branżowych Organizacji Gospodarczych W Sprawie Decyzji Komisji Europejskiej Dotyczącej Krajowego Planu Rozdziału Upwnień na lata 2008-2012, Warszawa, 27 marca 2007 roku; source: <http://www.forumco2.pl>, (last access: 14.08.2007).

<sup>603</sup> Cf. Gazeta Wyborcza, BCC: mniejsze limity CO2 ogranicza rozwój Polski, 06.04.2007, available at: <http://gospodarka.gazeta.pl> (last access: 14.08.2007).



enterprises invested in standards and technologies and in the last dozen or so years, have reduced emission of CO<sub>2</sub> about 25%.<sup>604</sup>

„Poland is threatened by drop of foreign investments in steel market due to low allowances limits of CO<sub>2</sub> allocated by the European Union. As underline the biggest investors on Polish steel, and cement market low limits equals lower or same but more expensive production.”<sup>605</sup> Mittal Steel Poland is one of the ‘giants’ in the Polish steel markets. It has already invested in Polish steel industry 3 milliards PLN. If Poland will not be able to achieve higher allowances for CO<sub>2</sub> emission in the years 2008-2012, consortium will be forced to limit their investments in Poland in favour of investments in Romania and Ukraine. According to experts, in order to fulfil the requirements and fit the limits in the next 4 years, the emission would need to be reduced by about a half, or as a consequence, they would lose competitiveness, not only to Romanian or Ukrainian enterprises, but also with respect to French or Spanish.

In the last 15 years, Polish steel enterprises invested 10 billion euro for modernisation, last year finished with profit of 0.5 billion netto PLN, and what is even of greater importance, they increased employment about 2,1 thousand employees. With the given limits, the situation would dramatically change.<sup>606</sup>

Polish government represented by Ministry of Environment did not agree with the decision of the European Commission allocating Poland much less greenhouse gases emission.

For the reasons mentioned above, in May 2007 the Polish government decided to appeal the decision of the Commission to the European Court of Justice.

### *Energy security*

Energetic security is a hot issue in Poland. The government has undertaken an active policy to solve the problem. There are several directions Poland tries to take with the question.

1. Polish oil company Orlen has bought Lithuanian Mažeikių Nafta, thus

<sup>604</sup> Gazeta Wyborcza, Cementownie domagają się więcej CO<sub>2</sub>, 05.04.2007, available at: <http://dom.gazeta.pl>, (last access: 14.08.2007).

<sup>605</sup> Dziennik Wall Street Journal, Polska, Limity CO<sub>2</sub> biją w hutę, 06-07.06.2007.

<sup>606</sup> Dziennik Wall Street Journal, Polska, Mittal Steel ma kłopot z CO<sub>2</sub>, 06-07.06.2007.

stopping Russian companies expansion in the Baltic states. The contradiction with Moscow resulted in a mysterious fire in the newly bought refinery and then in a cut off of the oil supplies from Russia to Mažeiki, which are “officially” due to the renovation work on the “Druzhba” oil pipe line, however, this work has not prevented it from supplying Belarus with the fuel.

2. An “energetic bridge” connecting energy transit networks is to be built between Poland and Lithuania by 2011, thus moving Lithuania and possibly all the Baltic States from the post-soviet energy transfer and distribution space to the European one. The respective agreement has been signed on December 8<sup>th</sup> 2006 in Vilnius.
3. Poland (Polskie Sieci Elektroenergetyczne SA) has signed an agreement with Lithuania (Lietuvos Energija AB), Latvia (AS Latvenergo) and Estonia (Eesti Energia AS) to build a new energy block (3200 MW) in the nuclear power plant in Ignalina in Lithuania. The facility is planned to be completed by 2015. The investment is politically supported by the EU.
4. Poland intensively negotiates with GUAM (Georgia, Ukraine, Azerbaijan, Moldova) on the issue of oil and gas supplies from the Caspian Sea basin. Polish-Ukrainian project of oil pipeline Baku-Poti-Odessa-Brody-Płock-Gdańsk has been politically revitalized and the Azeri resources are crucial for its economic success.
5. The project of Gazoport Szczecin is being discussed publicly as one of the instruments to get rid of the Russian gas supplies monopoly. Such a facility would enable Poland to import Liquefied Natural Gas (LNG) from all over the world, which is still so far only a costly project.
6. New negotiations with Norway on the Norway-Denmark-Poland gas pipeline are planned to restart the project abandoned by the previous post-communist government of Leszek Miller in 2003. The SLD (Sojusz Lewicy Demokratycznej – the post-communists) were heavily criticized for that, especially after Russia had cut supplies off for Central Europe – including Poland during Kremlin



- disputes with Belarus and Ukraine in 2003, 2005 and 2007.
7. Poland demands hard EU pressure on Russia to make it ratifying the European Energy Charter. Such a demand was proclaimed to be one of the two conditions the Polish government demands to be fulfilled to lift Polish veto to the negotiations of the new Partnership and Cooperation Agreement (PCA) between the EU and Russia.
  8. The European solidarity in energy security issues is one of the main demands of the Polish energy policy in the EU area. There are no high expectations however on that issue. The German-Russian project of Baltic Gas Pipeline is promoted by the two governments on de facto national basis without taking into consideration the security interests of Central Europe. Central-European monopolistic position in transit of Russian gas to the "old" EU is the only instrument preventing Moscow from using "gas weapon" as a tool of political pressure. The Baltic gas pipeline (Nord Stream Vyborg-Greifswald) will enable Russia to cut off Belarus, Poland and the Baltic states from gas supplies without cutting off Germany and other Western European consumers who are the principal payers to the Gazprom, therefore, the Russian Federal budget and Moscow cannot afford cutting them off. Since Russia commonly uses its monopolistic position as a raw energy materials supplier to black mail its neighbours for political reasons, in Poland the project is perceived as a threat for Polish national security interests. It was started in chancellor Schröder's times and still is being continued under chancellor Merkel and is therefore commonly in Poland seen by the government, by the opposition and by the media as one of the main contradictory points in Polish-German relations.

*Conclusion:* Energy security issues are a high priority in the Polish foreign policy of the present government and unlike in the past (except for Jerzy Buzek government), it seems the activity of the present cabinet is really intensive in that area. Since such an activity is hardly to be questioned, the oppositional

parties prefer to keep silent on the issue in order to avoid admitting the government is right. Only the unsuccessful efforts to include Kazakhstan into the co-operation with GUAM on Caspian gas and oil has been widely commented as a failure of the government still the presence of Azerbaijan in the group makes that criticism a questionable one. What is worth mentioning is the fact that it is not the EU but rather Northern and Southern-Eastern neighbours of Poland (direct ones like Baltic States and Ukraine and more remote like Georgia and Azerbaijan) that seems to be crucial in finding the solution of Polish energy security problems. The EU support has been noted only in the case of the Ignalin nuclear power plant project. Caspian oil from Azerbaijan and Georgian transit routes imply co-operation with the US (that is the main security supplier for both the Caucasian states vis à vis Russia) rather than with the EU which is poorly politically represented in the region. Thus the EU's political weakness makes Poland profoundly interested in strengthening the EU solidarity in energy security area, but still keeps it rather sceptical about possible achievements on that field. Polish and Lithuanian engagement in the co-operation with GUAM group may imply however a growing interest of Warsaw in the new EU initiative of the Black Sea Synergy in which Poland as non-Black Sea country is not represented. That last fact is perceived as an unfavourable one in Warsaw and Poland will probably look for the ways to participate in that construction.

## Portugal

Climate change has been a growing concern among for the Portuguese. However, it is energy policy, more specifically, that has become a major issue in Portugal. As mentioned in the previous EU 25/27 Watch this problem has been frequently reported in the press, and is often present in public debate and policy statements. There is a generalised consensus on the desirability of reducing Portuguese dependence on imported expensive polluting fossil fuels. Many have advocated doing so by shifting as much as possible to renewable energy sources, others, more particularly those concerned with quick and substantial remedies to dependency from foreign energy sources have argued for investment in nuclear plants. The actions of the German Presidency and its aims were widely perceived as going in the right direction.

Portugal sees only advantages in a greater focus within the EU on these problems. These last few months have seen a number of concrete steps being taken in this field.

*Energy Policy, shifting from Black Gold to Green Gold*

Debate over climate change has been very ideologically charged between pro-growth and pro-conservation commentators and activists. Global warming *per se* still does not appear very often in public debate, despite the greater visibility due to Al Gore or to events like the recent G8 Summit. A recent poll showed that only 5.1% of the people identified specifically global warming as a major environmental concern. Still the same poll showed that 47.6% were very concerned with the effects of pollution in general, and 87.7% stated that they felt more concern with environmental issues today than ten years ago.<sup>607</sup> However, and somewhat contradictorily, the latest Eurobarometer does show that at 85% of the Portuguese, exactly the EU average, believe that global warming should be addressed by European institutions very urgently or urgently. However, this apparent contradiction may simply indicate a Portuguese desire to pass the buck to Brussels in this matter.

Energy efficiency and dependency more specifically –with or without global warming – are, on the other hand, consensually seen as vital areas where there is much room for improvement in Portugal's performance. Reform in the energy sector should proceed therefore out of narrow economic concerns as much as of broader ecological concerns. Once the debate shifts away from the abstract and politicised level of the ability of science to predict and prevent future problems, or the role of the state in setting and enforcing environmental standards, and moves on to the more concrete level of energy dependency and efficiency there is very broad agreement regarding the importance and urgency of these tasks. The reason for this relative consensus is clear. Portugal is the second most energy dependent country in the EU, after Cyprus, importing 85% of its needs. Published opinion, policy-makers and ordinary citizens show a growing concern with the very negative stranglehold on the economy that this dependency upon foreign sources of energy represents. As pointed out in the previous report, these concerns are not primarily

manifested in terms of security problems and reliability of supply, and much more of cost. Ordinary citizens are very aware of this because of the obviously higher cost of energy in Portugal relative, for instance, to neighbouring Spain.<sup>608</sup>

Still cost and foreign dependency are closely linked issues, and can be addressed simultaneously by diversifying suppliers, relying more on renewable sources of energy, and improving energy efficiency. These have been the stated aims of the National Energy Plan issued in October 2005. The Portuguese government set ambitious targets – the main one being 40% of energy requirements coming from renewable sources by 2020. The main criticism made of the plan has, in fact, been that it is perhaps too ambitious and unrealistic, not that it is not pointing in the right direction.

Efforts to develop a common European energy policy and increase investment in this area, not least by providing additional EU funds for this area, will therefore find strong official and popular support in Portugal. The Prime Minister hailed the EU aims set in the Spring Summit as a 'great victory for Europe' and a 'show of leadership', adding that the agreement would have a very positive economic impact, because to invest more in this area meant 'more employment', 'more economic growth' and 'more innovation'.<sup>609</sup> There is indeed a growing awareness among policy-makers, opinion-makers and investors that a commitment to environmental objectives can be made compatible with economic interests, creating new industries and new jobs.

Portugal is very keen on moving as fast as possible away from the very expensive imported black gold of oil to the renewable home grown green gold of renewable sources of energy. This still leaves us with two key questions. First, will the EU be able to respond to the growing expectations created by the German Presidency in concrete terms of funds and policies – namely in terms of competition and integration of markets aiming at greater convergence of prices. Second, will Portugal be able to meet its ambitious aims.

This is particularly important given the fact that Portugal is still below the EU average in terms of energy spent per capita – 2.492 kilograms of

<sup>607</sup> Poll on environmental concerns in [www.marktest.com/wap/a/pn/id~d9b.aspx](http://www.marktest.com/wap/a/pn/id~d9b.aspx).

<sup>608</sup> See Portuguese report for *EU-25 Watch 4*.

<sup>609</sup> 'Acordo na União Europeia', Lusa News Report (09.03.2007).

oil equivalent (kgoe) per capita while EU average was 3.689 kgoe per capita. Any further convergence in terms of economic growth with the EU therefore should be achieved through greater energy efficiency or cleaner and cheaper energy sources.<sup>610</sup> This has not been entirely the case so far, with Portugal in fact failing to meet its Kyoto aims, with a rise in carbon emissions of 1% for 2004-2005.<sup>611</sup>

### *Some Concrete Steps Forward*

There are positive signs that the Portuguese shift towards more sustainable development, very clear in terms of public discourse and policy aims, is being somewhat translated into concrete investments being made now, or being planned for the near future.

Currently c.15% of Portuguese energy comes from renewable sources – the same as the EU average – mostly from hydro plants in some of the main rivers and biomass. The ability to increase production is limited in both cases. Still the president of the National Association of Companies Producing Energy from Renewable Sources was even more ambitious than the government, lobbying for 60% of Portuguese energy coming from his sector in 2020.<sup>612</sup> More significantly the President of REN, the company that controls the distribution of electricity in Portugal, has stated that in the medium term ‘energy coming from renewable sources could make up to 50% of our needs of electricity’. He also expressed his scepticism about making a decision regarding nuclear energy at he regards as a stage of transition in the technology. Investment should be made instead in developing Portuguese expertise in this area, which would then be useful in informing and eventually implementing a decision about investing in nuclear energy production in the future.<sup>613</sup>

The debate on nuclear energy – often seen as a shortcut for cleaner, home-grown energy – has indeed apparently quieted down for the moment. Also because the government made it clear that it will not change policies in such a

crucial and controversial area without further discussion and a clear popular mandate. And the nuclear option was not part of its electoral mandate.<sup>614</sup> No changes in terms of an option for nuclear energy are, therefore, likely until the 2009 parliamentary elections.

Two fields that have been expanding and where further investment is being planned are the production of biodiesel and wind plants. A new biodiesel refinery has just been opened by Galp Energy. This Portuguese company, until recently mostly devoted to distribution of oil products, has plans to expand production in the short term to meet the target of up to 500.000 tons per year.<sup>615</sup> A further indication of this new priority is the fact that Galp Energy has signed an agreement with Petrobrás, the main Brazilian oil and energy company, for a 350 million euros investment through a jointly owned company in the production of biodiesel for the Portuguese and other European markets.

EDP, the biggest provider of electricity to consumers in Portugal and the former state monopoly, has, in turn, invested heavily in wind parks. A recent acquisition of a US company made it the fourth largest producer worldwide.<sup>616</sup> Portugal is currently fifth in the EU in terms of amount of energy produced from wind plants.

The stated aim of both Galp and EDP is to improve their know-how and acquire critical mass in order to profit from the Portuguese government’s aim of making biodiesel and wind parks a priority in investing in renewable energy sources, as well as to profit from other big invests in this sector across the EU. Indeed EDP has already invested c.2000 million euros in renewable energy in Spain.<sup>617</sup>

A further sign of the growth of the economics of renewable sources of energy in Portugal is the fact that the world’s largest solar energy production unit was opened, in Serpa, last March, by the Economy Minister, who pointed to the fact as an example of how Portugal was ‘leading the way, within the EU, and even globally, in the field of renewable energy’. He also mentioned this was a way to meet Kyoto

<sup>610</sup> ‘Quinze por cento da energia consumida é renovável’, Lusa News Report (09.03.2007).

<sup>611</sup> ‘Portugal tem vindo a desviar-se dos objectivos de Quioto’, *Diário Digital* (14.06.2007).

<sup>612</sup> Lurdes Ferreira, ‘Sector da energia renovável antevê meta de 60 por cento para Portugal em 2020’, *Público* (06.06.2007).

<sup>613</sup> ‘REN diz que renováveis podem garantir metade das necessidades energéticas do país’, Lusa News Report (24.03.2007).

<sup>614</sup> ‘Governo reafirma que a energia nuclear está fora do seu programa’, Lusa News Report (11.04.2007).

<sup>615</sup> ‘Galp Energia quer produzir 500 mil toneladas de biocombustíveis’, Lusa News Report (14.03.2007).

<sup>616</sup> ‘Entrada nos EUA coloca a EDP como o quarto maior produtor mundial’, *Público* (28.03.2007).

<sup>617</sup> ‘Empresa do grupo EDP vai investir em parques eólicos até 2010’, Lusa News Report (19.06.2007).

targets. The Minister underlined that the aims of the Portuguese government for percentage of energy from renewable sources were the third highest in the EU.<sup>618</sup>

In terms of wider public debate there is a strong convergence on the importance of these matters. Doubt and criticism come mostly from those who believe these aims are unrealistically ambitious. But also and more concretely from those who advocate the need to think about these questions in a more sophisticated way, meaning essentially in a more integrated way, that includes concerns about supply, distribution and efficiency, and not just production. This would entail: taking into account cost-value in terms of initial investment and life-span; the need to think through the problems derived from the uncertainty of supply by some of these alternative sources of energy (even if this is less of a problem in Portugal than in other countries); the importance of micro-production and to the vital importance of energy efficiency.<sup>619</sup> This latter point at least has already found some echo. New buildings have to go through – according to a new government decree – a mandatory process of inspection, before they can be sold, to certify that they meet minimal standards of energy efficiency.<sup>620</sup>

In sum, during this past semester Portuguese interest in energy matters, both official and unofficial, has remained high. There have been some significant new steps towards increasing the amount of energy from renewable sources. This has been frequently framed in terms of Portugal leading the way in Europe in this key area. How far this is a realistic goal – given limited resources, possible changes in political will, and current technology – remains to be seen.

## Romania

The first Romanian reaction to the Spring European Council Action Plan on energy policy came from President Basescu, who – in a press statement issued at the end of the

reunion – asserted that Romania has the “resources and possibilities to meet without special effort the targets set”.

On that same occasion, the Romanian President also expressed the, so far, only official Romanian position concerning the international burden-sharing as concerns the measures required to tackle climate change. More precisely, he mentioned the need for such countries as the United States, India, Brazil and China to join a global effort, lest the “EU’s reduction of green house gas emissions will bear no effect at world level”. This amounts to an “*ex ante* welcome” of the agreement reached in Heiligendamm between the G8 countries and five large developing nations with rapidly expanding economies to the effect of entering into meaningful negotiations on setting binding goals for reducing emissions, as well as on detailing the means for achieving these goals.

The specificities of Romanian positions concerning the “Energy Policy for Europe” (EPE) agreed by the Spring Council can best be observed by following the three main objectives set in the said document.

### Competitiveness

Because it was forced to operate a radical restructuring of its energy sector, moreover in the context of on-going EU accession negotiations, Romania came to boast a very good implementation record of the relevant EU Directives. More to the point, it has already accomplished the separation of the gas and electricity transportation systems from generation and distribution, respectively. The opening of the two markets has been legally achieved integrally as from 1 July 2007, although effective competition has (obviously) yet to follow suit. And, albeit this is not a requirement of the *acquis*, it has carried out an important degree of privatization of the distribution sector, to the tune of 100% for gas and of well over 60% for electricity.

These developments objectively put Romania in the camp of the staunchest supporters of the Commission’s further liberalization initiatives. And, indeed, the Romanian government very recently (end-June) joined the *démarche* of six other Member States (Belgium, Denmark, Finland, the Netherlands, Sweden and the UK) in favour of a more decisive pursuit of ownership unbundling, which several large Member States (France, in particular) oppose

<sup>618</sup> ‘Central solar de Serpa é “passo importante” para Portugal atingir metas nas renováveis’, Lusa News Report (28.03.2007)

<sup>619</sup> AA. VV. *II Debate Nacional sobre o Futuro da Europa*. (Lisboa : IEEI, 2007), Vol. 2, p.48-54 passim.

<sup>620</sup> Ricardo Garcia e Ana Fernandes, ‘Edifícios novos já vão precisar de certificação energética’, Público, (28.06.2007).

and are (reluctantly, moreover) seeking to replace with the “light” option of a mere accounting separation. It is to be noted that Romania appears to be the only New Member State taking such a radical stance on what is clearly a sensitive issue at EU level.

### *Security of supply*

Somewhat curiously, in view of its rather limited dependence on imported energy relative to most other Member States, Romanian positions on this matter, and more specifically vis-à-vis the important energy supplier that is Russia, have tended to be rather abrupt. Two explanations seem to account for this otherwise seemingly unwarranted degree of concern:

- i. a more confrontational stance towards Russia taken by the President Basescu, possibly also for domestic political reasons, which has surfaced more and more frequently over the last months. The string of “targeted” statements over the last year is nothing short of impressive:
  - “GAZPROM is more effective than the Red Army in demonstrating Europe’s dependence on Russia” (July 2006);
  - the EU “must avoid the risk of GAZPROM becoming an instrument of political pressure”; “finding an alternative to Russian gas should be EU’s number one priority” (November 2006);
  - back from the Baku GUAM summit (June 2006), President Basescu disclosed that he had pleaded against the discrimination practiced by Russia in its supply policy towards foreign countries; and, finally,
  - at the South East Europe - Russia “energy summit” held in Zagreb at the end of June, he once again reiterated Romania’s opposition to the “concept of using energy as an instrument of political pressure”.
- ii. the plain reality that Romania is being charged for the natural gas it imports from Russia a higher price than that

requested from practically any other client.

Against this background, Romania has been pleading for quite a while in favour of opening new transport routes linking it (and Western Europe, for that matter) to the oil and gas resources of the Caspian Sea. Two such projects have been keenly supported, the natural gas pipeline Nabucco, originating in Baku and crossing Turkey, Bulgaria, Romania and Hungary before reaching its final point in Austria; and an oil pipeline linking the Romanian Black Sea port of Constanta to the Adriatic Sea port of Trieste. While the former project should interest Romania in its double capacity of consumer and transit country, the latter’s attractiveness seems to be confined to the revenues to be derived from transit fees.

Both projects, although long talked about, are still at the drawing board stage only, whereas a new one has just been launched: the “South Stream” pipeline, to be jointly commissioned by GAZPROM and Italy’s ENI, in keeping with a very recent protocol signed on 26 June 2007. This is meant to escape the land routes via Ukraine or Turkey, going under the Black Sea to Bulgaria. Two routes would be possible from there, towards Austria via Romania and Hungary and towards Italy via Greece. Although GAZPROM’s Vice-President has presented the two routes as complementary rather than mutually exclusive, and in spite of an official welcome of the project by the Commission’s DG TREN spokesperson, the reaction to this news in the Romanian written and audio-visual press was almost unanimously negative, being seen as an attempt to perpetuate Russia’s supply dominance.

Another facet of EPE that is related to the security of supply, and where Romania’s position matters, pertains to the implementation of the Energy Community Treaty, in force since July 2006, signed among the countries from the Balkan region, including Bulgaria and Romania (which were not EU members at that time). Its purpose is to establish an integrated market in natural gas and electricity in South-East Europe, ensuring a continuous supply based on public service obligations. In this respect, Romania has reiterated, on the occasion of the above-mentioned June 2007 Zagreb reunion, its full availability to co-operate for the achievement of the Treaty’s goals, while also offering – based on its self-perceived “advanced reform”



of the energy sector – to set up and host a “regional energy exchange”. It is not at all obvious to what extent this “priority goal”, as President Basescu described it, fits into EPE, which makes no mention of it whatsoever.

### *Sustainability*

For a country with Romania’s standard of living, the ecological sensitivities of the population cannot be expected to run very high, while the predisposition to trade off environmental concerns for short-term economic gains should be significant. A recent “Flash Eurobarometer” by the Gallup Organization does not entirely validate this assumption, however. Thus, Romanians declare themselves to be “very much concerned” by climate change at 64% and admit, at 68%, that energy production and consumption has a negative impact on global warming. Furthermore, their support for a minimum percentage of renewable energy in EU Member States is above the average of the New Member States and they are ranked 4<sup>th</sup> among all EU nations in admitting that energy efficiency influences their decision to buy household appliances.

At governmental level one can note a similar favourable attitude towards measures that would mitigate the negative influence of energy use on environment. To be sure, this cannot be divorced from a favourable “base effect”, consisting of the inherent decline of environmentally damaging repercussions of energy production and use relative to the Communist forced industrialization period, during which all indicators currently monitored were nothing short of appalling. Specifically:

- i. internalizing the goal of increasing energy efficiency in the EU so as to achieve the objective of saving 20% of EU’s energy consumption compared to projections for 2020 is greatly facilitated by the fact that, due to the structural adjustment of the Romanian economy (which, moreover, has started in earnest later than in most other New Member States), primary energy intensity in Romania has already declined by about 15% between the years 2000 and 2005. Moreover, energy intensity in Romania is still three times larger than the EU average, suggesting, in view of the still high contribution of industry to GDP formation, the existence of important

reserves for further slashing it down; against this background, the Romanian authorities seemed confident to afford an apparently more ambitious target in the National Strategy for Energy Efficiency, namely the reduction of energy intensity by 40% by 2015, relative to 2001;

- ii. ensuring a substantial contribution of renewable energy in the overall energy mix so as to reach a target of 20% by 2020 (passing through an intermediate one of 10% by 2010) is practically adjudicated in Romania, insofar as the sole contribution of hydro power plants to local electricity consumption is already at 20-25%; severe drought, as the one currently unfolding (which has already reduced by 20% the production of hydro-electricity), coupled with increased consumption, may render the target slightly more demanding, but – according to Economy Minister Vosganian – the country’s energy strategy foresees an increase to 70% of the degree of exploitation of the hydro energy potential, up from the current level of just 48%;
- iii. meeting the EU’s Kyoto Convention commitment to reduce by 8% the level of greenhouse gas emissions by 2012 is an objective that Romania has already adhered to in the framework of the same Protocol; the additional reductions pledged by the March European Council (of 30% conventionally or 20% unilaterally, by 2020) appear also to be relatively easily within its reach, given that its current level of emissions is about 40% below the relevant reference level (which is 1989 for Romania, as opposed to 1990 for EU-15); however, as the European Council conclusions make reference to a “differentiated approach” among the Member States, “reflecting fairness and transparency as well as taking into account national circumstances *and the relevant base years for the first commitment period of the Kyoto Protocol*”, one can infer that Romania might be requested to consent to a more demanding contribution than those of other Member States; it is to be noted that, so far, this possibility does not seem to

have been taken into account by the Romanian authorities, who made no public remarks to this effect;

- iv. the European Council has also underlined the “central role that emissions trading must play in EU’s long-term goals to reduce GHG emissions”; while the Romanian authorities seem confident that the local legislation enacted for this purpose (Government Decree no.780/2006) satisfies the requirements of the Directives regulating the EU Emissions Trading Scheme, a spokesperson for the Commission has expressed, as recently as May 2007, doubts as to the preparedness of Romania (and Bulgaria, for that matter) to connect itself to the said trading mechanism.

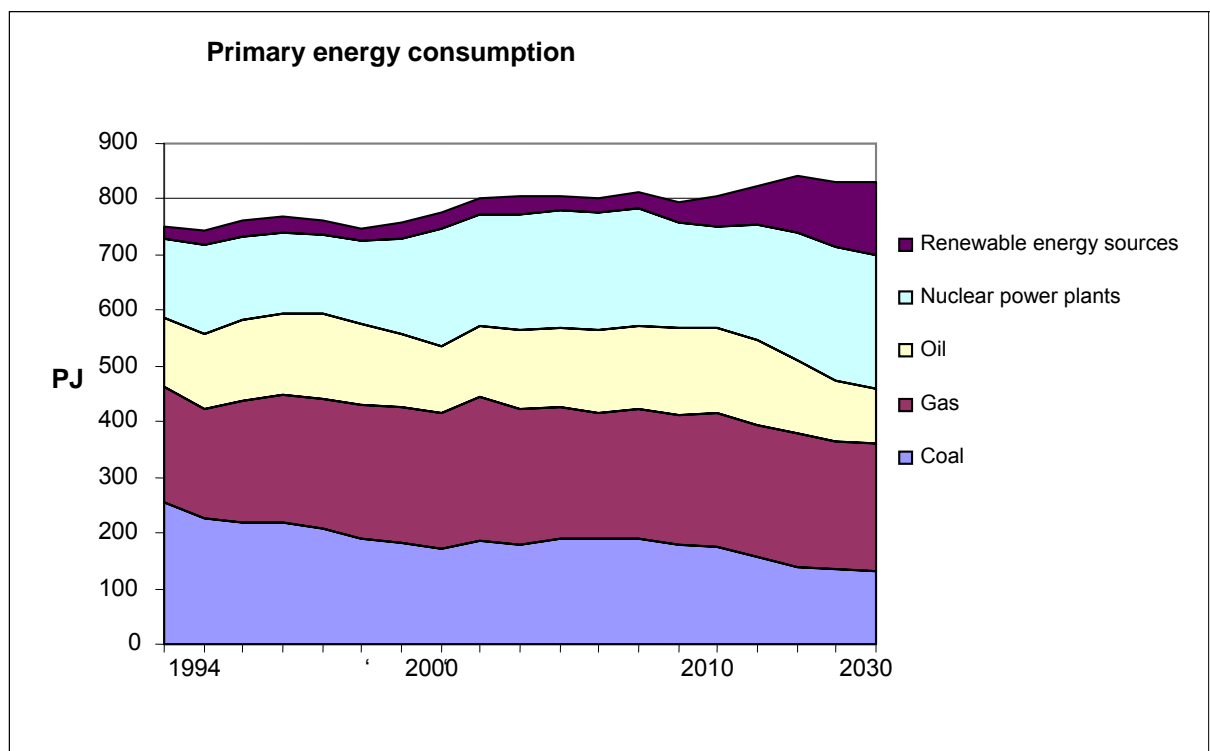
The Commission’s January assessment to the effect that “nuclear energy is one of the largest sources of carbon-dioxide free energy in Europe” has not been explicitly endorsed by the European Council, which limited itself to “note” it, while reiterating that “it is for each and every Member State to decide whether or not to rely on nuclear energy”. Romania is taking a very explicit stance on this subject. It is, thus, in the process of putting in operation a second reactor at its nuclear power plant of Cernavoda, on the Danube. Final tests are being conducted, with a view to allow commercial exploitation to begin before year-end. Should everything go as planned, the contribution of nuclear generation to covering electricity consumption will practically double, to a level of 17-18% foreseen for 2008. According to Economy and Finance Minister Vosganian, current plans foresee the commissioning of two other reactors in the same location by 2015.

## Slovakia

In its official statement Slovak government welcomed the ambitious plan of the German presidency to fight global warming. However, Slovak representatives strictly refused the binding indicators for two main components of German plan: for reducing CO<sub>2</sub> emissions and for increasing the share of energy made from renewable sources. Slovak government stressed the importance of a realistic vision.

Taking into account the country’s expected economic growth in the upcoming five years, Slovakia anticipates the increase of CO<sub>2</sub> emissions up to 48 millions tons per year. Such increase does not threaten the reduction commitment of the Slovak Republic stemming from the Kyoto protocol for the period 2005-2012. At the same time, Slovakia had no objections against the German proposal of 20 percent reduction of greenhouse gas emissions. The problem for the Slovak Republic became the second part of the German “climate change package”- commitment to increase the use of renewable energy sources up to 20 percent. The current energy mix in the Slovak Republic consists of fossil fuel (gas, coal, oil) and nuclear energy. At the moment, only 3.9 % share of energy production is coming from renewable sources (TASR, 07.03.2007). According to the existing prognosis Slovakia, even if it did its best, would reach the 12 percent share of renewable energy resources in energy consumption mix by 2020 and therefore the German presidency’s proposed goal of 20 percent share seems unrealistic. It would ask for enormous investments that are not compatible mainly with the strict Maastricht criteria for entering (and staying in) the euro zone. Prime Minister Fico pointed out: “We are not against ambitious goals of the European Union but we want that whatever decisions would be taken should be realistic” (TASR, 09.03.2007). At the spring summit Slovakia joined the group of EU members states led by France that pushed for including the nuclear energy among “clean” energy sources (it does not produce CO<sub>2</sub> emissions). Such emphasis is in accordance with the existing energy strategy of the Slovak Republic. It projects a gradual transition to nuclear fuel, gas and renewable fuels as the main energy sources until 2030, mainly because of the high level of production costs of the so called green energy (from renewable sources) under the current conditions of the Slovak Republic. The emphasis is put on the nuclear energy (for more details see graph no. 1). Slovakia’s chief diplomat in Brussels, the head of the country’s EU mission Maroš Šefčovič admitted that if there was a group of member states labeled as a nuclear lobby Slovakia could join it (ČTK, 07.03.2007).

Graph no. 1



Source: Ministry of Economy of the Slovak Republic

The energy strategy based on using nuclear fuel as the main energy source is widely accepted by the public in Slovakia and thus far it has not fueled heated public debates. The environmental organizations like Greenpeace represent the main opponents of using the nuclear energy in Slovakia.

As a direct reaction to the spring EU summit in March 2007, the Slovak government in its decision no. 349/2007 from 18 April 2007 charged the Minister of Economy, Minister of Environment and Minister of Transport to analyze the spring summit conclusions and to implement them into concrete measures by 30 September 2007. Accordingly, a proposal of the Concept of Energy Efficiency of the Slovak Republic was presented in July. The Slovak government adopted the proposed concept and it bound the Minister of Economy to submit the Action Plan on Energy Efficiency for the period 2008-2010 till the end of October 2007. The concept counts on implementation of rationalization measures mainly from the side of consumers.

## Slovenia

Slovenian political elite, and consequently the business sector, have started an energy/climate change related debate independently of the EU Spring summit and the G8 June 2007 summit in Heiligendamm due to Slovenian government's previous idea of placing the energy issue on the priorities list for the Slovenian presidency of the EU in the first half of 2008.

Mr. Hinko Šolinc, MA, Head of the Sector for activities of the effective use and renewable sources of energy at the Ministry of the environment and spatial planning, Directorate of European affairs and investments confirms that Slovenian policy makers in the fields of environmental preservation and energy have reacted only to the EU Spring summit conclusions in March and not directly to the G8 summit which followed. He estimates that this focus derives from the general limitations of Slovenian smallness in terms of diplomatic-negotiating, human resources and also energy market reach.<sup>621</sup>

<sup>621</sup> Interview with Mr. Hinko Šolinc, MA, Head of the Sector for activities of the effective use and renewable sources of energy at the Ministry of the environment and spatial planning, Directorate of European affairs and investments in Ljubljana, 13 July 2007.

One can identify two general arenas of discourse regarding the connection between climate change and energy policy in Slovenia. The first is a general discourse on the national level within the relevant political bodies. The second is a discourse connected to energy being one of the priorities of the Slovenian EU presidency in the first half of 2008.

### *General domestic political discourse on climate change/energy*

Mr. Šolinc estimates that there are many activities being done on the issue of energy policy and climate change, however, within quite different Ministries and their directorates/sectors. This means the issue on the level of national policies is uncoordinated. There has been a direct reaction of the National Parliament to the March EU Spring summit which linked the energy and climate change issue. The National Parliament asked the Government to prepare a holistic study and national strategy for action until 2050, however the Government did not (want to) respond to this yet.<sup>622</sup>

There was a special panel called 'Plan B for Slovenia' organised in June 2007 to mark the World Environment Day. The authors presented a Plan B, describing it as a vision of new development patterns through which Slovenia could take advantage of the opportunities of transition in which the world is now. The plan was made by researchers and non-governmental organisations in the light of their perception that Slovenia had energy policy goals and international obligations, but it was lagging behind in achieving them. Since the Plan B for Slovenia was drafted as a response to the government's "plan A", a resolution on national development projects by 2023 and development strategy for Slovenia by 2013, the panel was attended by state policy makers from the Agriculture, Forestry and Food Ministry, and the Environment and Spatial Planning Ministry.

The plan sets three priorities: transition to a society with lower greenhouse gas emissions, adapting to climate change and putting emphasis on the countryside as Slovenia's advantage. The plan says that as a small and flexible country, Slovenia can draft a

<sup>622</sup> Interview with Mr. Hinko Šolinc, MA, Head of the Sector for activities of the effective use and renewable sources of energy at the Ministry of the environment and spatial planning, Directorate of European affairs and investments in Ljubljana, 13 July 2007.

development strategy based on its geographic position and human and natural resources, and that the Slovenian EU presidency in the first half of 2008 could be the opportunity to start implementing this role. Next to this first, the authors want to make a second, more detailed and expanded version by June 2008.<sup>623</sup>

In May 2007, Slovenian MEP Romana Jordan Cizelj has been appointed the coordinator of the European People's Party (EPP), the biggest group in the European Parliament, in the parliament's newly-created Climate Change Committee.<sup>624</sup>

*Discourse related to energy as a Slovenian first half of 2008 EU presidency priority*

The fact that energy policy will be one of the Slovenian priority issues, in the time of its EU presidency, has been declared by the Minister of Economy in September 2006. There are supposed to be three mainstreams within this issue: functioning of the internal market, reliability of the energy supplies and a treaty on the establishment of an energy community in South Eastern Europe. This issue is supposed to be important for Slovenia since it is a very dependent country in energy terms.<sup>625</sup>

In March, within the context of the EU Spring summit, the EU Commissioner for Energy Mr. Andris Piebalgs visited Ljubljana on the issue of Slovenia presidency and linkage between the energy issue and environmental questions. The debate was mainly on the Commission's proposals for ownership division of energy firms and renewable sources of energy.<sup>626</sup>

In time of the EU-Brazil Lisbon summit in June 2007 Prime Minister Janez Janša has said the summit between the EU and Latin American

and Caribbean countries (LAC) set to take place during Slovenia's presidency of the EU in the first half of 2008 is likely to be topped by climate change and the fight on poverty. Sources in Janša's entourage also quoted the Prime Minister as saying that the priorities of the EU-LAC summit must be agreed in order to direct preparations for the event. He added that consultations with Peru had shown that the key priorities of the meeting would be efforts to reduce poverty and to reduce greenhouse gas emissions. Janša said that efforts to reduce the emissions of greenhouse gases should be based on science and research in a bid to promote renewable sources of energy. He said that as a leading producer of biofuels, Brazil was an important EU partner in this field.<sup>627</sup>

## Spain

Climate change and environmental degradation are key issues both for the EU and for Spain. Thus, most Spaniards consider the results of the G8 as an important step forward (although some have expressed their concerns about the credibility of the US commitment). Regarding EU policies, the 20/20 initiative (20% renewables for 2020) has been received in Spain with enthusiasm mainly because its natural and climatic conditions make Spain a potential leader in renewable energy (i.e., it has sun and wind in abundance).

At the national level, the public discourse about the importance of climate change is gaining momentum and the government is working on the mainstreaming of climate change within the Lisbon Strategy and preparing other strategic documents (in my view with a considerable delay).

## Sweden

Against the background that it is a common notion in EU statements across the Swedish political spectrum that the EU primarily should deal with cross-border problems, it comes as no surprise that the government regards the environment and climate change a key issue for the future and perceives the decisions

<sup>623</sup> STA (5 June 2007) Slovenia Can Choose Ways to Tackle Climate Change, Panel Says, available at Slovenia Press Agency, English Edition: <http://www.sta.si/en/> (10 July 2007).

<sup>624</sup> STA (24 May 2007) Slovenian MEP Appointed EPP Climate Change Coordinator, available at Slovenia Press Agency, English Edition: <http://www.sta.si/en/> (10 July 2007).

<sup>625</sup> RTV SLO/STA (18 September 2006) Vizjak: Energetika kot prioriteta [Vizjak: energy policy as a priority], available at: [http://www.rtvsllo.si/modload.php?&c\\_mod=news&op=sections&func=read&c\\_menu=16&c\\_id=120219&tokens=energetika](http://www.rtvsllo.si/modload.php?&c_mod=news&op=sections&func=read&c_menu=16&c_id=120219&tokens=energetika) (13 July 2007).

<sup>626</sup> RTV SLO/STA (9 March 2007) Na obisku komisar za energetiko [Visiting Commissioner for Energy], available at: [http://www.rtvsllo.si/modload.php?&c\\_mod=news&op=sections&func=read&c\\_menu=16&c\\_id=135897&tokens=energetika](http://www.rtvsllo.si/modload.php?&c_mod=news&op=sections&func=read&c_menu=16&c_id=135897&tokens=energetika) (13 July 2007).

<sup>627</sup> STA (4 July 2007) Janša: Climate and Poverty to Feature at EU-LAC Summit, available at Slovenia Press Agency, English Edition: <http://www.sta.si/en/> (10 July 2007).



taken in the spring as “historic”.<sup>628</sup> The government’s work programme for EU affairs for the second half of 2007 notes that it is of “great importance” that the EU agrees on an ambitious negotiation mandate for the upcoming negotiations on a new climate regime, and that the EU should continue to assume a leadership role in international climate negotiations.<sup>629</sup> The Swedish EU Minister Cecilia Malmström has underlined that the Swedish government assumes that those global negotiations on climate change will be at a crucial stage during the Swedish EU presidency in the fall of 2009, and that climate change, and the negotiations, will be a Swedish key priority at that point.<sup>630</sup>

On energy, the government argues that the EU’s large dependence on externally produced never can be allowed to weaken EU’s work with/defence of human rights and “good governance”.<sup>631</sup> On a more technical note, the government holds the decision of a new directive on renewable energy as a key issue to meet the general climate goals.<sup>632</sup>

## Turkey

The European Union recently made an important step by agreeing on an integrated climate and energy policy, backed up by a detailed action plan. The Energy Policy for Europe (EPE) aims to respond to the challenges of competitiveness, security of supply and sustainability. Taking effective action to deal with climate change is one of the foundations of Europe’s new Energy Policy, proposed by the Commission in January and endorsed by the March European Council. This energy package contains a strategic policy objective: an independent EU commitment to reduce greenhouse gases by at least 20 % by 2020, compared to 1990 levels. This

commitment will be extended to a 30 percent reduction, if other developed countries commit themselves to comparable emissions reductions.

In Turkey’s own energy strategy, the vision of the future is one of rapid growth; an increase of 150% of total primary energy supply, reaching 220 million tons of oil equivalent by 2020. This combined with a higher import dependency ratio of 70% – much higher as compared to the EU which stands around 50% – shows that Turkey’s energy challenge is even greater than that faced by the EU. Integration of the regional energy market and security of supplies are the major issues in the Turkish-EU energy debate.

Its geographical location makes Turkey an important potential corridor in particular for gas and oil from Central Asia and other neighbouring countries to the EU. Turkey is already a major transit route for oil from Russia, and Central Asia, to global markets. Within Turkey there is huge potential renewables capacity, large reserves for indigenous energy supply. And – perhaps most importantly – a modern and vibrant economy that is expanding and can create a hub for investment across the Eastern Mediterranean, the Black Sea and the Middle East. Turkey is already a significant bridge. This role can be developed further with the right legal regulatory and financial environment. This role will have benefits for the EU – in diversifying supply and also in developing economic opportunity. Already now Turkey has made significant regulatory and legal changes necessary for this role. Infrastructure investments are also going ahead.

The Energy Community Treaty entered into force on 1 July 2006 and extends the relevant EU energy acquis to the Western Balkan countries. It is a broad-based agreement to exchange best practice in energy market reform and regulation, as well as a commitment to implement an internal market in network energy sources, inspired by EU internal market principles. Turkey is an observer to the Treaty. Turkey’s accession to the Energy Community as an equal party in the decision making is on the agenda. However, Turkey is reluctant to join the Energy Community and would rather handle energy related issues within the framework of the EU-Turkey accession negotiations. The opening of the negotiations of the Energy Chapter will be a significant step forward in this respect.

<sup>628</sup> “Möjligheternas Europa – EU:s historia och framtida utmaningar”, speech by EU Minister Cecilia Malmström, March 23 2007, available at: <http://www.regeringen.se> (last access: 11.09.2007); “Europeiska utmaningar”, speech by EU Minister Cecilia Malmström, May 23 2007, available at: <http://www.regeringen.se> (last access: 11.09.2007).

<sup>629</sup> The Swedish government’s work program for the EU, fall 2007, pp.3, 6, available at: <http://www.regereingen.se> (last access: 11.09.2007).

<sup>630</sup> “Europeiska utmaningar”, speech by EU Minister Cecilia Malmström, May 23 2007, available at: <http://www.regeringen.se> (last access: 11.09.2007).

<sup>631</sup> “Europeiska utmaningar”, speech by EU Minister Cecilia Malmström, May 23 2007, available at: <http://www.regeringen.se> (last access: 11.09.2007).

<sup>632</sup> The Swedish government’s work program for the EU, fall 2007, p. 7, available at: <http://www.regereingen.se> (last access: 11.09.2007).

The Conference “Turkey and the EU: Together for a European Energy Policy” was held in Istanbul on 5 June 2007. It brought together key political and economic actors from Turkey and the EU to discuss the common challenges and opportunities in the field of energy.

Turkey and the EU in their joint statement pledge to co-ordinate their energy market policies and practices, taking into account the relevant EU legal provisions, and to jointly undertake to further develop and enhance energy relations with the key energy producers in the region.

The Baku-Tbilisi-Ceyhan oil pipeline, the Baku-Tbilisi-Erzurum natural gas pipeline and the Turkey-Greece-Italy Interconnector have been highlighted as significant steps towards diversification of supplies. Both sides expressed their firm commitment to realize the Nabucco project which will transport natural gas of various origins to Turkey, then to the EU. Both sides stressed the need for diversifying and making wider use of clean and alternative energy, such as clean coal, renewables, and, for those countries wishing to use it, nuclear energy, which can provide cost-effective solutions to enhancement of energy security.

Energy issues were also on the agenda of the Black Sea Economic Cooperation organization (BSEC) summit organized in Istanbul on 25 June. Leaders and officials from 12 Black Sea countries discussed closer cooperation with the European Union and new energy routes through their oil-rich region. With combined oil and gas reserves second only to those of Persian Gulf countries, BSEC members have launched several pipeline projects in hopes of becoming an energy corridor for Caspian and Black sea energy supplies to the West.

## United Kingdom

The meeting of EU leaders in early March of this year had as its ‘headline’ goal, progress on climate change and energy sustainability.<sup>633</sup> In

<sup>633</sup> General information about British politics: 10 Downing Street, available at: <http://www.number-10.gov.uk/output/Page1.asp> (last access: 03.09.2007); Directgov, the official website of the UK government, available at: <http://www.direct.gov.uk/en/index.htm> (last access: 03.09.2007); Foreign and Commonwealth Office, available at: <http://www.fco.gov.uk/servlet/Front?pagename=OpenMarket/Xcelerate/ShowPage&c=Page&cid=1007029390554> (last access: 03.09.2007); Parliament of the United

the event, what was agreed was, in the opinion of The Independent on 10 March, a “decent deal”. President Chirac’s assessment of the summit, made at its conclusion, as “one of the great moments in Europe’s history”, may have been overplaying the significance of the agreement, but, on paper at least, what was agreed was an important, concrete commitment by EU countries to reduce both their greenhouse gas emissions (by 20% from 1990 levels by 2020) and their reliance on non-renewable energy sources (down to 80% of total energy production by 2020). There is dissatisfaction among some British environmental groups that nuclear energy is defined here as being a renewable source. And of course it is a deal which only has real value if its targets are met – something not to be taken for granted, particularly since many European countries are likely to miss their Kyoto targets and the UK itself is far from on course to reach its more demanding domestic emissions targets.

British people are more conscious than ever of their own unimpressive record on recycling and environmental awareness when it is compared – as increasingly it is – to that of other European countries. While the EU’s Emissions Trading Scheme has yet to find its teeth, the UK is increasingly aware of the role of the European Union as a vector, a ‘multiplier’, of its own interests in this area. Nonetheless, parts of the British media continue to resist giving credit where credit is due. The London Evening Standard’s analysis of the summit’s agreement, on 9 June, began: “All homes and businesses in the EU could be forced to use low-energy ‘green’ light bulbs within the next two years”. Even in an area such as climate change, where British public opinion is naturally supportive of European action, progress continues in some quarters to be presented in a negative light.

Aside from the long-term environmental and economic implications of the deal struck at March’s EU summit, its political impact on the other great polluters of the world proved significant at the G8 meeting in Heiligendamm three months later. European countries were not only able to cite their own progress in order to increase pressure on G8 partners to make

Kingdom, official website available at: <http://www.parliament.uk/> (last access: 03.09.2007); general news about British politics available for example at: <http://www.keele.ac.uk/depts/pol/ukbase.htm> (last access: 03.09.2007), <http://www.bbc.co.uk/> (last access: 03.09.2007) and <http://www.guardian.co.uk/> (last access: 03.09.2007).

similar commitments to cutting greenhouse gas emissions, but they were also more able to negotiate as a coherent unit. The Independent on Sunday on 10 June stressed the impact of a “Blair-Merkel-Sarkozy united front” in undermining President Bush’s efforts to stall progress, even though other analysis, such as in the Daily Telegraph on 8 June, attributed Mr Bush’s ‘concessions’ more to domestic pressure resulting from a Democrat-controlled congress, from former Vice-President Al Gore’s ‘An Inconvenient Truth’, and from the imposition of binding CO<sub>2</sub> emissions targets by states such as California. In reality, the political pressure on Mr Bush, from foreign partners and from an empowered opposition in the United States, was significant. There was however some dispute in the British media as to what the precise effect of this pressure was.

Mr Bush’s refusal to accept any binding target for CO<sub>2</sub> emissions was seen by the Daily Mail as “opening the way for countries such as China or India to scupper any future international treaty to tackle global warming.” The agreement, it went on “put the US in the driving seat”. A more widely held view is that while the G8 summit, judged alone, regrettably achieved little practical progress, it nonetheless brought hope of a changing tide in America’s approach to this issue and therefore the promise of making up for lost time in the future. Mr Bush accepted the need to establish a negotiating framework and to set a goal for reducing CO<sub>2</sub> emissions, to be discussed this December in Bali. The Independent on Sunday described this as a “major change in American attitudes”, but no newspaper could go so far as to agree with Mr Blair’s analysis of the summit as constituting a “major, major step forward”.

It is certainly true that in the UK, political and media attention on climate change has never been so great. Political leaders have played their part in this national ‘awakening’. Within weeks of his becoming leader of the Conservative Party, David Cameron was tapping into – arguably helping to lead – a nationwide debate on questions of the environment and climate change. Events such as LiveEarth, held in cities around the world on 7 July, have helped promote climate change as a ‘headline’ issue. The media, with the exception of a very few fringe and obdurate columnists, have come to accept this question as one deserving of persistent and high-profile coverage.

A draft Climate Change Bill, to reduce domestic CO<sub>2</sub> emissions in the UK by 60% by 2050, was published earlier this year – though Mr Cameron has been quick to point out that CO<sub>2</sub> emissions have *risen* in the UK in the past decade. In London boroughs, local public opinion has paved the way for the imposition of more expensive parking permits for the drivers of more polluting vehicles. There is debate over carrier bags being banned – or at least being charged for. Public and media opinion are inevitably intertwined, but neither can have failed to be struck by Britain’s wettest summer since records began in 1766: this may not be ‘warming’ as such, but it is certainly out of the ordinary.

# 3

## Security Cultures

*Member states' military forces are engaged in peace keeping, conflict resolution and post-crisis management from Afghanistan to Bosnia/Herzegovina and the Congo. At the same time the EU is trying to strengthen its civil-military capacities and coordination (e.g. European battle groups, European Defence Agency, European Rapid Reaction Force, European Union Institute for Security Studies). The EU is widely expected to play an increasingly larger role. According to Eurobarometer polls large majorities of citizens in the member states support a high profile of the EU in CFSP and ESDP.*

- **Please outline basic features of the security culture in your country and how this relates to new challenges and demands from within the EU, NATO, the UN etc. (humanitarian and rescue tasks, peacekeeping tasks, role of combat forces in crisis management, interventions on humanitarian grounds).**
- **Analyse your country's vision of the role of armed forces, as it is rooted in history and society.**
- **Please give special attention to public opinion, discourses of political elite and also the security community.**

## Austria

Due to historical reasons the Austrian Armed Forces play a rather little role in public and political life. Military expenses are relatively low. For the last decade the Austrian military has seen various structural reforms and experienced the reduction of a number of barracks, bases and air bases. This is not only a result of budgetary cost cuts, but also of ever decreasing numbers of recruits. While voices in opposition parties have demanded the abolition of the mandatory military service, the country's two major political movements, the ÖVP and the SPÖ have always defended the maintenance of the existing system as any other solution such as a professional army would cause higher expenditure.

The Austrian military has participated in various peace keeping missions such as on the Golan and in Cyprus. Whereas NATO membership is not popular in Austria most of the political parties strongly support a European solution. In the long term Austria's commitment to neutrality might however cause a conflict with the engagement in a European army.

## Bulgaria

### *Basic features of Bulgarian security culture*

Bulgarian security culture has been subject to major transformation since the end of the Cold War. In this process, Bulgaria shared some of the common trends for Central and East European states (CEE states):

- the geopolitical realignment towards the transatlantic community,
- the redefinition of threats and vulnerabilities (including the recognition of new threats – international terrorism, transnational organized crime, regional conflicts and failing states, etc.),
- the democratization and civilian control of the security apparatus,
- the recognition of the human rights protection and democratic values as the core of the national security agenda (including protection of ethnic minority rights).<sup>634</sup>

In line with the global trends was the broadening of the concept of security, the

greater emphasis on the economic (including energy), cultural and societal sectors, the gradual merging of internal and external security dimensions, the raising awareness of the effects of globalization and increasing interdependence and the need for greater engagement in shaping the regional and global security environment.

However, the country's geopolitical location brings about some specific features of the evolution of a Bulgarian security culture:

- its timing and pace – relatively late in comparison with CEE states, and very accelerated after 1999;
- the balance between internal and external agents for change and the very significant role played by the NATO and EU accession processes (1999-2007);
- some country specific topics (such as the protection of Bulgarian citizens abroad – in the context of the case of Bulgarian nurses in Libya);
- the historically rooted public attitudes towards neighbour states (suspicion towards Turkey, relative amity towards Russia);
- higher awareness and public sensitivity towards group minority rights (Macedonian, Turkish);
- the resistance to external cultural influences (especially the public perceptions of non-traditional Islamic influences).

A very distinct feature of Bulgarian security culture is the institutional and public awareness of the threat of organized crime. It is mostly perceived as an internal problem, resulting in strong public demands for sweeping reforms in the internal security structures. This attitude is reinforced by the continuous acknowledgment by the EU of the need for further improvement of the Bulgarian judicial system<sup>635</sup>.

### *New challenges and demands from within the EU, NATO, UN*

Bulgaria has been an active and reliable partner and member of NATO and the EU. Since 1997, there have been consistent efforts to adjust Bulgarian foreign and security policy to the membership requirements of these organizations, and to ensure full support and participation (when appropriate) in UN, NATO

<sup>634</sup> National Security Concept, adopted by Parliament on the 16.04.1998

<sup>635</sup> Commission of the European Communities, Report on Bulgaria's progress on accompanying measures following Accession, 27.06.2007



and EU security initiatives and operations. At political level the most significant were Bulgarian foreign policy positions during the Kosovo crisis (1999), the crisis in Macedonia (2001) and the Iraq crisis (2003). In all these cases there was marked discord between the government position and the general public opinion, but – with the exception of the 1999 NATO operation – there was no significant public or domestic political opposition.

Bulgaria has taken part in a number of international peacekeeping and monitoring operations since 1992, both military and civilian. According to the new Military Doctrine “Bulgaria views its security and defense in unity with the regional, European and Euro Atlantic systems of security and defense”<sup>636</sup> and “supports the activities of the international peace keeping organizations and provides Bulgarian military personnel and units for participation in international military, humanitarian and monitoring operations in accordance with the principles of the UN”<sup>637</sup>. Gradually the idea of such “out-of-area” role for the Bulgarian military has been adopted both in the security community and the general public, with the significant exception of Bulgaria’s participation in the international coalition in Iraq (2004-2006). This mission, having led to significant casualties, generated growing political opposition and was seriously scaled down in 2006, but served as a test case for the willingness of the public opinion in Bulgaria to tolerate long term, high risk, high cost military missions. However, this did not signal a permanent change of course with regard to Bulgarian participation in military operations abroad. In 2007, Bulgaria increased its involvement in the NATO mission in Afghanistan from 80 to 400 military personnel – a decision that was met with little resistance in the country.

*The country’s vision of the role of armed forces, as it is rooted in history and society*

Historically, the Bulgarian armed forces have been developed as a classical conscript continental army shaped to provide the territorial defence of the country in a conventional interstate conflict. Furthermore, in the period 1945-1989 it was an integral part of the security system of the Warsaw Treaty Organization and its defensive posture was

oriented accordingly – positioned against the southern NATO flank. After 1989, the transformation of the armed forces was conducted on a very compressed time schedule, in a climate of broad political consensus, limited resistance from the professional community and general support of the public opinion. Having in mind the high social cost and serious political, economic and military implications of the reforms, there is though the potential for the resumption of the political and public debate on some of the reform aspects – for instance on the mid-term plans for weapons procurement.

With regard to the reforms of the Bulgarian military, there has been a dramatic shift of the country’s vision of the role of armed forces in terms of:

- their purpose and specific tasks (integration in the political and military security mechanisms of NATO and the EU),
- numbers (the armed forces have been reduced to 1/3 of their size in less than 10 years, and a significant number of conventional weapons, including advanced medium range rockets, have been decommissioned),
- structure (rapid professionalization to be completed by the end of 2007, the gradual formation of expeditionary detachments),
- operations (participation in more than 10 international peacekeeping operations since 1992).

These processes have been accompanied by a vigorous redefinition of the national security agenda and military planning. In general, the Bulgarian armed forces have consistently preserved their traditional high status in Bulgarian society, with high levels of public confidence and support according to opinion polls.

*Public opinion, discourses of political elite, the security community*

After a period of uncertainty during the 1990s, Bulgaria has established a broad political consensus on the geopolitical orientation of the country. The centre right Union of Democratic Forces played a leading role in this process. After 1999, all political parties in Bulgaria represented in parliament adopted (both at doctrinal and policy level) the main security policy implications of this consensus – upholding European values, commitment to the

<sup>636</sup> Military Doctrine of the Republic of Bulgaria, art. 21 b, 22 February 2002.

<sup>637</sup> Military Doctrine of the Republic of Bulgaria, art. 21 g, 22 February 2002.

continuation of reforms in the security apparatus and the military, adhering to the obligations as an ally and later member of NATO and the EU. This consensus was breached in 2005 with the emergence of a new nationalist populist political party (Ataka), but its influence on the general public opinion formation and especially at policy-making level has been limited. As of 2007, with the exception of Ataka and some minority groups in the ruling Bulgarian Socialist Party, the consensus stays in place. The issue of Bulgaria's international obligations, including the security dimensions, has not played a central role in the domestic political debate.

The Bulgarian security community has been subject of a rapid and thorough transformation of its core ideals, values and goals. After an initial period of doubts and reservations (1997-2000), the military and civilian personnel of the Bulgarian security sector adopted and fully supported this transformation. The reduction of the officer corps and the advancement of the next generation of officers, as well as the process of professionalization of the armed forces played a significant role in this process.

As of 2007, over 80% of the personnel of the armed forces supports and is willing to take part in a military mission abroad.<sup>638</sup>

The non-governmental sector has played an important role in the formation of the new Bulgarian security culture. The participation of NGOs was most active during Bulgaria's accession to NATO. In this regard one should mention the role of the Atlantic Club in Bulgaria, as well as other think tanks and NGOs, which were actively promoting the idea of Bulgarian membership in NATO throughout the 1990s. What is less visible in comparison with other CEE countries is an organized and active community of anti-war youth movements, peace civic initiatives and NGOs. Political parties in Bulgaria still dominate the public space and are to a great extent agenda-setters on security issues.

The general public opinion has gradually turned supportive of Bulgaria's involvement in allied missions abroad (with the marked exception of the mission in Iraq). Opinion polls in 2007 demonstrate broad acceptance of the allied obligations and the participation in NATO

and EU missions (64% acceptance)<sup>639</sup>. Approximately 30% of the public is strongly against a Bulgarian role in such operations abroad.<sup>640</sup> According to the same survey in December 2006, only 19% are against the participation of Bulgaria in the multinational EU battle groups.

Overall, public opinion polls in Bulgaria show high levels of confidence in the country's armed forces, both in terms of support for reforms (62% support the professionalization of the Bulgarian army), as well as its status in Bulgarian society (over 80% approval)<sup>641</sup>.

## Croatia

Building constructive and well developed relations with the countries of the South Eastern Europe (SEE) is one of the more important priorities of Croatian foreign policy. Which is why Croatia is very active in several regional initiatives, such as the South East European Cooperation Process (SEECP), the Stability Pact, the Central European Initiative (CEI), and the Adriatic-Ionian Initiative. Croatia is also active in establishing constructive bilateral relations with all respective countries in the region<sup>642</sup>. Croatia participates in several regional defence cooperation mechanisms such as the US-Adriatic Charter (US with Albania, Croatia and the Former Yugoslav Republic of Macedonia, FYRoM), Central European Nations Cooperation in Peace Support (CENOP), Quadrilateral/Multinational Land Force (Croatia, Hungary, Italy, Slovenia), Project Adria (Western Balkans, Greece, Italy) and SEDM (South Eastern European Defence Ministerial – NATO and Partnership for Peace Countries).<sup>643</sup> To sum up: at the formal policy level, the Croatian government strives to position the country as an important regional factor of security and takes care of all the

<sup>639</sup> Sociological Survey May 2007, National Centre for Public Opinion Research.

<sup>640</sup> Sociological Survey December 2006, Executive Agency "Military clubs and information", Ministry of Defense.

<sup>641</sup> Ibidem.

<sup>642</sup> Kolinda Grabar-Kitarović, Minister of Foreign Affairs, statement at the Croatia Summit 2007: "Europe's New South", Dubrovnik 6-7 July 2007.

<sup>643</sup> Active bilateral and multilateral regional cooperation is a starting point of Croatian foreign policy. Croatia is recognized as an element of stability in South East Europe and shares the interest of the EU of continuing to forge a politically and economically stable and prosperous neighbourhood in the region, as repeatedly emphasised by Vladimir Drobniak, Chief Negotiator for the Accession of the Republic of Croatia to the EU, available at: [www.eu-pregovori.hr](http://www.eu-pregovori.hr) (last access: 07.08.2007).

<sup>638</sup> Sociological Survey March-April 2007, Executive Agency "Military clubs and information", Ministry of Defense.

pending implications, such as deepening of regional cooperation; avoiding any political moves which might provoke inner instability in the region; supporting accession of respective countries in the Euro-Atlantic structures etc. All these policy actions will in the end have positive implications for Croatia, too<sup>644</sup>.

This overview of Croatian official initiatives with respect to the establishment of an effective structure of a collective security in the region, can illustrate the current state of security culture in the country, at least at the official policy level. However, Croatia is now facing a big problem concerning the contemporary assessment of security culture. Among policy makers, there is still an inadequate level of the distinction between the doctrine of defence and the new doctrine of security which has a crucial relevance in the adaptation of the new paradigm of security culture. The notion of defence has the meaning of defending territory. In the case of Croatia, the notion of territorial defence is what the military stands for. This, in a way, neglects the new concept of security, which gives quite a new role and functions to the military and to the regional security cooperation. These include a desire to train for and participate in peacekeeping operations, in regional arms control verification activities<sup>645</sup>, in de-mining, in the cooperation with neighbours and participation in PfP and MAP exercises, and especially in the combat against terrorism. The precondition of successful fulfilment of these new roles is a full acceptance of democratic criteria, which transforms the security and defence community from the society with outstanding status, to the normal component of democratic and civil society. It is one of the main preconditions for the successful regional collective security structure, which closely ties and fosters democracy and security. In that field the security sector reform gains its relevance. Accordingly, the new concept of regional cooperative security and security culture is very much linked to the general level of democratic development in Croatia.

It is very probable to expect that progress in this area can be brought about with the accomplishment of the accession process to NATO. In the National Defence Strategy

enacted in 2002, it was pointed out that "since Croatia is not a member of NATO it has to maintain sufficient independent military capability to ensure its national security". This can be perceived as an explanation why the notion of territorial defence is still so strong in Croatia. As soon as Croatian respective sectors adapt the NATO standards, this kind of mindset will gradually lose its relevance.

Policy makers in Croatia are becoming aware that today's non-conventional threats represent the greatest danger to global security, and every country, regardless of its size, should contribute to building global security. Considering that today's international relations have become so interdependent, a country cannot enjoy security without helping to preserve it. At this point, Croatia is aspiring to become capable of slowly growing from a mere «consumer» into a «producer» of collective security in the region. It is only in this way that a country can, in the long term, overcome a situation in which it may be a passive observer in matters of security, rather than of an active subject in international relations. This, of course, should be within the given limits for a country such as Croatia, and would mostly apply to its role in South-East Europe.<sup>646</sup> As the most developed and most stable country of the region, which was unanimously confirmed at the recent summit of SEECP (South-Eastern Europe Cooperation Process)<sup>647</sup> in Zagreb, Croatia is expected to play the leading role in establishing regional security, in order to contribute to counteracting all the threats faced by this very sensitive region, which only ten years ago was ravaged by war. One of the main problems on this track is the quite upsetting level of EU and NATO scepticism in the country which differentiates general public opinion in Croatia from the same in any transition country, including even Serbia. Many opinion polls<sup>648</sup> done in January-April 2007 indicated raising distrust in the international community role and, as a natural consequence, rather low support to both accession processes in Euro-Atlantic structures. It provokes a kind of concern in

<sup>644</sup> Prime Minister Sanader in the introductory speech at the conference "Croatia Summit 2007: Europe's New South", Dubrovnik 6-7 July 2007.

<sup>645</sup> Croatia is a host of Regional Arms Control Verification and Implementation Assistance Centre (RACVIAC), which is operating under the umbrella of Stability Pact.

<sup>646</sup> President Mesic at the „SEE Energy Summit“ in Zagreb, 24. June 2007.

<sup>647</sup> 10-11 May 2007.

<sup>648</sup> Agency PULS opinion poll from February 2007 shows that 67% of population do not support joining NATO, while the polls in April 2007 show the drop to 47% of Croats who do not support NATO as opposed to 38% of supporters. (see the Trend chart of support to Croatia joining NATO, "The analyses of the viewpoints of Citizens of Croatia", May 2007, p.38, available at: [www.puls.hr](http://www.puls.hr) (last access: 07.08.2007).

both Brussels organisations, who sent a word of warning to Croatian government implying that both EU and NATO would be reluctant to accept a country the majority of whose citizens are against accession. Irrespective of the rationale for this kind of feeling, amid the population, this phenomenon is being perceived as a kind of potential internal threat which is very likely to generate regional security threat to the country. Although according to some recent public statements<sup>649</sup>, the opinion polls show that support for NATO membership has been rising, there still remains a lot to do in all the segments of the society regarding informing and possibly convincing general public of the long term benefits of NATO membership for the security of the country, and as an optimal way of avoiding possible regional security threats<sup>650</sup>.

With regard to the alignment with the Common foreign and security policy (CFSP) and the European security and defence policy (ESDP), which are based on legal acts, including legally binding international agreements, and on political documents, the *acquis* consists more of political declarations, actions and agreements. EU Member States must be able to conduct a political dialogue in the framework of CFSP, to align with EU statements, to take part in EU actions and to apply agreed sanctions and restrictive measures. Within the negotiations on that Chapter with the EU, Croatia indicated its position that it can accept the *acquis* regarding foreign, security and defence policy and does not expect any difficulties in implementing the *acquis* by accession<sup>651</sup>.

With regard to EU policies vis à vis specific areas, such as the European Neighbourhood Policy (ENP), Russia, the Middle East Peace Process, the Gulf Cooperation Council, the Euro-Mediterranean Partnership, the Transatlantic Dialogue, the ACP countries as

well as Latin America and Asia, Croatia stated that it again foresees no difficulties in implementing CFSP positions<sup>652</sup>.

Regarding the assessment of new asymmetric threats, as a component of the new security culture, the general public in Croatia does not seem to feel very threatened by terrorism as such.<sup>653</sup> There is a general perception that there is no special target here, which would be of any interest to a potential terrorist to attack. On the other hand, Croatia is perceived as a possible transitory country due to its geographical location. Through some of the neighbouring countries pass "Balkan routes" of the transfer of all sorts of the so called asymmetric or unconventional threats i.e., terrorism, weapon of mass destruction, drugs, illegal trafficking of people, etc. Croatia cooperates regionally, especially with neighbouring countries in the work of security services, intelligence sharing to combat and control such illegal activities. However, an ample scope for improvement still exists.

The Croatian military strategy, adopted 4 years ago, provides some elements for the combat against terrorism, by pointing out "support in the anti-terrorist fight and asymmetric threats as a part of the global activities of suppressing the terrorist activities". Along these lines, the Croatian government opened its air space for the use of American jet airplanes in Iraqi campaign, whilst providing some services on the ground as well. As it was mentioned before, there are proposals for putting the whole issue in more complex context of the "support in the case of natural, technological and humanitarian emergencies and catastrophes, in de-mining and cleaning of the unexploded military warheads of all kinds, in the case of nuclear, chemical and biological accidents, search and rescue operations, participation in peacekeeping and humanitarian activities"<sup>654</sup>.

None of the officially approved strategic documents provide the basis for establishing bilateral or multilateral military units of any kind with the neighbouring countries. Which is why Croatia is participates in SEEBRIG<sup>655</sup> as only an observer. However, international codes and conventions are respected, even though

<sup>649</sup> According to the GFK's (market research company based in London) opinion polls conducted in May 2007, support for NATO accession in Croatia increased from 45 to 52 percent what is among highest recorded in Croatia so far, available at: [www.gfk.hr](http://www.gfk.hr) (last access: 07.08.2007).

<sup>650</sup> President Mesić in "Novi list" 20 March, 2007: NATO will provide the main security umbrella for Croatia, Prime Minister Sanader in "Business.hr" 10.06.2007: If Croatia were the full-fledged member of NATO 16 years ago, it would never have been attacked by Serbia, or Davor Božinović, Ambassador to NATO at the Civil Alliance 08 meeting, Zagreb, 7 May, 2007. Once Croatia becomes the full-fledged member of NATO, it would be completely safe and secure against any kind of armed attack from any country.

<sup>651</sup> See the web site of Croatian negotiation team, available at: [www.eu-pregovori.hr](http://www.eu-pregovori.hr) (last access: 07.08.2007).

<sup>652</sup> Screening report Croatia, Chapter 31 – Foreign Security and defence policy, Zagreb April 2007.

<sup>653</sup> According to opinion polls done by several daily papers.

<sup>654</sup> National Security Strategy, Ministry of Defence, Zagreb 2003.

<sup>655</sup> South Eastern Europe Brigade.

Croatia did not subscribe them. Croatia is not a member state of the EU (at the moment it is the candidate country), so it has only operational agreement with Europol ratified by the Parliament. Croatia is, however, a member of Interpol. Within international cooperation Croatian Border Management services cooperate with SECI Center, Interpol, Europol; Croatia participates as an observer in the Centre for Information, Discussion and Exchange on the Crossing of Frontiers and Immigration (CIREFI). In order to prepare for full participation in this cooperation Croatia will need to change its provisions related to the sharing of information.

In order to strengthen international police cooperation, a total of 26 agreements on cooperation in the fight against international illegal trade in narcotic drugs and psychotropic substances, international terrorism and organized crime have been concluded. The agreements were made with all neighbouring countries and with most other countries in the region. On the basis of the concluded agreements, as well as through cooperation via Interpol according to the public statements<sup>656</sup> the police of the Republic of Croatia have intensive operative cooperation with countries of the region, especially with neighbouring countries, and likewise with several member states of the EU.

However, all the Croatian governments, so far, were rather reluctant to accept any kind of integration of law enforcement sectors, insisting on the cooperation and not integration in this field. Croatian political elite prefers to tackle the regional security environment from the position of an observer, rather than of a member of any given joint unit. Nevertheless, it can be expected that these problems will lose their relevance as soon as Croatian accession process to NATO and EU is accomplished.

## Cyprus

The Republic of Cyprus maintains a positive attitude towards the Union's CFSP and ESDP. Cypriot bureaucrats believe that the development of these policies is very encouraging. Cyprus fully participates in the structures and institutions of the Union's foreign, security and defence policies and

contributes, within the ambit of its size and capabilities, to the development of these policies. It has already participated in three civilian missions of the EU in the Balkans (EUPM, Concordia and Proxima); in one military mission in Congo (Artemis); and in the EU Support to AMIS II mission in Darfur. Cyprus is also interested in participating in EU civilian missions in Afghanistan and Kosovo. On numerous occasions the Government of Cyprus expressed its eagerness to commit civilian and military personnel to ESDP missions. Last but not least, Cyprus participates to the HELBROCY battlegroup that consists of Greece, Bulgaria, Rumania and Cyprus.

The vast majority of Cypriot citizens support a high profile of the EU's foreign and security policies. In 2005, Cypriots' support for CFSP/ESDP was the highest in the EU. According to Cypriot diplomats, this level of support could be explained in two ways. First, Cyprus' membership in the EU, which is considered a security community, enhances Cypriots' notion of security. Secondly, Cypriots hope that the EU could play an active role with regard to the security arrangements in a post-settlement era. In fact, the enhancement of the EU's credibility in the sectors of security and defence is welcomed by Cypriots.

Cyprus does not participate in EU missions drawn on NATO capabilities. In December 2002, two years before the accession of the Republic of Cyprus to the European Union, the European Council decided that only those member states that are simultaneously members of either NATO or the Partnership for Peace (PfP) are eligible for the ESDP operations that use NATO assets. In March 2003, the EU and NATO finalized the so-called 'Berlin Plus' arrangements regarding the manner in which the Union will make use of NATO's capabilities. Cyprus joined the EU on May 1 2004.

The Government of Cyprus supports EU-NATO strategic cooperation and is interested in participating in all forums involving the two organizations. Turkey, a NATO member and an EU candidate, blocks the participation of Cyprus (and Malta<sup>657</sup>) in EU-NATO meetings on the grounds that Cyprus (and Malta) have not concluded bilateral security agreements

<sup>656</sup> Assistant Minister of Interior Filip Dragović at the conference "Enhancing Security Sector Governance through Security Sector Reform in the West Balkans – The Role of EU, in Zagreb, December 2006.

<sup>657</sup> Malta joined the EU in 2004 but like Cyprus it participates neither in NATO nor in the PfP.



with NATO, hence “they cannot be trusted”<sup>658</sup>. The European Commission noted that “Turkey’s participation in the ESDP continues to present certain difficulties”<sup>659</sup>. Turkey’s insistence to block Cyprus and Malta from participation in the EU-NATO strategic cooperation in crisis management has so far “hampered such cooperation”<sup>660</sup>. The Commission holds that Turkey and the EU “have a different interpretation of the ‘Berlin Plus’ agreements”<sup>661</sup>. While the EU maintains that Cyprus and Malta can participate in the EU-NATO strategic cooperation, Turkey maintains that the two should be excluded.

In May 2005, Cyprus rejected Turkey’s request to be associated with the Union’s European Defence Agency (EDA) on the grounds that Ankara blocks Cyprus’ participation in the EU-NATO strategic cooperation. Cypriot diplomats told us that Nicosia could not support Ankara’s request to join EDA before Turkey abandoned its veto policy. So far Turkey has vetoed Cyprus’ accession to 11 international organizations or regimes<sup>662</sup>. The Government of Cyprus has communicated to the European Commission a list of all those organizations and regimes<sup>663</sup>.

Cypriot diplomats noted that the “Negotiating Framework for Turkey” states that “Turkey will be required to progressively align its policies towards third countries and its positions within international organizations (including in relation to the membership by all EU Member States of those organizations and arrangements) with the policies and positions adopted by the Union and its Member States”<sup>664</sup>. In this sense, paragraph 7 of Turkey’s Negotiating Framework may be used as leverage on Ankara in order to amend its veto policy on Cyprus’ participation in international organizations and regimes. The EU, however, declared that it does not intend to intervene in the decision making procedure of other

organizations<sup>665</sup>. In our view, Turkey’s accession ambitions provide certain leeway for political consultations, not legal action<sup>666</sup>.

In 2005 and 2006, a vivid debate took place among political forces regarding the possibility of Cyprus’ application to join the PfP. Two members of the government’s coalition, the socialist party (EDEK) and the centrist party (DIKO), argued the case for an application to the PfP. The leftist party (AKEL), which is the largest partner in the coalition, opposed that possibility on the grounds that PfP is an arm of NATO, an organization that AKEL holds responsible for Turkey’s military invasion of Cyprus in 1974. The opposition rightist party (DISI) supported Cyprus’ application to the PfP. The government put an end to that debate by declaring that such an application is not on its agenda for the foreseeable future. Some analysts argued that that move, which was originally initiated by the President of Cyprus, Mr. Papadopoulos<sup>667</sup>, aimed at calming down the tension across the government’s coalition parties. A Cypriot diplomat told us that a possible application to the PfP would face Turkey’s denial and for that reason such a scenario is not examined for the time being. Cyprus’ objective, the diplomat continued, is to clear all the hurdles that Turkey raises so that Cyprus can participate in the EU-NATO strategic cooperation.

Since the Turkish invasion of 1974, Cyprus security culture is embedded in a defensive/deterrent military posture vis-à-vis Turkish and Turkish Cypriot military forces located in the occupied northern part of the island. The Republic of Cyprus is dealing with an enduring survival dilemma<sup>668</sup>. After its accession to the European Union, however, Cyprus has been expressing a vivid interest in socializing itself with the Union’s security and defence structures and participating constructively in these structures. The majority

<sup>658</sup> Judy Dempsey: ‘EU and NATO vie to Set Trans-Atlantic Agenda’, in: *International Herald Tribune*, 19 February 2005; Judy Dempsey: ‘For EU and NATO, Snags over Intelligence’, in: *International Herald Tribune*, 11 November 2004.

<sup>659</sup> European Commission: “Regular Report on Turkey’s Progress Towards Accession”, 9 November 2005, p. 128.

<sup>660</sup> *Ibid.*

<sup>661</sup> *Ibid.*

<sup>662</sup> ‘Ankara vs. Nicosia: 11 Turkish veto against Cyprus’, *Phileleftheros* (Cyprus daily), 26 October 2006.

<sup>663</sup> Statement of the Ministry of Foreign Affairs of the Republic of Cyprus, 11 October 2006.

<sup>664</sup> Council of the European Union: “Negotiating Framework for Turkey”. October 3, 2005, par. 7.

<sup>665</sup> The UK Presidency issued a relevant Statement. See *Phileleftheros* (Cypriot daily), “Turkey’s obligations have been watered down”, 4 October 2005.

<sup>666</sup> Cf. Giorgos Kentas: “The Turko-Cypriot Disputes in the EU Context”, in: Costas Melakopides, Achilles Aimilianides, and Giorgos Kentas (eds.): *The Cyprus Yearbook of International Relations 2006* (Nicosia: KIMEDE and Power Publishing, 2006).

<sup>667</sup> The President of Cyprus expressed that view early March 2005; see ‘Tassos: There is no reason for Cyprus participation to the PfP’ *Simerini* (Cypriot daily), 1 March 2005. On several other occasions he expressed the same view.

<sup>668</sup> Cf. Giorgos Kentas, “A Realist Evaluation of Cyprus’ Survival Dilemma as Result of the Annan Plan”, *The Cyprus Review*, vol. 15, No. 2, Fall 2003, pp. 13-63.

of political forces and civil society in Cyprus are in favour of the perpetuation of Cyprus' participation in European security and defence structures even after a comprehensive settlement to the political problem of Cyprus is reached<sup>669</sup>.

Meanwhile, the Republic of Cyprus is committed to providing generously its civil and military resources for humanitarian and rescue tasks, if need be, precisely as it did during the Lebanon war of 2006. The Cypriot people continue to pride themselves for the warm recognition they received from the European and international community regarding their effective humanitarian role during that inhuman crisis<sup>670</sup>.

## Czech Republic

### *From Eurosceptics to constructive critics?*

Although Czech folk wisdom has it that the army is rather useless and that armed forces would probably not be capable of protecting the country, the image of the current Czech armed forces is not bad at all. The army has gained the trust of a majority of the population and recent polls show that the people's faith in the army (63 percent) is higher than faith in the press, churches or the police, and definitely the political parties (trusted only by about one tenth of populace).<sup>671</sup> It is noteworthy from this point of view that both the public and the army itself perceive humanitarian and peacekeeping tasks abroad as the best vehicle for further increasing the army's standing. Polls show that the public is also convinced that foreign missions prepare "a new kind of soldier" and army officials add that missions contribute to the soldiers' professional growth.<sup>672</sup>

The dominant political discourse insists on the necessity of two pillars on which Czech security must be built: trans-Atlantic and European. However, the main political parties differ in their assessment of how these two should be related: The currently ruling Civic Democrats stress the link to the USA more, while the strongest opposition party, the Social Democracy, prefers stronger integration within the CFSP and the ESDP.

This long-standing balance has been seriously damaged due to the growing anti-Americanism, particularly following the invasion of Iraq. The government hesitatingly supported the decision and even provided some troops,<sup>673</sup> but popular support for the war has remained low.<sup>674</sup> This attitude causes a rather paradoxical situation: The population believes that the Czech presence in peacekeeping missions is important, and yet it does not agree with the Czech involvement in Iraq and Afghanistan.<sup>675</sup> The second repercussion of these rising anti-American sentiments is the negative popular assessment of the proposal to locate a US radar base in the country. No doubt it is rather the mistrust towards the United States and their foreign policies than some newly discovered endearment to Russia that has caused the predominantly negative attitude. Hence, in both respects a gap in opinion opens between the government and the public.

A somewhat clearer picture emerges from these considerations: The army has good standing and its peacekeeping and conflict resolution missions further increased this standing. However, these must be agreed multilaterally, preferably with the blessing of the UN or the EU. Geographically, missions in the Balkans are preferred (Kosovo, Bosnia and

<sup>669</sup> The Annan Plan, a plan presented by the UN in 2002 and put before referenda in 2004, provided that Cyprus could not participate to the EU's ESDP without the permission of Turkey and Greece. That provision was deemed unacceptable by the majority of Greek Cypriot political parties and civil society. Even DISI, the rightist political party which supported the Annan Plan, expressed reservations about that provision.

<sup>670</sup> For Cyprus' role and the corresponding warm international recognition, see our contribution to EU-25/27 Watch, No.4, January 2007.

<sup>671</sup> Důvěra ve vybrané instituce v ČR a v dalších zemích visegrádské čtyřky. (Trust to selected institutions in ČR and other countries of Visegrád Four), Centrum pro výzkum veřejného mínění, 16 January 2007, available at: <http://www.cvvm.cas.cz/index.php?disp=zpravy&lang=0&r=1&s=1&offset=106&shw=100642> (last access: 14.08.2007).

<sup>672</sup> Zahraniční mise očima vojenských profesionálů i veřejnosti. (Foreign mission through the eyes of military

professionals and the public), available at: <http://www.army.cz/avis/a%20report2003/19/20.htm> (last access: 14.08.2007).

<sup>673</sup> Current Missions: Multinational Forces in Iraq, Ministry of Defence, available at: <http://www.army.cz/scripts/detail.php?id=6390> (last access: 14.08.2007).

<sup>674</sup> E.g. Postoje občanů k válce v Iráku (Citizens' attitudes to war in Iraq), Centrum pro výzkum veřejného mínění, available at:

[http://www.cvvm.cas.cz/upl/zpravy/100213s\\_PM30425.pdf](http://www.cvvm.cas.cz/upl/zpravy/100213s_PM30425.pdf) (last access: 14.08.2007), or Irák z pohledu veřejného mínění (Iraq in the public opinion), Centrum pro výzkum veřejného mínění, available at: [http://www.cvvm.cas.cz/upl/zpravy/100455s\\_pm50318.pdf](http://www.cvvm.cas.cz/upl/zpravy/100455s_pm50318.pdf) (last access: 14.08.2007).

<sup>675</sup> E.g. Armáda a veřejnost (Army and the public), Ministry of Defence, available at: [http://www.army.cz/avis/publikace/rocenka\\_2004/151.pdf](http://www.army.cz/avis/publikace/rocenka_2004/151.pdf) (last access: 14.08.2007).

Herzegovina), deeper involvement in Iraq and Afghanistan is feared, while Africa is entirely absent from the security discourse.

## Denmark

Ever since its establishment in 1949 Danish security culture has been deeply rooted within the North Atlantic Treaty Organisation (NATO). International involvement in peacekeeping and/or humanitarian operations has been high on the political and public agenda, and the UN has been and still is considered the main actor in this area of policy. Since 1948 Danish troops have served all over the world in peacekeeping operations on UN mandates, notably in Cyprus (22,500 troops), Gaza (11,000 troops), and the former Yugoslavia (11,000 troops).<sup>676</sup> In 2006 Denmark has been (and still is) participating with 1,200 soldiers in 12 UN operations, 3 NATO operations, and 3 coalition operations in 17 different countries.<sup>677</sup> In short, whereas NATO is the cornerstone of Danish security policy, the overall framework for Danish peacekeeping is based on the UN, although Iraq is an obvious exception<sup>678</sup>

The Danish EU defence opt-out means that Denmark cannot 'participate in the preparation and implementation of action with defence implications'.<sup>679</sup> The opt-out was introduced in 1993 following a widespread interpretation of the Danish public's rejection of the Maastricht Treaty as a concern that the EU was assuming too many state-like functions.

Today, however, there is widespread support in the Danish parliament for abolishing the opt-out, and for a number of years opinion polls have shown public support for full participation in EU defence matters. Defence cooperation in the EU has developed considerably since 1993, and according to the Danish Ministry of Defence the EU is an increasingly relevant forum for Danish security policy.<sup>680</sup> It is, however, still unclear if a referendum on the future of the Danish opt-outs will be held in the foreseeable future.

The defence opt-out has had no influence on the Danish ability to deploy troops in Afghanistan or Iraq. In Afghanistan the Danish troops are a part of the ISAF forces, i.e. operating within NATO. In Iraq, Danish troops are part of the US-led invasion force and international coalition. It is the first time since World War II that Denmark has participated in war on this scale.

In general, the decision to send troops to Iraq and Afghanistan is considered the manifestation of a historic shift in Danish foreign policy, from a 'passive' foreign policy adhered to since the late 19<sup>th</sup> century, to an 'activist' foreign policy developing since the end of the cold war.<sup>681</sup> This 'active internationalism' strategy has been reinforced by the current right-wing majority in parliament and the government's sympathy for the US, especially after the 11 September 2001. In 2003, the government presented a new strategy, which emphasized that Denmark should exert maximum influence on the world, based on liberal values.<sup>682</sup> Currently, this strategy is personified by the Danish Minister of Foreign Affairs Per Stig Møller who has recently renewed initiatives to help solve the Middle East conflicts, claiming a good relationship to both Israel, the Arab world and the US. According to UN representative Terje Rød-Larsen, Denmark does have a favourable position in the Middle East, as Per Stig Møller is trusted by all sides in the conflict.<sup>683</sup>

In particular, the decision to enter Iraq can be seen as a break away from past years' politics, due to the questionable UN support. While the Danish parliament unanimously decided to send troops to Afghanistan based on UN Resolution 1386 in January 2002<sup>684</sup> – a move, which was backed by 80% of the Danish population<sup>685</sup> – the decision to deploy troops in Iraq in 2003 was reached by a small majority in parliament, consisting of the government parties and the right-wing Danish people's party.<sup>686</sup> Prior to the decision, 64% of the Danes supported an invasion of Iraq *if* it was

<sup>676</sup> FN, Verden og Danmark, København (DUPI), 2006.

<sup>677</sup> Ministry of Defence "Årlig redegørelse 2006", available at: [www.forsvaret.dk/fmn](http://www.forsvaret.dk/fmn) (last access: 08.08.2007).

<sup>678</sup> Ministry of Defence, available at: [www.forsvaret.dk/fmn](http://www.forsvaret.dk/fmn) (last access: 08.08.2007).

<sup>679</sup> Ministry of Foreign Affairs, available at: [www.um.dk](http://www.um.dk) (last access: 08.08.2007).

<sup>680</sup> Ministry of Defence, available at: [www.forsvaret.dk/fmn](http://www.forsvaret.dk/fmn) (last access: 08.08.2007).

<sup>681</sup> Knudsen, Tommy Brems: "Denmark and the war against Iraq: Loosing sight of internationalism?", in Danish Foreign Policy Yearbook 2004, DIIS.

<sup>682</sup> Petersen, Arne Friis "The International Situation and Danish Foreign Policy 2003", in Danish Foreign Policy Yearbook, 2004.

<sup>683</sup> "Per Stig på fredsmission", Politiken, 7 June 2007.

<sup>684</sup> Beslutningsforslag B 45, available at: [www.folketinget.dk](http://www.folketinget.dk) (last access: 08.08.2007).

<sup>685</sup> Gallup poll no. 24 September 2001, available at: [www.gallup.dk](http://www.gallup.dk) (last access: 08.08.2007).

<sup>686</sup> Beslutningsforslag B 118, available at: [www.folketinget.dk](http://www.folketinget.dk) (last access: 08.08.2007).

based on an UN mandate, if not, 29% supported an invasion.<sup>687</sup>

Denmark's involvement in Iraq has thus caused widespread attention and spurred harsh reactions from parts of the public. A group called 'the constitution committee 2003' claimed that the invasion was illegal according to the Danish constitution, since it was not based on a clear UN mandate.<sup>688</sup> The case was rejected, but underlined the extent to which the UN and international law is seen as the foundation for international interaction in Denmark. The war in Afghanistan has not had the same attention from the media and the public. However, the possible violation of the Geneva Convention – occurring when Danish troops handed over prisoners of war to US soldiers, who possibly violated the Geneva Convention when interrogating them – ended up in a heated debate, with critics even suggesting that Prime Minister Fogh Rasmussen was to be brought to court for misleading the Danish parliament when asked about the Danish soldiers and the Geneva Convention.<sup>689</sup>

Recent developments in Iraq, and the British decision to withdraw troops, have sparked a debate on when the Danish troops should leave Iraq. In spring 2007, the government decided that the Danish forces will be withdrawn in August. It was simultaneously decided to send more troops to the ISAF in Afghanistan. This makes Denmark one of the largest relative contributors to the Afghanistan forces.<sup>690</sup>

The withdrawal from Iraq will be not complete; the Danish forces are cut down from 400 soldiers to approximately 100. The tasks they will be performing mainly involve the training of Iraqi forces in the NATO military training camp.<sup>691</sup> The government finds that Iraq is capable of securing the area where Danish troops have been serving, hence the withdrawal. The social democrats and the social liberals support the decision, quoting Kofi Annan in claiming that the war was illegal

in the first place. The socialist people's party is behind the decision as well. The left wing unity list is against the decision, as the keeping of 100 soldiers in Iraq to the party means that Denmark is still part of 'President Bush's coalition'.<sup>692</sup> A large majority in the public supports the withdrawal of troops from Iraq (77%).<sup>693</sup>

The argument for sending more troops to Afghanistan is that this mission is 'justified', meaning that it rests on a clear UN mandate. This argument is stressed by the social democrats and the social liberals. Moreover, the state building and humanitarian tasks are to be extended, which is seen as being equally important. The socialist people's party and the unity list are against sending more troops to Afghanistan. In their view, the Afghan population is not able to distinguish the ISAF operation from the US Operation Enduring Freedom, which questions the legitimacy of the entire operation. Moreover, both parties claim that the extended humanitarian and state building tasks are not really reflected in the actual proposal.<sup>694</sup> The most recent poll (August 2006) shows that a small majority of Danes support keeping Danish troops in Afghanistan (45% pro, 15% don't know).<sup>695</sup>

Public debate on Iraq and Afghanistan has decreased in intensity since the decision to withdraw Danish troops from Iraq and send more to Afghanistan. This undoubtedly reflects a strong attachment to the involvement on the basis of a UN mandate.

The current 'Danish Defence Agreement 2005-2009' was agreed upon by the government parties (the liberals and the conservatives) and the social democrats, the social liberals, the christian democrats (no longer in parliament), and the Danish people's party, thus reflecting a very broad agreement. The only parties not signing up were the socialist people's party and the unity list.

In the current agreement the purposes of the Danish military are understood as threefold:<sup>696</sup>

1. To counter direct and indirect threats against Denmark and/or its allies;
2. To protect the Danish people and Danish sovereignty; and

<sup>687</sup> Gallup poll no 6, March 2003, available at: [www.gallup.dk](http://www.gallup.dk) (last access: 08.08.2007).

<sup>688</sup> Available at: [www.gk2003.dk](http://www.gk2003.dk) (last access: 08.08.2007).

<sup>689</sup> Jens Elo Rytter, "Kronik: Det hænger ikke sammen for regeringen", Jyllandsposten, 9 March 2007. See also Ole Spierman, "Afghanistankrigen: Folkeretten har ikke føjet sig efter USA's ønsker", Politiken, 25 January 2007.

<sup>690</sup> Beslutningsforslag B 161, available at: [www.folketinget.dk](http://www.folketinget.dk) (last access: 08.08.2007).

<sup>691</sup> Beslutningsforslag B 162, available at: [www.folketinget.dk](http://www.folketinget.dk) (last access: 08.08.2007).

<sup>692</sup> Beslutningsforslag B 162, available at:

[www.folketinget.dk](http://www.folketinget.dk) (last access: 08.08.2007).

<sup>693</sup> Megafon/TV2Nyhederne February 2007.

<sup>694</sup> Beslutningsforslag B 161, available at:

[www.folketinget.dk](http://www.folketinget.dk) (last access: 08.08.2007).

<sup>695</sup> Megafon/TV2Nyhederne poll, 29 August 2006.

<sup>696</sup> Ministry of Defence, Forsvarsforliget 2005-2009.

3. To contribute to international peace and stability according to the United Nations Charter, especially through conflict prevention, peace building and humanitarian engagements.

The agreement thus stresses the need for soldiers to take on reconstruction/state building tasks, in order to establish peace in a given conflict area. To this end, relevant civil servants are to be brought in early in the planning process. Danish troops are currently forming one unit of this kind, the Reconstruction Unit Denmark (RUD) in Iraq, and Danish soldiers are a part of the Civil Military Cooperation (CIMIC) in Afghanistan.<sup>697</sup> Moreover, the Danish government and the joining parties wish to see Danish troops participate even more in international humanitarian, peace building, and conflict prevention operations.

The parties behind the agreement recognise the threat from terrorism and find it has increased since the 11<sup>th</sup> September 2001. The Danish forces should be able to counter this threat, and to this end the army is to be rapidly deployable. Although the UN and NATO are still seen as the framework for these operations, it is interesting to note in the agreement that, despite the Danish opt-out from EU defence, an eye is still kept on EU standards.<sup>698</sup>

## Estonia

The security culture of Estonia is shaped by an existential insecurity stemming from the fact that despite its small size, geography and politics have destined it to “sleep in one room with elephants.” Over the past 700 years, Estonia has enjoyed just 38 years of independent statehood (1918-1940 and since 1991). It knows that it owes its independence to historical “windows of opportunity” – extraordinary upheavals in world politics that have left one or several of the region’s major powers debilitated and completely preoccupied with internal affairs (e.g. Russia in 1918 and 1991). The consolidation of an authoritarian and increasingly assertive regime in Russia under Putin is thus naturally a source of concern. Estonia congratulates itself on having

consolidated its statehood, achieved EU and NATO membership and restructured its economic relations while the window of opportunity was open. The intensely hostile behaviour of Russia during and after the “Bronze” events of April-May 2007 (see section 5 of this report) has led to the resurfacing of many historical fears and made many Estonians increasingly appreciative of EU and NATO membership.

As a country with a population of only 1.3 million, Estonia has a small army. The average size of the Estonian armed forces in peacetime is about 3800 (Army 3300, Navy 300, Air Force 200) persons, of whom about 1500 are conscripts. In addition, the Voluntary Defence League has also about 8000 members.

Estonia remains acutely aware of the vital need to build strong partnership with its allies, in order to be able to count on their support in case of need. Thus, international security co-operation, which involves participation in crisis regulations and peacekeeping organisations, is an important element of Estonian security policy. The goal is to maintain the credibility gained during the NATO accession process, and to build up a solid “international reputation as a security co-operation partner” by demonstrating “willingness and ability to contribute to NATO and European Union operations.”<sup>699</sup> “Our contribution to ensuring security in distant places increases Estonia’s security”, claims Foreign Minister Paet.<sup>700</sup> The rationale that mixes ideals with a pragmatic *quid-pro-quo* thinking seems to be largely accepted by the general public. This rationale is used to justify human losses: so far, Estonia has lost four men in Iraq and Afghanistan; many others have been wounded.

More than 1500 members of the Estonian defence forces have participated in various missions since 1995, including international operations in Bosnia, Kosovo, Albania, Lebanon, Sudan, Afghanistan, and Iraq. In 2006, Estonia’s contribution to the NATO mission in Afghanistan increased manifold – to 130 troops. In 2007, Estonia concluded its 11-year involvement in Bosnia-Herzegovina (Estonia’s most significant contribution to a EU operation to date, involving a unit of 29 men since 2005). Estonia plans to further increase its contribution to international peace support

<sup>697</sup> Nielsen, Anja Dahlgaard, Soldater og Statsbygning: Det danske forsvars tilgang til genopbygning i konfliktområder, DIIS, 2006.

<sup>698</sup> Forsvarsforliget 2005-2009, available at: [www.forsvaret.dk/fm](http://www.forsvaret.dk/fm) (last access: 08.08.2007).

<sup>699</sup> Ministry of Defense, “Estonian Defence Policy 2006”, available at: [www.kmin.ee](http://www.kmin.ee) (last access: 13.08.2007).

<sup>700</sup> Ministry of Foreign Affairs, Estonian Review, vol. 17, no 26, June 27- July 3, 2007.



operations. According to current plans, Estonia must be sufficiently equipped to provide 250 members of the defence forces and one mine countermeasure vessel at a single time from 2008, and 350 members of the defence forces from 2010.<sup>701</sup>

Partnership with the US is central to Estonia's foreign and security policy. While Estonia used to regard NATO and the US as the main guarantors of Estonian security, it has come to realize and appreciate the positive value added by CFSP/ESDP. From the second half of 2000 Estonia has been engaged in regular dialogue with the EU on ESDP issues. Now, it is firm a proponent of strengthening the CFSP: "We firmly believe that it is vital to strengthen the European nations' own capabilities in crisis management, but mainly to complement NATO and its activities. For this purpose the coordination of ideas and activities between NATO and EU in security and defense matters is of utmost importance. We believe that the EU can play a crucial role in combining the civil and military means in crisis regulation because the EU has a wide range of political, diplomatic, civil and military tools at its disposal."<sup>702</sup>

A closer EU-NATO cooperation is considered to be especially vital now that the EU is going to launch civilian missions in Kosovo and Afghanistan where NATO has a key role as a security provider.<sup>703</sup> Estonian officials argue that the EU would be particularly well equipped to help build up Afghanistan's legal system and police forces.<sup>704</sup> Estonia also wants the EU to assume a more active role in solving conflicts in its neighbourhood, including the so-called frozen conflicts in Moldova and Georgia.

Estonia has decided to join the Swedish-led Nordic battle group. Other countries participating besides Sweden and Estonia are Finland and Norway. The Nordic battle group should be ready for rapid deployment from January 1<sup>st</sup> to June 30<sup>th</sup> in 2008. Estonia

contributes with up to 45 troops.<sup>705</sup> Estonia joined European Defence Agency from its establishment in 2004 and has emphasized the need to define clear and focused agenda for the Agency. Estonia also joined the Defence Procurement Regime launched on 1 July 2006.

Finally, cooperation with its Baltic neighbours is an important element in Estonia's security strategy. Estonia has an agreement of trilateral co-operation with Latvia and Lithuania which constitutes the basis for a number of long-term defence co-operation projects, including:

- Baltic Battalion (BALTBAT) – infantry battalion for participation in international peace support operations;
- Baltic Naval Squadron (BALTRON) – naval force with mine countermeasures capabilities;
- Baltic Air Surveillance Network (BALTNET) – air surveillance information system;
- Baltic Defence College (BALTDEFCOL) – joint military educational institution for training senior staff officers.

The Baltic military projects are cultivated by the NATO Partnership for Peace initiative and have received broad international support and assistance. An important part of the Baltic defence co-operation is achievement of interoperability between the defence structures of the three states and NATO.

Last but not least, Estonia is increasingly involved in rendering advice and experiences gained from Estonia's NATO accession and defence reform processes to countries that wish to join the Euro-Atlantic structures (such as Georgia, Ukraine and the Western Balkan countries).

## Finland

### *Finnish Defence Forces Today*

The Finnish Defence Forces are an army of 16500 civilian and military personnel with a wartime strength of roughly 430000 men and women.<sup>706</sup>

<sup>701</sup> Ministry of Defense, "Estonian participation in international operations," May 30, 2006, available at: [www.kmin.ee](http://www.kmin.ee) (last access: 13.08.2007).

<sup>702</sup> Ibid.

<sup>703</sup> Remarks by Defense Minister Aaviksoo at NATO Defense Ministers' Conference, in Ministry of Foreign Affairs, Estonian Review, Vol. 17, No. 24, June 13-19, 2007.

<sup>704</sup> Ministry of Foreign Affairs Press Release, "Foreign Minister Paet: Aiding Afghanistan should be an EU priority." November 14, 2006.

<sup>705</sup> Ministry of Defense, "Estonia and European defence issues." September 12, 2006, available at: [www.kmin.ee](http://www.kmin.ee) (last access: 13.08.2007).

<sup>706</sup> Mil.fi, Finnish Defence Forces, Publications, Defence Planning, 2007, available at: [http://www.mil.fi/perustietoa/julkaisut/defence\\_planning\\_2007\\_finland.pdf](http://www.mil.fi/perustietoa/julkaisut/defence_planning_2007_finland.pdf) (last access: 10.09.2007).

A universal male conscription is the backbone of the Finnish military. All physically apt men over the age of 18 are obliged to do national service, either in the military or in civilian service, the majority opting for the military. Additionally, women can serve in the army voluntarily, about 400 women doing so each year. The defence budget of Finland is currently about 1,4 % of the GDP. The Defence Forces define their task as "territorial surveillance, safeguarding territorial integrity and defending national sovereignty in all situations". The prime aim of a credible defence policy is to deter any aggression against Finland.<sup>707</sup> Finland has also traditionally been active in peacekeeping and military observer operations since 1956 and has since then participated in some thirty UN, NATO or EU peacekeeping missions.<sup>708</sup> Currently Finnish peacekeeping presence is strongest in the UN KFOR-mission in Kosovo, in the EUFOR Althea-mission in Bosnia and Herzegovina, in the UNIFIL-mission in Lebanon and in the UN-mandated NATO ISAF-operation in Afghanistan.<sup>709</sup> EU Battle Group 107, consisting of German, Finnish and Dutch combat troops has also been deployable since January, its "watch" ending in June. This unit has not been deployed on any theatre of operation.<sup>710</sup> Finland will also be participating in the Nordic Battle Group that will be on standby from January 2008.<sup>711</sup>

Finland's military identity is built on the concept of territorial defence consisting of the principles of universal male conscription, territorial defence (the whole country is defended and the size of the country is tactically used in combat) and military non-alignment.<sup>712</sup> There

is an ongoing debate on the viability of these big constants of Finnish security culture in an increasingly complex security environment. This debate will be elaborated on later. The Defence Forces remain a popular and trusted organization: 83 % of Finns expressed "a great deal" or "quite a lot" of trust in the army in the World Values Survey of 2000, and the Eurobarometer of 2004 yielded a result of 93 % Finns trusting the military.<sup>713</sup> The next section will place the Finnish security culture and identity in its historical framework.

### *Finnish Security Culture in Historical Context*

Finland was an autonomous Grand Duchy of the Russian Empire from 1809 to 1917. One very important reform of this period was the creation of the first Finnish army in 1878. This new army operated on the basis of universal conscription and was separate from the Russian army despite obviously being officially part of the Empire's military. The role of the army and conscription in the building of national consciousness in Finland is illustrated by the fact that some of the first measures of the oppressive russification in 1899-1901 were directed against this semi-independent Finnish military.<sup>714</sup>

*Finland's Thermopylae:* The events of the first thirty years of Finnish independence (1917) secured the army a highly esteemed role in the collective consciousness of Finland. One of the birth pangs of independent Finland was a civil war in 1918 between bolshevist-supported socialists and the victorious German-supported non-socialists. The war caused deep rifts in the Finnish population. The events of the Second World War in Finland – the Finno-Soviet wars in 1939-1940 and 1941-1944 – however, proved decisive for national cohesion. The successful Finnish defence especially during the Winter War in 1939 mythologized the war and glorified the archetype of a resilient independent Finnish soldier.<sup>715</sup> The legacy of

<sup>707</sup> Mil.fi, Finnish Defence Forces, Overview, 2007, available at: [http://www.mil.fi/perustietoa/esittely/tehtavat/index\\_en.dsp](http://www.mil.fi/perustietoa/esittely/tehtavat/index_en.dsp) (last access: 13.08.2007).

<sup>708</sup> Mil.fi, Finnish Defence Forces, 2007, available at: <http://tietokannat.mil.fi/rt50v/include/thumbnaill.php?id=7&idth=640> (last access: 13.08.2007).

<sup>709</sup> Mil.fi, Finnish Defence Forces, Operations, 2007, available at: <http://www.mil.fi/rauhanturvaaaja/operaatiot/> (last access: 13.08.2007).

<sup>710</sup> Helsingin Sanomat, Article, 6.11.2006, available at: <http://www.hs.fi/english/article/Finns+taking+part+in+exercise+for+tri-nation+EU+battle+group+in+Germany/1135222805526> (last access: 13.08.2007).

<sup>711</sup> Formin.fi, Foreign Ministry, Press Release, 20.5.2005, available at: <http://formin.finland.fi/Public/Print.aspx?contentid=64133&nodeid=15906&culture=fi-FI&contentlan=1> (last access: 13.08.2007).

<sup>712</sup> Mil.fi, Finnish Defence Forces, Overview, 2007, available at: [http://www.mil.fi/perustietoa/esittely/tehtavat/index\\_en.dsp](http://www.mil.fi/perustietoa/esittely/tehtavat/index_en.dsp) (last access: 13.08.2007).

<sup>713</sup> World Values Survey Association, World Values Survey 2000, Finland, Politics and Society: Confidence in different institutions and organizations, p.1, available at: <http://www.jdsurvey.net/bdasepjd/Question.jsp> (last access: 13.08.2007); European Commission, Standard Eurobarometer 62, Autumn 2004, National report: Finland, p. 23.

<sup>714</sup> Laitinen, Kari, Suomalainen Asevelvollisuus (Finnish Conscription), 2005, Puolustusministeriön julkaisuja, pp. 52, 55-56, available at: [http://www.defmin.fi/files/336/2381\\_394\\_Laitinen-Nokkala.pdf](http://www.defmin.fi/files/336/2381_394_Laitinen-Nokkala.pdf) (last access: 13.08.2007).

<sup>715</sup> Jakobson, Max, The Diplomacy of the Winter War, 1961, Oxford University Press, p.259; Laitinen, Kari, Suomalainen asevelvollisuus (Finnish Conscription), 2005,

this period in history explains the high level of trust placed in the army in Finland, as well as the aforementioned security political constants of territorial defence and universal conscription. The latter is still deemed important for national cohesion and is an important “rite of passage” for the Finnish male population. Traditional military non-alignment is explained by Finnish security politics during the Cold War, briefly visited next.

*Finnish Realpolitik in the Cold War:* In the Cold War years from the late 1940's until the collapse of the Soviet Union in 1991 Finland – having secured her independence but finding herself within the Soviet sphere of influence – had to strike a delicate balance between a careful orientation towards the West and a peaceful coexistence with the Soviet Union. The Soviet leadership recognized Finland's desire to remain impartial in the increasingly bipolar world system, thus enabling a Finnish policy of neutrality. It is worth reiterating that this neutrality served the purpose of securing the survival of Finland as a democratic and capitalist system at the doorstep of the Soviet bloc.<sup>716</sup> This *realpolitik* strategy of military non-alignment was so profoundly dogmatized in Finnish politics and collective identity that it still affects security political debate today.

In summary, the roles of the armed forces in Finland traditionally are those of an independent protector of the country and a guarantor of neutrality, an active co-operator in multilaterally mandated peacekeeping and a trusted institution of which almost half of the population has personal experience of via conscription. Active participation in UN-mandated peacekeeping has traditionally been essential for Finland as it has been the only form of legitimate military cooperation for a neutral country. NATO and EU-led peacekeeping tasks have become plausible for Finland only after the collapse of the Soviet Union.

The effects of the changing security environment and institutions on Finnish security debate and policies are briefly reflected upon in the next and final section.

Puolustusministeriön julkaisuja, pp. 60-61, available at: [http://www.defmin.fi/files/336/2381\\_394\\_Laitinen-Nokkala.pdf](http://www.defmin.fi/files/336/2381_394_Laitinen-Nokkala.pdf) (last access: 13.08.2007).

<sup>716</sup> It must be added that unofficial Soviet leverage in Finnish politics was by no means limited to security issues; Browning, Chris, *Coming Home or Moving Home?*, 1999, FIIA, pp.6-8.

## Future Challenges

The tradition of viewing the EU as a security community and a potentially strong international actor is strong in Finland. Finland is a staunch supporter of the further development of the European Security and Defence Policy (ESDP) and of EU civil-military cooperation.<sup>717</sup> One factor in this stance may be the hope that the ESDP might develop into a substitute for NATO, the relationship with the latter still being problematic in Finland. Finland is a NATO partner country and takes part in many NATO-led peacekeeping operations.<sup>718</sup> The Finnish military has also physically equipped itself to be almost completely NATO-compatible and most recently took part in the NATO Response Force Noble Mariner crisis management exercise in June.<sup>719</sup> Nevertheless it is unlikely that Finland will apply for NATO membership in the near future. Politics of neutrality was dogmatized during the Cold War and the Finnish public views NATO with suspicion (63% of the population are against joining the organization): NATO is often perceived as the European military arm of a reckless US government.<sup>720</sup> A very large factor in NATO-reluctance is also – as always – the proximity of Russia. The eastern giant is arguably Finland's constitutive “other” since World War II and Russia's reaction to Finnish NATO membership is difficult to anticipate. For instance in February Russian President Putin most recently expressed discontent at the thought of Finnish NATO accession.<sup>721</sup> There is consequently great reluctance among politicians to express strong opinions regarding potential changes in the formal military non-alignment policy or in the armed forces (e.g. changes towards a professional army).

Recently, the debate has centred on the reality that the financial costs of independent credible defence are rising; the Defence Forces have

<sup>717</sup> Ojanen, Hanna, Vuohula, Eero, *The Finnish Presidency: Efficiency Before Eloquence?* in *Journal of Common Market Studies*, Vol. 45, Annual Review 2007, Blackwell Publishing, pp.17-24; For example the success of Finland as EU President in 2006 in mustering EU support for the UNIFIL operation in Lebanon is regarded as perhaps the biggest success of the Finnish Presidency. (Ojanen, Vuohula 2007 *ibid.*, p.22) This reflects both the Finnish “peacekeeping identity” as well as Finnish hopes for the EU to be an international security actor.

<sup>718</sup> Valtioneuvosto, Government, Turvallisuus – ja Puolustuspoliittinen Selonteko, Security and Defence Policy Report 2004, pp. 5-6.

<sup>719</sup> Aamulehti, Editorial, 17.5.2007.

<sup>720</sup> Helsingin Sanomat, Article, 15.5.2007, available at: <http://www.hs.fi/kotimaa/artikkeli/1135227276964> (last access: 13.08.2007).

<sup>721</sup> Helsingin Sanomat, Article, 2.2.2007, p.3.

closed down several garrisons and downsized reservists' training already. This financial strain exerts pressure on traditional Finnish security political solutions. More crucially the whole security environment has changed. A multipolar globalized world, privatization of violence through terrorism, small localized crises and the possibility of environmental disasters characterize the new security environment faced by Finland. Some change in Finnish security culture is inevitable then, although giving up the conscript military is unlikely due to historical and financial reasons.<sup>722</sup> It is noteworthy that as the new Finnish government presented its programme for its term, the traditional word "military non-alignment" (*liittoutumattomuus*) was not used in the section dealing with foreign and security policy: instead, Finland was described more loosely as "not belonging to a military alliance". NATO membership was mentioned as an option. The agenda also emphasized – more than traditionally – the importance of good bilateral relations for security and foreign policy.<sup>723</sup> A new law on the main tasks of the Defence Forces is also in preparation: it is likely that cooperating in international crisis management tasks will be enshrined in law as an official task of the Finnish army.<sup>724</sup> Finland's self-proclaimed expert niche in peacekeeping and crisis management may be central in future security political attitudes and decision-making. If, for example, NATO increasingly continues to define itself as a crisis management organization, Finnish public opinion on the organization might change over time thus also creating wider options for the political elite.

<sup>722</sup> Nokkala, Arto, *Suomalainen Asevelvollisuus ja Puolustusvoimien Henkilöstörakenne Kansainvälisissä Muutospaineissa* (Finnish Conscription and Defence Forces Personnel Facing International Pressure for Change), 2005, Puolustusministeriön julkaisuja, p. 2, available at: [http://www.defmin.fi/files/336/2381\\_394\\_Laitinen-Nokkala.pdf](http://www.defmin.fi/files/336/2381_394_Laitinen-Nokkala.pdf) (last access: 13.08.2007).

<sup>723</sup> Valtioneuvosto, Government, *Hallitusohjelma*, Government Programme, 19.4.2007, pp. 3-4, available at: <http://www.valtioneuvosto.fi/hallitus/hallitusohjelma/pdf/hallitusohjelma-painoversio-040507.pdf> (last access: 13.08.2007); Defmin.fi, Ministry of Defence, Pauli Järvenpää, Column, 29.4.2007, available at: [http://www.defmin.fi/?677\\_m=3145&s=271](http://www.defmin.fi/?677_m=3145&s=271) (last access: 13.08.2007).

<sup>724</sup> Suomenlaki.com, News, 28.11.2006, available at: [http://www.suomenlaki.com/uutiset/doc\\_1073537.shtml](http://www.suomenlaki.com/uutiset/doc_1073537.shtml) (last access: 13.08.2007).

## France

As a permanent member of the UN Security Council, France has declared its intention to assume a more important role in peace keeping and humanitarian aid, particularly in its former African colonies. Protecting global human rights is one of the French president's priorities. As a reflection of this attitude, Mr. Sarkozy nominated Rama Yade as state secretary in charge of international affairs and human rights protection. France advocates a multilateral approach to international crises, under the aegis of the UN and international rights, in harmony with the French majority opinion. This is partly the reason for which France had opposed the United States concerning the war in Iraq. Although France had rejected the European Defence Community project of 1954, the government currently seeks to develop cooperation in European security and defence, particularly in the field of military industry and research programs and a European army. The French army understands that it cannot alone afford large military research programs. The French president has stipulated that the defence budget be maintained at 2 % of GDP and the Minister of Defence has evoked the idea of a second aircraft carrier.

Policy makers and specialists emphasize the importance of European defence development<sup>725</sup> and the unification of the European military industry, which is considered necessary to finance new military programs and to maintain an ability to intervene in world crises. Moreover, although France is currently not a primary target for the Al Q'aida organization, French citizens are aware that terrorism cannot merely be addressed at the national level. This new type of threat necessitates a European and international response. However, French opinion still expresses distrust of NATO, which is seen to be controlled by the United States, and would prefer an independent European force. Thus, French diplomacy promotes the European Union as an independent soft power that is able to achieve its international convictions. However, Nicolas Sarkozy seems to be more willing to cooperate with the United States than former president Jacques Chirac was, whose international policy had been rooted in the De Gaulle political tradition.

<sup>725</sup> La Tribune, 23 mars 2007; «France, Europe and the defence», Alain-Gérard Slama, Le Figaro, 5 March 2007.



## Germany

### Introduction

Since the beginning of the 1990s and the re-ignition of “new”<sup>726</sup> forms of conflict even on European soil, the German security culture has been immersed in a process of radical change. Traditionally, Germany’s security policy was determined by a “culture of reticence”<sup>727</sup> and adaptation to the post-Cold War security environment. Despite an almost 20-year long transition period, that process can in no regard be considered to be finished. Nevertheless, already today clear tendencies can be deduced from substantial elements of the changes undergone until now. Once extrapolated, these tendencies confirm a recent German “normality” in the foreign policy field. Considerable evolutions of the form, function and reflexes of the security forces which would earlier have been considered “unimaginable” reveal particularly well the acuteness of the change. These evolutions also indicate an ongoing ideological hardening. German soldiers’ increasing activeness beyond the classical national defence, and their deployment to conflict- and crisis areas around the world, not only to the Balkans, but also “out of area” to Afghanistan, the Middle East and Africa are very important in this regard.

The foreign deployments have not only led to the change of the missions and structures of the Bundeswehr. The “deployment army” (“Armee im Einsatz”) also stands for one of the most fundamental changes of the foreign policy and security-related cornerstones of the Federal Republic. At the same time, however, the foreign troop deployments are merely one part of Germany’s security policy reorientation. At the end of the Cold War, the understanding of security in Europe has changed and has expanded to comprise more than just the traditional military perspective. With its concept of a wide-reaching and comprehensive security policy, incorporating a broad spectrum of civilian instruments beyond the military, and whose foundation is explicitly multilateral and preventive, Germany is trying to do its new and

ever-changing challenges justice. In parallel, the German armed forces (Bundeswehr) have to deal also with the deep-rooted process of “Defence Transformation”, which is caused by the revolutionary change of the military (“Revolution in Military Affairs” – RMA).

To state these (partly contradictory) tendencies is a goal of the following article. The first paragraph gives a rough overview of the historic roots and developments of Germany’s security culture since the End of World War II, which has still influence on current debates and perceptions regarding Germany’s security policy. The second part will relate the collapse of the Soviet Union, the German reunification and the rise of new forms of violent conflict to the beginning of a new security era of the federal republic and the preliminary end of Germany’s pacifist attitude. The third chapter outlines the basic elements of Germany’s new security culture and give in the fourth part a brief impression on security in the view of public opinion.

### *Security Culture: Socio-historic Development*

After the Unconditional Surrender of the Nazi-Germany on May 8th, 1945 Germany was totally demoralised. The armed forces of the so-called Third Reich (“Wehrmacht”) were demobilised, hundreds and thousands of German soldiers were prisoners of war and the allied forces established an occupation regime in Germany. A lasting stability and peace in Europa seemed only possible if Germany would never again be in a position to start a war. A saying of the German politician Franz Josef Strauß became popular and was quoted on numerous occasions: “May the right hand drop off him who ever again reaches for a weapon.” Up-coming antagonisms between the Western allies and the Sowjet Union stressed the need for collective defense in the West. Therefore the North Atlantic Treaty Organisation (NATO) was founded in 1949. It should “keep the Russians out, the Americans in and Germany down” as the first Secretary General of NATO, Lord Ismay, put it.<sup>728</sup> But the East-West block confrontation led to the integration of the two German states into their respective alliance, paving the way for remilitarisation.

In spring 1948, police squads (“Bereitschaften”) had been set up in the

<sup>726</sup> See for the differentiation between new and old conflicts: Mary Kaldor: *New and Old Wars: Organised Violence in a Global Era*, Cambridge: Polity Press, 1999. Also: Herfried Münkler: *Die neuen Kriege*, Hamburg: Rowohlt, 2002.

<sup>727</sup> See: American Institute for Contemporary German Studies: *Redefining German Security: Prospects For Bundeswehr Reform*, Washington D.C.: Johns Hopkins University, September 2001.

<sup>728</sup> Varwick, Johannes, Woyke, Wichard: *Die Zukunft der Nato*. Opladen 2000, S. 49.



*Soviet Occupation Zone*,<sup>729</sup> out of which the *German Democratic Republic* (DDR) was created in 1949. Thereby the foundations were laid in East Germany for the *Baracked People's Police* ("Kasernierte Volkspolizei"), forerunner of the *National People's Army* ("Nationale Volksarmee"). Affected by the June 1950 outbreak of the Korean War, the *Council of Europe* decided in August 1950 to set up European armed forces – in which Western Germany would participate.

In autumn 1950, at the Cistercian Himmerod Abbey in Eifel, a committee composed of 15 former officers of the Wehrmacht was created at the behest of German chancellor Konrad Adenauer "in order to advise on the deployment of a German contingent to a collective West-European defence"<sup>730</sup> In the so-called "Himmerod memorandum" named after its place of conception, one maintained the intention of "creating something groundbreakingly new independently of the Wehrmacht's forms". Thereafter, Theodor Blank was appointed Commissioner of the Chancellor on matters concerning the increase of allied troops ("Beauftragter des Bundeskanzlers für die mit der Vermehrung der alliierten Truppen zusammenhängenden Fragen"). This in turn led to the creation of the Defence Ministry's precursor: the so-called "Blank Agency". Shortly after, the *Federal Border Protection Force* ("Bundesgrenzschutz") was created, where 10.000 alert police officers were deployed, before the number of deployed officers increased to 20.000 in 1953. Thus, already from its very inception, the Federal Border Protection Force had both a military – and a police wing.<sup>731</sup>

Intended to become part of the European Defence Community (EDC), the German armed forces were to contribute to deterrence and defence and to accommodate the most recent lessons of history. They should therefore be extensively oriented towards defence and, referring back to General Gerhard von Scharnhorst, there should remain

a "deep connection between the people and the army".<sup>732</sup> After the failure of the EDC, West Germany became member of the Brussels Pact – forerunner of the Western European Union (WEU) – and of NATO while the GDR became member of the Warsaw Pact. Thus, according to General Ulrich de Maizière, the Bundeswehr was founded in 1955 as an "army within an alliance" and an "army for defence". The Bundeswehr is a "child of the democratic parliamentary German Federal Republic" and thus commits the "uniformed citizens" to act according to the concept of "Internal Guidance" ("Innere Führung") established in 1953. The "Internal Guidance", "leadership philosophy" of the Bundeswehr referring to General Wolf Count von Baudissin,<sup>733</sup> should thereby reconcile the principle of order and obedience and the citizens' fundamental rights. The introduction of the general conscription in 1956 and the creation of the office of Parliamentary Ombudsman for the Military ("Wehrbeauftragter des Deutschen Bundestages") were to establish the constitutional anchoring of the new armed forces.

Ab initio one was dealing with "threat-focussed armed forces" ("Bedrohungsfixierte Streitkräfte"<sup>734</sup>) with a clear defensive task. A war of aggression was not considered an acceptable means of German policy. The Bundeswehr had a corresponding profile: deterrence and defence within the alliances Brussels Pact/WEU and NATO, disaster relief and humanitarian aid. The Federal Republic was primarily active abroad through foreign cultural policy, development aid or police training missions. The German military did not participate in the Cold War's proxy wars such as in Vietnam or Afghanistan. The West German militarisation thus succeeded enclosed from the GDR's totalitarian defence community ("Totalitäre Wehrgemeinschaft"). Both the introduction of the general conscription and the liability of reservists caused broad societal consternation with special emphasis on self-defence.

<sup>729</sup> Reinhard Stumpf: Die Wiederverwendung von Generalen und die Neubildung militärischer Eliten in Deutschland und Österreich nach 1945, in: Klaus-Jürgen Bremm u. a. [Hrsg.]: Entschieden für Frieden. 50 Jahre Bundeswehr. 1955 bis 2005. Freiburg i. Br., Berlin 2005, S. 78.

<sup>730</sup> de Maizière, Ulrich: Was war neu an der Bundeswehr? Betrachtungen eines Zeitzeugen. In: Bremm, Klaus-Jürgen u. a. [Hrsg.]: Entschieden für Frieden. 50 Jahre Bundeswehr. 1955 bis 2005. Freiburg i. Br., Berlin 2005, S. 11.

<sup>731</sup> Kießling zitiert nach Stumpf, S. 80.

<sup>732</sup> Unterseher, Lutz: Frieden und Verteidigung. Stabilität - Militärstruktur - Intervention. Studienmaterial der Friedenswissenschaftlichen Weiterbildungsstudiengänge IF/Master of Peace Studies der Fernuniversität Hagen. Hagen 2007, S. 83 – 84. Und: de Maizière, S. 15.

<sup>733</sup> See: Zentrum Innere Führung: Die Konzeption der Inneren Führung, available at: <http://www.innerefuehrung.bundeswehr.de> (last access: 20.09.2007).

<sup>734</sup> Schössler, Dietmar: Militärsoziologie. Königstein/Ts 1980, passim.

The Bundeswehr was present in the field in Germany but the security-related development went forward with the emphasis on non-military aspects in the new Ostpolitik ("Change through Rapprochement" – "Wandel durch Annäherung") and the CSCE process. Apart from the debate over the civilian service, the societal consensus on the general conscription persisted despite the emergence of the peace movement during the 1970s. Nevertheless, the generals and admirals of the Bundeswehr remained an "elite in the penumbra".<sup>735</sup> The anchoring within alliances had become an implicitness although the threat from the East had become concrete. This was, however, also the case with the peaceful development and the economic and social consolidation, forcing a pacifist attitude of the society. The debate preceding the NATO dual track initiative was widely followed by the German population, without leading to a real security discourse. The *Strategic Community* remained restricted to small parts of the academic society as well as the political and military elite.

Germany's military engagement in NATO was limited to Article 5 of the NATO Treaty i. e. Collective Defense. In cases like the Second Persian Gulf War in 1990/1991 Germany did not use offensive military means but supported the Operation Desert Storm with tremendous financial resources – leading to the saying "Chequebook diplomacy".

#### *Self-discovery of a Reunified Germany*

Germany in general, and particularly the Bundeswehr, is currently engaged in the most radical security policy transformation process of its younger history. This process has its germs in the political changes of the late 1980s. For decades, Germany's security culture was determined by the priority of NATO, homeland-defence, compulsory military service and Baudissin's concept of 'internal leadership' ("Innere Führung") including its ideal of the "citizens in uniform". However, after the fall of the Berlin Wall and the contemporaneous outbreak of several disastrous military conflicts in Africa, Asia and even in Europe, Germany has been catapulted into a new era of security, confronted with an urgent and immediate need to adapt to new realities and threats. Nevertheless, the process of security and politico-military readjustment

takes many years and can even today in no regard be considered to be finished. The sluggishness of the transition process in the 1990s had various reasons. One was that in the view of many Germans, the peaceful end of the Cold War demonstrated the success of the following elements of Germany's foreign and security policy:

- policy of détente (especially Willy Brandt's "Ostpolitik"),
- consultation and cooperation (Helsinki-Process and the establishment of the CSCE)
- arms control and disarmament (Germany's support for the ratification of SALT, START I, INF-Treaty, BWC),
- National reluctance regarding the use of military means.

For a short period of time the "end of history"<sup>736</sup> seemed to be within reach and Germany was – as the defence minister at that time, Volker Rühe, put it – "surrounded by friends and partners" ("von Freunden umzingelt"). The German majority had a point when they demanded a post-cold war peace dividend and expected a marked decrease in defence spending and the reduction of armed forces to a minimum.

However, this global political climate blinded the bulk of the population from the truth that new threats like ethnic conflicts, abject poverty, uncontrolled migration, nuclear proliferation or state failure were already emerging and the post cold war euphoria represented an important stumbling block for German politicians to implement a more pro-active security policy. Even if evidence suggested already at an early stage, that the "new world order" would definitely not be characterized by peaceful conflict resolution, Germany remained caught by idealistic visions. Furthermore, the political elite considered that first and foremost the United Nations had come in to recognize its responsibility on global security. Due to the fact, that the conflict between East and West being dissolute, it seemed as though the United Nation's Security Council could finally liberate itself from the ties of block confrontation (like during the Kuwait-Invasion) in order to become a strong security policy actor and decision maker for the international community. Aside from considerations regarding global security, the social, political and economic challenges and problems in

<sup>735</sup> Dieter E. Kilian: *Elite im Halbschatten*. Bonn 2005. Also: Klaus Naumann: *Generale in der Demokratie. Generationengeschichtliche Studien zur Bundeswehrelite*. Hamburg 2007.

<sup>736</sup> See for this ideom: Francis Fukuyama, *End of History and the Last Man* (New York and London: Avon Books/Penguin, 1992).

relation with the unification-process lead many Germans to an inward-looking, self-focused attitude. This applies also to the military itself, which had for several years to tackle with the integration of the personnel of GDR's Nationale Volksarmee into the Bundeswehr and with the aim to build a joint "Army of Unity" ("Armee der Einheit").

All in all, neither the obvious need for new answers on new security challenges nor the inevitable growth of power and influence within Europe as a result of the German reunification caused a sustainable effect on the predominance of the "culture of reticence". Hence, it was only consistent that Chancellor Helmut Kohl rejected not only the proposal of George Bush in 1989 for a leading German role in the new world era ("Partners in Leadership") but also the offer by the French President Francois Mitterrand to participate in French nuclear deterrence ("common nuclear umbrella").

*Bosnia, Rwanda, Kosovo: The collapse of Germany's pacifist attitude*

Due to the circumstance, that with the surprising end of the Cold-War, bipolarity's freezing effect on many regional conflicts ended as well, German policy makers were forced to an increasing degree to reconsider Germany's role in the realm of global security. The re-ignition of several "frozen conflicts" in Europe, Asia and Africa, caused not only tremendous humanitarian disasters but also spill-over effects like regional destabilisation (Central Africa, Caucasus), state failure (Somalia, Afghanistan) and huge waves of refugees. Especially the genocides in Rwanda (1994) and the civil war in Bosnia (1992-1995) showed the German public quite plainly the need for a more pro-active engagement in the field of security policy and that the military has not become completely irrelevant. Nevertheless, until the middle of the 1990s, Germany participated very rarely, and merely within the framework of humanitarian rescue missions, in international crisis missions through the deployment of soldiers to conflict regions (Cambodia 1992, Somalia 1993, Rwanda 1994).

The first alarming "wake-up call" which aroused the German public and forced leading policy makers of all political parties to reconsider the foreign and security policy of the Federal Republic was the massacre of Srebrenica (July 1995), when units of the Army

of Republika Srpska killed estimated 8,000 Bosniaks within an official "UN-Safe Haven" and in sight of UN-blue helmets. These tragic occurrences together with the dramatic international failures in Somalia and Rwanda shook the general trust in the UN's competence fundamentally. Despite later undergone reforms and the introduction of "robust" mandates, strong doubts remain concerning the UN's ability to act, primarily due to the deficient financial and personal equipment available for many missions. In parallel, the public debate in Germany on a "responsibility to protect" of NATO and its member states led also to greater understanding that especially ethnic and/or religious conflicts cannot be solved by development aid or "chequebook diplomacy" alone and underlined the need for expeditionary military forces with the capacity for "humanitarian Interventions". This (sometimes painful) cognitive process led to a growing discredit of idealistic and pacifistic ideas in the political debate and laid the foundation for a "new normality" in Germany's foreign and security policy.

Nevertheless, this change in attitude took years and required another humanitarian crisis (Kosovo 1998/99) for the realization of a sustainable shift in Germany's security culture. In this context, the red-green coalition (1998-2005) was essential to bring about the breakthrough in security policy, because the Government under Chancellor Gerhard Schröder was largely unsuspicious to use military means for national power politics or "imperial aims" – an irrational but popular apprehension of the German public since World War II. The Schröder Government broke the taboo of sending the German Air Force into the first intervention-type operation in Kosovo in 1999. The air strikes were supported by large parts of the German population,<sup>737</sup> even under the critical circumstance, that the military campaign against the Milošević regime was without an appropriate (UN Security Council)-mandate under international law. In hindsight, this decision paved the ground for a steady rise of the Bundeswehr's international engagement, in particular in international stabilization operations.

<sup>737</sup> In the first week of the intervention (31/03/1999-07/04/1999): 61% pro/31% contra. In the last week (27/05/1999 – 01/06/1999): 48%:47%. See Infratest Dimap: DeutschlandTREND: Befürwortung der Luftangriffe?, Berlin, Juni 1999.

However, the current debate about Germany's political and military engagement in Afghanistan and the refusal of many Germans to merge the overlapping military Operations ISAF (stabilisation, reconstruction) and OEF (fight against terrorism) makes it clear that the past years have not yet completely changed the German political culture of reticence. When it comes to war-fighting operations the political establishment is still reluctant.

#### *Security 21: Germany's security culture in transition*

Even eight years after the Kosovo-experience, the ongoing institutional, structural and intellectual reorientation of the German security organs and its response to the threats of the 21<sup>st</sup> century<sup>738</sup> has been revealed as a heavy and cumbersome process. Furthermore, until now it has encountered considerable resistance by various pressure groups – especially soldiers. Additionally, Germany as well as other countries has to deal with its shrinking influence as nation state in a globalized world with open borders, vulnerable societies and infrastructures and important non-state actors in the field of security.<sup>739</sup>

Nevertheless, the following key elements of Germany's transition process can be extrapolated and give information about Germany's new mood in security policy and its impact for the ongoing cultural change:

- *Multinationality as a 'must-have':*

Multinationality has become a *conditio sine qua non* in the German security culture, or as the 'Defence Political Guidelines' ("Verteidigungspolitischen Richtlinien") by the German Ministry of Defence put it: "Under the present circumstances, no state can alone guarantee its population peace, security and welfare."<sup>740</sup> This is particularly the case when a

military response to a crisis is required. Today, German military commitment is exclusively conceivable as a national contribution within the framework of a multilateral action and only if this action is approved by the UN Security Council.<sup>741</sup> Thus, the Defence Political Guidelines envisioned "the multinational integration of the Bundeswehr within a foreign policy striving for European integration, transatlantic cooperation and global responsibility"<sup>742</sup>. The guidelines thereby determined to a large extent the German defence planning, the latter constructed on the interconnection with other EU and NATO member states.

- *Integration into Multilateral Security Institutions:*

The integration in the EU and NATO remain Germany's general international framework. Hence, the "renationalisation" of German foreign policy as a "European central power" foreseen by certain scholars has not taken place. Germany has nevertheless grown into a new part, characterized by the active participation in NATO, EU and UN military operations, through which the post-war period's political, legal and military restrictions to the deployment of German armed forces have been overcome. With the federal constitutional court's 1994 leading decision on "out of area"-missions of the Bundeswehr, the path to a new and enhanced alliance-bound German political responsibility was clear. The successive integration of European security structures within EU and NATO frameworks have thereby become a fundamental "v-belt" for the basic security policy's overdue adjustment. Due to an exclusively national process (rooted in Germany's loaded history) this adjustment had arguably until then never been realisable.

<sup>738</sup> Namely the five „key threats“: terrorism, the proliferation of weapons of mass destruction, regional conflicts, state failure and organized crime. See: EU High Representative for the Common Foreign and Security Policy Javier Solana: A Secure Europe in a Better World, European Council, Thessaloniki, June 20, 2003, available at: [http://ue.eu.int/ueDocs/cms\\_Data/docs/pressdata/en/report\\_s/76255.pdf](http://ue.eu.int/ueDocs/cms_Data/docs/pressdata/en/report_s/76255.pdf) (last access: 20.09.2007).

<sup>739</sup> See: Cathleen Kantner/Sammi Sandawi: Der Nationalstaat und das Militär, in: Nina Leonhard/Ines-Jacqueline Werkner (Hrsg.): Militärsoziologie. Eine Einführung, Wiesbaden: VS Sozialwissenschaften, 2005, pp. 24-49.

<sup>740</sup> Bundesminister der Verteidigung: Verteidigungspolitische Richtlinien (VPR) für den Geschäftsbereich des Bundesministers der Verteidigung, Berlin, 21. Mai 2003, Punkt 38, S. 9, available at: [http://www.bundeswehr.de/portal/PA\\_1\\_0\\_LT/PortalFiles/C](http://www.bundeswehr.de/portal/PA_1_0_LT/PortalFiles/C)

[1256EF4002AED30/W268QHHV223INFODE/Verteidigungsspezifische+Richtlinien.pdf?yw\\_repository=youtatweb](http://www.bundeswehr.de/portal/PA_1_0_LT/PortalFiles/C1256EF4002AED30/W268QHHV223INFODE/Verteidigungsspezifische+Richtlinien.pdf?yw_repository=youtatweb) (last access: 20.09.2007).

<sup>741</sup> The German participation in the NATO-operation "Allied Force" has to be considered as to a large extent isolated phenomenon, whose repetition however cannot be completely ruled out in cases of „irrational political blocking tactics“ of a permanent member of the UN-security council. For a comprehensive reflection on this problem see Knut Ipsen: Der Kosovo-Einsatz - Illegal? Gerechtfertigt? Entschuldigbar?, in: Friedens-Warte 100 (1/2, Frühjahr/Sommer 1999), S. 19-23.

<sup>742</sup> Verteidigungspolitische Richtlinien, Punkt 41, S. 10

**Table 1: Germany's Troops abroad<sup>743</sup>**

Operation	Country/Region	Deployed Troops
ISAF	Afghanistan, Uzbekistan	2.773
UNAMA	Afghanistan	1
KFOR	Kosovo	2.192
EUFOR	Bosnia and Herzegovina	457
UNMIS	Sudan	37
UNIFIL	Lebanon	745
UNOMIG	Georgia	16
RECCE Tornados	Afghanistan	282
UNMEE	Ethiopia, Eritrea	2
OEF	Horn of Africa	245
STRATAIRMEDEVAC	On stand-by in Germany for medical evacuation purposes	42

<sup>743</sup> Source: German Federal Ministry of Defence, "Einsatzzahlen: Die Stärke der deutschen Einsatzkontingente, 12 September 2007, available at: [www.bmvg.de](http://www.bmvg.de) (last access: 20.09.2007).



- *Comprehensive Approach:*

Beyond multinationality, a commonly spread idea in Germany is not only that security is realisable solely within an integrated framework, but also the consideration that the mere use of military power is insufficient when not accompanied by further civilian support measures. One has indeed over the last years seen a real boom of the “comprehensive approach”-concept (“Vernetzte Sicherheit”<sup>744</sup>), and in the meantime the expression can be found in all the federal government’s important security policy speeches and documents. Thus, the White Paper on Defence states the following: “German security policy is based on a comprehensive concept of security; it is forward-looking and multilateral. Security cannot be guaranteed by the efforts of any one nation or by armed forces alone. Instead, it requires an all-encompassing approach that can only be developed in networked security structures and within the context of a comprehensive national and global security philosophy.”<sup>745</sup> One important component of Germany’s comprehensive approach is the Federal Government’s overall concept of “Civilian Crisis Prevention, Conflict Resolution, and Post-Conflict Peace Building”<sup>746</sup>. Nevertheless, interagency actions remain cumbersome and are marked by competition and “beauty contests” between different ministries.<sup>747</sup>

- *Defence Transformation:*

Since the adoption of the new Bundeswehr concept in 2004<sup>748</sup>, the idiom “Transformation

of the Bundeswehr” has become a buzz-word within Germany’s security community. The official German understanding of transformation “is the shaping of a continuous, forward-looking process of adapting to changing framework conditions in order to enhance and durably sustain the Bundeswehr’s effectiveness in operations”.<sup>749</sup> Unfortunately until today there is no real “road map” for the Bundeswehr transformation and thus transformation-relevant goals for future force development remain fuzzy. Critics say there is a gap between ambitions captured in concept papers and their implementation. In particular, the most important shortfalls are the lack of an overall strategy process, the lack of an all-government approach to capability analysis and capability planning, not enough jointness between the different ministries in particular with regard to sharing information, personnel and financial resources.<sup>750</sup> This, however, is at least in parts also the result of Germany’s political culture and its impact on the use of force as a means of foreign and security policy.

- *ESDP First:*

Because of the growing distance between the most important partners within NATO during the last ten years, it becomes ever more difficult to keep up with Germany’s traditional role as an honest broker within the transatlantic alliance.<sup>751</sup> Especially the attitude of the US-Administration under George W. Bush in response to the terrorist attacks of September 11<sup>th</sup> 2001 (“Don’t call us, we’ll call you”) as well as the 2003 Iraq war were defining moments for German foreign and security policy and led into a spiral of mistrust and anger towards the US-Administration. The insurmountable disagreement between Washington and London on the one hand and Berlin, Paris and further European capitals on the other hand has brought NATO close to collapse and weakened the transatlantic link both, elementarily and sustainably. The public opinion was in strong favour of German’s disengagement towards NATO/US and

<sup>744</sup> Heiko Borchert (ed.): Vernetzte Sicherheit: Leitidee der Sicherheitspolitik im 21. Jahrhundert, Schriftenreihe Vernetzte Sicherheit, Band 1, Hamburg: Verlag E.S. Mittler & Sohn, 2004.

<sup>745</sup> Federal Ministry of Defence: White Paper on German Security Policy and the Future of the Bundeswehr 2006, Berlin: Federal Ministry of Defence, 25.10.2006, available at:

[http://www.bmvg.de/portal/PA\\_1\\_0\\_P3/PortalFiles/C1256EF40036B05B/W26UWAMT995INFODE/W+2006+eng+DS.pd?yw\\_repository=youtatweb](http://www.bmvg.de/portal/PA_1_0_P3/PortalFiles/C1256EF40036B05B/W26UWAMT995INFODE/W+2006+eng+DS.pd?yw_repository=youtatweb) (last access: 20.09.2007).

<sup>746</sup> See: Aktionsplan „Zivile Krisenprävention, Konfliktlösung und Friedenskonsolidierung“ Berlin, 12. Mai 2004, available at: <http://www.auswaertiges-amt.de/diplo/de/Aussenpolitik/FriedenSicherheit/Krisenpraevention/Aktionsplan-Volltext.pdf> (last access: 20.09.2007).

<sup>747</sup> See in for example the answers of the German federal government in: Deutscher Bundestag: Zivil-militärische Zusammenarbeit. Antwort der Bundesregierung auf die Kleine Anfrage der Abgeordneten Heike Hänsel, Monika Knoche, Paul Schäfer (Köln), weiterer Abgeordneter und der Fraktion DIE LINKE. Drucksache 16/3673, 30. 11. 2006, available at: <http://dip.bundestag.de/btd/16/036/1603673.pdf> (last access: 20.09.2007).

<sup>748</sup> Bundesminister der Verteidigung: Konzeption der Bundeswehr (KdB), Berlin, 9. August 2004.

<sup>749</sup> Ibid., p. 9

<sup>750</sup> See Heiko Borchert/Sammi Sandawi: German Defense Transformation. Half Way Through, But Where To Go? in: Terry Terriff/Frans Osinga/Theo Farrell (eds): NATO and the Diffusion of Military Innovations to European Militaries, Cambridge: Cambridge University Press, 2007 (in prep.).

<sup>751</sup> Sebastian Harnisch/Christos Katsioulis/Marco Overhaus Schlussbetrachtung: Gelockerte Bindungen und eigene Wege der deutschen Sicherheitspolitik?, in: Sebastian Harnisch et al. (eds.): Deutsche Sicherheitspolitik. Eine Bilanz der Regierung Schröder, Baden-Baden: Nomos Verlag, 2004, S. 253-262, p. 259.

received to that time more and more an impression that the US itself has become a threat to global security (2003: 57%).<sup>752</sup> This confrontation has to be considered as an important reason why the red-green coalition has been more active in bringing ESDP to life than in supporting NATO.<sup>753</sup> This tendency can still be traced under the current conservative-social democratic government, even if Chancellor Angela Merkel always calls for a rapprochement in transatlantic relations.

### *Security and Public Opinion in Today's Germany*

In Germany, public opinion on security and defence policy is marked by ambiguity or – as the Federal President, Horst Köhler, put it – “friendly disinterest”.<sup>754</sup> On the one hand security policy (in contrast to domestic or social policy) is not in the centre of concern of the German majority (as well as of the mass media), even if the events of September the 11<sup>th</sup> or the following wars in Afghanistan and Iraq attracted a great deal of attention. However, until today there has been no public discussion with regard to the ways and means to accomplish new security tasks like the fight against international terrorism or the prevention of the proliferation of weapons of mass destruction. This is also not surprising as Germany's political parties have intentionally avoided to transport what the changes of 9/11 imply for Germany's future role in the world.<sup>755</sup> Furthermore, even if the latest events (Kosovo, 9/11, Afghanistan) raised some kind of awareness that – as the former German Minister of Defense, Peter Struck, put it – “German security is also to be defended at the Hindukusch”<sup>756</sup> only a minority of Germany's population is in favour of a more active international role of their country (pro: 45%;

contra: 52%)<sup>757</sup> and remains sceptical in relation to foreign assignments.<sup>758</sup> Recent polls indicate that the shift from a ‘defence force’ into a ‘mission force’ (“Armee im Einsatz”) is not broadly accepted, while “traditional” tasks of the German Federal Armed Forces are almost without controversy: Domestic disaster relief (99%); National Defence (96%); foreign disaster relief (90%), peacekeeping (81%), Defence within NATO area (80%). In contrast, “only” 56% agree in general to peace enforcement operations under UN-mandate as task to the German Bundeswehr, which is still today perceived more as “armed social workers”<sup>759</sup> than fighting soldiers. Nevertheless, the same opinion poll (November 2006) shows high approval rates among Germans: nearly 90% say they have a positive or a rather positive view of the Bundeswehr.<sup>760</sup> In addition, with 82% a majority of the people that participated in the poll believes that Germany will continue to maintain conscripts. On the question of whether to continue or abolish conscription, the population is more or less equally split with 50% in favour of conscripts and 49% in favour of professionalized armed forces.

### *Conclusion and Outlook*

Within the last 15 years, Germany's security culture has changed dramatically. The turbulent global environment and its “new” threats like international terrorism, proliferation of weapons of mass destruction and state failure forced the pacifist-minded majority of the German population during the 1990s to reconsider their modest but anachronistic attitude towards security policy and brought them to accept not only military as “normal” element of Germany's homeland-defence but also as a tool of Germany's foreign and security policy. The re-emergence of armed

<sup>752</sup> See: Europäische Kommission, Flash Eurobarometer, No. 151, “Iraq and Peace in the World”, Nov. 2003, available at: [http://europa.eu.int/comm/publi\\_opinion/flash/fl151\\_iraq\\_fu\\_II\\_report.pdf](http://europa.eu.int/comm/publi_opinion/flash/fl151_iraq_fu_II_report.pdf) (last access: 20.09.2007).

<sup>753</sup> See: Sebastian Harnisch/Christos Katsioulis/Marco Overhaus Schlussbetrachtung: Gelockerte Bindungen und eigene Wege der deutschen Sicherheitspolitik?, p. 258

<sup>754</sup> Horst Köhler: Einsatz für Freiheit und Sicherheit. Rede von Bundespräsident Horst Köhler bei der Kommandeurtagung der Bundeswehr am 10. Oktober 2005 in Bonn, available at:

[http://www.bundespraesident.de/Anlage/original\\_630701/Rede-Kommandeurtagung.pdf](http://www.bundespraesident.de/Anlage/original_630701/Rede-Kommandeurtagung.pdf) (last access: 20.09.2007).

<sup>755</sup> Sebastian Harnisch/Christos Katsioulis/Marco Overhaus Schlussbetrachtung: Gelockerte Bindungen und eigene Wege der deutschen Sicherheitspolitik?, p. 260.

<sup>756</sup> See: Dirk Eckert: Die Sicherheit Deutschlands wird auch am Hindukusch verteidigt, telepolis, 13.12.2002.

<sup>757</sup> See for the results of the poll the Homepage of the German Federal Ministry of Defence (21.11.2006): [http://www.bmvg.de/portal/a/bmvg/kcxm/04\\_Sj9SPykssy0xPLMnMz0vM0Y\\_QjzKLd4k38fADSYGZbub6kTCxoJRUF\\_W99X4\\_83FT9AP2C3lhyR0dFRQCKhdJt/delta/base64xml/L2dJQSEvUUI3QS80SVVFLzZFRF80SE4!yw\\_contentURL=%2FC1256F1200608B1B%2FW26VRD2P509INFODE%2Fcontent.jsp](http://www.bmvg.de/portal/a/bmvg/kcxm/04_Sj9SPykssy0xPLMnMz0vM0Y_QjzKLd4k38fADSYGZbub6kTCxoJRUF_W99X4_83FT9AP2C3lhyR0dFRQCKhdJt/delta/base64xml/L2dJQSEvUUI3QS80SVVFLzZFRF80SE4!yw_contentURL=%2FC1256F1200608B1B%2FW26VRD2P509INFODE%2Fcontent.jsp) (last access: 20.09.2007).

<sup>758</sup> Sabine Collmer: All Politics is Local. Deutsche Außen- und Sicherheitspolitik im Spiegel der Öffentlichen Meinung. In: Sebastian Harnisch/Christos Katsioulis/Marco Overhaus (eds.): Deutsche Sicherheitspolitik. Eine Bilanz der Regierung Schröder. Baden-Baden. Nomos Verlag, 2004.

<sup>759</sup> See Hans-Jürgen Leersch: Schlecht bewaffnete Sozialarbeiter, in: Die Welt, 27. September 2004.

<sup>760</sup> See again the Homepage of the German Federal Ministry of Defence, available at: [www.bmvg.de](http://www.bmvg.de) (last access: 25.09.2007).

forces as an integral part of German security policy was a result of a societal emancipation process, which was primarily influenced by the need for a new self-definition after the German reunification, new security realities of the post-bipolar world as well as the disastrous experiences of the civil wars in Bosnia and Kosovo and the related discussion on a "responsibility to protect". However, the current debate about Afghanistan makes it clear that the past years have not yet completely changed the German political culture of reticence and German security policy is still marked by "casualty avoidance". Furthermore, the systematic trivialization of mission reports and unrealistic "success stories" of Germany's international assignments by the Federal Government are admissible evidence, that even today the political elite does not trust in reliability of the German public when it comes to military operations. Over the last years, this situation has led to a yawning gap between the public expectation in the effect of international assignments and the real limited prospects of the Bundeswehr. Due to the fact, that "Germany's political and military engagement in the reconstruction process of Afghanistan has obviously reached a critical phase"<sup>761</sup> and the security situation is growing more acute day-by-day, a pacifist roll back has become imaginable again, if the international failure in Afghanistan (but also in Kosovo and other areas of intervention) become obvious to the brought public, too.

## Greece

Security matters are very high at the public agenda in Greece, due to historical reasons, to the overall Balkan instability that runs now for the better part of two decades and – last, but by no means least! – to the ever-present Greek/Turkish tensions.<sup>762</sup> The increasing role to be assumed by the EU in security matters

has been steadily welcomed both by Greek public opinion (voicing positive feelings about an intensified CFSP and ESDP with majorities higher than 70% in successive Eurobarometers) and by the Greek political system (that has made increased security-and-defence role of the EU a main element of the institutional reform wish-list for Greece, both under the earlier PASOK/Socialist and the present ND/Conservative Governments). Greece has participated in European missions in South-Eastern Europe, albeit with reservations due to the pro-Serb leanings of public opinion and to the ever-present thorn of the FYRoM; it has viewed positively perspectives of a European security element in Middle-East initiatives; it supports the shift to a European role in the final status of Kosovo to-be-agreed.

Over and above such positions, which for instance dictate a positive Greek reading of the "Berlin Plus" agreement that would allow for closer EU-NATO co-operation (currently blocked by the Turkish reading due to the Cyprus issue), there exists a permanent Greek expectation for "Europe" to serve as a protective shield over one of its members in the (perceived) security threat of (major regional player) neighbouring Turkey. The fact that a détente climate is being cultivated between Athens and Ankara for more than a decade, to the point of having Greece self-enlisted as a major and steady supporter of Turkish full accession to the EU (though with waning public opinion support...), has not been enough to change deeply-rooted concerns and reflexes. Nor has the practice of close contacts between Greek and Turkish Chiefs-of-Staff, which is considered at least part-successful in containing tensions over the Aegean.

A last point: the hopes and efforts of Greece to use its own EU participation and its neighbours' EU candidacy card as a conflict-resolution mechanism has not wiped out the memory of Europe's absence (compared to the America's role of catalyst) in the major Greek-Turkish incident over the Imia islets in the South-East Aegean, that brought the two countries to the brink of a flare-out.

<sup>761</sup> Marco Overhaus: More of the Same! Berlin's New Strategy for Afghanistan, in: Foreign Policy in Focus No. 334, September 13, 2007.

<sup>762</sup> General information about Greek politics: Prime Minister of the Hellenic Republic, official homepage available at: [http://www.primeminister.gr/index.php?option=com\\_content&task=view&id=4762&Itemid=89](http://www.primeminister.gr/index.php?option=com_content&task=view&id=4762&Itemid=89) (last access: 03.09.2007); Ministry of Foreign Affairs, official homepage available at: <http://www.ypex.gov.gr/www.mfa.gr/el-GR/> (last access: 03.09.2007); Hellenic Parliament, official homepage available at: <http://www.parliament.gr/english/default.asp> (last access: 04.09.2007); general news on Greek politics available at: <http://www.politicsgr.com/> (last access: 05.09.2007) and <http://noitikiantistasis.com/wordpress/> (last access: 05.09.2007).

## Hungary

Hungary has been in an ambivalent position regarding its participation in foreign military and peacekeeping operations.<sup>763</sup> Although Hungarian troops have been actively taking part in crisis management and conflict resolution, the country's role in international operations regularly remains limited. This is partly due to relative military weakness and lack of capacities, as well as to a general unwillingness of the public and as a result, of the political elite, to take the risk of military losses. However, there has been a gradual development in this sense, as for decades the most typical involvement forms by Hungary included sanitary contingents, small rescue teams, reconstruction groups or civilian crisis management teams. During the cold war, Hungary took part in major UN peacekeeping missions in the aforementioned capacities, and in the 1990s, for example under the Partnership for Peace program this risk-minimising approach was still noticeable.<sup>764</sup> Recently Hungary has increasingly taken on tasks involving greater risks, such as logistics, police training or even check point control or reconstruction work in highly dangerous areas. This change became most obvious during the Hungarian participation in Iraq and especially in Afghanistan, where since October 2006 Hungarians have been directing a provincial reconstruction team (PRT).<sup>765</sup>

Still, Budapest has been criticised in the past few years (especially since gaining NATO membership) for the moderate activity in peacekeeping and crisis management missions. When analysing this situation, one has to admit that the heritage of the past has put a double burden on the Hungarian defence forces compared to the old member states. First, the country's relative size and lack of resources set the limits to its military potential. Second, there has been a constant push for military reforms since the transition period which has been fuelled by the lack of up-to-date technology and compatibility with NATO

forces. Nevertheless, Hungary has always tried to make up for its relative lack of capacities by emphasising further non-quantitative strengths such as sound preparedness, proper timing, creative initiatives, geographical position or better understanding of the partners. However, as the Balkan missions have pointed out, Hungary could not yet make full use of these comparative advantages. On the other hand, Hungary has lost its privileged geo-strategic position of a „detached island” as a result of the NATO and EU enlargements while at the same time gaining more influence and more responsibility as an EU member.

These challenges are reflected and partly answered by the new Hungarian foreign policy and EU strategies. It seems that the Hungarian political elite has finally realised the necessity for a forward looking and proactive foreign policy and rearticulate the national political priorities. As the first focus of the CFSP is the neighbourhood of the EU, Hungary can take a more active role in the future as a result of its geographical position. Three years after the accession, Budapest has also concluded that in the EU framework national interests can be more effectively promoted by forming coalitions, first of all with the natural partners, the Visegrad countries. The strategic documents also provide some perspectives on the political discourse that has been shaping Hungarian foreign policy since the 1990s: the question of Atlanticism vs. European orientation. Obviously, Hungary wants to closely cooperate both with NATO (and thus, with the United States) and with the EU. However, this balancing role has not always paid off in the past – enough to mention the letter of eight EU member states concerning the war on Iraq and especially its political effects. As the origins of the problem (i.e. the question of use of armed forces, the structure of the international system or the problem of power concentration) have not been solved, the division may appear again in the near future, putting a large pressure especially on the smaller new member states to take sides.

As far as Hungarian public opinion is concerned about the use of armed forces and Hungarian participation in international operations, Hungarians are generally supporting deeper political integration and a common foreign and security policy (although, similarly to other new member states support for a common defence policy is slightly higher

<sup>763</sup> The analytical answer given here was written by Judit Szilágyi and is mainly based on official documents of the Ministry of Foreign Affairs, available at: <http://www.kulugyminiszterium.hu> (last access: 13.08.2007) and the Ministry of Defence, available at: <http://www.honvedelem.hu/ministry> (last access: 13.08.2007).

<sup>764</sup> Dunay, Pál (2005): The Half-Hearted Transformation of the Hungarian Military. European Security Vol. 14, No. 1, pp.17-32, March 2005.

<sup>765</sup> Available at: [http://www.honvedelem.hu/honvedseg/missziok/afganisztan\\_prt](http://www.honvedelem.hu/honvedseg/missziok/afganisztan_prt) (last access: 13.08.2007).



than for a common foreign policy).<sup>766</sup> Still, if we compare the numbers with the result of the NATO referendum in 1997, which signalled a sound 85% support for accession, we can see that the issue of integration of defence forces or policies has lost a lot of its relevance to the Hungarian public.<sup>767</sup> This is partly due to the lack of information about the EU institutions as well as a general unawareness of Hungarian foreign activities. Interestingly enough, while Hungarian soldiers and defence forces are appraised in most parts of the world, national contribution to generally all foreign missions are perceived in Hungary in a slightly more negative way than abroad. The government is making efforts to communicate more effectively the results and successes of Hungary, such as participation in the humanitarian and peacekeeping missions or the contribution to the newly developed EU battle groups.

## Ireland

The European Union has provided Ireland with a platform to shape the international environment through the Common Foreign and Security Policy.<sup>768</sup> The essential objectives of the CFSP very much reflect Ireland's own values. It also provides Ireland with greater capacity to influence events within and outside the Union.

### *Ireland's Vision of Role of the Armed Forces*

Alongside support for the United Nations and international law, successive Irish governments have pursued a policy of military neutrality. Ireland has chosen not to enter into military alliances or a mutual defence pact with other countries. Indeed, the amendment of the Constitution in 2002 to allow for the ratification of the Nice Treaty precludes Ireland joining any

EU common defence unless the people decide otherwise.

Every dispatch of a contingent of the Defence Forces abroad – whether UN, EU or NATO led – is a sovereign decision of the Irish Government, and is subject to the requirements of the so-called 'triple-lock' of (i) Government decision, (ii) Dáil approval and (iii) UN authorisation. If the origins of Ireland's policy of military neutrality lie in its history as a state and in the particular circumstances of partition, it has evolved as a key feature of Ireland's foreign relations. It has acquired particular value for the Irish people as an expression of their ethical views on the use of military forces – that the deployment of military forces should be undertaken only within the framework of the UN Charter and with the approval of the United Nations itself.

Ireland articulates these principles and rights in its Constitution and legislation. Given its history as a small nation that fought against a larger one for its freedom, Ireland values the principles of democracy, the rule of international law, collective security and the universal application of human rights and recognises that a world which as far as possible is organised on these lines is in the interests of small countries in particular.

Ireland has traditionally supported the development of a European Security and Defence policy. While the Irish government wishes to play a full and active role in ensuring peace and security, it is constantly alert to ensure that Ireland's involvement with ESDP is consistent with its strong attachment to the United Nations, which is the cornerstone of our foreign and security policy and our traditional position of military neutrality.

As the Union's engagement with the wider world has grown, its soft power instruments for conflict prevention, crisis management and peace promotion activities have been complemented by increased civilian capabilities and the development of a more effective operational capacity of the EU to undertake peace-keeping and crisis management missions outside the territory of the Member States. As any expansion of the Petersberg tasks to include disarmament, military advice, conflict prevention and post conflict stabilisation is consistent with the principles of the UN, this is not problematic from an Irish perspective and the Irish people are aware that any decision to launch a

<sup>766</sup> Eurobarometer 66 National Report Autumn, 2006, available at: [http://ec.europa.eu/public\\_opinion/archives/eb/eb66/eb66\\_hu\\_nat.pdf](http://ec.europa.eu/public_opinion/archives/eb/eb66/eb66_hu_nat.pdf) (last access: 13.08.2007).

<sup>767</sup> Eurobarometer 2003.4 Public Opinion in the Acceding and Candidate Countries, available at: [http://ec.europa.eu/public\\_opinion/archives/cceb/2003/cceb2003.4\\_first\\_annexes.pdf](http://ec.europa.eu/public_opinion/archives/cceb/2003/cceb2003.4_first_annexes.pdf) (last access: 13.08.2007).

<sup>768</sup> General information about Irish politics: Government of Ireland website, available at: <http://www.irlgov.ie/> (last access: 03.09.2007); Department of Foreign Affairs website, available at: <http://www.dfa.ie/home/index.aspx> (last access: 03.09.2007), Houses of the Oireachtas website, available at: <http://www.oireachtas.ie/ViewDoc.asp?fn=/home.asp> (last access: 03.09.2007); general news on Irish politics available at: <http://www.politicsinireland.com/> (last access: 03.09.2007) and <http://www.irishnews.com/> (last access: 03.09.2007).



Petersberg task operation is for the Council, acting by unanimity. The Irish Police Force, an Garda Síochána, is also committed to EU civil-military cooperation and has deployed its members on several overseas missions.

Commensurate with our standing in the European Union and building on our strong traditions in UN peace-keeping, the Irish Department of Foreign Affairs seeks to ensure an active Irish participation in EU security structures, in particular, the developing civil and military crisis management capabilities. The EU Division in the Department of Foreign Affairs co-ordinates with other Departments, particularly Defence and Justice, Equality and Law Reform, with the aim of ensuring that Ireland plays an appropriate part in the range of ESDP crisis management and peace support operations, including through the development of EU Battlegroups. It also promotes conflict prevention as a core element in the ongoing development of the Union's capacities in crisis management and instructs the delegation of Ireland to the EU Political and Security Committee on the full range of issues arising in the ESDP. See Diagramme on the following page.

Ireland is not a member of NATO. The Department of Foreign Affairs, in co-ordination with the Department of Defence, manages Ireland's participation in the Euro-Atlantic Partnership Council and NATO's Partnership for Peace (NATO/PfP). The Division instructs the delegation of Ireland to NATO/PfP, who work closely with the other Western European non-militarily-aligned members, Austria, Finland, Sweden and Switzerland.

Ireland joined Partnership for Peace (PfP) in December 1999. Ireland's annual Individual Partnership Programme (IPP) focuses on the enhancement of skills and expertise in such areas as operational and generic planning for peacekeeping and peace support, communications, command and control, operational procedures and logistics. Ireland's sixth IPP, covering the period 2006-2007 was completed in consultation with the Departments of Foreign Affairs, Environment, Heritage and Local Government, Justice Equality and Law Reform, Health and Children, and Communications, Marine and Natural Resources. A central aim is to ensure that the Defence Forces continue to benefit in terms of interoperability with other nations on UN authorised peacekeeping operations.

### *On the European Defence Agency*

On 6 July 2004, the Irish government agreed that Ireland would participate in the framework of the EDA. Ireland's position on the tasks of the agency is that it should help to ensure that the defence forces of the EU Member States are properly equipped and suitably interoperable to carry out crisis management missions. Although Ireland is a member of the EDA and contributes to its budget, it reserves the right to decide on participation in specific projects for national decision on a case by case basis. Ireland has undertaken progressively to improve its capabilities so that its Defence Forces will be equally as effective as troops operating alongside them. The Government view is that although Ireland is neither a producer nor a large consumer of weapons, having a more cost effective and coordinated approach will lead to less wasteful defence expenditure in the EU.

According to the Irish Foreign Minister, Dermot Ahern: "the bottom line is that Ireland will play a full and active part in the Union's common security and defence policy. It will not assume any binding mutual defence commitment and will continue to take its own decisions on the deployment of troops and assets. It will also determine its participation in EU crisis management operation on a case by case basis, consistent with the Irish constitution and Irish law. Ireland can only take part in an EU common defence if the Irish people agree. It is the overwhelming wish of the majority of Irish people to play a full part in the EU's efforts to make a constructive contribution to international peace and stability".



Óglaigh na hÉireann

Department of Defence  
An tAire Cosanta

Forces personnel were serving in 15 different missions throughout the world. This is close to Ireland's total commitment of up to 850 personnel to the United Nations Standby Arrangements System (UNSAS).

Figure 4.1 below shows the mission categories in respect of all Defence Forces overseas deployment in 2006.

Figure 4.1  
Defence Forces overseas deployment categories



A total of 2,214 Defence Forces personnel served individual tours of duty overseas during 2006. Of this number a total of 2,075 served with the four troop missions:

• UNMIL	1,094
• KFOR	639
• UNIFIL	169
• EUFOR	173

TABLE 4.2 DEFENCE FORCES OVERSEAS STRENGTH - 2006

MISSION	01 JAN 2006	31 DEC 2006
<i>United Nations led Peace Keeping Operations</i>		
UNMIL (Liberia)	419	324
UNMIL FHQ	6	1
UNTSO (Middle East)	13	12
MINURSO (Western Sahara)	4	3
MONUC (Democratic Rep of Congo)	3	3
ONUCI (Cote d'Ivoire)	2	2
UNMIK (Kosovo)	4	4
UNIFIL	-	155
UNIFIL HQ (Lebanon)	6	7
UNNY (New York)	3	2
<b>TOTAL (UN)</b>	<b>460</b>	<b>513</b>
<i>European Union led Crisis Management Operations</i>		
EUFOR (Bosnia & Herzegovina)	55	60
EU SP to OP ALTHEA (Belgium)	1	1
EUFOR RD Congo	-	2
EUMM (The Balkans)	6	5
AMM (Aceh)	1	-
DITF (Sudan)	3	3
EUMS (Brussels)	5	7
ESDP (Brussels)	4	4
<b>TOTAL (EU)</b>	<b>75</b>	<b>82</b>
<i>NATO/ PfP led Peace Support Operations</i>		
KFOR (Kosovo)	201	203
KFOR HQ	12	12
ISAF (Afghanistan)	7	7
NATO/ PfP Staff (Belgium)	3	3
<b>TOTAL NATO/PfP</b>	<b>223</b>	<b>225</b>
<i>OSCE Led Operations</i>		
OSCE	8	8
<b>TOTAL (OSCE)</b>	<b>8</b>	<b>8</b>
<b>TOTAL PERSONNEL OVERSEAS</b>	<b>766</b>	<b>828</b>

### *Rapid Response and Battlegroups*

A significant achievement of the 2004 Irish EU Presidency was the agreement of the new headline goal 2010 under which member states committed to respond with rapid action applying a fully coherent approach to the whole spectrum of crisis management operations. A key element of that headline goal is the ability of the EU to deploy battlegroups (a rapid response element), in response to a crisis either as a stand-alone force or as an initial part of a larger operation enabling follow on phases.

The Irish government supports the development of the EU's rapid response capability in support of UN authorised missions and is positively disposed towards participation in rapid response elements in this regard. The government is well disposed towards the general concept of battle groups and recognises the need for a rapid response unit in the modern world. The word "battlegroup" is regarded as rather unfortunate in terms of presentation to the Irish public, as it does not adequately capture the nature of the operations which are mainly peace support operations.

### *The Nordic Battlegroup*

As of 1 January 2008, Ireland, together with Finland, Norway, Estonia and Sweden, will be on standby in the 2,500 strong Nordic Battlegroup. Ireland will contribute an 80 strong specialist force to the Group. It will involve an EOD contingent (Explosive Ordnance Disposal) and an IEDD contingent (Improvised Explosive Device Disposal), together with staff posts at the operational and force headquarters. An Irish team successfully completed MILEX 07, a training exercise held in Sweden in June 2007. Concerns had been voiced that participation in the Battlegroup would infringe upon the "Triple Lock" mechanism, whereby any overseas involvement by the Irish Defence Forces must be supported by a Resolution at the UN security Council and ratification by the Irish government and parliament. The Irish Minister for Defence, Willie O'Dea, moved to allay these concerns in May of last year, 2006: "There is no conflict between Ireland's participation in regional arrangements including EU battlegroups and our traditional policy of support for the UN. Participation in any EU operation remains a national sovereign decision, and our current policy on the 'triple

lock' will not be compromised by participating in battlegroups."<sup>769</sup>

### *Conflict Resolution*

In autumn 2006, a Crisis Resolution Unit (CRU) was set up by the Irish Minister for Foreign Affairs, Dermot Ahern. The unit is intended to facilitate the peaceful outcome of foreign conflicts and apply the lessons learned through the Northern Ireland peace process. An Irish Rapid Response Force (RRF) was established by the Minister in February 2007 "to deploy to world trouble spots to provide expert humanitarian assistance at short notice for specific periods of time".

These initiatives reflect the goals of the White Paper on Irish Foreign Policy (18 September 2006) with regard to conflict prevention:

- "We will set up a Rapid Response Initiative to enable Ireland to respond more effectively to sudden-onset emergencies. This Initiative includes the pre-positioning and transportation of humanitarian supplies to disaster areas and the drawing up of a roster of skilled individuals from the public and private sectors, including from the Defence Forces, for deployment at short notice to emergency situations.
- We will work to develop a distinctive role for Ireland in the areas of conflict prevention and resolution and peace building, drawing on our own experience and knowledge of conflict resolution and peace building. To this end, a dedicated Unit for Conflict Analysis and Resolution is being established in the Department of Foreign Affairs.
- We will establish a Hunger Task Force to examine the particular contribution Ireland can make to tackle the root causes of food insecurity, particularly in Africa.
- In addition, we aim is to expand and greatly assist the existing corps of Irish development volunteers serving throughout the developing world."

<sup>769</sup> The Irish Times, 12/05/06.

### *The UN*

A central tenet of Irish foreign policy is support for the multilateral system of collective security represented by the United Nations (UN). In this regard, Ireland has worked to uphold the primary role of the Security Council in the maintenance of international peace and security. This commitment has found expression in Ireland's longstanding tradition of participation in UN peacekeeping operations in which it has participated continuously since 1958, a service, which has comprised more than 55,000 individual tours of duty.

Ireland has offered, through the United Nations Standby Arrangements System (UNSAS), to provide up to 850 military personnel for overseas service at any one time. This figure equates to some 10% of Ireland's standing Army (excluding Reserves) and demonstrates Ireland's commitment to the cause of international peace. UNSAS is intended to enhance the United Nations capacity for rapid response to emergency situations.

The conditions under which the Defence Forces may participate on overseas peace support operations, which have been referred to as the "triple lock", must be satisfied, where the size of a Defence Forces contribution is more than twelve personnel.

Ireland is currently (as of Nov. 2006) contributing approximately 830 Defence Forces personnel to 19 different missions throughout the world. Our main overseas commitments at this time are to the United Nations Mission in Liberia (UNMIL) with 320 personnel, to the NATO-led International Security presence (KFOR) in Kosovo with 211 personnel, to the United Nations Interim Force in Lebanon (UNIFIL) to which 158 personnel were deployed in late October 2006 and to EUFOR, the EU-led operation in Bosnia and Herzegovina, with 59 personnel. Other personnel are serving as monitors and observers with the United Nations (UN), the European Union (EU) and the Organisation for Security and Cooperation in Europe (OSCE). Staff are also deployed at the organisational headquarters of the UN, EU, OSCE and NATO.

Ireland will complete its participation in UNMIL in May 2007 and in August, 2007 Ireland will take on the role of Framework Nation for the Multinational Task Force Centre in KFOR for a period of 12 months.

### *Participation in KFOR Kosovo*

Irish Brigadier General Gerry Hegarty has taken up his role as head of a multinational taskforce that is linked to Nato's Partnership for Peace mission in central Kosovo. A further 60 Army personnel are to be deployed, as Ireland succeeds Sweden as lead framework nation of the taskforce for the next year. Around 16,000 military personnel from 34 nations are stationed in Kosovo, some 220 of whom are Irish. Ireland has contributed troops to KFOR since its inception in 1999 to maintain peace in the troubled area following the break-up of Yugoslavia.

### *Non-Proliferation*

One key example of how Ireland has utilised the multilateral framework in pursuit of the common good is its engagement with the issue of nuclear weapons. Ireland has sought to address this global challenge since it first joined the United Nations in the 1950s. Frank Aiken, the then Minister for Foreign Affairs, introduced a resolution in the UN General Assembly that eventually led to the Nuclear Non-Proliferation Treaty (NPT) a decade later. It has become the most universal of all international instruments in the disarmament and non-proliferation area and remains the framework for further progress on this issue. Today Ireland is in the vanguard of efforts to reinvigorate the NPT.

Ireland has taken a similarly vigorous approach to the codification and implementation of human rights norms. We believe profoundly in their universality. They are central to our foreign policy. Ireland has ratified the six core United Nations human rights Conventions and regularly submits reports to the United Nations human rights mechanisms, on the measures undertaken to implement these Conventions.

In its engagement abroad, Irish foreign and security policy is driven by its belief in ethical foreign policy and that the international community must respond to humanitarian crises and political oppression and that in doing so we must invoke the universal standards of human rights.

### **Italy**

While Italians largely believe that Europe should increase its military power to defend its specific interests (about 71 %), only a small

percentage (about 13%) are in favour of increasing the defence budget. These numbers reveal a general misunderstanding of the process of European integration in the defence sector and a preference for free-riding.<sup>770</sup>

Italian public opinion is generally supportive of military interventions, even if there are pacifist trends that strongly oppose NATO and the military. A positive attitude towards the role of armed forces has been favoured by the constant participation of Italian soldiers in missions abroad and the significant role they played in various international operations.

Traditionally, Italian foreign policy has been pro-European and pro-NATO. Participation in missions with a UN mandate, in a multilateral framework and with a strong humanitarian component is widely supported, while the participation in multilateral operations outside the UN framework generally gather limited consensus in public opinion, political elite and military leadership.

The current government of Romano Prodi is supported by a heterogeneous coalition that is quite divided internally over foreign and security policy issues. This is confirmed by the controversy generated by the renewal of the funding for the participation of Italian forces to the ISAF mission in Afghanistan. In general, there is a difference in the views of the various parties in the coalition concerning the use of force: in particular, the Communist and the green parties are vocally anti-military and their attitude towards the use of force is very negative.

Italian military leadership has always had a positive attitude towards ESDP and NATO. Compatibility and interoperability between military forces is encouraged to guarantee participation to both initiatives. However, the constant reduction of defence budgets in Europe and the slow process of integration of the defence market have reinforced the transatlantic orientation of military and defence industry leaderships.

## Latvia

The Second World War taught Latvia two lessons:

- neutrality will not secure its existence as a state nor keep it from being an unwilling participant in military conflicts when its bigger neighbours are intent on war and conquest;
- if a country cannot defend its borders single-handedly, then being a member of a strong alliance could deter an aggressor and/or could be the source of assistance when needed.

Since reasserting its independence in 1991 from the Soviet Union, Latvia underwent an evolution that included stock-taking of itself, the world (which is constantly changing and where the different countries are inter-related and inter-dependent) and its own place in that world. Latvia recreated its democratic state with all the appropriate institutions, including a civilian-controlled army, a home guard and a border guard. This also meant a total reorganisation of the state security system and the police force. Rejecting the Soviet institutions and practices, Latvia looked to the NATO countries for role models and then created what best met its needs and capabilities. Latvia has had to reorient its political thinking to go beyond the borders of the nation-state, encompass not only Europe, but include also the other continents. It has had to branch out from the traditional concept of territorial defence for safeguarding its security to the contemporary, broad-ranging notions about security which are necessitated by the nature of contemporary threats and the global situation. Concomitantly Latvia has also been recasting its role in the global community.

With the lessons from World War II in mind, Latvia worked energetically to become a full-fledged member of the international community of democratic states. It joined the United Nations and the OSCE already in 1991. In 1994 former Soviet occupation troops departed for Russia. Ten years later Latvia was admitted into NATO and the European Union. Membership of the Union and the Alliance are considered as the essential pillars of Latvia's security. All this was achieved with hard work, tenacious diplomacy and the generous help of its partners and allies. A special role was played by the United States of America and the Nordic countries. Thus, all the while Latvia has also been recasting its identity.

<sup>770</sup> G. Gasparini, Italy and ESDP, in Klaus Brummer (ed.), The South and ESDP. Greece, Italy, Portugal and Spain, Gutersloh, March 2007, p. 21.



Latvians understand that today the threats confronting their country are wide-ranging and of vastly diverse provenance and that they could come just as easily from the other side of the globe as from the other side of the border. According to an annual public opinion poll commissioned by the Ministry of Defence and taken in December 2006, people tend to feel that their country's level of security is stable and satisfactory (42.9% believe that it has not changed over the past year, 33.9% feel that it has improved, while only 5.5% think that it has declined). They consider as the main security threats the following: economic crises – 43.8%, crime – 42.9%, spread of addiction to narcotics – 39.2%, disasters caused by nature or man – 38.4%, cut-off of energy resources – 22% (this question was asked for the first time), terrorism – 20.5%, strikes and riots – 11.3%, military attacks – 8.2%. What is interesting is that since 2004, people feel less and less threatened by terrorism, strikes and riots, or military attacks. At the same time, only 3.5% of the polled think that currently their country is not facing any realistic threat.<sup>771</sup>

Latvia's perception of its former overlords has changed significantly since 1991. Germany is a friend and an ally, while Russia is no longer an adversary to shun, but a very distinctive neighbour with whom pragmatic relations are both useful and essential, despite the fact that it has not become the democracy that Latvia had hoped for. Hence, Defence Minister Atis Slakteris does not rule out that in the future Latvian and Russian military forces could cooperate in the areas of mine search and environmental protection.<sup>772</sup>

As the Defence Ministry's opinion poll indicates, Latvia's security culture is based on a broad understanding of security and on the notion that security is founded on cooperation. Latvia believes that cooperation with others will allow it to maximise its own resources and to be able to gain and provide as much assistance as possible whenever and wherever it is needed. First of all, there is cooperation among the immediate neighbours. Thus, the cooperation that began in the late 1980s among Estonians, Latvians, and

Lithuanians in their drive for independence continues in a wide range of areas, including the armed forces (for example, rotating command, joint military education, and collective purchases of military equipment).

Then there is cooperation with the countries around the Baltic Sea, in Europe and North America. Concerning security, Riga's vision is regional, continental and transatlantic; American-European cooperation on security is a fact of life; for Latvia this was cemented by the Charter of Partnership among the United States of America and the Republic of Estonia, Republic of Latvia, and Republic of Lithuania was signed by the respective presidents in Washington on 16 January 1998.

If in 1991 Latvia was depended on friends for expertise and assistance in order to safeguard its sovereignty, then in 2007 Latvia is a provider expertise and assistance (both material and military) to other countries. Even before becoming a member of the EU and NATO, Latvia was taking part in international missions and contributing to peace-keeping and humanitarian efforts. Since 1996 Latvian armed forces and other specialists have been participating in international missions in the Balkans. Latvian soldiers went to Afghanistan in February 2003 and to Iraq in May 2003. In June most of the Latvian soldiers, having accomplished their international missions, returned home from Iraq, though a few military specialists remained. Subsequently Latvia has been beefing up its contingent in Afghanistan. Despite this progress, Latvia has not become self-sufficient. For example, Latvia still depends on its allies for air reconnaissance, which is performed on a rotational basis by NATO member states for all three Baltic States. The Estonian, Latvian and Lithuanian air forces are developing and cannot yet do these tasks. Naturally, Latvia wants to further develop its own security potential. Nonetheless, it has learned that in this day and age striving for complete self-sufficiency is unrealistic, even for large countries. Furthermore, Latvians understand that the military forces are not the sole guarantors of security. Other specialists are equally important in peace-keeping missions, such as policemen, medics and engineers. Realizing this, the country's security experts addressed the question of how to make the armed forces more effective so as to best meet Latvia's security needs now and in the foreseeable future. Among their recommendations was the discontinuation of the compulsory draft system

<sup>771</sup> [Latvijas sabiedrības viedoklis par valsts aizsardzības jautājumiem \(2006\) /Opinion of the Latvian Society about issues related to the defence of the country's defence \(2006\)](http://www.mod.gov.lv/Darbs%20ar%20sabiedribu/Sabiedribas%20attieksme/Latvijas%20sabiedribas%20viedoklis%20par%20valsts%20aizsardzibas%20jautajumiem%202006.aspx). See: <http://www.mod.gov.lv/Darbs%20ar%20sabiedribu/Sabiedribas%20attieksme/Latvijas%20sabiedribas%20viedoklis%20par%20valsts%20aizsardzibas%20jautajumiem%202006.aspx> (last access: 20.08.2007).

<sup>772</sup> BNS, 25 July 2007.

for composing the military forces. Thus, in line with the new defence concept, adopted by the parliament in November 2003, Latvia changed over in 2006 to professional armed forces, composed of men and women wishing to make military service their career. Since Latvia is a small country with limited resources, its defence planners felt that this was the best way to achieve a highly efficient, mobile and specialised force that is capable of meeting the country's most immediate needs both at home and abroad. The men and women are trained not only to carry out combat missions, but also to manage various crises and perform peacekeeping, humanitarian and rescue tasks. In 2007 some 6700 men and women are members of the military (consisting mostly of land forces, a small navy and a fledgling air force), but the total number in the National Armed Forces rises to almost 18.000 when the Home Guard is included. The latter are tasked for duties mostly in Latvia, such maintaining the country's safe and secure and coping with emergency situation.<sup>773</sup>

There is also the Border Guard (990 members plus 188 supporting personnel in 2006<sup>774</sup>) and the Police (nearly 900 persons worked in the State Police system in 2006<sup>775</sup>), but these are under the jurisdiction of the Ministry of Internal Affairs. They are instrumental in preparing for Latvia joining the Schengen agreement, presumably by the end of this year. Their scope of activity is predominantly in Latvia, but as the need arises they also cooperate with their colleagues in other countries and study and work abroad. From time to time they serve in international missions. For example, on July 31 two Latvian police officers departed for Afghanistan to assist the Afghan police force in the Maiman province. Their term of duty is until 31 January 2008.<sup>776</sup> In the near future Latvia plans to send its border guards both to Afghanistan and Kosovo to train the local

authorities to fight against the spread of narcotics.<sup>777</sup>

From this overview, it should be clear that Latvia fully supports the EU in raising its security profile as a global player and backing up intentions with the appropriate capabilities. At the same time, Latvia's contributions will, of necessity, be selective, owing to the limited manpower and resources available, the need to specialize in order to perform a useful service that others might not do as well, and to obligations toward its NATO allies and the UN.

## Lithuania

When Lithuania regained its independence in 1990, the armed forces had to be built from literally nothing – there were no ministry of defence, no equipment, no weapons, only Soviet legacy infrastructure. Lithuanian defence establishment has undergone three modes of defence planning: build-up from scratch, total defence, and currently, with the accession to NATO, the concept of total defence has been replaced with the concepts of collective defence and crisis response<sup>778</sup>.

Lithuanian armed forces have been participating in different international missions since 1994. Currently 134 Lithuanian soldiers serve in Afghanistan, 32 in Balkans and 61 in Iraq<sup>779</sup> (Lithuanian population is 3,4 millions and the country does not have big armed forces). Lithuania also leads a provincial reconstruction team in Gowhr province in Afghanistan. This is not only the biggest Lithuanian civil-military mission, but also one of the biggest Lithuanian obligations for the international society. As Lithuanian President Valdas Adamkus, who is the Head of Lithuanian armed forces, claims, Lithuanian soldiers are highly appreciated in the international missions<sup>780</sup>.

<sup>773</sup> This information comes from [NBS vidējā termiņa attīstības plāns no 2005. līdz 2008.gadam \(Development Plan of the National Armed Forces from 2005 to 2008\)](#), available at:

[http://www.mod.gov.lv/upload/aimpl\\_270405.doc](http://www.mod.gov.lv/upload/aimpl_270405.doc) (last access: 20.08.2007).

<sup>774</sup> See the Annual Report of the Latvian Border Guard (2006) at the internet site of Latvia's Ministry of Internal Affairs, available at: [http://www.rs.gov.lv/doc\\_upl/vrspublparsk\\_2006w.pdf](http://www.rs.gov.lv/doc_upl/vrspublparsk_2006w.pdf) (last access: 20.08.2007).

<sup>775</sup> See the Annual Report of the Latvian State Policy Force (2006) at the internet site of Latvia's Ministry of Internal Affairs, available at:

[http://fish.vp.gov.lv/material/publ\\_parskats\\_2006.doc](http://fish.vp.gov.lv/material/publ_parskats_2006.doc) (last access: 20.08.2007).

<sup>776</sup> BNS, 24 July 2007.

<sup>777</sup> BNS, 19 July 2007.

<sup>778</sup> A speech by the Undersecretary of Ministry of Defense Renatas Norkus "Defense Transformation: A Lithuanian Perspective", April 11, 2006, available at:

<http://www.marshallcenter.org/site-graphic/lang-en/page-mc-index-1/xdocs/conf/conferences-current/static/xdocs/conf/2006-conferences/0603/Norkus-en.pdf> (last access: 20.08.2007).

<sup>779</sup> Lietuva supras, kad NATO - mūsų bendras saugumas (Lithuania will understand that NATO is our common security), Newspaper "Lietuvos žinios", March 29, 2007.

<sup>780</sup> A speech by the Lithuanian President Valdas Adamkus dedicated at commemorating army day, November 22, 2006, available at: <http://www.president.lt/lt/news.full/7286> (last access: 20.08.2007).

The Lithuanian security community finds Lithuanian participation in different international missions very valuable, as it is a good way to gain experience and to achieve a more important role on the international arena. As the former Minister of Defence Linas Linkevičius told, although Lithuania is not so rich as Germany or France, it can enhance its role on the international arena by participating in peacekeeping missions<sup>781</sup>.

The need of Lithuanian participation in the international mission is not recognized by everybody and sometimes becomes an object of active discussions. There are critics who claim that by participating in the international missions the money from the Lithuanian budget are wasted for other things than guaranteeing the national security. As the highest officials of the security community assert, such a way of thinking is a reflection of the false and dangerous conception of the realities of today. Our security is no longer only a national matter, the boundaries of our security start far from the borders of our state, emphasizes the former Minister of Defense<sup>782</sup>. Several months after entering NATO the Lithuanian President Valdas Adamkus said that a time has come for our society to understand that Lithuanian defence is not only the defence of Lithuanian borders, it is also the peacekeeping missions<sup>783</sup>.

What concerns the vision of the armed forces in our society, armed forces are one of the most trusted institutions in Lithuania as the opinion polls demonstrate. Only "Sodra" (State Social Insurance Fund Board) and the Church are more trusted in Lithuania than armed forces. Armed forces are trusted more than such institutions as the banks, the media, the central government, the President, the parliament, etc. According to the survey conducted by "Vilmorus", over 50 percent of inhabitants have been trusting the Lithuanian army for the last 4 years while the number of those who do not trust the armed forces has

been about 10 percent<sup>784</sup>. In June 2007, 58,3 percent of population trusted while 9,7 percent distrusted Lithuanian armed forces<sup>785</sup>.

## Luxembourg

Ever since its birth as a nation Luxembourg had a very strong pacifist tradition. Compulsory military service was never popular in this tiny country since the French revolutionary troops occupied it and introduced the unpopular conscription. Instead a very small corps of volunteers was created in the early 19<sup>th</sup> century to prepare young men for police, customs and other low rank careers in civil service. The fortress of Luxembourg City, also called the "Gibraltar of the north", was always occupied by foreign troops (Spanish, French, Austrian, Prussian). The London treaty of 1867 ordered the dismantling of the fortress, reaffirmed Luxembourg's independence and everlasting neutrality, insisted on the "disarmed character" of the neutrality status. Being attacked and occupied during two world wars by its German neighbour, the tradition of neutrality lost its appeal in the tiny Grand-Duchy. Luxembourg changed its constitution in 1948 to become a founding member of NATO in 1949.

The patriotic mood of the immediate aftermath of the Second World War permitted the creation of a Luxembourg army based on compulsory military service. This new army participated in the occupation of Germany and was integrated in the NATO Cold War strategy. Luxembourg volunteers participated in the Korea War. Right from the beginning the mere existence of this unpopular "army" was the object of a fierce political battle. Internal rivalries among a too large officer's corps did the rest to ruin the popularity of the army in the public opinion. Christian democrat politicians invoked Luxembourg's obligations towards its allies demands to defend the mere existence of the 3000 troops strong "army" against the furious attacks of liberal, socialist and communist youth movements. Finally in 1967 it was a young Christian democrat, a trade unionist and parliamentarian who proposed the transformation of the unpopular conscription army into a volunteer force. Hence the army

<sup>781</sup> Atstatant Afganistano provinciją turi dalyvauti visa Lietuva, tvirtina V. Stankevičius (Whole Lithuanian has to participate in reconstruction of Afghanistan province, claims V. Stankevičius), News agency ELTA, March 18, 2005, available at: <http://nato.lt/nauienos/?nauiena=448> (last access: 20.08.2007).

<sup>782</sup> A speech by the Minister of Defense Linas Linkevičius, delivered during the round table discussion "The security of Northern Eastern Europe after the double enlargement of 2004: the end of a story?", June 7, 2004.

<sup>783</sup> A speech by Lithuanian President Valdas Adamkus dedicated to commemorating the 10<sup>th</sup> anniversary of the participation of Lithuanian soldiers in the international missions, August 19, 2004.

<sup>784</sup> Opinion poll on the trust in the Lithuanian armed forces, Vilmorus", available at:

<http://www.kam.lt/kariuomene/istorija/> (last access: 20.08.2007).

<sup>785</sup> Opinion poll on the trust in the Lithuanian institutions, "Vilmorus", Newspaper "Lietuvos rytas", June 16, 2007, p. 2.

has been an all-volunteer force since 1967. Nobody really regretted this step and the army was no more an object of public debate.

The decision to give up the conscription army did not mean that Luxembourg's governments limited their defence expenditures. During the Cold War time Luxembourg had to fulfil its NATO commitments with less manpower. After the fall of the Berlin wall there was no real peace pay off as the defence budget soared from the nineties up to now. In 2006 one Luxembourg military costs the taxpayer 293,333 \$: this is the highest cost in all EU member states. Luxembourg government spends 564 \$ per inhabitant on defence, which is more than France, Germany and the United Kingdom spend per capita<sup>786</sup>.

Since the end of the Cold War Luxembourg army has been called to participate in various military peacekeeping operations in spite of its tiny size. Starting out in 1992 from the participation in the Bosnia UNPROFOR mission 789 Luxembourg were on foreign duty so far. Soldiers of grand-ducal army serve presently in Afghanistan, Kosovo, Lebanon, Congo or even Cambodia. Luxembourg has participated in the Euro corps since 1994<sup>787</sup>. The Luxembourg army is integrated into the multinational Beluga Force under Belgian command. Luxembourg troops have also deployed to Afghanistan to support ISAF. Luxembourg has financially supported international peacekeeping missions during the 1991 Gulf War, in Rwanda and, more recently in Albania. The army also has participated in humanitarian relief missions such as setting up refugee camps for Kurds and providing emergency supplies to Albania. As Luxembourg's forces are too small to send an independent expeditionary force they choose to cooperate with Belgian or French Army units. The Luxembourg "army" has a current strength of approximately 450 professional soldiers, about 340 enlisted recruits and 100 civilians, and a total budget of \$120 million. The Luxembourg army has less than half the size of Malta's armed forces with an almost similar number of inhabitants. On the other hand Luxembourg spends 264 millions \$, meaning 0,76 % of its GIP, whereas Malta spends 49 million \$ or 0,97 % of its GIP on defence expenditures.<sup>788</sup> Luxembourg has no

navy and no air force so far. Nevertheless all of NATO's 17 E-3 AWACS planes are officially registered as aircraft of Luxembourg. They are based in Geilenkirchen, Germany. Luxembourg has ordered together with its allies one Airbus transport carrier, military version.

Of course the presence of Luxembourg soldiers on foreign conflict theatres is a symbolic one. Contingents sent abroad do not exceed 100 men this may nevertheless constitute more than 25% of the total contingent ready for combat (400 troops). In January 2007 Luxembourg defence minister Jean-Louis Schiltz proposed an army reform project to cope with the difficulties to find enough volunteers for the foreign missions Luxembourg politicians had pledged support. Luxembourg already opened its army for citizens of EU member states living in Luxembourg under certain conditions<sup>789</sup>. As Luxembourg is a strong supporter of the European common foreign and security policy it has to send a contingent of its own to these mission even if it's a symbolic one. The participation of Luxembourg in peacekeeping missions is not contested by any party being represented in the Parliament.<sup>790</sup> The Communist party regrets that the hike of military expenditure goes together with social dumping<sup>791</sup>. The new legislation introduced in January 2007 facilitates the participation of the Luxembourg army in international operation and improves the education of the recruits.<sup>792</sup>

Luxembourg government, political opposition and public opinion are very sceptical about the installation of an anti missile system in Central Europe like it is praised by the American president George W. Bush.<sup>793</sup> Conservative media like the catholic "Luxemburger Wort" do have some comprehension for the American position.<sup>794</sup> As Russian president Putin paid a visit to Luxembourg in May 2007 he stressed again his opposition against the NATO plans. Prime Minister J.C. Juncker did not openly

<sup>786</sup> Pascal Boniface: L'année stratégique 2007. Analyse et enjeux internationaux, Paris 2006.

<sup>787</sup> LW 18.01.2007. Klein aber fein.

<sup>788</sup> Pascal Boniface: L'année stratégique 2007. Analyse et enjeux internationaux, Paris 2006.

<sup>789</sup> Luxembourg residents, citizens of an EU member state must have lived in Luxembourg for at least 36 months can join the Luxembourg army, available at: [www.armee.lu](http://www.armee.lu) (last access : 07.08.2007).

<sup>790</sup> Only the Communist party of Luxembourg and the "Left", a reformist splinter communist party, do not agree with the other democratic Luxembourgish parties to send a contingent of the grand-ducal army to Afghanistan.

<sup>791</sup> „Zeitung vom letzeburger Vollek“ 28.06.2007. Einerseits Rekordaufrüstung andererseits Sozialabbau.

<sup>792</sup> „Le Jeudi“ 18.01.2007. Réforme de l'armée luxembourgeoise en deux volets.

<sup>793</sup> „Tageblatt“ 01.06.2007. Diese Raketen braucht keiner.

<sup>794</sup> LW 30.03.2007. Raketenschild nicht gegen Moskau.



oppose the Russian position on this point but insisted more on the necessity of the continuation of EU - Russian dialogue and on Human rights<sup>795</sup>.

## Malta

The Government of Malta has been consistently advocating that the EU should play a more prolific role in the Mediterranean area including in Africa.<sup>796</sup> In particular the Government has advocated the establishment of a mechanism that would allow for more frequent and intimate Euro-Arab relations with regular meetings taking place between the European Commission, EU Council and European Parliament and the League of Arab States.

The general sentiment in Malta is also that the EU should seek to become a more relevant player (by matching its economic clout in the Middle East with an equivalent role at a political level through diplomacy) in the Israeli-Palestinian conflict and Middle Eastern affairs in general.

All sectors in Malta are expecting the EU to play a more direct role when it comes to managing the security challenge of illegal immigration. Regular interaction with the EU institutions and direct interaction with FRONTEX have yet to deliver the type of support Malta is expecting as a member of the EU.

## Netherlands

With respect to international security policy, the Netherlands has traditionally been an active contributor. The current Dutch government stated in its coalition agreement that it will

adjust its security policy to the situation in the world with a focus on peace keeping missions, the fight against terrorism, conflict prevention and reconstruction.<sup>797</sup> The Netherlands will continue to plea for an integral agreement in the conflict between Israel and the Palestinians. With its partners in the UN and the EU, but also bilaterally, the government announced to strive for a policy that contributes to peace and stability in the entire region.

Currently, around 2000 Dutch troops take part in the ISAF mission in Afghanistan. The decision to take on the mission has not been without friction with ardent debates held in parliament in the first half of 2006. The strongest criticism came from the Socialist Party (SP), which accused Defence Minister Kamp of entering a 'dirty war'. The SP, the Green Left (GroenLinks) and liberal democrats (D66, one of the ruling parties at that time) voted against Dutch participation in the mission in parliament. Public opinion polls show a relatively stable overview with more people being in favour of the mission than opposed to it.<sup>798</sup>

The current debate is dominated by whether the mission should be extended and if so under which conditions.<sup>799</sup> Over time the situation seems not to have improved with Dutch soldiers increasingly being attacked by Taliban militants and fewer possibilities for reconstruction of the country than originally anticipated. It is furthermore far from sure whether the Dutch army is able to keep up the current efforts in terms of staff numbers and material, leading to pleas for an extended mission at least to be smaller in size and tasks. Decisions on military missions abroad tend to be politically sensitive by definition since the Srebrenica enclave in former Yugoslavia fell when being under Dutch protection in 1995.

In addition to the mission in Afghanistan the Netherlands operates smaller missions in Lebanon and Bosnia, and contributes small number of soldiers to projects in Congo and

<sup>795</sup> „Zeitung vom letzebuerger Vollek“ 25.05.2007. Präsident Putin in Luxemburg. Volle Agenda, viel Übereinstimmung nur leichte Dissonanzen. P.S. Up to now no American president ever visited the Grand-Duchy of Luxembourg

<sup>796</sup> General information about Maltese politics: Government of Malta, official homepage available at: <http://www.gov.mt/index.asp?l=2> (last access: 03.09.2007); Office of the Prime Minister, official homepage available at: <http://www.gov.mt/frame.asp?l=2&url=http://www.opm.gov.mt/> (last access: 03.09.2007); Maltese Parliament, official homepage available at: <http://www.parliament.gov.mt/> (last access: 03.09.2007); general news on Maltese politics available at: <http://www.timesofmalta.com/core/index.php> (last access: 03.09.2007) and [http://www.aboutmalta.com/GOVERNMENT\\_and\\_POLITICAL/POLITICAL\\_PARTIES/](http://www.aboutmalta.com/GOVERNMENT_and_POLITICAL/POLITICAL_PARTIES/) (last access: 03.09.2007).

<sup>797</sup> Coalition Agreement between the parliamentary parties of the Christian Democratic Alliance (CDA), Labour Party (PvdA) and Christian Union (CU), 7 February 2007.

<sup>798</sup> Monitor Steun en Draagvlak, Publieke Opinie Missie Uruzgan, Ministry of Defence, May 2007.

<sup>799</sup> De Nederlandse militaire missie in Uruzgan: voorwaarden voor verlengen of niet verlengen, Policy Brief, Clingendael Security and Conflict Programme, 5 July 2007.



Iraq.<sup>800</sup> In the period 2003-2005 the Netherlands operated a military mission of about 1300 troops in Iraq.

The Netherlands is a staunch supporter of NATO, which is currently headed by the Dutch national Jaap de Hoop Scheffer. It supports a strengthening of European Security and Defence Policy (ESDP), as long as it does not undermine NATO or leads to a separation in an American and European subsection of this organisation.<sup>801</sup> In the first half of 2007 the Netherlands contributed to a 1500 soldiers large EU battle group jointly with Germany and Finland. In 2010 a battle group will be formed together with the UK, followed in 2011 by another one, again jointly with Germany and Finland.<sup>802</sup>

## Poland

Poland is a country with a strong military tradition. Pacifist movements are weak and do not influence strategic decisions of the government. Government has been and still is relatively free to take the decision to send troops abroad. It is limited rather by military capabilities (too many missions) than by the public pressure. Both the present and the previous government see sending troops as one of the main tool of Poland's political position building. To be net security provider is one of the most clearly stated aims of the Polish foreign policy.

The majority of Poles thinks it is NATO as a whole, and the US in particular, who are the main security guarantee in Europe. Polish soldiers take part in SFOR and KFOR missions in former Yugoslavia, in NATO mission in Afghanistan, and in the US lead operation in Iraq. What differs Polish public opinion from the majority of the "old" member states' one is that Poles are generally not afraid of the military power of the allies of Poland or of their will to use it. Poland has rather bad experience of the allies who could not or did not want to act. The presence of Russia and China in the UN Security Council as permanent members enjoying veto power renders any idea of subordination NATO, EU or ad hoc coalitions of democratic states' operations to the UN

impractical and morally questionable in the Polish public opinion eyes. This results in general positive attitude towards American role in the world, however, the support for Iraqi and Afghani missions, in which Polish soldiers participate in, is diminishing. On the other hand the participation of 120 Polish Military Police officers in the EU mission in Congo has not been noticed by the public whatsoever. The growing lack of political support for engaging more troops abroad has, however, no political importance in the electoral dimension. The number of citizens who will decide on their voting based on Polish engagement in military operations abroad in the next election is negligible.

As far as experts are concerned the engagement of Polish troops in both the EU and NATO or in the ad hoc coalition's operations abroad is perceived as necessary for the credibility of Poland as a good ally and for prestige building of the Polish Army, which, however, is not extremely large, but is still real tool for military operations. In first three months of 2006, Polish fighter squadrons took responsibility for the NATO Air Policing Mission in the Baltic States and no violation of Baltic States' air space by Russian military planes, which were previously quite common, occurred in those months.

Polish government and the majority of experts support the deployment of the elements of American anti-missile system in Poland. The issue is politically negligible as far as the struggle for electoral support is concerned. The hardest opponents – PSL (Polskie Stronnictwo Ludowe – Polish Peasant Party) has ca. 3% support in the polls. The others – Samoobrona (Selfdefence – ca. 10%) and LPR (Liga Polskich Rodzin – the League of Polish Families – ca.2%) as governmental coalition members were forced to accept, however reluctantly, the position of the main governmental party – PiS (Prawo i Sprawiedliwość – ca. 25-30%). The process of LPR and Samoobrona political marginalisation is going on. Two main parties – governmental PiS and oppositional PO (Platforma Obywatelska – Citizens Platform – ca. 30%) generally support the project. SLD – post-communists – second large oppositional party (ca. 10%) due to historical reasons, cannot make the question of anti-missile system the political banner of their political campaign since any demonstration of solidarity with the Russian protests against the American initiative would put post-communist in a very

<sup>800</sup> See for an overview:

<http://www.mindef.nl/missies/index.aspx> (last access: 13.08.2007).

<sup>801</sup> Speech by Minister of Defence E. van Middelkoop at the 2007 Defence Leaders Forum, 23 April 2007.

<sup>802</sup> "Het defensiebeleid op hoofdlijnen", letter to parliament, 2 July 2007.

difficult moral position, being as they are former soviet collaborators.

The intensive co-operation with Ukraine, Lithuania, Latvia, (SFOR and KFOR Missions) and with the same countries plus Denmark, Slovakia, Hungary, Romania, Bulgaria and Mongolia (in Iraq) brought good experience and strengthened regional ties with Polish neighbours especially with Lithuania and Ukraine which is perceived as an important political gain.

In 2003, 17 Polish soldiers participate in the EU mission Concordia in Macedonia. 275 Polish soldiers are still engaged in Althea operation in Bosnia-Herzegovina where they serve in a common manoeuvre battalion with Portuguese and Turkish units. Polish officers serve in EUFOR headquarter in Sarajevo too. Warsaw offered as well its support for the EU assistance mission for the African Union operation AMIS II in Darfur. Poland is going to build up a common battle group with Germany, Slovakia, Lithuania and Latvia for EU operations by 2010. Poland is a member state of European Armament Agency since it has come into being in 2004. The government and the president support the development of the EU military capacity, provided it will lead to the strengthening of the transatlantic ties and will help to solve the US-EU security burden sharing problem.

## Portugal

Portugal is an old European state. It was the first and most enduring European colonial empire. Its strategic culture reflects that, even if it has naturally been evolving, not least because of EU membership. The Portuguese Armed Forces are generally seen as able to compensate the relative scarcity of men and means through their professionalism and experience, projecting a positive image internally and of the country abroad. For a long time continental Europe tended to be perceived as source of potential threats, not as a provider of security. Perceptions have changed slowly in this respect. An acute awareness of the political and human costs of military intervention overseas created a strong preference for a clear internationally legitimated mandate, for peacekeeping over peace-enforcement or more classical combat roles. Portugal has been a keen participant in peacekeeping, and even increasingly in peace-enforcement missions, since 1991. The overall

balance is generally seen as positive. Portuguese security culture increasingly reflects these more Europeanized and peacekeeping oriented preferences.

### *A Triangular Security Culture*

In analysing Portuguese security culture – here understood in the sense of basic assumptions ‘about the role of war in human affairs’ as well as ‘the nature of the adversary and the threat it poses’ and ‘about the efficacy of the use of force’ in international affairs<sup>803</sup> – it is important to point out that Portugal was the most long-lasting European colonial empire and that it has a very extensive and potentially vulnerable Atlantic coastline. The first Portuguese possession overseas was occupied by a military expedition to the North of Morocco (Ceuta) in 1415. The last Portuguese military garrison withdrew, on 20 November 1975, from the Fort of Saint Paul in Luanda. If we except the very small Portuguese security forces in the miniscule Portuguese-ruled enclave of Macao, in Southern China, which was returned to the Chinese government in 1999. Portugal security culture has often been presented as a triangle. The vertices are: Europe and EU; the United States and NATO; the former Portuguese colonies and CPLP (Community of Portuguese Speaking Countries). The triangular image is still pertinent today, but with significant changes in the importance of these vertices.

Portuguese elites, in effect, long saw their overseas possessions in the Atlantic and elsewhere as a source of security and strength. After the seventeenth century Portugal lost the status of dominant maritime power in the Atlantic. After that it became a key preference in Portuguese strategic culture to seek security for its territory and its empire by building a strong alliance with successive major Atlantic powers. For centuries this was Britain, then, after 1945, it was the USA. These “Atlantic alliances” provided a crucial security guarantee both against direct attack coming from the sea, or indeed from Spain or other continental European powers, or from any threat targeting Portuguese colonies overseas.

It is this preference that explains Portugal’s acceptance of the invitation to become a

<sup>803</sup> Alistair I. Johnston, ‘Thinking About Strategic Culture’, *International Security*, Vol. 19, No. 4 (Spring 1995), p. 46. See also Peter Katzenstein (ed.), *The Culture of National Security: Norms and Identity in World Politics*. (New York: Columbia, 1996).

founding member of NATO, in 1949, despite the democratic leanings of its Charter, at the urgings of London and Washington. The latter wanted to ensure access to Portuguese bases and ports in the the Azores, and in effect control of the central Atlantic area around those islands.<sup>804</sup> Strong links of military cooperation with the US have remained, even when European economic integration became a national priority. Strong security cooperation has also been developed with the former Portuguese colonies.

For decades, and even when – after 1960, through membership of EFTA, , and then, after 1972, through a commercial treaty and in 1972, and accession in 1986, to the EEC/EU – in the international political economy dimension, Europe already dominated Portuguese external relations, in the realm of security and defence things were different. In matters of security it was the overseas element – not least with the wars of decolonization taking place simultaneously in Angola, Mozambique and Guinea-Bissau (1961-1975) – and the Atlantic dimension – through NATO – that dominated the picture. European integration was about economics, NATO was about defence. Especially for a small country with limited resources and therefore heavily reliant on military cooperation with the US for modernising its Armed Forces any hint of competition between NATO and the EU was rejected as unpractical. It also clashed with a well-established and little questioned Atlanticist preference deeply engrained in Portuguese strategic culture. This is still clear in the 2003 Portuguese National Strategic Concept–signed by then Prime Minister José Manuel Barroso – and still in force. It makes clear how proud Portugal is of its role as a founding member of NATO. This ‘Euro-Atlantic’ alliance is the key to national security, and therefore cherishing good relations between Europe and the US in the security field is seen as a major concern. Duplication of efforts in a competition between NATO and the ESDP is explicitly rejected. The ESDP is welcomed, but as an enhanced more autonomous European contribution to this broader Atlantic security framework.<sup>805</sup>

<sup>804</sup> António Telo, *Portugal e a NATO : O Reencontro da Tradição Atlântica*. (Lisboa : Cosmos, 1996); J. Calvet de Magalhães et. al., *Portugal : An Atlantic Paradox. Portuguese-US Relations after the EC Enlargement*. (Lisbon : IEEI, 1990).

<sup>805</sup> Portugal-Governo, *Conceito Estratégico de Defesa Nacional*, (20.03.2003) in <http://www.portugal.gov.pt/Portal/> (14.08.2007).

These Atlanticist preferences of Portuguese strategic culture clearly determined the negotiation position of the Lisbon government regarding ESDP. Initially rejecting it, and eventually accepting it, but only with clear and explicit guarantees that it will complement not compete with NATO or the alliance with the US.<sup>806</sup>

### *Continental Europe, from Threat to Security Provider*

Portuguese security culture consolidated for centuries a strong inclination towards not getting involved in European conflicts. Europe was the potential source of major threats to Portuguese security. The Peninsular War after the Napoleonic invasion in the early nineteenth century and the First World War in the early twentieth century were for Portugal Pyrrhic victories that reinforced that perception. It was overseas that Portugal could play a major role and find a source of national strength. This was very much the argument used by Salazar and his regime. But it was still shared by many in the more traditional nationalistic Republican wing of the opposition to him and his regime as late as the 1960s.<sup>807</sup>

Yet NATO membership was, as paradoxical as this might seem, also a key facilitator of a slow but still very significant Europeanization process. The Portuguese political, diplomatic and military elite has long seen alliances as a key to Portuguese security. Therefore Portuguese decision-makers, senior diplomats, and top military officers, were socialised for decades in joint military cooperation efforts with other European partners for decades in the context of the Atlantic Alliance. For a long time, it is true, NATO was the only European security that Portugal wanted – and it necessarily included the US. But, nonetheless, it did indeed already have a strong dimension of European integration.

The EU provided, as we saw, the economic and increasingly the political pillar within this well established Euro-Atlantic security pole. It eventually added a military one. And it did so, crucially for Portugal, not in competition with NATO. Yet once this was ensured and the

<sup>806</sup> Laura Ferreira-Pereira, ‘Portugal and ESDP’, in *The South and ESDP: Greece, Italy, Portugal and Spain*, (Gütersloh : Bertelsmann Stiftung, 2007), p.35.

<sup>807</sup> Almeida Santos, *Quase Memórias do Colonialismo e Descolonização*. (Cruz Quebrada : Casa das Letras, 2006), Vol.1., p.16 passim.

ESDP was established, wider dynamics of Europeanization gained increasing leverage.

The ESDP was soon portrayed as the cutting-edge of European integration. The ability to perform at this level was a new benchmark in terms of being an effective and committed member of the EU. This has been a major concern of Portugal since the process of accession: to be present in any core group – as was the case of the Euro or Schengen – and benefit as much as possible of that fact in order to modernise Portuguese institutions. This is a major concern not only at the level of the elite, but also of public opinion.<sup>808</sup>

Therefore, with the principle of non-competition with NATO assured, Portugal was, during its 2000 Presidency of the EU, a key architect of the organizational structure for this second EU pillar. It has remained committed to it, not least by providing troops to the EU battle-groups established in the meantime.<sup>809</sup> This concern is explicit in official statements by top military officers. The benchmark for Portuguese military proficiency now has to do also with its ability to respond to these new European “headline goals” and tasks.<sup>810</sup> The fact that Portuguese protagonists – particularly the President of the Commission, José Manuel Barroso, and more recently the new Director of the ISS of the EU – have achieved relevant positions within the EU, and have been active in promoting this second pillar and its institutions, can only have reinforced this trend. The Europeanising of Portuguese security culture found its most recent public expression in an article jointly signed by the German and the Portuguese Defence Ministers offering a shared vision of the future of ESDP. In it they argue that Europe is a particularly able provider of global security because of both its civilian State-building and military expeditionary capabilities.<sup>811</sup>

### *New Missions Overseas*

The official celebrations, in March 2007, of the tenth anniversary of the Portuguese peacekeeping mission in Bosnia are very significant both of this growing Europeanization

of Portuguese security culture and of a positive evaluation of intervention overseas as the new core mission of the Portuguese military. The fact that a very costly and ultimately futile military action abroad, the Portuguese wars of decolonization (1961-1975), was still well within living memory created some initial unease about these new armed deployments abroad. Yet this last decade of experience of military intervention abroad has been mostly positive, helping to avoid the emergence of a Portuguese “wars of decolonization syndrome” similar to the American “Vietnam syndrome”. The number of casualties, in particular, has been low – six soldiers killed in a total of 20,000 deployed in these new interventions abroad. In an indirect reference to those who used the argument of the colonial wars to criticise these new deployment overseas – especially within and around the Communist Party –, the Chief of the General Staff, General Pinto stated in his speech during the anniversary celebration that ‘the pessimistic have been proven wrong’.<sup>812</sup>

In fact, the first Portuguese peacekeeping mission was more in accordance with traditional Portuguese strategic preferences. It took place in Angola, in 1991, not in Bosnia, in 1996. Even if the international intervention in Angola ended in failure, unable to produce lasting peace, still the Portuguese contingent performed well, and this traditionally would have been widely praised. Clearly, therefore, there is a shift in direction here. This was explicitly recognised by the Minister of Defence. It was Bosnia that was the real turning point in terms of Portuguese defence and security. It meant the realisation that Portuguese ‘national defence now is inseparable from European defence, and the borders of Portuguese security are the borders of European security’.<sup>813</sup> Still it is true that on the same occasion the Chief of the General Staff did not fail to underline that Bosnia also showed ‘the centrality of the Atlantic Alliance for European security’.<sup>814</sup>

This shows that the Europeanization of Portuguese defence culture has its limits. What will happen if there are (further?) serious clashes regarding basic defence and security options between the US and the EU? This is a

<sup>808</sup> *Eurobarómetro. Relatório Nacional Portugal*. Vol.67 (Spring 2007), p.26.

<sup>809</sup> Laura Ferreira-Pereira, ‘Portugal and ESDP’, op. cit., pp. 38-41.

<sup>810</sup> General Valença Pinto [Chief of the General Staff], *Alocação* (20.03.2007).

<sup>811</sup> Franz Josef Jung e Nuno Severiano Teixeira, ‘Defesa europeia: uma resposta aos desafios globais’, *Público* (28.06.2007).

<sup>812</sup> General Valença Pinto [Chief of the General Staff], *Alocação* (20.03.2007).

<sup>813</sup> Nuno S. Teixeira [Defence Minister], ‘Bósnia: missão cumprida’, *Diário de Notícias* (18.03.2007).

<sup>814</sup> General Valença Pinto [Chief of the General Staff], *Alocação* (20.03.2007).

question that decision-makers in Portugal do not want to have to answer. Even if security experts and commentators in the press have been debating it endlessly and with strong division between EU-first supporters and Atlanticist-first supporters. Most of those would still prefer, however, the easy road of an enduring strong EU-US security partnership. In an exclusively European security dimension Portugal tends to feel peripheral, in an Atlantic one it can perceive itself as being a central bridge between the two shores. It seems obvious that Portugal is another case that reinforces the likelihood that – as was the case with Saint-Malo and the decisions of 1999 – the ESDP will progress more in response to a perceived lack of interest or ability of the US to intervene in areas of interest to Europe rather than in open competition with it.<sup>815</sup>

No less interesting is to raise the question of what will happen if there is a major incident producing a significant number of casualties in a Portuguese peacekeeping or peace-enforcement operation. Despite the relatively small number of troops currently deployed overseas – a total of 640, probably mostly for budgetary constraints – this would seem most likely in Afghanistan where a force of 150 Portuguese commandos is being used in combat operations, or even if much less so for the moment, in Kosovo, where there are 300 Portuguese troops.<sup>816</sup> Would that lead to a questioning by public opinion of this new official core mission of the Portuguese armed forces as a global security provider? The answer is unclear. What is clear is that this has been traditionally minimised by the type and dimension of Portuguese deployments abroad.

However, the “ticking all the boxes” kind of approach to interventions overseas – with relatively small and often merely logistical support contingents ensuring that there are some, but very few and seldom in combat roles, Portuguese troops in almost all relevant international military interventions – has limitations in terms of enhancing Portuguese prestige with its allies. Also, even if it decreases the probability of casualties occurring, at the same time it increases the probability that if they do occur, it may very well be in

some very peripheral missions, with Portuguese public opinion having difficulty relating them to any evident vital national security aims. There are, consequently, signs of some rethinking at the decision-making level. The current Portuguese Minister of Defence stated recently that interventions will have to be, in the future, more selective. Focusing on areas where Portugal has stronger interests and greater expertise which would allow for more numerous contingents and greater protagonist in terms of command and decision-making.<sup>817</sup> But this still leaves open the crucial question of whether this will be possible due to the intrinsically uncertain nature of international crises, and the major constraints on Portuguese public expenditure.

## Romania

The security field with its different incorporated dimensions – political, military, energy security, human security, societal security, environmental one and so on – is a core subject of the Romanian political elite's discourse. The topic seems to be no less attractive to the public opinion either, this pre-eminence of the “security culture” having been rooted in the collective thought long time ago, during the communist regime and even before. Actually, the figures of various more or less recent polls<sup>818</sup> show that the Romanian Army is ranked on a second place (after the Church) concerning Romanian citizens' trust granted to the national institutions. During the years elapsed after the '89 overthrow of the totalitarian regime, the definitions of individual and collective security have been interconnected with the European and Euro-Atlantic values of democracy and respect for human rights.

The more and more active role of Romanian Armed Forces in carrying out various tasks under the aegis of NATO, EU, UN or the OSCE, either in its neighbourhood or in other regions of the world outlines a convincing picture of Romania's commitment to face the challenges of the regional, as well as of the global security. All types of military operations are included: conflict prevention and crisis management ones, peacekeeping missions, support to civilian emergencies and

<sup>815</sup> AA. VV. *II Debate Nacional sobre o Futuro da Europa*. (Lisboa : IEEI, 2007), Vol. 3.

<sup>816</sup> See Ministério da Defesa Nacional, 'Participação Portuguesa em Missões de Paz' in

[http://www.mdn.gov.pt/mdn/pt/Defesa/operacoes/mi/0607\\_Quadro\\_FND.htm](http://www.mdn.gov.pt/mdn/pt/Defesa/operacoes/mi/0607_Quadro_FND.htm) (15.07.2007). The only other significant Portuguese mission.

<sup>817</sup> Nuno S. Teixeira [Defence Minister], 'Portugal e as novas missões de paz', *Público* (27.02.2007).

<sup>818</sup> Cf. one of the most recent surveys carried out between November 9-14, 2006 by the National Institute for Opinion Studies and Marketing (INSOMAR), *“Politis 2006”*.



humanitarian actions, stabilization or reconstruction operations. Its proactive position is answering to one of the strategic goals of *The Military Strategy of Romania*: “Romania’s national security cannot be isolated from the security of the rest of Europe. Romania will continue to be a provider of regional stability in a security environment characterized by many uncertainties, as well as by predictable risks and those that can be total surprises.”

There are several reasons explaining the importance of the security dimension both at the official level, and in the process of building a Romanian collective vision toward security. Two of these reasons are as follows: the historical argument regarding the memory of the Soviet Union threat and the geographic position of Romania in the neighbourhood of some regions of instability and potential conflict. Concretely, Romania lies at the crossroads of four strategic evolutions within the following areas: Central Europe (a future pole of regional prosperity), South-Eastern Europe (a provider of instability), the former Soviet states (chronically undergoing identity crisis) and the Black Sea region (area of strategic importance for NATO, as well as a transit route for energetic resources from Central Asia). In addition to the previous types of arguments, the broadly supportive Romanian’s attitude towards the United States and NATO could be also mentioned as a reason related to the affinity, and in several recent situations even to the loyalty towards an American model of thinking and facing the security challenges. However, the Romanian foreign policy is traditionally supportive to multilateral methods, being always open to identify firstly the solutions based on dialog and cooperation. After its accession to the EU, the country will keep the same line, promoting the principles of the global, as well as regional multilateralism. In the security field, an important added value of Romania’s accession to the EU is its membership to an organization devoted to a “soft power”-oriented approach. In this regard, it is essential to define a new policy concerning the Member States’ participation in different international missions.

Even if the scenario of a major military conflict in Europe is very improbable, building regional confidence is still an essential step to enhance the stability of the continent. According to the above-mentioned document, “the purpose of the Romanian Armed Forces is to enhance regional confidence (...), being committed to contributing to this process, while being aware

of the advantages of collective defence and security”.

The *Romanian National Security Strategy*<sup>819</sup> sets the priorities of the national security policy in the context of the Romanian authorities’ efforts to build a more visible European and Euro-Atlantic country’s identity. The priorities in the security field mainly concern an active participation in the consolidation of international security by promoting the democratic values and the involvement in the fight against international terrorism and proliferation of weapons of mass destruction. Thus, Romania supports the efforts of the international community to prevent and fight against the proliferation of mass destruction weapons. It also takes part in the preparation and implementation of NATO and EU policies and strategies: “Romania also contributes to the efforts of the UN and other international organizations involved in fighting the proliferation and attempts of some states to use the guise of developing civilian nuclear capabilities to manufacture weapons of mass destruction”<sup>820</sup>.

The vision promoted by the *National Security Strategy* is built upon the concept that the “*security of the Euro-Atlantic community is indivisible, while the transatlantic relation is its fundament*”. Loyal to that transatlantic approach, the strategy fosters the reconstruction and intensification of EU-NATO relations, supporting a joint transatlantic response to the challenges and threats of the global security<sup>821</sup>. As a defender of the idea of enhancing this strategic partnership, Romania considers highly a functional complementarity between NATO and EU to be achieved in the fields of security and defence. The National Security Strategy also stresses the necessity to avoid parallelisms, duplications and competition in the areas of capabilities, bodies, strategies and doctrines. NATO is considered the major pillar of the national security and the most important forum of transatlantic dialogue and cooperation in the security field. Thus,

<sup>819</sup> *Romanian National Security Strategy, European Romania, Euro-Atlantic Romania: For a Better Life in a Safer, Democratic and Prosperous Country*, 2006.

<sup>820</sup> Ibid 9.

<sup>821</sup> “Thus, Romania will act to improve the political and strategic coordination of the security efforts of both organizations, based on common values and interests, while maintaining the fundamental role of the Alliance in the collective defence and Euro-Atlantic security and increasing the EU contribution to the common goals, in particular as regards the pan-European, pan-Asian, Middle East and African security”, cf. *Romanian National Security Strategy*, 2006, p. 17.

Romania is keen to consolidate the NATO-EU strategic partnership in different areas of priority such as Balkans, Black Sea region, energy security, fight against terrorism and other subjects of joint interest for both organizations.

In order to meet the major objectives of the national defence policy, Romania is engaged in promoting stability in the Balkans<sup>822</sup> and extended Black Sea<sup>823</sup> region. It is also deploying and sustaining forces in NATO operations and missions and it is contributing to NATO Response Force. At the EU level, Romania participates in ESDP, being actively involved in this project since its launching in 1999 and contributing to the fulfilment of the EU Global Goal 2010. Another important dimension of the Romanian involvement in the ESDP development process is its contribution to two Battle Groups that are going to be operational by 2010. Romania has also been participating with troops in Afghanistan (ISAF) since 2002 and Iraq (Iraqi Freedom, NTM I, Antica Babilonia) since 2003, conducting operations under NATO or UN aegis. According to the number of troops participating in these operations and missions, Romania ranks seventh among the nations involved in the Global War on Terrorism. The participative Romanian approach in the defence and security field starts from the premise that taking such a stance could bring a contribution to the enhancing of the national credibility. The presence of the Romanian troops in different regions of conflict or post-conflict reconstruction is also perceived as an essential foreign affairs instrument. From the point of view expressed by Prof. Mircea Muresan "Romania's NATO and EU member statute should be understood not only as a warranty of country's security and stability, but it also requires new responsibilities and missions."<sup>824</sup>

NATO is still considered by the Romanian citizens as the most important and credible alliance<sup>825</sup> in the security and defence area.

<sup>822</sup> In the Balkans area, Romanian troops are deployed in Kosovo (KFOR NATO Mission and UNMIK UN Mission) and in Bosnia and Herzegovina since 2002 (EUFOR Mission).

<sup>823</sup> BLACKSEAFOR.

<sup>824</sup> Prof. Mircea Muresan, Commander of the National Defense University: "Romanian Army's missions in the framework of collective defense and coalitions", international seminar *Participation of Romanian Army in the collective defense under NATO and ESDP*.

<sup>825</sup> Besides NATO and ESDP, OSCE and UN are considered only adjoining international organizations, endowed with limited decision making capacity.

Albeit this constant reliance on NATO's power, the level of attractiveness and credibility of the ESDP has significantly increased following the recent institutional and strategic developments of this European policy field. USA's interests in the Black Sea region and, in this context, the American vision concerning the current and potential Romanian role in this area have been two major reasons encouraging the authorities' efforts to enhance the Romanian-American relationships. Still, the EU opening towards its neighbouring regions through the recent strategic framework of the ENP and its related key-operational instruments has contributed to the switch of Romania's perspective concerning the capacity of the EU to progressively framing a common defence policy. In line with this position, as stated by the Chief of the Land Forces Staff – Lieutenant-General Teodor Frunzeti – "Romania is encouraging the enhancing of ESDP, especially due to the belief that, potentially, at a military level, Romania might become a major pillar of ESDP in Central and South-Eastern Europe, a fact already proved by its participation in Multinational Peace Force in SEE (MPSEE), SHIRBRIG or Black Sea Naval Cooperation Task Group (BLACKSEAFOR)."<sup>826</sup>

Moreover, to preserve a climate of security and prosperity in the Black Sea region is one of the major directions of the Romanian National Security Strategy. Relative to this particular national strategic interest, Romania is trying to stimulate a more European and Euro-Atlantic involvement in this area. Drawing attention towards this region – a major issue of the Romanian foreign policy agenda – Romanian officials consider that the energy security of Europe depends a lot on the consolidation of the Black Sea area, which has become, after Romania's EU accession, a "Community sea". From a Romanian perspective, the Black Sea region could provide the solutions to some of the major European issues, namely: the fight against terrorism, energy security, institutional building, economic development and the export of the democratic values beyond the EU borders. In order to develop a concrete cooperation in the Black Sea region, the recent document issued by the European Commission – "Black Sea Synergy – a new

<sup>826</sup> Lieutenant-General Teodor Frunzeti, Chief of the Land Forces Staff: "Considerations regarding the Romanian Army's participation in collective actions", international seminar *Participation of Romanian Army in the collective defense under NATO and ESDP*.

initiative of regional cooperation” – is considered a first important and viable step.

The “frozen conflicts” in the former Soviet space (pre-eminently the sensitive Transnistrian issue) have also drawn the attention of the Romanian decision makers, as well as of the independent community of security experts<sup>827</sup>, interested in providing possible visions in order to solve the Transnistrian conflict.

The visions outlined by the security community's experts on the most recent evolutions in the security field are more focused on the doctrinal side of the domain. For instance, in the complex area of the peace-supporting operations, there are some points of view devoted to a new emerging culture, which is to create a more complex background for these kinds of missions. The major feature pertaining to such a culture is that the competition among the different components of a peace-supporting mission should be replaced by a cooperation meant to contribute to the necessary synergy to maximize the effects. Therefore, “the doctrine concerning the peace-supporting operations should give priority to the building-consensus principle. The doctrinaire solutions should take into account the necessity to enhance the cooperation between the military and civil dimensions of a mission. The major interest of the security bodies should be more focused on promoting the dialogue, so that the recourse to force becomes a measure of very last resort.”<sup>828</sup> The long-term advantages of the European-oriented “soft power” approach are therefore acknowledged and promoted not only at the official level, but also at the academic one.

The public opinion also tends to be rather supportive concerning the presence of the Romanian troops in Iraq, Afghanistan or in other conflict regions. However, during the first semester of 2007, on the background of the tensions among the Romanian political parties, an emerging debate about a possible scenario of withdrawing the Romanian troops from Iraq had some media echoes. The initiative belongs to National Liberal Party (leading party at a governmental level) and, in spite of the strong opposition of the Romanian President Basescu

toward this scenario, the current Liberal Defence Minister, Teodor Melescanu, has occasionally touched the idea in some recent interviews. He suggested to launch a debate on this issue and eventually to outline a possible calendar of withdrawal. After a while, even the liberal leaders agreed that the alternative of withdrawing the Romanian militaries from the Iraq should be revised and nuanced. The initiative could entail a major political risk for the Liberals, because it is perceived by the public opinion as a very unpopular anti-American measure.

Starting from the university level, Romanians' interest toward the security issues is very high and tends to increase. Thus, a large number of academic courses focused on security topics were designed and included in the university curricula, even in the civilian university bodies. The Romanian related-issue think tanks and centres for security studies are also very active and gained a lot of visibility.

## Slovakia

Slovakia's foreign and security policy priorities since the creation of an independent state in 1993 until 2004 were defined through the general goals of joining Euro-Atlantic security, political and economic structures. Despite the period of Slovakia's increasing international isolation by the West under the leadership of Prime Minister Vladimír Mečiar in the mid-1990s, the country's main goals were successful integration into the European Union and NATO. Given the primacy of Euro-Atlantic integration over the past decade, most domestic institutional, financial, human and intellectual resources were consequently consumed with and subordinated to the goals of NATO and EU accession. More broadly, interactions with foreign partners and participation in international forums ranging from the UN to modes of regional co-operation, such as the Visegrád Four or Central European Initiative – while useful in themselves – became principally utilized for the attainment of NATO and EU membership.

With Slovakia's respective entries into the EU and NATO in 2004, the country's foreign policy is in search of new goals. Slovakia is no longer just a recipient of EU or NATO norms, it now has the opportunity to help shape EU policies and institutions and participate in NATO decision-making. Moreover, membership in these organizations has a potentially significant

<sup>827</sup> “Trilateral plan for solving the Transnistrian issue. Regional partnership for a common commitment-oriented approach”, policy paper developed by Moldova-Ukraine-Romania Expert Group.

<sup>828</sup> Dr. Gheorghe Minculete, Gabriel Tiberiu Buceac, “Present and perspectives on the peace-supporting operations”, *Strategic Impact*, no.1/2007.

bearing on Slovakia's individual relations with both insiders and outsiders of these increasingly heterogeneous organizations. To illustrate this point, Slovakia's decision to side with the United States during the Iraq war was welcomed by some EU member states, while the countries opposed to that particular military solution in Iraq saw it as undermining the opportunity of the Union.<sup>829</sup>

On the eve of the country's EU accession, Slovak Prime Minister Mikuláš Dzurinda, in a single public speech, identified both the Western Balkans and Ukraine as the most immediate and central priorities of Slovakia's foreign policy activities. At the same time, he stressed the importance of Germany as Slovakia's most important trading partner and investor, and a country that has played "the role of a very good leader in European politics". He also spoke of a "penultimate relationship" with the United States stating that "we shall never go against the transatlantic alliance. The Alliance shall never be weakened, just the opposite".<sup>830</sup>

In the aftermath of EU entry reservations of the Slovak Government to potential integration in the field of common foreign and security policy stemmed from fears about weakening the importance of NATO. Slovakia's strong political and moderate military support of the U.S. military mission in Iraq reflected its strategic intention to maintain close relations with the United States. At the same time, Slovakia fully supported strengthening the Union's military and security capacities. The country takes part in developing the concept of EU combat forces and symbolically supports the EU-led military operation in Bosnia and Herzegovina.<sup>831</sup> If the EU is able to adopt a joint political position on a security issue or a security project, Slovakia is most likely to contribute to implementing or enforcing that position within the bounds of its capacities.

<sup>829</sup> T. Valášek, "Conclusions: on Nato's Future, and Riding the ESDP Tiger", O. Gyarašová and T. Valášek (eds.) *'Easternisation' of Europe's Security Policy*. (Bratislava: Institute for Public Affairs, 2004), p. 65.

<sup>830</sup> Quotes are from the presentation of Prime Minister Mikuláš Dzurinda published in: P. Brežáni (ed.) *Yearbook of Foreign Policy of the Slovak Republic 2003*. (Bratislava: Research Center of the SFPA, 2004), pp. 11-17.

<sup>831</sup> In December 2004, the Slovak Republic dispatched four members of the Slovak Army into ALTHEA, an EU mission in Bosnia and Herzegovina. At the same time, the country dispatched four more members of the Slovak Army into a NATO mission in Sarajevo that helps Bosnia and Herzegovina reform its national defence system.

Historically, Slovak soldiers have been involved in various UN missions around the world. In recent years and partly in connection with Slovakia's bid to join NATO the country's military forces have participated in several NATO-led or U.S. led operations. Most recently, Slovak soldiers have begun taking part in EU-led operations (Bosnia and Herzegovina). Slovak soldiers have served in the following missions: UNFICYP (Cyprus), UNMEE (Eritrea, Ethiopia), UNTAET (East Timor), UNDOF (Golan Heights), UNAMSIL (Sierra Leone), UNTSO (the border of Lebanon and Syria with Israel), KFOR – 96 troops (in the joint Czech-Slovak Battalion), SFOR (two transport helicopters Mi-17 deployed in this mission under the Dutch command) and ISAF (Afghanistan) and ALTHEA (Bosnia and Herzegovina). In addition, during the Iraq crisis in 2003 Slovakia sent 74 troops to Kuwait (Camp Doha) as part of a nuclear, biological and chemical (NBC) that arrived between May and June 2003. In September 2003, an engineering unit of 40 troops started to deploy in Iraq and became a part of the multinational division under the Polish command. After the assessment of security situation in Iraq the Slovak Ministry of Defense decided to strengthen these forces by a special unit that should protect dislocated units. The total number of Slovak troops in Iraq achieved 105 troops at the beginning of 2004.<sup>832</sup> Yet, this situation changed with the different makeup of the Slovak government after the parliamentary elections in 2006. Current government of Slovakia under the Prime Minister Fico decided to withdraw all Slovak troops from Iraq.

The Slovak army is at the moment undergoing some fundamental restructuring. It is downsizing and becoming professional under the so-called *Model-2010* that refers to the date when army reform is expected to be complete. This process is demanding and costly domestically and several senior officials have already expressed concerns about having reached the limits of Slovak international military engagement. Slovakia's constrained resources became particularly apparent under the worsening security conditions in Iraq in 2004 when the Slovak units proved to possess inadequate equipment for the situation in that country and were unable to perform their original task of de-mining Iraq. In the foreseeable future Slovakia is unlikely to be involved in new military

<sup>832</sup> *Striedanie ženistov v Iraku* 3 February 2004, Information of the Slovak Ministry of Defense, see: [www.mod.gov.sk](http://www.mod.gov.sk) (last access: 26.09.2007).

missions apart perhaps from symbolic contributions. The bulk of Slovak forces abroad will probably remain concentrated in various UN missions and in both NATO and EU operations in the Western Balkans.

Since the formation of the current government led by Prime Minister Robert Fico (SMER-Social Democracy) there have been noticeable shifts in Slovakia's security policy. In sum, while NATO's article five remains Slovakia's main security guarantee and the U.S. represents one of the key allies, the focus of Slovakia's security policy is very gradually shifting towards building new capacities within the European union.

## Slovenia

In the Resolution on strategy of national security of the Republic of Slovenia,<sup>833</sup> the term 'security culture' is incorporated as the last, but not least important foundations of the Slovenian system of national security. Point 5.1. under the title 'Foundations of the system of national security' states that "If/or the purpose of assuring the national security the Republic of Slovenia organizes a system of national security, based on the legal, political, economic, material, social-health, information, infrastructure, scientific, educational and other capabilities of the state, whereby there is no neglect of the meaning and level of development of the security culture in the society" (paragraph 1). Security culture is defined as a "security culture of the citizens, especially those on the leading and guiding positions, due to the influence which the security culture's level of development brings on the effectiveness of the functioning of the system of national security and its development" (paragraph 8).

Discourse on security culture is therefore limited to some specialised works on possible misuse or threat to national intelligence data protection by individuals' low security culture.<sup>834</sup> There is currently an ongoing

debate regarding preservation of national security data within a scandal connected to high-level data leakage and misuse of listening devices within the Intelligence and Security Agency (SOVA).<sup>835</sup>

The authors of EU-25/27 Watch analyse the Slovenian security culture in a wider sense within the context of the basic features of the security culture in Slovenia in relation to humanitarian and rescue tasks, peacekeeping tasks, role of combat forces in crisis management and interventions on humanitarian grounds. We also analyse Slovenian vision of the role of armed forces, as it is rooted in history and society with special attention to public opinion, discourses of political elite and the security community.

## Background<sup>836</sup>

The precursor of the Slovenian Armed Forces was founded in 1990, and in 1991 the first generation of Slovenian servicemen began their training in centres at Ig near Ljubljana and Pekre near Maribor. With the 1994 defence act, the tasks and missions of the Armed Forces were defined. The Slovenian Armed Force has celebrated its 16th anniversary as an independent military force on 16 May 2007. The keynote address at the main event was delivered by Prime Minister Janez Janša, while President Janez Drnovsek was visiting Slovenian soldiers on a peacekeeping mission in Kosovo. The date also marked 10 years of the Slovenian Armed Forces taking part in peacekeeping operations.

After Slovenia's joining NATO in 2004, the scope of Slovenian international activities expanded, and with years the number of soldiers taking part in peacekeeping operations has grown. In 2004, 193 Slovenian soldiers took part in international peacekeeping missions, a year later the number increased to 247. In 2006 it grew to 288, and in 2007, 747 soldiers are deployed in peacekeeping missions. Members of the Slovenian Armed Forces take part in various EU and UN operations as well. These include the KFOR mission in Kosovo, the ISAF operation in

<sup>833</sup> Resolucija o strategiji nacionalne varnosti Republike Slovenije [Resolution on strategy of national security of the Republic of Slovenia], endorsed by the National Parliament, at its session on 21 June 2001, published in Uradni List RS 56/2001 [the Official Gazette] on 6 July 2001, available at: <http://www.uradni-list.si/1/online.jsp?urlid=200156&dhid=7029> (12 July 2007).

<sup>834</sup> Hartman, Erik (2007) Varovanje tajnih podatkov in varnostna kultura na obrambnem področju: protiočveščevalno varnostni vidik [Protection of secret data and security culture in the defence field:

counterintelligence-security aspect], specialised work, Ljubljana: Faculty of Social Sciences.

<sup>835</sup> See the 'Current issues and discourses in your country' section of this EU-25/27 Watch issue.

<sup>836</sup> Government Communication Office (15 May 2007) Slovenian Army Remembers Its Beginnings (background), available at: <http://www.ukom.gov.si/eng/slovenia/publications/slovenia-news/4759/4793/> (12 July 2007).



Afghanistan, UNTSO in Syria, EUFOR in Bosnia-Herzegovina, UNIFIL in Lebanon, and the NATO NMT-I operation in Iraq (see details below).

Since its inception, the Slovenian army has undergone a number of changes, the most substantial being the transformation to a professional force. However, according to the Defence Ministry, changes in legislation did not follow accordingly. The lack of new recruits is considered to be one of the most urgent problems. According to the Defence Ministry, an upcoming act about employment in the armed forces should help solve the problem.

#### *Vision of the role of armed forces*

*Political elite, security community:* Authors have analysed daily press and TV news sections and found no speech of the political elite bearing relevance directly to security culture. Indirectly the speeches are currently linked to the above mentioned SOVA affair.<sup>837</sup>

Security analyst Dr. Iztok Prezelj evaluates that Slovenian elite holds a limited vision of the role of its armed forces. "Slovenia will engage itself to the self-commitments at its best capabilities in most of the EU and NATO military and civil operations. However, the state sees its contribution mainly in the context of an aspiration to show itself as a responsible new member of the two international organisations and not (necessarily) as a result of its own respectful vision."<sup>838</sup>

Currently there is a law on the service in Slovenian army being introduced and discussed in the National Parliament. It is supposed to regulate the role and the situation of the soldiers, their rights and duties; for the first time it is also supposed to determine the care for members of the army, their family members during and after the course of army duty. Amendments to the proposed legislation are also supposed to regulate the biggest problem in the army – salaries.<sup>839</sup>

The biggest contingent of Slovenian soldiers, situated in Kosovo is shown support by the political elite, being visited by members of the parliament or the president of the republic.<sup>840</sup>

Western Balkans is the most important nearby regional area of Slovenian economic and political interests and this is reflected in the military-component initiatives Slovenia takes part in the respective areas. There existed an opposite strategy in Slovenian foreign policy since the independence until late 1997, when the state within the nation-building process strived for its recognition as a Central European state, willing and capable of participation in pro-western Euro-Atlantic integrations. The strategy was named 'away from the Balkans', due to the latter's traditional negative perception. Eventually western diplomatic pressures on the small state made Slovenian government change the perspective and Slovenia had to start to engage intensively in all – political, economic, financial, security, social – international (regional) activities in the area of (Western) Balkans, including military engagement.<sup>841</sup> See more on this in the public opinion section below.

*Public opinion:* Slovenian people usually act undetermined regarding these operations. Usually, the motive to go abroad is understood in financial terms. There have up to now been no Slovenian casualties in missions abroad, therefore possible negative perceptions of military missions are not present yet.

There has been a study conducted in 2003 in the field of Slovenian public opinion perception of the Slovenian military (peacekeeping, peace-supporting and peace-enforcing operations) and non-military (Stability Pact, International Trust Foundation, opening of the Slovenian airspace to the NATO's military operation Allied Force in 1999) contribution to the international security endeavours in the area of South-Eastern Europe (SEE).<sup>842</sup> The study concluded that the public opinion

<sup>837</sup> See the 'Current issues and discourses in your country' section of this EU-25/27 Watch issue.

<sup>838</sup> Interview with dr. Iztok Prezelj, Faculty of Social Sciences, University of Ljubljana, in Ljubljana, 12 July 2007.

<sup>839</sup> RTV SLO (11 July 2007) Poslanci za dobro slovenskih vojakov [MPs for the good of Slovenian Soldiers], available at: [http://www.rtvlo.si/modload.php?&c\\_mod=rnews&op=sections&func=read&c\\_menu=1&c\\_id=146695](http://www.rtvlo.si/modload.php?&c_mod=rnews&op=sections&func=read&c_menu=1&c_id=146695) (11 July 2007).

<sup>840</sup> RTV SLO/STA (15 May 2007) Drnovšek obiskal enote na Kosovu [Drnovšek visited units in Kosovo], available at: [http://www.rtvlo.si/modload.php?&c\\_mod=rnews&op=sections&func=read&c\\_menu=1&c\\_id=141861&tokens=sloven-ski-vojaki](http://www.rtvlo.si/modload.php?&c_mod=rnews&op=sections&func=read&c_menu=1&c_id=141861&tokens=sloven-ski-vojaki) (11 July 2007).

<sup>841</sup> Bojinović, Ana (2005) Geographical proximity and historical context as a basis of active foreign policy strategy of small European states – the case of Austria and Slovenia regarding the Western Balkans. *Politics in Central Europe* 1(1): 8-29.

<sup>842</sup> Prezelj, Iztok (2003) Slovenian national security and Southeastern Europe: Public opinion perspective. In Anton Grizold (ed.) *Security and cooperation in Southeastern Europe*, 133-152, Ljubljana: Faculty of Social Sciences.

generally supports the military co-operation in classic peacekeeping operations and humanitarian operations. On the contrary, the larger part of the Slovenian public opposes the participation in peace-enforcing operations. The non-military contribution to the security in the SEE is thus much more supported than the military one; e.g. public opinion polls after the NATO air raids on Yugoslavia have shown 77% support for only humanitarian Slovenian help to the future NATO actions in Yugoslavia in contrast to direct or indirect military support, receiving each less than 10% 'votes'. In relation to both (i. e. military and non-military support to the security in SEE) the author has identified a trend of growing support.

#### *Humanitarian, rescue tasks*

There have been two humanitarian tasks including participation of the Slovenian army:<sup>843</sup>

- Albania, peacekeeping operation SUNRISE, ALBA (Albania Force); OSCE, May – June 1997, 21 members,
- Albania, peacekeeping operation ALLIED HARBOUR, (AFOR – Albania Force); NATO, May-June 1999, 26 members.

SUNRISE was the first peacekeeping operation with the participation of the Slovenian army. 21 members were composing a sanitary unit, with a task of providing medical service to the members of the international forces. Similarly, 26 members took part as a sanitary unit and as co-operation officers with civil structures in the NATO's mission with a task of providing medical service to the members of the international forces and refugees from Kosovo.

Civil governmental engagement in humanitarian tasks is co-ordinated by the Administration for Civil Protection and Disaster Relief as one of the bodies within the Ministry of Defence of the Republic of Slovenia. Humanitarian action in the international context is determined within the Law on the protection from natural and other disasters in the Article 86a.<sup>844</sup> The article states that it is the

Commander of the Civil Protection of the Republic of Slovenia who proposes Slovenian humanitarian operation in a foreign state. In case of an international treaty obligation the proposal is presented by the Defence Minister. In case the army or police personnel help within the civil protection mission, it is the Commander of the Civil Protection Unit who gives orientation of the operation to the army/police commanders (Art. 83).

Below, we present a table of Slovenian humanitarian assistance of the last 6 years, showing the state's capabilities and willingness for international humanitarian action. Monetary state help and non-governmental organisations' actions are left out (Table 1). It is seen in the table that Slovenian capabilities are situated within general relief housing, sanitary, medical and disaster management materials. However, Slovenia is quite active in two of the specialised areas of rescue, i. e. (cave/lake) diving and canine unit after earthquake search.

<sup>843</sup> Ministry of defence of the Republic of Slovenia, Slovenian army: Operacije v podporo miru, v katerih je sodelovala Slovenska vojska [Peacekeeping operations including participation of the Slovenia army], available at: <http://www.slovenskavojska.si/poklicna/misije/koncane.htm> (12 July 2007).

<sup>844</sup> Zakon o varstvu pred naravnimi in drugimi nesrečami (uradno prečiščeno besedilo) /ZVNDN-UPB1/ [Law on the protection from natural and other disasters], endorsed by the National Parliament on 18 September 1994, amended

on 2 March 2006, published in in Uradni List RS 51/2006 [the Official Gazette] on 17 March 2006, in force since 1 April 2006, available at: [http://zakonodaja.gov.si/rpsi/r00/predpis\\_ZAKO4870.html](http://zakonodaja.gov.si/rpsi/r00/predpis_ZAKO4870.html) (12 July 2007).

**Table 1: Slovenian governmental humanitarian assistance from 1999-2006**

YEAR	COUNTRY	DISASTER/DATE	HUMANITARIAN ACTION
2006			
	Romania	Floods, 14 April	40.000 sand bags
	Bulgaria	Floods, 14 April	40.000 sand bags
	Hungary	Floods, 7 April	40.000 sand bags
2005			
	Romania	Floods, July	water pumps, aggregates, tents, blankets, beds
	USA	Hurricane Katrina, 31 August	beds, blankets, tents, First-aid kits (NATO transport)
	Pakistan	Earthquake, 8 October	blankets, tents, winter jackets, band aids, sleeping bags, folding beds, sanitary towels (NATO transport)
	Macedonia	Rescuing people from a lake	rescue unit – a team of 6 divers and a worker
2003			
	Algeria	Earthquake, May	tents, blankets
			a unit of 4 canine specialists and 4 dogs within an international team
	Italy	Landslides, September	tents, blankets
	Iran	Earthquake, December	tents, blankets, transfusion sets, gas ovens
2002			
	Afghanistan	Earthquake, April	tents, sleeping bags, floor mattresses
	Bosnia and Herzegovina	Help with rescuing a diver	rescue unit – a team of 4 divers
	Czech Republic	Floods	electric inundate slime pumps
2001			
	India	Earthquake, 29 January	tents, blankets
	Bosnia and Herzegovina	Floods, June	beds, blankets, electric generator
	Poland	Floods, July	tents, blankets, aggregates, beds
2000			
	Hungary	Floods, 20 April	sand bags
	Romania	Floods, 20 April	resources for a provisional housing, bottled water
1999			
	Albania, Macedonia	Balkan war, help to refugees from Kosovo	tents and resources for a provisional housing (Slovenian village)
	Turkey	Earthquake, 17 August	tents and resources for a provisional housing, medicine
			unit of 11 canine specialists and 10 rescue dogs (18-23 August)
	Turkey	Earthquake, 12 November	unit of 12 canine specialists and 12 rescue dogs + leader and deputy

Source: Administration for Civil Protection and Disaster Relief (2007)<sup>845</sup>

<sup>845</sup> Written correspondence with Mr. Bojan Žmavc, Director General of the Administration for Civil Protection and Disaster Relief of the Republic of Slovenia, 13 July 2007.

### *Peacekeeping tasks*

Slovenian soldiers have taken part in the following peacekeeping operations:<sup>846</sup>

- Congo; EUFOR (European Union Force), July 2006 – December 2006, 2 members: an officer in Operative headquarters of the operation in Potsdam, Germany and one officer in the Headquarters of the operation's forces in Kinshasa, DR Congo.
- Pakistan – Arja; NATO support to Pakistan, November 2005 – January 2006, 2 members: an officer and a non-commissioned officer, working within the Headquarters of the Rapid reaction forces within the civil-military unit helping remove the aftermath of the earthquake.
- Kosovo – Prizren; KFOR MLF (Multinational Land Force) NATO, November 2003 – May 2004, 11 members taking part as land force.
- Macedonia, operation CONCORDIA; EU, in March 2003, 1 member, acting as a second in command officer of the EU forces in Skopje.
- Bosnia and Herzegovina, OHR (Office of the High Representative); UN, July 2001 – January 2003, 1 member – officer acting as an adviser in the office of the High Representative.
- Kosovo, UNMIK (United Nations Mission for the Interim Administration in Kosovo); UN, October 1999 – December 2001, 1 member – officer acting in capacity of planning the de-mining processes of Kosovo and leading the reconnoitring of mine-fields within the Mine Action Co-ordination Centre.
- Cyprus, UNFICYP (United Nations Force in Cyprus/United Nations Peacekeeping Force in Cyprus); UN, September 1997 – June 2001, 29 members of motorized unit acting within the three lateral battalion UNAHSB (United Nations Austrian-Hungarian-Slovenian Battalion) with a task to supervise the delimitation area of the two parties.

### *Combat forces in crisis management*

Slovenian army currently takes part in the following crisis management operations:<sup>847</sup>

<sup>846</sup> Ministry of defence of the Republic of Slovenia, Slovenian army: Operacije v podporo miru, v katerih je sodelovala Slovenska vojska [Peacekeeping operations including participation of the Slovenia army], available at: <http://www.slovenskavojska.si/poklicna/misije/koncane.htm> (12 July 2007).

- Iraq, NATO (NTM-I, since February 2006), 4 members, in the NATO Centre for training Iraqi security forces,
- Lebanon, UN (since December 2006), 12 members, operating together with Italian soldiers who provide the logistical support.<sup>848</sup>
- Afghanistan, NATO (ISAF, since February 2004), 53 members operating in a more peaceful western part in Heart together with Spanish and Italian international forces, and 2 soldiers operating in the headquarters in Kabul. At the same time as the additional deployment of soldiers in Kosovo, the government decided to deploy up to 12 more soldiers in Afghanistan's ISAF mission.<sup>849</sup>
- Kosovo, NATO
  - KFOR MLF since November 2005
  - MP I, since October 2004
  - NPE/NSE, since October 2004
  - HQ KFOR, since January 2000

There are 500 soldiers of the 10<sup>th</sup> motorised battalion and around 100 members of other units of the Slovenian army currently deployed in Kosovo. In February 2007 they have for the first time taken their own area of responsibility, which is the central territory of the western part of the province. Just in the end of June 2007, the government has decided to deploy another 160 members of the Slovenian army in September. This means that the battalion will be reorganised into a squad with additional commanding-logistical elements. It will be operating in the Multi National Task Force – West, where it will perform different tasks, including supervision of masses

<sup>847</sup> Ministry of defence of the Republic of Slovenia, Slovenian army: Operacije kriznega odzivanja, v katerih sodeluje Slovenska vojska [Conflict management operations including participation of the Slovenia army], available at: <http://www.slovenskavojska.si/poklicna/misije/index.htm> (12 July 2007).

<sup>848</sup> RTV SLO (6 December 2006) Odhod slovenskih vojakov v Libanon [Departure of Slovenian soldiers to Lebanon], available at: [http://www.rtvlo.si/modload.php?&c\\_mod=rnews&c\\_head er=0&op=sections&func=read&c\\_menu=1&c\\_id=127675](http://www.rtvlo.si/modload.php?&c_mod=rnews&c_head er=0&op=sections&func=read&c_menu=1&c_id=127675) (10 July 2007).

<sup>849</sup> RTV SLO (19 February 2007) Zamenjava vojakov v Afganistanu [Exchange of soldiers in Afghanistan], available at: [http://www.rtvlo.si/modload.php?&c\\_mod=rnews&op=sections&func=read&c\\_menu=1&c\\_id=134308&tokens=misije+slovenski](http://www.rtvlo.si/modload.php?&c_mod=rnews&op=sections&func=read&c_menu=1&c_id=134308&tokens=misije+slovenski) (10 July 2007).

and prevention of riots and violent demonstrations.<sup>850</sup>

- Middle East (Syria), UN (UNTSO, since October 1998), 2 members with a task to supervise observation of armistice and other agreements reached between the two sides in the areas OGG-T (Israel), OGG-D (Syria) and OGL (Lebanon).
- Bosnia and Herzegovina, NATO (until 1 December 2004), now EU (EUFOR, since 2 December 2004), around 600 soldiers
  - National support element, for administrative and logistical support of the Slovenian units,
  - EUFOR Headquarters in Sarajevo, headquarter tasks performed by officers and non-commissioned officers of the Slovenian army,
  - Health unit, operating in the military base in Sarajevo, providing general and emergency health care to the members of international forces of EUFOR and NATO in Butmir base,
  - Aviation division with a task of transporting EUFOR headquarters' members and possible performance of secondary transportation of lightly wounded without escort.

There are also 30 soldiers present in the NATO's rapid reaction forces in the 9<sup>th</sup> rotation and a squad in Slovenia, available for the NATO's rapid reaction forces. There are also 200 Slovenian soldiers at disposal in Slovenia for the EUBG – European battle group. The latter can be deployed in 5 to 7 days.<sup>851</sup>

## Spain

The strategic preferences of Spain's political and military elites define its security culture. The two major political parties, the Socialist Party (PSOE, centre-left) and the Popular Party (PP, centre-right), have strategic

preferences with a remarkable number of things in common. The development of Spain's strategic preferences was influenced by the transformation of the Left and Right towards more centrist and moderate positions in the late 1970s. This change in the Spanish elites corresponded with a majority rejection of symbols from the authoritarian past under the Franco regime. This perception still has an influence on public opinion towards international affairs.

Spain believes that its international obligations require a commitment to non-territorial security operations and burden-sharing arrangements through international organisations. While both the PSOE and the PP have demonstrated the political will to support the deployment of forces for out-of-area operations in the Balkans, Afghanistan and the Gulf Wars, the PSOE is more sensitive to public opinion than the PP. Therefore, operations which enjoy legitimacy from NATO, EU or the UN are positively perceived.

There have been profound modifications in the organisation of Spain's defence and security policy over the last decade. This has resulted in, first, the modernisation and professionalisation of the armed forces and, secondly, in Spain's full participation in NATO's military structure. According to the National Defence Directive (*Directiva de Defensa Nacional*, DDN1/96), Spain has three high-priority objectives: (1) to deepen the internationalisation of the armed forces; (2) to achieve their full professionalisation; and (3) to promote a greater awareness in Spanish society of the need for effective defence. This military doctrine has led to a greater presence of Spanish troops on peacekeeping operations as well as to a greater emphasis on contributing to the consolidation of the ESDP. Still, PSOE and PP had widely disagreed on Iraq and transatlantic relations, with Mr. Zapatero's government deciding to call the troops home after his victory in March 2004.

A new National Defence Directive (NDD) 1/2004 was issued in 2004 emphasizing the new risks and threats which had emerged, such as transnational terrorism. In the same way, it accepted that traditional military superiority was not an effective deterrent and that neither could it any longer automatically guarantee security when facing these new risks and threats. The new military doctrine makes a firm commitment to the ESDP and European integration: 'our security is

<sup>850</sup> Ma.B./STA (29 June 2007) Na Kosovu od septembra še več slovenskih vojakov [Kosovo will receive more Slovenian Soldiers in September], available at: [http://www.delo.si/index.php?sv\\_path=41,35,222988](http://www.delo.si/index.php?sv_path=41,35,222988) (10 July 2007).

<sup>851</sup> RTV SLO (9 February 2007) Slovenija bo Natu zagotovila vojake [Slovenia will provide soldiers for Nato], available at: [http://www.rtvsllo.si/modload.php?&c\\_mod=news&c\\_header=0&op=sections&func=read&c\\_menu=1&c\\_id=133485](http://www.rtvsllo.si/modload.php?&c_mod=news&c_header=0&op=sections&func=read&c_menu=1&c_id=133485) (10 July 2007).



inextricably linked to that of the continent'. Accordingly, Spain commits itself to providing the EU with the capabilities required for active and independent intervention to prevent and solve conflicts in accordance with the Charter of the United Nations. Also, in line with the Zapatero government's foreign policy priorities and with its position on the Iraq war, the new NDD emphasised that 'Spain's external action must be based on a scrupulous respect for international law as a means of resolving conflicts and on the recognition of the United Nations as the organisation with the responsibility for ensuring international peace and security'. It stresses that military intervention is contemplated only as a last resort. Therefore, the role of the Spanish armed forces outside Spain's borders should be considered within the context of effective multilateralism based on two conditions: (1) that there is a prior decision by the United Nations or another multinational organisation; and (2) that it should have the explicit consent of the Spanish Parliament.

## Sweden

Sweden's policy of non-alignment remains steadfast despite the change of government last year; neither the current government coalition parties nor the opposition parties are seeking any changes to that fundamental notion (although the Liberal Party from time to time argues in favour of a Swedish NATO membership). The centre-right government and the Social Democratic Party furthermore agree on the centrality of EU-membership for Sweden, and all five parties find Swedish participation in EU crisis management and conflict prevention activities as well leading the Nordic Battle Group consistent with Sweden's non-aligned status. In the annual government declaration on foreign policy, the government earlier this year stated that Sweden should belong to the core of European cooperation, which is quite a distance away from what used to be a general internationalist rather than specifically European foreign policy orientation. It is even stated that the EU has a unique status in Swedish foreign and security policy; it is quite evident that the government (and the Social Democrats) attach great importance to the EU.<sup>852</sup>

Earlier this year Mr Håkan Juholt – one of the most central and experienced Social

<sup>852</sup> "Hem till Europa", *Dagens Nyheter*, February 15 2007, available at: <http://www.dn.se> (last access: 11.09.2007).

Democratic parliamentarians in the field of security and defence policy – suggested that Sweden should abandon non-alignment and together with Finland form a joint navy for the Baltic Sea. His main line of argument revolved around the concepts of cooperation and dependence, and departed from the observations that Sweden is already cooperating with Finland in air surveillance and is already integrating with a number of other countries in security-related areas such as electric power supply, information technology, and environment.<sup>853</sup> The same line of reasoning can be found in relation to Norway – there already exists limited military cooperation regarding training, defence material, air surveillance and the Nordic Battle Group, and the State Secretary of the Defence Ministry, Mr H G Wessberg, has noted that "there are few limits to what Sweden and Norway can cooperate on, only such limits that we create ourselves".<sup>854</sup> Interestingly enough, in late August of this year, the Commanders in-Chief of the Swedish and Norwegian Armed Forces, respectively, suggested deepened cooperation in training, maintenance, exercises and also procurement of submarines and tanks.<sup>855</sup> To what extent this will materialize remains to be seen, but such thinking clearly represents a change in the security culture of Sweden.

## Turkey

Turkish security culture, in relation with her geopolitical situation, emphasized the role of a strong army. Turkish Armed Forces, historically, assumed the role of protecting the country against external and internal threats, which increased its role in the domestic politics in time, especially with the interventions, either in the form of memorandums or coup d'états. People believe in the Turkish Armed Forces and their role in protecting the country, and trust them the most among all institutions.<sup>856</sup> In the last couple of years especially the developments in the region, i.e. unrest in the Middle East, war in Iraq, and political vacuum in the region are some of the reasons of increasing sensitivity towards the region. When

<sup>853</sup> "Skrota alliansfriheten", *Dagens Nyheter*, March 18 2007, available at: <http://www.dn.se> (last access: 11.09.2007).

<sup>854</sup> "Smygvägen till NATO", *Dagens Nyheter*, February 10 2007, available at: <http://www.dn.se> (last access: 11.09.2007).

<sup>855</sup> "Nytt försvarssamarbete mellan Sverige och Norge", *Dagens Nyheter* August 31 2007, p. 6.

<sup>856</sup> The most trusted institution, by 82 percent is the Turkish Armed Forces. (Eurobarometer 2003.4, Full Report, 32).

the public's faith in the Turkish Armed Forces' ability to protect the country against external and internal threats, combines with these sensitivities, a considerable increase in the support for the Turkish Armed Forces is witnessed. In this respect, a rise in the already existing military-oriented security understanding is observed.

Concurrently, paving her way to EU membership, governments, as a part of the reform packages, focus on decreasing the role of Turkish Armed Forces in politics. Although, the perception of the public has not totally changed yet, Turkish security culture is on the way for change. Increase in the non-traditional security threats, epidemiology, environmental threats, resource scarcity, terrorism and so on force the states to alter their security perception and culture in the 21<sup>st</sup> century. Turkey is not an exception in this regard.

At the international arena, Turkey has been a part of international organization led operations for more than 50 years now. In the post-Cold War era, international peacekeeping has gained new significance. Accordingly, Turkey is participating and supporting various UN, NATO, OSCE and EU led missions. Over 10 thousand Turkish troops have participated in the numerous international peacekeeping missions and the Turkish Armed Forces continue to serve in such NATO operations as ISAF in Afghanistan, KFOR in Kosovo, Active Endeavor in the Mediterranean and the Military Training Mission for Iraq. In relation to the EU led missions, although Turkey is not completely involved in the ESDP process, due to the given importance to the EU by governing elites, Turkey participates in these missions i.e. in Macedonia, Kinshasa, Bosnia and Herzegovina, including the EUFOR-ALTHEA operation that replaced SFOR in the latter. In addition to her contribution to UNIFIL in Lebanon, over 1000 civilian police have been deployed in UN missions from Haiti to Kosovo, from Liberia to Sudan, from Georgia to East Timor.

Turkey is obliged to change her policies in foreign and security policy areas as it is stated in the Negotiating Framework;

In the period up to accession[,] Turkey will be required to progressively align its policies towards third countries and its positions within international organisations with the policies and

positions adopted by the Union and its Member States.<sup>857</sup>

Therefore, as Turkey goes through the Europeanization process, the security and foreign policies are shifting to align with the EU policies. However, the decision of the EU to freeze the accession negotiations on eight out of the 35 chapters,<sup>858</sup> affected both the people and governing elite.<sup>859</sup> As a result, decrease in the support for EU membership and the increased level of distrust towards the EU slows down the Europeanization process in the security related policy areas as well. In the academic and governing elites it is widely believed that the improved relations between the EU and Turkey will speed up the harmonization process again.

### United Kingdom

In general, the British government has long been willing to commit its troops to military action outside the United Kingdom or indeed outside Europe, whether for British national interests or in the context of international operations.<sup>860</sup> The most significant British military commitment abroad in recent years,

<sup>857</sup> Article 7, Negotiating Framework for Turkey, 03.10.2005.

<sup>858</sup> These chapters are free movement, finance, agriculture, fishery, transport, customs, foreign policy and services trade.

<sup>859</sup> In the last couple of years, there has been a considerable decrease in the public support towards the EU in a very short span of time already. The EU is distrusted (22% trust vs. 37% tend not to trust) and support for EU membership went down to 50% in 2007 from 75% three years ago. (Eurobarometer 67, Public Opinion in the European Union, Fieldwork April-May 2007 ) According to the public opinion polls conducted by the Istanbul University Communications Faculty Academic Media and Public Opinion Research Group in Istanbul, from 2002 to 2006, the support for the membership went down from 76,35 percent to 57,41 percent. Furthermore, the percentage of support in the youth went down to 55,33 percent from 84,96 percent in the same period.

<sup>860</sup> General information about British politics: 10 Downing Street, available at: <http://www.number-10.gov.uk/output/Page1.asp> (last access: 03.09.2007); Directgov, the official website of the UK government, available at: <http://www.direct.gov.uk/en/index.htm> (last access: 03.09.2007); Foreign and Commonwealth Office, available at: <http://www.fco.gov.uk/servlet/Front?pagename=OpenMarket/Xcelerate/ShowPage&c=Page&cid=1007029390554> (last access: 03.09.2007); Parliament of the United Kingdom, official website available at: <http://www.parliament.uk/> (last access: 03.09.2007); general news about British politics available for example at: <http://www.keele.ac.uk/depts/por/ukbase.htm> (last access: 03.09.2007), <http://www.bbc.co.uk/> (last access: 03.09.2007) and <http://www.guardian.co.uk/> (last access: 03.09.2007).

that in Iraq, has never been popular with British public opinion and has now become almost universally unpopular. The British government is not yet under significant political pressure to withdraw British troops immediately. It is, however, widely expected that the new British Prime Minister, Gordon Brown, will try gradually to reduce the number of British troops in Iraq.

There is a growing and uncomfortable awareness of the military dangers and losses attendant upon the role of Britain and its European allies in Afghanistan. Partly because of the West's initial success in displacing the Taliban in 2001 and 2002, operations in Afghanistan are not regarded with the same critical resentment as is the apparently futile continuing deployment in Iraq. There is some resentment in the military community that Britain's casualties in Afghanistan are greater than those of the UK's European allies. This resentment is not widely shared in the British population as a whole. Because there is no conscription in the United Kingdom and there has not been for many years, the professional military class tends to be untypical of the population as a whole.

Attention has often been drawn to the willingness of the British government to pool its sovereignty in NATO, while being much less willing to do so with the rest of the EU. The leading role of the USA in NATO, to which the UK has traditionally regarded itself as a privileged junior partner, no doubt explains some at least of this disparity. Mr Blair used to argue, at the time for instance of the St. Malo agreement with France in 1999, that the British could play a leading role in the European Union security policy, as a counter-weight to Britain's absence from the euro. Such rhetoric has been noticeably less current in recent years. British public opinion is not currently hostile to greater European collaboration in the military, peace-keeping and defence field. But any concerted campaign by Eurosceptic forces to claim that the European Union was bent upon depriving the United Kingdom of its military sovereignty would undoubtedly find an echo in some sections of the British media and electorate.

# 4

## Unemployment, labour markets and the future of the welfare states

*Although some countries do better than others, unemployment is still high across the EU, fear of social decline is spreading and ever larger proportions of the population live under precarious conditions.*

- **Please draw a picture of the state of discourse on these issues in your country and give facts and figures on basic trends.**
- **Are there other issues that play a crucial role in this discourse (immigration, globalisation, education etc.)?**
- **Which measures and strategies are taken by government and other actors?**

## Austria

The Austrian economy has clearly profited from Eastern enlargement. However, while Austria's major companies have strongly invested in Austria's Eastern neighbourhood, the trade unions and the chambers of labour insist on the maintenance of temporary regulations regarding labour mobility from the East. Due to the country's geographic proximity there is the widespread fear of price dumping. This mainly concerns lower educated professions.

Although the OECD qualifies the Austrian economy and the rate of unemployment positively, the organization criticises Austria's low expenses on technology and science. As the major assets of the Austrian economy are well educated and trained manpower, expenditure on research and education is crucial. Another critical point is the low rate of elderly employees. Compared to other countries, particularly to Scandinavian countries, the rate of working women is also relatively low. The OECD therefore advises to prepare better conditions for the compatibility of job and family for women.

The reform of the pensions system, which now takes the average salary and not only the last five years before retirement into account, has been praised as a revolutionary change which meanwhile constitutes a model for other countries.<sup>861</sup>

Recently, the lack of a defined immigration policy which focuses on the needs on the labour market has been criticised by politicians from various political parties. Until now, there does not exist any strategy for regulated immigration. So far asylum agencies have been dealing with labour immigration rather than immigration offices.

## Bulgaria

Bulgaria witnesses an optimistic trend of declining unemployment over the last couple of years. Reading the facts and figures, however, may sometimes produce diverging interpretations.

The decrease of unemployment levels has been attributed to a number of factors, among

which are some boosting economic sectors like tourism, construction, processing industries and commerce. According to May 2007 data of the National Employment Agency, unemployed people up to the age of 29 are 58 469. Those unemployed above the age 50 are 103 452.<sup>862</sup>

These statistics, however, hide certain demographic, social and emigration problems. The average birth rate is relatively low (it is higher within the Roma minority, but they have the peak unemployment level), the drop-outs from school among youths is troublesome, fewer young people receive qualified training beyond the average comprehensive secondary education, or high school, which decreases the number of skilled workers.

The National Statistic Institute database shows that the number of people employed on permanent or long-term labour contracts has reached 2.76 million in the first quarter of 2007 (of nearly 7.5 million population).<sup>863</sup>

In May 2007 the number of unemployed people (289 753) reached its lowest level since 1991. It could be explained with the lower number of registered unemployed people as well as with the seasonal temporary employment at this time of the year.<sup>864</sup>

The country's average unemployment rate is 7.82%<sup>865</sup> but there are some regional discrepancies throughout the country ranging from the lowest unemployment level in the capital city of Sofia (1.95%) to the highest rate in the region of Shumen (14.22%).<sup>866</sup>

Employment statistics highlight a trend, which has been established in the transition period – economic activities, hence employment opportunities, have been concentrated in Sofia, and four other main cities (Varna, Bourgas, Plovdiv, Rousse). This trend has definitively affected the demographic processes in the country, and most notably, internal migration.

Emigration to West European countries and the United States has also served as defusing

<sup>861</sup> „An den Besten messen“, available at: [www.news.at/profil/index.html?articles/0728560/178348.shtml](http://www.news.at/profil/index.html?articles/0728560/178348.shtml) (last access 6 August 2007).

<sup>862</sup> Good News from the Labor Market, „Tema“ weekly magazine, Issue 25/ 2007, p. 45.

<sup>863</sup> Available at: [www.nsi.bg](http://www.nsi.bg), accessed on: 21.07.2007.

<sup>864</sup> Job Offers Decrease, TEMA, Issue 25/ 2007, pp. 44-45.

<sup>865</sup> Unemployment Rate in May 2007 Fell to 7.82%, Government of the Republic of Bulgaria, Press Release 20 June 2007; available at: <http://www.government.bg>; accessed on: 21.07.2007.

<sup>866</sup> Unemployment Rate as of 31 May 2007, TEMA, Issue 25/ 2007, p. 45.



the unemployment pressure. Immigrant workers from Bulgaria are involved in the agriculture sectors in Spain, Italy and Greece. Many other Bulgarian émigrés work as skilled labourers in construction works, service sectors or as self-employed in Germany, Austria, Great Britain, and the new EU members. The biggest part of highly qualified labour migrants headed toward the US.

A few other points related to employment and labour market in Bulgaria are to be made. First, it is the higher emigration trend within certain skilled professions such as nurses and construction workers. A tendency has been already observed of most of these workers moving to old EU countries seeking better employment conditions.<sup>867</sup> This results in a specific 'deficit of workers' in some economic sectors like tourism, textile-manufacturing, etc.<sup>868</sup> Some business organizations such as the Bulgarian Industrial Association have announced they are in search of qualified workers from countries outside the EU (Macedonia, Albania, Moldova, India, the Philippines, Vietnam and Bangladesh).<sup>869</sup>

The generally positive employment data, however, could be subject to harsh economic interpretation. Many economists emphasize the economic and social impact of the unfavourable ratio of 2.76 million economically active population (those working on permanent or long-term contracts) supporting the remainder to 7.5 million, including adolescents below 18 years of age and people of retirement age. Roughly, one economically active citizen supports nearly three other economically inactive citizens. The economic meaning of such a ratio is alarming.

The creation of new jobs has reached a plateau. Government-supported employment programs have reached their maximum during the last couple of years, and it is only the real sector of economy that can create jobs now. Recent data, however, show that a maximum point has been reached there, as well, with only 2034 new jobs created in May 2007.

<sup>867</sup> Emigration of Qualified Labor Hand Among Bulgaria's Major Problems, available at: [http://www.sofiaecho.com/article/emigration-of-qualified-labour-hand-among-bulgarias-major-problems/id\\_20577/catid\\_5](http://www.sofiaecho.com/article/emigration-of-qualified-labour-hand-among-bulgarias-major-problems/id_20577/catid_5); accessed on: 21.07.2007.

<sup>868</sup> Tourism Barometer: Bulgaria's Tourism Lacks Qualified Specialists, available at: [http://www.sofiaecho.com/article/tourism-barometer-bulgarias-tourism-lacks-qualified-specialists/id\\_21089/catid\\_5](http://www.sofiaecho.com/article/tourism-barometer-bulgarias-tourism-lacks-qualified-specialists/id_21089/catid_5); accessed on: 21.07.2007.

<sup>869</sup> Bulgaria Seeks Workers Outside the EU, The Sofia Echo, 12 March 2007.

Maintaining a welfare state in Bulgaria seems a costly exercise. Reforms of the social security system and the health care system present the biggest challenges to the functioning of the welfare state. Additional pressure comes from ongoing debates about taxation reforms.

The introduction in Bulgaria of a flat tax of 10% has been advocated for quite some time now.<sup>870</sup> Proponents of such a reform seek to encourage those economically active individuals and businesses that are regarded as generators of economic growth. It is also believed that a side-effect of the flat tax would be the reduction of the 'grey or shadow economy' and the avoidance of previous tax evasion practices of people with high incomes and firms with big profits.

The introduction of a flat tax however is postponed again. Most of the political establishment and the greater part of the electorate still support progressive taxation. Some of the old EU members also are negative about the reduction of taxation rates, which could eventually increase the taxation competitiveness of new EU members.

## Croatia

The high unemployment rate remains one of the pivotal problems of Croatian transition process and current economic development. Although the general unemployment rate, measured by both ILO Labour Survey and national statistics, has been continuously declining since 2001, the unemployment rates are still among highest in the transition countries, especially when compared with the new EU-member states, thus reflecting its dominant structural causes. The long-term unemployment (over 12 months) is among the hardest problems as it makes up for more than half (58%) of jobless people in Croatia and the main challenge of policy makers is to provide conditions to upgrade the skills and qualifications of the long-unemployed labour.<sup>871</sup> Additionally, almost half of the potential work force is inactive, while employment rate for women is around 48%,

<sup>870</sup> Tanev, N. Shall We Introduce Soon a Flat Tax?," TEMA, Issue 25/ 2007, p. 47.

<sup>871</sup> "Unplugged Faces of Social Exclusion in Croatia", Development & Transition Newsletter, no.2, UNDP Croatia, May 2007, p. 9.

which is among lowest in the EU (together with Poland, Italy and Spain).<sup>872</sup>

Nevertheless, it is important to mention that the situation is gradually improving especially in the last two-three years. Key labour market indicators for 2005 and 2006 continue to indicate positive developments: rise in employment and decline in the unemployment levels. In the course of 2005 the employment rate went up to 54.8 % of the total work force, while the unemployment rate fell below 13% (12.7%) which happened for the first time in 10 years.<sup>873</sup> The figures for 2006 also reaffirmed this trend and the unemployment rate measured by ILO, further declined to about 11%, as a result of an economic growth rate of around 5%, increased investments and consecutive positive job creation effect.<sup>874</sup>

Current labour market policy in Croatia is continuously being adjusted in accordance with requirements of the EU accession process.

Croatia adopted all ten guidelines of the European Employment strategy prior to the adoption of the National Action Plan for Employment for the period 2005-2008.

Based on the adopted Plan a new cycle of the active employment and other implementing measures started in 2006, which aim at:

- Ensuring effective cooperation with unemployed persons based on individual professional employment plan, education and training for desired employment;
- Reducing the average time required for registering SMEs and providing assistance in accessing the capital for technological development and creation of new jobs;
- Altering the system of secondary education towards the acquisition of general basic skills with the purpose of ensuring higher level of flexibility and employability;
- Reform of vocational training and adult education;
- Creating conditions for tripartite participation in education and life-long learning by stimulating collective

negotiations on financing vocational and life-long learning;

- Stimulating the transfer from unregistered labour towards the official economy by way of increasing incentives as well as fines;
- Development of economically depressed regions through the entrepreneurial zones and by creating local development agencies.

The restructuring of labour market and implementation of the Labour Market Adjustment Strategy in Croatia is also supported by the EC funding such as CARDS Project 2001-05. Within the CARDS Labour Market Restructuring Project, seven centres have been established to support changes in the business sector aimed at providing services to workers and companies in the process of restructuring which will result in redundant workers. Decentralisation and Restructuring Programme is another project underway to reform the Croatian Employment Service under the assistance of CARDS, it will strengthen regional and local abilities of the HZZ through advancing the skills, technological knowledge and expertise required for decentralised operation which will result in more direct participation in local developments plans and initiatives.

Additionally, the PHARE 2005 project "*Active Measures for Employment of Groups Threatened by Social Exclusion*" aims at strengthening social and economic cohesions of the most sensitive groups by increasing their potential employability through measures tailored to their needs.<sup>875</sup>

One of the important obstacles to a better functioning of the labour market in Croatia is also the rigidity of labour market regulations. The Plan for Improving the Labour Market regulations to reduce rigidity of the Market has been adopted three years ago, to start adjustments with EU regulations. The trade unions were actively involved in drafting the plan through State Office for Social Partnership (Tripartite Economic and Social Council). The rigidity elements still persist in the area of foreign workers employment, high social charges and hiring and firing regulations. As for the rigidity in employment of foreigners, it will be considerably reduced by the recent legislative changes as a result of adjusting

<sup>872</sup> According to data from the recent study of European Foundation for Improvement of Living and Working Conditions, quoted in Vecrenji list, 20th March 2007, p. 9.

<sup>873</sup> Pre-Accession Economic Programme, 2007-2009, Government of Republic of Croatia, November 2006, p. 67.

<sup>874</sup> Figures for the first quarter of 2007 presented by the Ministry of Finance in June 2007 are encouraging and report growth of GDP of about 7%, available at: [www.mfin.hr](http://www.mfin.hr) (last access: 07.08.2007).

<sup>875</sup> See more at Croatian Employment Bureau, available at: [www.hzz.hr](http://www.hzz.hr) (last access: 07.08.2007).

present Labour Law (2004) to EU regulations (June 2007)<sup>876</sup>.

The monitoring and evaluation process of labour policy and regulation has been adopted at the Ministry of Economy, Labour and Entrepreneurship (MELE) and also within the Work team that supports the negotiation process of Croatia with the EU. The National Negotiating Team on labour market policy for accession to EU, which will also monitor the progress in adjustment process to the EU standards, consists of major stakeholders and experts from private sector, academia, state institutions, trade unions, etc. Apart from that the civil society and private sector, formal consultation mechanisms are also established. The consultations are introduced to elaborate the present status, propose better targeted measures and also envisage the potential impact of active labour policy measures, including the fiscal one.

At this point, the labour market and social policy in Croatia (Chapter 19 of the *acquis communautaire*) may not be considered to be sufficiently prepared to open pre-accession negotiations and an action plan for the gradual transposition of the *acquis* into national legislation is being prepared with a detailed list of needed actions, institutions and human resources for the next two years and medium term<sup>877</sup>.

The present situation at the labour market in Croatia is also directly linked with the education level of labour force. The situation on that front, according to last census data<sup>878</sup> is not very rosy. Croatia lacks more educated labour force in order to be able to cope with competition coming from EU member states. Only 7% of total population has a graduate degree, while it is quite shocking to find out that over 1.5 million Croats (about one third of population) do not have secondary school education.<sup>879</sup> That was the main reason why the Government opted for the recent introduction of obligatory secondary school education in order to improve the population's

education structure by 2010.<sup>880</sup> Further investment (both public and private) for advancement of the education system, enjoys a wide consensus among political parties, experts and general public as it will raise the employability of the labour force. A *life-long learning concept* is an underlying concept of several strategic documents, such as the recently adopted Government development strategy,<sup>881</sup> in which science and life-long education are treated as the essential starting points for achieving sustainable development, employment, social inclusion and cohesion. The shortage of adequately educated labour force is already recognized as an important obstacle for further growth of some industries and services as some jobs such as those in shipbuilding and construction industry are already being filled by immigrant workers from neighbouring countries.

The aging of the population is another serious problem directly affecting the labour market in Croatia. In 2005 there were in total 15.5% of total population older than 65 years old and in this respect the country is similar to the new EU-members such as Slovenia, Hungary and Czech Republic, while the average EU is 17% of population older than 65. The demographic trends (the total fertility rate decreased to 1.4 children, while the life expectancy is increased to 75 years in 2005) are not promising for the future either<sup>882</sup> and it will have serious economic repercussions not only on labour market, but also on labour productivity, savings, investments, consumer behaviour, welfare spending (pensions and health care) etc. Sustainability of pension and health systems is in particularly vulnerable due to the aging of the population.<sup>883</sup>

This problem has resulted in consequent prolongation of age of retirement in Croatia (60 for women and 65 for man, with further prolongation to 65 years of age for women envisaged by the year 2018). There is a lot of discussion about this issue among policy

<sup>876</sup> The Final Proposal of the Law on Amendments to the Labour Law accepted by the Parliament in June 2007, available at: [www.sabor.hr](http://www.sabor.hr) (last access: 07.08.2007).

<sup>877</sup> Pre-Accession Economic Programme, 2007-2009, Government of Republic of Croatia, November 2006, p.67. The document was approved at the meeting of the ECOFIN Council in Brussels, 8<sup>th</sup> May 2007.

<sup>878</sup> National Bureau of Statistics, available at: [www.dzs.hr](http://www.dzs.hr) (last access: 07.08.2007).

<sup>879</sup> Interview with Dr. Zoran Primorac, Croatian Minister of Science, Education and Sports, Vjesnik (daily paper), 4th June 2007, p. 22.

<sup>880</sup> For more information see Ministry of Science, Education and Sports, available at: [www.mzos.hr](http://www.mzos.hr) (last access: 07.08.2007).

<sup>881</sup> "The Strategic Framework for Development, 2006-2013", State Office for Development Strategy and Coordination of EU Funds, available at: <http://www.strategija.hr/Default.aspx?sec=2> (last access: 07.08.2007).

<sup>882</sup> According to the projections, the share of the population older than 65 will increase to 22% till 2025 (UNDP, May 2007).

<sup>883</sup> Interview with Dr. Daniel Nestic, Economic Institute Zagreb, at monthly BANKA, April 2007, p. 18.

makers, academic experts<sup>884</sup> and media<sup>885</sup> and the demographic trend is recognized as a serious structural problem of Croatian economy.

The problem of employment in the grey economy zone is also very much discussed in Croatia and the policy options towards the standardisation of regulation tackling this problem within the EU are carefully followed. Some of the current discussions in the EU on black labour market and the need for preparing stricter regulations and sanctions for grey and black economy participants, especially employers in the EU, were picked up and reflected also in the Croatian press. Daily paper *Vjesnik* quoted Mr. Frattini on the need for adopting common minimal legislative sanctions for participants at the black labour market among the EU member states to tackle this issue more effectively.<sup>886</sup>

## Cyprus

Cyprus had never had a serious problem with unemployment since 1977. Moreover, with the island's accession to the European family, its economy gained further stability. In addition, according to the December Eurobarometer results, Cyprus holds one of the lowest records among the EU-27 as regards unemployment levels<sup>887</sup>.

Nevertheless, a recent survey of the Statistical Service of the Republic showed that Cyprus' unemployment rate increased to 4.8 percent in the first three months of 2007 compared to 4.2 percent of the last three months of 2006<sup>888</sup>. Moreover the percentage of unemployment among the young people between 15-24 years old is being calculated to 10.9 percent, which is considered a relatively high percentage for the Cypriot standards. It is notable that the

percentage of unemployment in Cyprus before its accession to the European Union maintained lower levels.

The following table shows the annual rates of unemployment in Cyprus before its accession to the EU.

Year	%
2000	3.5
2001	3.0
2002	3.3
2003	4.1
2004	3.6

It is a general perception among the majority of the Cypriots that the country's accession to the EU had a twin effect on the economy of the island. On the one hand, people acknowledge the Union's advantages to the island, such as the stability of the economy. On the other hand, the disadvantages that followed with the accession, namely the increase of unemployment, which is often being seen as a result of the uncontrollable freedom of movement among the European workers, trouble citizens<sup>889</sup>.

It has to be noted that after the accession of Romania and Bulgaria to the EU, the Cypriot trade unions expressed concern over a possible massive influx of workers from Romania and Bulgaria, which could lead to the increase of unemployment in the island<sup>890</sup>. Moreover, some of the Cypriot media added to those fears by reporting that in Bulgaria on New Year's Day, the first day of its full EU membership, Bulgarians were lining up at train stations to leave their country unable to find jobs<sup>891</sup>.

On the other hand, the chairman of the Employers and Industrialists Federation, responded to those fears, arguing that, in the worst case scenario, some hundreds of Bulgarians would be coming to Cyprus to seek work and that for Cyprus to sustain its rate of growth foreign labour was required<sup>892</sup>.

<sup>884</sup> Several recently published studies examine aging of population in Croatia. See for instance D. Nestic and S. Svaljek "Unpleasant Demographic Changes: How Great is the Fiscal Challenge?" in: Development and Transition, UNDP Newsletter May, 2007 and "Croatia: Living Standards Assessment: Promoting Social Inclusion and Regional Equity", World Bank Report, no. 37992, November 2006.

<sup>885</sup> «Croats work more that citizens of the EU», *Vecernji list* (Croatian daily), 30 May 2007, p.6.

<sup>886</sup> "Europe against the black labour market" (in Croatian), *Vjesnik*, 6-7<sup>th</sup> June 2007, p. 30.

<sup>887</sup> EUROBAROMETER 66 PUBLIC OPINION IN THE EUROPEAN UNION, Fieldwork: September-October 2006, Publication: December 2006.

<sup>888</sup> Information obtained from the official website of the Cypriot Statistical Service, available at: [www.mof.gov.cy/cvstat](http://www.mof.gov.cy/cvstat) (last access: 08.08.2007).

<sup>889</sup> Ibid.

<sup>890</sup> Trade Unions -PASDYD/PEO/SEK/DEOK-Announcements, Cyprus News Agency, 02/01/2007.

<sup>891</sup> Some Main TV News Bulletins, 02/01/2007.

<sup>892</sup> Ibid.



Moreover, several government officials that we have interviewed supported the thesis that the unemployment rates of Cyprus are in “rationally acceptable” percentages. They also expressed the view that the small increase of unemployment rates is not a result of the European policy for the freedom of movement among the European workers but rather an outcome of the increasing rate of the illegal immigrants that each year come to Cyprus<sup>893</sup>.

The Chief of Police, in one of his interviews in the media, admitted that the Cypriot Police Force faces a lot of problems with overcrowding the low capacity of the detention centers, adding simultaneously that the cost for deportation of illegal immigrants is being extremely high<sup>894</sup>. He also noted that during 2004, more than 5.000 people have illegally entered the island, the majority of them (more than 95 percent) from the non-government controlled areas. He also explained that illegal immigrants from Bangladesh, Afghanistan, Pakistan, Iran, Iraq and Syria, reach the non-government controlled areas via Turkey and then cross over to the government-controlled areas. He accused Ankara of failing – once again – to cooperate with the Republic of Cyprus, and with the international community, on an extremely sensitive and important issue.

In order to overcome these problems, the Ministers of Interior, Finance, Justice and Public Order, and Communication and Works are currently collaborating for the elaboration of a policy and action plan to address illegal immigration based on EU regulations<sup>895</sup>.

Moreover, the Minister of Interior, Neoklis Sylikiotis, had announced a serious reforms package for the Immigration Department, by removing some of the powers held by the Director of Immigration, following complaints that immigrants and, on occasion, EU citizens, are being deported without explanation. The Minister said the pressure exercised by the flow of illegal immigrants on the one hand, and the need to abide by the EU directives on the other, may have resulted in some irregular approaches<sup>896</sup>.

Another issue that is considered quite important and has been discussed thoroughly

in the past few months in Cyprus is the viability of the Social Security Fund. The Minister of Labour, Antonis Vassiliou, announced that his Ministry is looking into a package of measures to enhance the long-term viability of the Social Security Fund, to cover a period up until 2050<sup>897</sup>. The Ministry of Labour aims at increasing the incomes and reducing the expenses of the Fund, while additionally being able to provide benefits, such as the increase of low pensions and maternity grants. The Minister stressed the need for support from all social partners in the effort and invited them to a dialogue.

Moreover Mr. Vassiliou, during the government's discussions with its social partners, warned that if action is not taken soon, the viability of the State Pension Fund was also at stake. He said that the EU as a whole is facing similar problems relating to its aging population<sup>898</sup>. It has to be noted that the main controversial provision in the package is the extension of retirement age from the current 60 years to 65. Trade Unions disagree with the extension of the retirement age.

Until now the Ministry of Labour and its social partners have agreed that the donations to the Social Security Fund must increase by 1.3 percent (in seven stages, every five years) in order to secure its viability by 2050. Minister of Labour Vassiliou explained that through this arrangement the Fund will gain 9.1 percent and will only fall 3.6 percent short of securing its long-term viability. However, the Ministry and its social partners disagreed on the ways to obtain the remaining 3.6 percent. They also continue to hold different views on the extension of the retirement age<sup>899</sup>.

## Czech Republic

### *From Eurosceptics to constructive critics?*

While the unemployment rate in the Czech Republic is 6.1 percent,<sup>900</sup> unemployment does not currently belong to the most debated political issues. The major topics in Czech domestic politics lately have been a tax reform – should a flat tax be introduced in the

<sup>893</sup> Interviews conducted by Nicoleta Athanasiadou and Christos Xenophontos, Ministry of Interior, 27/05/2007.

<sup>894</sup> CyBC Main TV News Bulletin, 20/04/2007.

<sup>895</sup> Interviews conducted by Nicoleta Athanasiadou and Christos Xenophontos, Ministry of Interior, 27/05/2007.

<sup>896</sup> Ministry of Interior Press Conference, 14/05/2007.

<sup>897</sup> Minister of Labour Vassiliou's statements, Nicosia, 27/03/2007 (as reported by all Cypriot media).

<sup>898</sup> Minister of Labour Vassiliou's statements, Nicosia, 24/04/2007 (as reported by all Cypriot media).

<sup>899</sup> Written Press, 15/05/2007.

<sup>900</sup> Czech Statistical Office, available at: <http://www.czso.cz/csu/csu.nsf/informace/czam050407.doc> (last access: 14.08.2007).



country? The European Commission's criticism of the Czech budget deficit has also received some attention.<sup>901</sup>

Regarding the labour market one of the Czech government's priorities refers to a "Europe without barriers", which will also be the motto of the Czech EU presidency in 2009.<sup>902</sup> The government is stressing the importance of old member states opening up their labour market to workers from new member states, in case they still have not done so. Consequently, the Czech Republic decided to open up its labour market to workers from two of the newest member states, Romania and Bulgaria, yet allowing for the introduction of future restrictions in case an unexpected wave of migration occurs. The general view has been that a large migration into the Czech Republic is not to be expected since most workers are likely to prefer destinations in Western Europe.

The Czech Republic also faces the problem of having a shortage of workers in certain sectors; e.g. construction, and it has also launched programmes to attract workers from non-EU member states. Yet, any plans for EU coordination of programmes to attract specialised workers from non-EU countries has been rejected by representatives of the Czech government, because the government does not view this as an issue that should be handled at the EU level.<sup>903</sup> In the Czech Republic thus far are predominantly immigrant workers from Slovakia, Poland, the Ukraine and Russia.<sup>904</sup>

The Czech government has been reluctant towards calls for a more social Europe and towards harmonisation in the field of social policies. The government's position is that these issues need to be handled on the national level.<sup>905</sup> Also some criticism has been

expressed alluding to the European social model in the Berlin Declaration.<sup>906</sup>

## Denmark

Unemployment in Denmark is at a historical low. Since December 2003 the unemployment rate has fallen by 45 per cent to 3.7 per cent, the lowest level in 33 years.<sup>907</sup> This development has led to growing concerns among economists that the economy is overheating and on the path to an economic slowdown. These immediate concerns have come to serve as an early warning of the demographic prospect of a labour force shrinking by 350,000 people over the next 40 years.<sup>908</sup> The debate in Denmark is thus focused on reforming the labour market and the welfare state. While the government does not share the immediate concerns of the overheating economy, there is a broad consensus across the political spectrum in parliament that reforms are necessary if the present level of welfare is to be sustained in the future.<sup>909</sup> Fiscally-liberal think tanks have brought a sense of urgency to the debate by calling for reforms of the labour market, for example increasing working hours, and lowering social security benefits and taxes at a more rapid rate than presently.<sup>910</sup>

International appraisal for the Danish 'flexicurity model',<sup>911</sup> which combines flexible government legislation for employers with social security for the employees, has been widely covered in the Danish media. Particular focus has been on the structure of the labour market, which is characterised by non-intervention by the government in the negotiations between trade unions and employers' associations.<sup>912</sup>

Nonetheless, the labour market policies and the economic policy adopted by the Fogh

<sup>901</sup> Česko hospodaří nejhůř z celé unie (The Czech Budget the worst in the whole Union) Hospodařské noviny 11 July, 2007, available at: <http://hn.ihned.cz/c1-21584470-cesko-hospodari-nejhur-z-cele-unie> (last access: 14.08.2007).

<sup>902</sup> See government's press release available at: <http://www.vslada.cz/scripts/detail.php?id=22454> (last access: 14.08.2007).

<sup>903</sup> Nečas: EU by měla především využívat svých pracovních sil (Nečas: EU should mainly use its own labour force) Czech News Agency, 30 May 2007.

<sup>904</sup> Česko přilákalo ke konci loňského roku 530 odborníků z ciziny (The Czech Republic attracted to the end of last year 530 foreign experts) Czech News Agency, 12 January 2007.

<sup>905</sup> See comment of Petr Nečas minister of labour and social affairs, Volání po "sociálnější Evropě" na radě ministrů EU neuspělo (The call for a more social Europe at the Council of ministers did not succeed) Czech News Agency, 22 February 2007.

<sup>906</sup> See comments of Alexandr Vondra deputy prime minister for European affairs. Vondra: Evropská unie potřebuje reformy (Vondra: the European Union needs reforms) Czech News Agency, 20 March 2007.

<sup>907</sup> Key indicators, Danmarks Statistik.

<sup>908</sup> 'Fremtidens velfærd – vores valg', Velfærdskommissionen, December 2005, p. 6.

<sup>909</sup> 'Claus Hjort afviser reformanalyser', Ritzau, 1 June 2007.

<sup>910</sup> Bo Jørgensen, 'Rekordlav ledighed bekymrer', Jyllands-Posten, 2 June 2007.

<sup>911</sup> Bjarke Møller, 'Den Danske model: De øvrige EU-lande elsker at efterligne Danmark', Politiken, 17 February 2007.

<sup>912</sup> Ove K. Pedersen, 'Essay II: Den nye velfærdsstat', Information, 4 September 2006.

Rasmussen government have been less celebrated by the opposition and parts of the media. The leading opposition party, the social democrats, has charged the government with being 'economically irresponsible',<sup>913</sup> arguing that the tax policy followed since 2001 has halted the development of the welfare state and even lowered the quality of state services.

This debate on the tax system and the future of the welfare state has dominated the past year in parliament, and has brought considerable controversy. The parties in governments are split on the issue, with the conservatives favouring lower taxes while the liberals refuse.<sup>914</sup> The opposition has also been split, with leftist parties strongly favouring welfare over tax cuts.

A further testimony to the importance of the issue has been the rebellion by three backbenchers from the conservative and social liberal parties that broke with their respective parties to form a new party called the 'new alliance.' While not an explicit reason for the split, the first declared policy by the new party was that taxes should be lowered.

Key thinkers in civil society have voiced concern about the continuing focus on creating labour market incitements at the cost of more inequality in society.<sup>915</sup> Perhaps most acutely, there has been a focus on the inequality generated by a negative social justice. The debate has been stimulated by figures from the Danish Economic Council, which estimate that 165,000 people in Denmark live in poverty.<sup>916</sup> While this number does not differ significantly from 10 years back, there has been a widening of, or a new focus on, the groups of society considered to live in poverty. In particular groups that have had difficulty in gaining access to the labour market, such as the mentally ill and certain immigrant groups, have attracted attention. The difficult situation of single parents has also been highlighted in an attempt to do away with the myth that there are no poor people in Denmark.<sup>917</sup>

The government, however, has discarded the figure as a matter of interpretation and presentation.<sup>918</sup> The underlying themes raised are nevertheless part of wider debate concerning the challenges that globalisation pose to society. There has been a broad consensus in parliament favouring the establishment of a globalisation trust fund, which recently has been employed to increase the internationalisation of the education system.<sup>919</sup>

A more controversial issue in Danish debates on labour markets has been the flow of workers from especially Poland and the Baltic states since the eastern enlargement of the EU. Prior to the enlargement, an agreement was reached in parliament on the criteria under which labour migration was regulated through residence and work permits. This so-called 'East Agreement' was adjusted in 2006 to ease regulations. Despite the fact that Denmark did restrict access for migrant workers from the new member states, cases of underpaid east European workers regularly shape media and parliament discussions. An oft-voiced fear by the trade unions is that the regulations in the East Agreement are not being abided to. The trade unions are especially concerned with the high number of migrant workers that are not unionised.<sup>920</sup> The number of cases where employers have broken laws and regulations have continued to rise since 2004.<sup>921</sup> The forces of globalisation and EU integration thus continue to shape the debate of the future of the welfare state in Denmark.

## Estonia

One of the consequences of post-Soviet transition was a noteworthy decline in employment in Estonia.<sup>922</sup> While in 1990, the employment rate was 77.4%, the respective figure for 2005 was 64.4%(slightly higher than the EU-27 average of 63.4). There was a

<sup>913</sup> Henrik Sass Larsen and Mogens Lykketoft, 'Kronik: Økonomisk ansvarlighed', *Politiken*, 20 December 2006.

<sup>914</sup> Thomas Larsen, 'Skattekrigen mellem V og K optrappes', *Berlingske Tidende*, 27 May 2007.

<sup>915</sup> Knud Vilby, 'Kronik: Beskæftigelsespolitik eller social straf', *Politiken*, 7 June 2007.

<sup>916</sup> 'Dansk Økonomi Efterår 2006', *Det økonomiske Råd*, Autumn 2006.

<sup>917</sup> Jan Rose Skaksen, 'Og: Er der fattige i Danmark?', *Jyllands-Posten*, 10 January 2007.

<sup>918</sup> Thor Pedersen, 'Debat: Lav indkomst = fattigdom?', *Jyllands-Posten*, 12 January 2007.

<sup>919</sup> Anne Mette Svane and Dorthe Ipsen Boddum, 'Studerende får penge med til udlandet', *Jyllands-Posten*, 2 November 2006.

<sup>920</sup> Sune Sølund and Metter Iversen, 'Arbejdere fra øst: Polske avisbude arbejder illegalt', *Politiken*, 13 May 2007.

<sup>921</sup> Iver Houmark Andersen, 'Arbejdskamp: Voksene antal sager om østarbejdere', *Information*, 8 July 2006.

<sup>922</sup> This section of the report builds heavily on a research paper by Kaie Kerem and Mare Randveer, *Assessment Of The Estonian Labor Market Development, 2007 EABR (Business) & ETLC (Teaching) Conference Proceedings*, Ljubljana. Unless noted otherwise, the figures shown are from this source.

relatively low unemployment rate at the beginning of the transition period. However, as a result of the Russian financial crisis (1998-1999) and the corresponding downturn of the Estonian economy, the unemployment rate rose sharply to over 10% in 1999 and reached a record high in 2000 (12.8%). As economic growth resumed, the number of unemployed people began to decrease again. The decline has been especially rapid since 2004, coinciding with Estonia's accession to the EU, several years of double-digit economic growth, and new employment opportunities in the EU. Thus, Estonia's unemployment rate had dropped to 5.3% by the first quarter of 2007. Unemployment is highest in North-Eastern Estonia (10.2%) and lowest in and around the capital (4.1%). The share of long-term unemployment (individuals looking for a job for one year or longer) among the unemployed was 53%.<sup>923</sup> The long-term unemployment is largely structural in nature: the skills and qualifications of the employees do not correspond to the demands of the labour market.

Estonian labour market is quite flexible: trade unions are relatively weak and government regulation of the labour market is modest. Average union membership in Estonia has significantly declined during independence. The union density (TUD) is around 13%, which is much lower than in Finland and Sweden and also lower compared to new member states of the EU. Collective Bargaining coverage (CBC) in Estonia is 24%. In Estonia unemployment benefits are one of the lowest among the EU member states. The low level of unemployment benefits (63.9 EUR/month in 2005) were meant to provide strong incentives for the unemployed to look for jobs but there is some evidence that even these modest payments, when combined with local subsidies for housing and heating, may constitute disincentives for job search.<sup>924</sup> Active labour market policies have played a relatively modest role. The most important measures have been labour market training program and a cash allowance for enterprise start-ups. Only about a tenth of the unemployed participate in training programs organized by labour services.

<sup>923</sup> Ministry of Foreign Affairs, Estonian Review Vol 17, No. 21, May 23-29, 2007.

<sup>924</sup> Kaie Kerem and Mare Randveer, Assessment Of The Estonian Labor Market Development, 2007 EABR (Business) & ETLIC (Teaching) Conference Proceedings, Ljubljana.

In conditions of rapid economic growth (10% in first quarter of 2007) and a declining population, Estonia is increasingly facing labour shortages, especially given a significant outflow of labour (including highly skilled professionals) to those EU countries that have opened their labour markets to the citizens of the new member states. The growing demand for labour is also reflected in rapidly growing salaries (on average, about 15% annually). The shortage of qualified personnel is most acute in health care, construction, transportation, police forces, education and emergency services. The media dedicates increasing attention to the pros and cons of bringing in foreign guest workers. The general attitude towards importing labour is cautious, given the history of massive influx of Russian-speakers in the Soviet period and the still unresolved problems of societal integration. The Western European experience, with all the complexities of multiculturalism, is also used as an example of the potential problems ahead.

## Finland

The current state of the Finnish economy is relatively good, thanks largely to the growing world economy. The GDP of Finland in the year 2006 was 168 billion euros, constituting a growth of 5.5% from the previous year. Unemployment is slightly higher than EU-25 average levels at 8.5% with 232 000 people unemployed (May 2007). The year 2006 saw the creation of 45000-60000 new jobs, prompting the popular tabloid paper *Ilta-Sanomat* to exclaim "an end to major unemployment" in January. This was credited as one of the biggest successes of the outgoing government in March. Youth unemployment has clearly decreased but long term unemployment still remains high with some 65000 people.<sup>925</sup> Inflation is approximately at 1.7% in 2007.<sup>926</sup> Income disparity has grown in Finland in the latter part of this decade but in international comparison this disparity is still rather small.<sup>927</sup> Finland's total tax rate remains above EU

<sup>925</sup> Mol.fi, Ministry of Labour, Press Releases, 15.3.2007, available at: [http://www.mol.fi/mol/fi/06\\_tyoministerio/05\\_tiedotteet/2007-03-15-02/index.jsp](http://www.mol.fi/mol/fi/06_tyoministerio/05_tiedotteet/2007-03-15-02/index.jsp) (last access: 13.08.2007).; *Ilta-Sanomat*, Article, 24.1.2007.

<sup>926</sup> Stat.fi, Statistics Finland, Press Releases, 2007, available at: <http://www.stat.fi/ajk/tiedotteet/uutiset.html> (last access: 13.08.2007).

<sup>927</sup> Stat.fi, Statistics Finland, Income Distribution Statistic, 2005, available at: [http://www.stat.fi/til/tjt/2005/tjt\\_2005\\_2007-05-16\\_tie\\_001.html](http://www.stat.fi/til/tjt/2005/tjt_2005_2007-05-16_tie_001.html) (last access: 13.08.2007).

average at approximately 48% (2006) of the GDP.<sup>928</sup>

Globalization and its effects on the economy have for years been at the centre of Finnish public discourse on the future of the welfare state and debate on the viability of the welfare state model is ongoing. Finnish companies moving their production to countries of cheaper labour and the consequent loss of Finnish jobs or complete capital flight are probably the most worrying potential symptoms of globalizing times. In a recent survey 63% of Finns agreed with the argument that globalization inevitably leads to growing domestic unemployment.<sup>929</sup> The first half of 2007 has indeed witnessed large company production and domicile relocations, although offshoring is still relatively minor in Finland.<sup>930</sup> Nevertheless, it is realized that a rapidly ageing population and tightening global economic competition pose diametric challenges to certain aspects of the Finnish welfare state model. The impending demographic change will strain the public sector of the economy while at the same time arguments for lowering taxes or tax breaks, particularly regarding the taxation of labour and enterprise, become more commonplace as a strategy for succeeding in global competition.<sup>931</sup> This is problematic as support for a large public sector and welfare spending is very strong and equality is a basic social value in Finland. In fact 75 % of respondents in a recent value survey opined that economic and social inequality in the country have grown unacceptably large in current times, a concern substantiated to a degree by a reality of growing income disparities and social and regional inequality.<sup>932</sup> It has to be reiterated,

however, that Finland remains an equal and socially stable country in larger European comparison and has witnessed no real social unrest. Another topical issue concerning the Finnish economy and the labour market in particular is the increase in very short-term (the shortest ones lasting a few months) employment in recent years. A new term has even been coined ("pätkätyöt" i.e. stub jobs) to describe these temporary employment periods mostly associated with young entrants into the job market and especially into the public sector. This trend is also predominantly caused by tightening competition and consequent cost efficiency rationale making e.g. public sector funding increasingly short term and project-based.<sup>933</sup>

Finnish responses to the challenges of globalization have input from various societal actors. As has been mentioned earlier, following the parliamentary elections in March, Finland has a new centre-right government. In its agenda for the future term, the new government envisions investing in high quality education and research and technology as the fundamentals of Finnish competitiveness and a healthy labour market. Specialising in green, sustainable technology is seen as a potential competition advantage. Taxation of work and of enterprise will be lowered in the future – one of the campaign themes of the rightist National Coalition Party, a big winner in the March elections. The Confederation of Finnish Industries (EK) has also periodically called for a relaxation in these taxes, as well as urged more general discussion on the viability of Finnish societal structures in globalizing times. The organization has argued for more flexibility in the job market, endorsing work force mobility and work place-level wage setting.<sup>934</sup> Finland has a strong tradition of corporatism and tripartite collective wage bargaining between representatives of the state, employers and employees. This year a collective income policy agreement was not reached due to disagreement caused by sector-specific concerns.<sup>935</sup>

<sup>928</sup> PricewaterhouseCoopers.com, Press Release, 20.11.2006, available at: <http://www.pwc.com/extweb/ncpressrelease.nsf/docid/03536C4FDE9A1AA08025722C00447647> (last access: 13.08.2007).

<sup>929</sup> Finnish Business and Policy Forum (EVA), Satavuotias Kuntotestissä (Values and Attitudes-survey), 2007, EVA, p.103.

<sup>930</sup> Helsingin Sanomat, Article, 7.2.2007, available at: <http://www.hs.fi/talous/artikkeli/Elcoteq+lopettaa+l%C3%A4hes+kaikki+ty%C3%B6paikkansa+Suomessa/1135224916426> (last access: 13.08.2007); Helsingin Sanomat, Article, 5.3.2007, available at:

<http://www.hs.fi/talous/artikkeli/Perlos+lopettaa+Suomessa+yli+tuhat+l%C3%A4htee/113522590587> (last access: 13.08.2007); Proessori.fi, Arkisto, 2004, available at: <http://www.proessori.fi/es04/ARKISTO/KOTIMAIISUUS.HTM> (last access: 13.08.2007).

<sup>931</sup> Valtioneuvoston Kanslia (2006), Suomen Vastaus Globalisaation Haasteeseen, pp. 187, 198.

<sup>932</sup> Finnish Business and Policy Forum (EVA), Satavuotias Kuntotestissä (Values and Attitudes-survey), 2007, EVA, p.70.; Given the high support for the welfare state it is slightly contradictory that over half of the respondents of

the survey say that the tax rate is too high in Finland (ibid. p.83).

<sup>933</sup> Talouselämä.fi, Column, 13.12.2005, available at: [http://www.talouselama.fi/doc.te?f\\_id=822948](http://www.talouselama.fi/doc.te?f_id=822948) (last access: 13.08.2007).

<sup>934</sup> EK.fi, Confederation of Finnish Industries, 11.12.2006, available at: [http://www.ek.fi/?we\\_objectID=4970](http://www.ek.fi/?we_objectID=4970) (last access: 13.08.2007); Valtioneuvoston Kanslia, Prime Minister's Office, Suomen Vastaus Globalisaation Haasteeseen (Finnish Answer to the Challenge of Globalization), 2006, VNK, p. 98.

<sup>935</sup> Turun Sanomat, Editorial, 27.4.2007.



The government also intends to facilitate immigration into Finland. It is realized that work force will be in high demand in Finland as the baby boomer generation retires soon and that the domestic work force will not be able to completely satisfy this demand.<sup>936</sup> Immigration to Finland, in comparison with many bigger European countries, is small in scale and Finnish attitudes towards immigrants can consequently be apprehensive and at worst xenophobic, especially in rural areas, although surveys in recent years show change towards a more welcoming disposition.<sup>937</sup> Securing and improving social and health services for the elderly is also a topical issue in the government's agenda. This branch of social care has suffered from a lack of work force and resources, prompting criticism from the media and also from NGO's such as the Finnish Red Cross.<sup>938</sup>

One additional aspect of recent discourse on the labour markets merits attention. In the March elections one of the main themes of the Green Party's campaign was a proposal for guaranteed minimum income for all citizens. This, the party claimed, would benefit the citizens with the lowest income and at the same time would actually be an incentive to work as finding work would not decrease the minimum income, the opposite of which being the case with some current social security schemes. Suomen Kuvalehti, Finland's biggest quality weekly, indicated strong support for the idea and although debate around the proposal fizzled out somewhat after elections it is possible the proposal will resurface in debate in the future.<sup>939</sup>

## France

France's economic decline is still present in many policy makers' minds<sup>940</sup>. Although recent unemployment statistics are positive (8.1 % unemployment and less than 2 million

unemployed, which is the best rate in 25 years<sup>941</sup>), unemployment and economic stagnation are still a concern for the French people. Nicolas Sarkozy's election is seen as the last chance to modernize the country and to reform the outdated French welfare state. The common argument is that France has been paralyzed since the 1980s and does not have the will, or even the ability, to face economic globalization. French policy makers have observed with interest the UK, the Scandinavian countries or Spain, which have successfully adapted to the new economic order. There are said to be two Frances: one is described as competitive, ambitious, and standing up to global competition, while the other, seen as a burden impeding a French revival, is immobile, tries to preserve its social advantages and rejects the liberal economy.

Although the extreme right party had historically dismal results during the presidential election – about 10% in the first round of voting –, immigration is still regarded as an issue. However, it is not considered as much of an economic burden as it was in the past, as the debate tends to focus primarily on the integration of immigrants within the nation. This is the trend that Nicolas Sarkozy seems to encourage, witnessed by his creation of a new ministry in charge of national identity and immigration.

France is also concerned about the future of its universities. Although French colleges at the university level achieve positive results, French universities are heavily criticized, the main reproach being that they do not sufficiently prepare students for the world of employment. The government has planned a reform of universities which intends to grant them real autonomy and massive public investments.

Another strong fear in France concerns the delocalisation of industries and, increasingly, services to other countries. The French regard China and India's growth as a threat to their own jobs. In addition, French politicians rarely differentiate between delocalisations within the European Union and those concerning other foreign countries. In reaction to delocalisation and globalisation, the French government tends to adopt an "economic patriotism", in contrast to the intention of building a strong European industry, as illustrated by the GDF-Suez case.

<sup>936</sup> Valtioneuvosto, Government, Hallitusohjelma, Government Programme, 19.4.2007, pp.11-12, 24, available at: <http://www.valtioneuvosto.fi/hallitus/hallitusohjelma/pdf/hallitusohjelma-painoversio-040507.pdf> (last access: 13.08.2007).

<sup>937</sup> Finnish Business and Policy Forum (EVA), Satavuotias Kuntotestissä (Values and Attitudes-survey), 2007, EVA, p 97.

<sup>938</sup> SPR.fi (Finnish Red Cross), 14.2.2007, available at: [http://www.redcross.fi/ajankohtaista/uutiset/fi\\_FI/ystavanpaniva\\_2/](http://www.redcross.fi/ajankohtaista/uutiset/fi_FI/ystavanpaniva_2/) (last access: 13.08.2007).

<sup>939</sup> Suomen Kuvalehti, Editorial, 9.3.2007.

<sup>940</sup> For the most famous one, see Nicolas Baverez, «The France's fall», Perrin, 2003.

<sup>941</sup> Le Figaro, 29 June 2007.



## Germany

The overall economic development provides more reasons for a positive perception of the future development.

### *Economical trend and labour market*

The cyclical upswing of the German economy continues. According to the current forecast, the real gross domestic product will grow by 2.4 percent in 2007. Growth was primarily stimulated by vigorous investment activity, while consumer spending was down, as expected, due to the increase in value added tax (from 16 to 19 percent).<sup>942</sup> Medium-sized companies and new start-ups are regarded as the motor of this upswing. This is reflected in the figures of the KfW Bankengruppe, which is a state owned development bank.<sup>943</sup> In the first six months in 2007, the Bank's volume of assistance granted (loans being accorded to this sector) jumped to 45.5 billion euros, a 37 percent increase over the previous year's figure.

The labour market also recovers, while the economy gains momentum. The unemployment rate has significantly decreased in the covered period. It was 8.9 percent in July 2007 (July 2006: 10.5 percent). Therefore, less than 4 million people were without job. While the upswing is stimulating the labour market, the positive trend for the labour market in turn provides support for the economy.

### *Budget consolidation course*

The robust economical growth also contributed to the budget consolidation course of the government. The budget deficit was lowered from 3.2% of gross domestic product (GDP) in 2005 to 1.6% in 2006. It is estimated that it will further decrease to 0.6% in 2007 and 0.3% of GDP in 2008. With respect to Germany on 5 June 2007 the ECOFIN Council closed the excessive deficit procedure it opened in 2003 with regard to the successful reduction of budget deficit and the compliance of the

maximum threshold of 3% GDP set by the Stability and Growth Pact.

In the period January-June 2007, European and foreign policy issues, like the EU and the G8 presidency, were highly regarded issues. In this context, a series of reforms were also addressed by the government and reached the public discourse.

### *Reform of the health care system*

The health care system underwent major reforms in February 2007. The reform followed the objectives to counter the trend of increasing costs in the health care system and to decouple health care and labour costs. The reform embarks the path to tax financed health care system and introduced a series of centralised elements. This led to sharp critics of the decentralised organised statutory health insurances, that present the vast majority of institutions of this sector.<sup>944</sup>

A centralised health funds will be established until 2009. It will be financed by a health insurance tax on income, but state contributions will increase. The funds then allocates its financial resources to the different health insurances according to their number of members. All members of the health insurances pay the same basic tariff, with an option to individual service packages offered by the health insurance company.

From 1 January 2009, the statutory health insurance system will cover all inhabitants of Germany. It is estimated that currently around 200,000 persons are uninsured. The private health insurance companies will have to offer a basic standard tariff from 1 January 2009 and will not be allowed to reject clients due to certain risk criteria (for instance age or gender). Moreover, the reform package contains a series of detailed innovations in the area of stationary and ambulant health care, rehabilitation, vaccination and the costs structure for medicines.

<sup>942</sup> Arbeitsgemeinschaft deutscher wirtschaftswissenschaftlicher Forschungsinstitute (Association of German Economic Research Institute, ARGE), Spring Report 2007, available at: [http://quickplace.glocal.biz/QuickPlace/arge/Main.nsf/h\\_0E0FB7BA9EA7EDD5C1256C91005068C2/B158300D07695278C1256C9100506ECA/?OpenDocument](http://quickplace.glocal.biz/QuickPlace/arge/Main.nsf/h_0E0FB7BA9EA7EDD5C1256C91005068C2/B158300D07695278C1256C9100506ECA/?OpenDocument), (last access: 2 August 2007).

<sup>943</sup> Available at: [http://www.kfw.de/DE\\_Home/Die\\_Bank/AktuellesausderKfW/Geschaeftszahlen\\_1\\_2007.jsp](http://www.kfw.de/DE_Home/Die_Bank/AktuellesausderKfW/Geschaeftszahlen_1_2007.jsp) (last access: 27 August 2007).

<sup>944</sup> Gemeinsame Stellungnahme der Spitzenverbände der gesetzlichen Krankenkassen vom 24.10.2006, available at: [http://www.aok-bv.de/imperia/md/content/aokbundesverband/dokumente/pdf/politik/gkv\\_wsg\\_stellungnahme\\_spik\\_bt\\_061106.pdf](http://www.aok-bv.de/imperia/md/content/aokbundesverband/dokumente/pdf/politik/gkv_wsg_stellungnahme_spik_bt_061106.pdf) (last access: 27 August 2007).

### *Social policy reform*

The grand coalition has taken the compliance of family and working life as a priority. Although almost 60 percent of women are gainfully employed, bringing Germany close to achieving the Lisbon goals in this respect (an increase to over 60 percent by 2010), the percentage of working mothers is quite low, placing Germany in 16<sup>th</sup> place.<sup>945</sup>

On 1 January 2007, the new parental-leave law on allowance for stay-at-home parents entered into force, emphasising that childcare is as important as work. New parents can receive up to 67% of the last income for up to the child's first 12 months or up to 14 months if at least two months are taken by the father.

Additionally, the introduction of child benefit and the expansion of childcare facilities is a further element to smoothen the return to work for parents staying temporarily at home. The government plans to introduce further reforms still in its current term and decided that from 2013 onwards, parents will be entitled to enforce a claim to place children between 1 and 3 years in childcare facilities or receive financial compensation. Until 2013, the government plans to create around 750,000 additional places in kindergardens or similar childcare facilities.

### *Re-distributional policy issues*

On 1<sup>st</sup> January 2007, the value-added tax (VAT) was increased by 3 percent from 16% to 19%. Consumption is therefore more burdened by taxes, and households are affected by these measures. The increased state revenue shall be used for state debt reduction.

The grand coalition discussed more tax reforms to stimulate investments and growth. A reform of the company tax was adopted by the parliament on 25 May 2007 and will come into force on 1 January 2008. It will lead to an estimated lower state revenue of 25 billion euros between 2008 and 2012 according to government sources.

To a large extent, most companies are owned by individuals (around 80% of all companies).

<sup>945</sup> Eurostat: Vereinbarkeit von Familie und Beruf, 4/2005, available at: [http://www.eds-destatis.de/de/downloads/sif/nk\\_05\\_04.pdf](http://www.eds-destatis.de/de/downloads/sif/nk_05_04.pdf) (last access: 27 August 2007); Bundesministerium für Familie, Senioren, Frauen und Jugend, available at: <http://www.bmfsfj.de/Publikationen/women-in-germany/a-2.html#24> (last access: 27 August 2007).

Their income tax was reduced from a maximum income tax of 42% before to 28.25% of the profit. For companies (with an own legal personality like limited liability company or a stock corporation) relevant taxes (national company tax and solidarity tax, local commercial tax) were reduced from nominal 38.7% to 29.83%. To this end, the corporation income tax is to be cut to 15 percent.

It is expected that the reform will result in Germany moving from last place to the middle field with regard to tax levels in the European Union. Germany currently has the highest level of corporate taxation in the EU.<sup>946</sup>

In the grand coalition the Christian Democratic Party (CDU) favoured the strong tax reduction policy for companies. Criticism of the left wing of the social democrats (SPD) led to a package deal and added further elements to the reform. For private income on investment an indemnity tax with a competitive flat rate of 25 percent is to be introduced as of 2009. In the future, the bank will deduct the tax at source. Many existing incentives for private investors to move capital abroad for tax reasons will also be abolished. Furthermore, the heritage tax has been reformed. Hereby, larger fortunes that change ownership by heritage are more heavily taxed.

### *Minimum Wages*

The discourse on how to address the low-wage employment has considerably won relevance in the first half of 2007 and lead to tension in the grand coalition. Traditionally, wages in Germany are set according to industry-wide collective bargaining agreements. Nevertheless, trade unions and the SPD put onto the agenda a statutory minimum wage. As for now, this idea has been rejected by the CDU and employers' associations.

## **Greece**

After several years with double-digit unemployment, Greece has been able in 2007 to get its rate under 8.5%; quite an achievement, one might say – unless one compared with the unemployment rate in both the Eurozone and EU-27 (that stood under 7.5%) and unless one forgot that Greece

<sup>946</sup> Zentrum für europäische Wirtschaftsforschung (ZEW), 2006, available at: [http://www.zew.de/de/presse/presse.php?action=article\\_show&LFDNR=584](http://www.zew.de/de/presse/presse.php?action=article_show&LFDNR=584) (last access: 27 August 2007).

benefited of GDP growth well over 3% and even over 4% in the last years.<sup>947</sup>

The social perception of work precariousness is high, while unemployment steadily surfaces within the three top worries of Greeks in public-opinion polls. As a result, employment remains quite high as a priority in political debate – with much emphasis given to (new, further, enhanced) job opportunities in the public sector. A notorious case of contention is the fate of some 200.000 people employed in the public sector (especially in local authorities) on the basis of ever-renewed fixed-term contracts, who clamour (with some support by the Courts) to get full public employment status.

Efforts to increase employment flexibility – mainly in the private sector – so as to increase healthier job generation, while repeatedly pointed out as a necessity by the EC, the OECD, the IMF etc, have been at best timid until now. “First employment contracts”, with lower social security entitlements for new entrants of the job market, were mentioned as a possibility by (Opposition chief) G. Papandreou, to be immediately relegated to a political no-man’s-land. The same goes for ideas to promote part-time and fixed-time employment: supporting them is considered the next best thing to political suicide.

As to the future of social security, while often depicted in the most sombre terms and while repeatedly singled-out by the EC (and the OECD, and the IMF...) as a major hazard for the Greek economy in the years after 2015, there exists in Greece full consensus among the political parties that ... nothing can be attempted! Early retirement for women is untouchable (a recent Court decision even ruled – in the name of equal treatment – that early retirement at 55/60 should be made available to men, too). Even discussing the looming impasse of social security has been left for after the September (2007) elections. It is only under strong pressure from Brussels

(that does not seem near enough) that such a mentality might yield and some sort of reform undertaken.

## Hungary

At the beginning of the economic transition from a planned to a market economy, Hungary, like most other Central and Eastern European (CEE) countries, saw unemployment rise to levels comparable to those classified as “high” in developed countries.<sup>948</sup> At its peak, in 1993, the unemployment rate reached a two-digit level (around 12%). Since then it has declined to a considerable extent, but recently some increasing trends can be observed again. Nowadays, according to data of the Hungarian Central Statistical Office (CSO), the unemployment rate stands at around 7.5%.<sup>949</sup>

It should be noted that at the beginning of transition, the growing imbalance in the labour market led not only to unemployment, but also to a sharp fall in the population’s participation rate in economic activity. This happened partly because of measures against unemployment and partly because of massive, voluntary withdrawal from the labour market. Examples of the former are ‘soft’ methods of dismissals – widespread resort to pre-retirement and early-retirement schemes especially in the first half of the 1990s, and also to disability pensions. Since the beginning of transition, it has also been a conscious policy by the successive governments to raise the number of publicly financed students in higher education (this could also reduce the labour supply). In addition, a lot of new private higher education institutions were established. As a result, the number of students more than doubled between 1989 and 2000, increasing from 72 thousand to 171 thousand. This could postpone the increase in youth unemployment, but nowadays a growing trend can be observed also in this regard. For example, between 2004

<sup>947</sup> General information about Greek politics: Prime Minister of the Hellenic Republic, official homepage available at: [http://www.primeminister.gr/index.php?option=com\\_content&task=view&id=4762&Itemid=89](http://www.primeminister.gr/index.php?option=com_content&task=view&id=4762&Itemid=89) (last access: 03.09.2007); Ministry of Foreign Affairs, official homepage available at: <http://www.yplex.gov.gr/www.mfa.gr/el-GR/> (last access: 03.09.2007); Hellenic Parliament, official homepage available at: <http://www.parliament.gr/english/default.asp> (last access: 04.09.2007); general news on Greek politics available at: <http://www.politicsgr.com/> (last access: 05.09.2007) and <http://noitikiantistasis.com/wordpress/> (last access: 05.09.2007).

<sup>948</sup> The analytical answer given here was written by Klára Fóti, and is partly based on her previous publication: Fóti, Klára (2005): The impact of changes in competitiveness on labour-market and human resource development: the case of Hungary. Working Paper No. 154, Budapest, Institute for World Economics of the Hungarian Academy of Sciences. The other major source was: Fazekas, Károly – Telegdy, Álmos (2007): Labour market trends in Hungary. In: Fazekas, K. – Kézdi, G. (eds.) Hungarian labour market. Budapest, Institute of Economics of the Hungarian Academy of Sciences and National Employment Public Foundation 2007, available at: <http://econ.core.hu/doc/mt/2007/en/trends.pdf> (last access: 13.08.2007).

<sup>949</sup> All the data indicated here stem from the Hungarian Central Statistical Office and can be retrieved at the Office’s website, available at: <http://portal.ksh.hu> (last access: 13.08.2007).

and 2005 the unemployment rate of the 20-24 years olds rose by 4.1 percentage points (from 13.4 to 17.5%).

Although the labour market in Hungary showed signs of improvement at the end of the 1990s, high inactivity remained and the current less favourable trends (e.g. recent increase in unemployment) will not reverse this. The persistently low activity can be explained by several other reasons than indicated above. Despite government measures against early retirement (abolishing the early retirement schemes and even increasing the retirement age from 60/55 for men/women to 62 for both but for women only as of 2009), activity of older workers (55-64) is still very low because after a fixed-term service (38 years) it is possible to stop working, and many take this opportunity (they have often no choice but to leave due mainly to labour market reasons). In addition, even among the prime age population many of the unemployed have given up job search due to poor employment prospects. Their number is large: it is estimated at some hundred thousand. Chances for finding a job are especially weak in remote areas, small villages and in North-eastern part of the country. In these areas many working age people could find only occasional/seasonal jobs (e.g. in the agriculture), and undeclared employment is also quite widespread.

Labour mobility could hardly be a solution for the persistently high regional labour market differences because mobility is low due mainly to underdeveloped infrastructure (inadequate road and railway network etc.) and problems with housing market (about 95% of the population own their flats where they live, so renting a flat is not very common, therefore rents are very high). As a consequence of low participation, the employment rate is still very low, being around 57% (according to the CSO). The unemployment rate of unskilled people (those with elementary or less educational attainment) is specifically high: exceeding more than twice the national average (in 2005 it stood at 15.6%). Another major source of concern is long-term unemployment: according to CSO data, in early 2007 more than half of the unemployed (50.1%) tried to find a job for more than one year. Besides the aforementioned vulnerable groups (people living in remote areas, disabled persons, unskilled workers, etc.) the Roma population, making up about 4-5% of the whole population, are exposed to particularly serious labour market problems. This is reflected in

their very low employment rate: according to the latest survey carried out in 2003 it stands at only 30-35%.

In addition to the aforementioned measures, the successive governments introduced various other programmes in order to reduce unemployment and increase employment. The active measures were introduced early before mass unemployment emerged. Expenditure on labour market policy measures, however, is still well below that of the EU-15 (around 1% of the GDP). When Hungary became member of the EU, a National Action Plan for Employment was adopted. Although as in the Lisbon strategy, the Hungarian employment targets were also quite ambitious, so far they could hardly be fulfilled and only slight progress has been made. Over the past few years a lot of projects were organised aiming at labour market integration of the Roma people. The government plans to change the system of vocational training in order that skills better match the demand. More attention seems to be paid on rehabilitating disabled persons to improve their employment opportunities. The government has recently launched a major programme against child poverty, with the aim of preventing the emergence of an underclass. Hungary has a rapidly aging population and the demographic trends are a major source of concern and subject of many debates. Not only is fertility low (well below replacement), but mortality is still relatively high and the average life expectancy at birth (about 71 years) is lower than in most of the countries at similar economic development level. Due to the relatively poor health conditions of the Hungarian population, it is generally acknowledged that there is much at stake nowadays, when the health care reform is launched. The likely changes, planned by the government, are controversial and subject of sharp debates both in the media and the public in general.

## Ireland

With a prosperous economy, Ireland has one of the lowest unemployment rates in the EU, with the 4.4% rate comparing favourably with the 7.9% EU average in 2006.<sup>950</sup> This rate has

<sup>950</sup> General information about Irish politics: Government of Ireland website, available at: <http://www.irishgov.ie/> (last access: 03.09.2007); Department of Foreign Affairs website, available at: <http://www.dfa.ie/home/index.aspx> (last access: 03.09.2007), Houses of the Oireachtas website, available at: <http://www.oireachtas.ie/ViewDoc.asp?fn=/home.asp>



been hovering around the 4% mark since 2000. As a result of the low rate there is little discourse on unemployment apart from fears that a property market crash could lead to many redundancies in the construction sector and that Ireland's rising cost base could lead to multinational firm relocating elsewhere in the EU.

High employment growth rates, over 4% since 2004, have led to a large demand for and increase in immigration. Ireland's labour market and society have been transformed, with the 2006 census showing that migrant workers make up one in eight workers in Ireland's labour market. Immigration is a relatively new phenomenon in Ireland where there has been a tradition of net emigration. During the recent general election campaign, there was little public discussion on the matter from any political party, though increasingly there have been calls for a mature debate on the issue such as those from opposition leader Enda Kenny. The new government has recently created a new office of Minister of State with special responsibility for Integration Policy at the Department of Community, Rural and Gaeltacht Affairs, the Department of Education and Science and the Department of Justice, Equality and Law Reform. Three of Ireland's largest universities, UCD, UCC and Dublin University, have each recently announced major research initiatives on immigration. Trade Unions have been aiming at reducing the exploitation of migrant workers and ensuring that the minimum wage is enforced.

The trade union movement has also raised concerns over the inflation rate, currently running at 5% for 2007. The inflation rate has eroded the pay increases afforded by the "Towards 2016" national pay agreement and has led to much criticism of the new government who maintain that the high level is due to external factors such as rising fuel costs and ECB interest rates. The business lobby, Irish Business and Employers Confederation (IBEC), have echoed the concerns over the high inflation rate. State agencies, such as Forfas and Enterprise Ireland, and the government have highlighted the need for the upskilling of workers who have been made redundant, especially those who are in the

industrial sector, which is finding itself increasingly uncompetitive.

Trade unions have also expressed their desire for Ireland to incorporate more elements of the Danish flexicurity system and have long wished for a more "Nordic system" of welfare provision. IBEC has been sceptical about the implementation of flexicurity in Ireland. One of the reasons for this reticence is the potential impact on the overall tax burden (all major parties in the recent election had proposed tax cuts!).

The Economic and Social Research Institute, a publicly-funded think tank, has produced research which concludes that the economic boom has led to more social gains than losses with a decline in poverty rates, increased social mobility and growth in living standards. The research notes, however, that income inequality remains wide. Eurostat data suggest that 20% of Irish people have a disposable income below the risk of poverty threshold (below 60% of the national median disposable income after social transfers) compared to an EU average of 16%.

## Italy

According to ISTAT (national statistics institute), in Italy the unemployment level dropped from 7.6% in the first semester of 2006 to 6.4% in the first semester of 2007.<sup>951</sup> The trend foreseen for this year is 6.3%, which will decrease to 6% in 2008 (OECD, Employment Outlook). The number of employed people in the first semester of 2007 was 22.846.000, with a growth of 0.4% compared with the first semester of 2006 (Istat). However, looking only at the unemployment rate could be misleading, as its decrease can be explained with the diminution of the job offer: there are now more people that are unemployed and that are not actively seeking a job. It would be more accurate to look at the employment rate: the current level is 58%, far away for the objective fixed in the Lisbon Strategy (70% by 2010).<sup>952</sup> The OECD noticed that the employment growth slowed down during the last years, both in Italy and in Europe. OECD growth estimates for Italy are

(last access: 03.09.2007); general news on Irish politics available at: <http://www.politicsinireland.com/> (last access: 03.09.2007) and <http://www.irishnews.com/> (last access: 03.09.2007).

<sup>951</sup> Available at: [www.istat.it](http://www.istat.it) (last access: 13.08.2007).

<sup>952</sup> T. Boeri e P. Garibaldi, Tasso di disoccupazione ai minimi storici. Ma una analisi attenta smorza l'entusiasmo e quasi capovolge la situazione del mercato del lavoro in Italia, 21 June 2007, available at: [www.lavoce.info](http://www.lavoce.info) (last access: 13.08.2007).



2.2% in 2006, 1.6% for 2007 and 0.9% in 2008. The most negative results concern the Centre and the South of Italy, widening the North-South gap.

The labour market in Italy is still characterised by great uncertainty and fear of social decline are high in the Italian population, especially among youth.

Attention to these issues are ranked high in Italy at the moment, due to the decision of the new government led by Prodi to adopt pension and welfare reforms. The last month has been characterised by a bitter confrontation within the government and between the government and the trade unions. Communist allies and trade unions have been pushing the government to undo the previous, conservative government's reform, that raised the retirement age from 57 to 60 starting in 2008. They have been strongly demanding a pension reform that would eliminate or reduce the increase in the retirement age. The centre-right opposition and critics within the government like Minister Emma Bonino have strongly opposed it, as they consider it a step in the wrong direction. In fact, Italy's system is already strained by low birth-rate and excellent longevity. Moreover, Italy already has one of the youngest retirement ages in Europe and spends 15 percent of its gross domestic product on pensions, one of the highest level in the European Union. It has been pointed out that this system has contributed to Italy accumulating one of the largest levels of public debt in the EU 27 area.

The debate on the welfare reform has been concluded by an agreement between the government and the social partners on pensions, workers' protection and the labour market. The main issues tackled are: the low level of many pensions and a lack of opportunities for young people to accumulate adequate pension savings, particularly when the work career is discontinuous; the fight against irregular work and the promotion of workplace safety; stabilisation of precarious labour; narrowing the gap between the protection afforded to dependent workers and those for atypical workers. As pensions are concerned, the new agreement foresees a gradual raising of the retirement age (in 2008, 58; in 2013, 61 for those who have a legal minimum of 36 years' contribution and 58 for those who have a longer contribution record). Those workers that do arduous jobs will enjoy the right to retire at 57. The cost of this

manoeuvre is supposed to be covered thanks to the rationalisation of the welfare bureaucracy.<sup>953</sup>

The government has judged the deal as a good agreement, which introduces innovations, reform and stability both in the pension system and in the labour market. Criticism have been expressed by the centre-left coalition, as well as from the European Commission, particularly on the cost of the reform. This agreement seems to be divergent with European trend.

As far as immigration is concerned, its impact on Italian labour market is steadily increasing, in particular because of the low birth-rate and excellent longevity of Italian population. In January 2006, foreigners represented 4.5% of the total resident population in Italy, compared with 2.7% in January 2003. In an immigration dossier prepared by Caritas in 2006, immigrants seem to find employment more easily, as they are prepared to adapt to different kinds of jobs. At the same time, it is more difficult for them to keep the same job for a long period: this discontinuity is one of the main reasons why their salaries are usually lower than those of Italian citizens.<sup>954</sup> Immigrants are usually more requested for non-qualified jobs. There is also a growing number of managers in the immigrant community.<sup>955</sup> This presence is significantly modifying the dynamics of the Italian labour market and there is a growing recognition of the need to take into account this aspect in labour policies. The new centre-left government has presented a new law on immigration, which modifies the law adopted by the previous centre-right government: it is aimed at promoting immigration of highly-qualified workers, reform of immigrant receiving centres and assisted repatriation processes.

## Latvia

The public discourse in Latvia about unemployment, labour markets, and the future of the welfare state (including the fear that the

<sup>953</sup> Protocollo su previdenza, lavoro e competitività. Per l'equità e la crescita sostenibili, 23 July 2007, available at: [http://www.lavoro.gov.it/NR/rdonlyres/1D4AD463-9C21-42E2-99E9-0D1458E53581/0/072307protocollo\\_definitivo.pdf](http://www.lavoro.gov.it/NR/rdonlyres/1D4AD463-9C21-42E2-99E9-0D1458E53581/0/072307protocollo_definitivo.pdf) (last access: 13.08.2007).

<sup>954</sup> Caritas, available at: [www.caritasitaliana.it](http://www.caritasitaliana.it) (last access: 13.08.2007).

<sup>955</sup> Unioncamere, available at: [www.unioncamere.it](http://www.unioncamere.it) (last access: 13.08.2007).

quality of life is declining for ever larger portions of the population) tends to distinguish between the three topics and generally does not focus on all three simultaneously, even if, at times, they are clearly inter-related.

Only a shadow of the welfare state, as it is known in Northern and Western Europe, exists in Latvia. The minimum income, the social services and assistance that an individual living in Latvia can expect are inferior to what a resident of the EU-15 countries can expect. This is largely due to the fact that Latvia is still in the process of creating an effective system to replace the dramatically inadequate system that existed during the five decades of Soviet rule. The slow rate of progress can be explained by the frequent changes of government since 1991, under-financing and inefficient use of the available funds. In 2004 Latvia allocated only 12.6% of its GDP on social security expenditures, while the EU-25 average was 27.3% and Sweden ranked highest with 32.9%.<sup>956</sup>

Latvia's economy has been growing very impressively for over a decade. Since 2000, the growth of the GDP since the previous year has ranged from 6.1% to 11.9% and now there is talk of an over-heated economy. In 2006, the average monthly wage grew by 23.4% over the past year's amount (i.e. from 246 to 302 LVL or from about 351€ to 431€) and it was the largest increase in a decade.<sup>957</sup> At the same time, rising prices have been reducing the generally increasing incomes of most people. In 2006, the per capita monthly minimum consumer basket averaged around 117 LVL (167€), which had grown since 2005 by about 6%.<sup>958</sup> Thus, the benefits of macroeconomic growth are trickling down very slowly to the majority of the population.

Considering the picture from a broader perspective, the monthly income of Latvians is one of the lowest among Europeans. Latvia's

GDP per capita in 2006 amounted to only 52% of the EU-25 average.<sup>959</sup> The main reason is that the complete transformation of Latvia's economy from a cog in the USSR economic wheel to a functioning free-market economy has required many dramatic and painful changes, perseverance, and acceptance of the fact that the prosperity that one desires and sees in Western Europe cannot be achieved instantly.

If the galloping inflation of the immediate post-Soviet years was checked in the second half of the 1990s, the problem has again resurfaced, especially since 2003 when the annual rate of inflation was 2.9%. Since 2004, the figure has been over 6% each year and 9% is forecast for 2007. Particularly hard hit are the pensioners and persons living on fixed incomes. In 2006 the monthly social security payment (for pensioners, invalids and other groups) averaged 92.21 LVL (131.73€)<sup>960</sup> which is considerably less than the per capita minimum consumer basket. Thus, poverty and material deprivation are real for many people in Latvia, especially the elderly. According to the information compiled and analysed by the Central Statistics Bureau, about 45% of those 65 years old or older are to be considered as poor. Consequently, those who are able to work, try to supplement their incomes by part-time employment.

These factors have all affected the labour force and the level of employment. Though unemployment has and remains a problem in those areas of Latvia where the economy is stagnating, the general trend since 2000 has been positive. If in 2000 the country-wide rate of the unemployed among the economically active population was 14.4%, then in 2006 it was 6.8%. At the same time, the number of employed has been increasing every year by 1-2% (in 2006 the figure was 5%).<sup>961</sup> On the surface, these are signs of progress.

<sup>956</sup> See the Eurostat publication by Alexandra Petrasova: Social Protection in the European Union, 99/2007, available at: [http://epp.eurostat.ec.europa.eu/cache/ITY\\_OFFPUB/KS-SF-07-099/EN/KS-SF-07-099-EN.PDF](http://epp.eurostat.ec.europa.eu/cache/ITY_OFFPUB/KS-SF-07-099/EN/KS-SF-07-099-EN.PDF) (last access: 05.09.2007).

<sup>957</sup> Press Release of the Central Statistics Bureau of Latvia, 2 March 2007, available at: [http://www.csb.gov.lv/csp/events/csp/events/?mode=arh&period=03.2007&cc\\_cat=471&id=2825](http://www.csb.gov.lv/csp/events/csp/events/?mode=arh&period=03.2007&cc_cat=471&id=2825) (last access: 05.09.2007).

<sup>958</sup> Compiled from the data of the Central Statistics Bureau of Latvia, available at: <http://www.csb.gov.lv/csp/content/?cat=2646> (last access: 05.09.2007).

<sup>959</sup> Latvijas tautsaimniecība: makroekonomiskais apskats (Macroeconomic Indicators of the Latvian Economy) Nr.2 (31)., 2007, p. 18; available at: [http://www.em.gov.lv/em/images/modules/items/item\\_file\\_17218\\_31lv.pdf](http://www.em.gov.lv/em/images/modules/items/item_file_17218_31lv.pdf) (last access: 05.09.2007).

<sup>960</sup> Press Release of the Central Statistics Bureau of Latvia, 23 March 2007, available at: [http://www.csb.gov.lv/csp/events/csp/events/?mode=arh&period=03.2007&cc\\_cat=471&id=2837](http://www.csb.gov.lv/csp/events/csp/events/?mode=arh&period=03.2007&cc_cat=471&id=2837) (last access: 05.09.2007).

<sup>961</sup> Latvijas tautsaimniecība: makroekonomiskais apskats (Macroeconomic Indicators of the Latvian Economy) Nr.2 (31)., 2007, available at: [http://www.em.gov.lv/em/images/modules/items/item\\_file\\_17218\\_31lv.pdf](http://www.em.gov.lv/em/images/modules/items/item_file_17218_31lv.pdf) (last access: 05.09.2007).

Considering some of the other relevant aspects of employment and composition of the labour force in Latvia, it should be borne in mind that already in the Soviet era, Latvia's population was aging and the natural increase of population did not guarantee for sufficient growth so as to forestall a gradual but steady decrease of the population. This situation has not changed. Since 1991, with the freedom of movement fully respected, population mobility has increased and a considerable number of people both settled in and departed from Latvia. The net effect has been a steady decline in Latvia's population: according to the Central Statistics Bureau of Latvia, the country's population, as estimated on January 1, was 2,399,248 in 1991, 2,381,715 in 2000, 2,319,203 in 2004 and 2,281,305 in 2007.<sup>962</sup>

Since 2000, but especially since 2004, an increasing number (exact figures are not available, only estimates) of Latvians work abroad, mostly in Ireland and Great Britain, and stay there for a number of years.<sup>963</sup> They do not have to inform the Latvian authorities of their departure nor indicate the length of their stay abroad. Official estimates indicate that about 5% of the labour is involved, but unofficial estimates suggest that figure could be larger and is growing. In general, those who go to work abroad are the younger and middle-aged persons with a good education or sound professional training, rather than the untrained workers. While abroad, they tend to do jobs for which they are overly qualified. Latvian researchers and employers have been drawing attention to these issues for several years<sup>964</sup>,

as have the statisticians<sup>965</sup>. In recent years construction costs have risen dramatically (during the second quarter of 2007 the rise was 29.1% over the same period in 2006<sup>966</sup>); at the same time there is a serious shortage of experienced construction workers because so many of them have taken better paying jobs in the EU-15 countries. The employers are increasingly looking to and hiring guest workers from non-EU countries to fill the empty slots; this is particularly the case in the construction business.<sup>967</sup>

The government, however, seems to be waking up only this year to the fact that Latvia is already confronted with a considerable brain-drain and manpower shortages and that in the immediate future, the situation will worsen before it could improve, provided adequate steps are taken. Another imminent consequence is that Latvia will not be able to make the economic advances planned without having guest workers from abroad and deal effectively with the challenges that this presents. A preliminary report of a study, commissioned by the Welfare Ministry, shows that Latvia is on the verge of acute manpower shortages: in 2010 about 154,000 workers will be needed, but in 2030, if current trends continue, some 700,000. The authors of the study suggest several causes for the existing situation: unfavourable demographic conditions; the labour market being out of sync with the fast changing economy and technological innovations; out-migration of the labour force; and an education system not sufficiently in tune with the country's economic needs. Some of the steps that the study recommends to overcome these problems are: raise the productivity of the labour force, plan for and recruit abroad the specialists needed in Latvia; and make better use of the labour force potential in Latvia by attracting pensioners, invalids, students, and housewives to jobs which they can perform.<sup>968</sup>

<sup>962</sup> Data of the Central Statistics Bureau of Latvia, available at: <http://data.csb.gov.lv/Dialog/varval.asp?ma=04-02&ti=4%2D2%2E+PAST%C2V%CEGO+IEDZ%CEVOT%C2JU+SKAITS+GADA+S%C2KUM%C2&path=../DATAB/ASE/ledzsoc/lkgad%E7jie%20statistikas%20dati/ledz%EEvot%E2ji&lang=16> (last access: 05.09.2007) and SKDS "Sabiedrības attieksme pret darbaspēka migrāciju", SKDS, 2005. gada decembris.

<sup>963</sup> Laima Muktupāvele wrote about a Latvian woman working on a mushroom farm in Ireland, and the book Šampinjonu derība (Mushroom Gamble) Riga: Daugava 2002, became a best-seller.

<sup>964</sup> Ivars Indāns and Kristīne Kruma, Latvijas imigrācijas politika: problēmas un perspektīvas (Latvia's immigration policy: problems and perspectives), Latvian Institute of International Affairs, Riga: 2006, available at: <http://www.politika.lv/index.php?id=10021> (last access: 05.09.2007); Ivars Indāns, Aija Lulle, Marika Laizāne–Jurkāne and Liene Znotiņa, *Latvija un brīva darbaspēka kustība: Īrijas piemērs* (Latvia and the Free Movement of the Labour Force: the Example of Ireland), Strategic Analysis Commission, Riga: 2006, Dace Akule, Latvijas nacionālās intereses: darbaspēka neaizbraukšana (Latvia's National Interests: Retaining the Labour Force), 21 February 2006, published by the political science research site politika.lv, available at:

<http://www.politika.lv/index.php?id=2941> (last access: 05.09.2007).

<sup>965</sup> Data of the Central Statistics Bureau of Latvia, available at:

[http://www.csb.gov.lv/csp/events/csp/events/?mode=arh&period=04.2007&cc\\_cat=471&id=2849](http://www.csb.gov.lv/csp/events/csp/events/?mode=arh&period=04.2007&cc_cat=471&id=2849) (last access: 05.09.2007); The public opinion research group SKDS did a study in December 2004 about Latvian attitudes to workers migrating abroad. Available at: [http://www.skds.lv/doc/darbaspeka\\_migracija\\_SKDS\\_1220\\_04.doc](http://www.skds.lv/doc/darbaspeka_migracija_SKDS_1220_04.doc) (last access: 05.09.2007).

<sup>966</sup> BNS, 18 July 2007.

<sup>967</sup> BNS, 25 July 2007.

<sup>968</sup> The study is summarised in the article "Nākamajos divdesmit gados draud akūts darbaspēka trūkums," (Danger of Acute Manpower Shortage in the Next Twenty Years), published by Dienas Bizness, 16 July 2007,

## Lithuania

Some years ago unemployment was a crucial problem to Lithuania as the level of unemployment was rather high, but recently Lithuania does not have a problem of unemployment. On the contrary, in some fields there is a lack of workforce.

According to the Lithuanian Department of Statistics, the highest level of unemployment in Lithuania was in 2001 and it was as high as 17,4 percent. Since then the level of unemployment was constantly decreasing: in 2002 it was 13,8 percent, in 2003 – 12,4 percent, in 2004 – 11,4 percent, in 2005 – 8,3 percent and in 2006 – 5,6 percent. What concerns the present situation, during the first quarter of 2007 the level of unemployment in Lithuania keeps on decreasing and currently is 5 percent (other sources of statistics indicate even lower level of unemployment in Lithuania). The number of unemployed people (79,5 thousands) during the first quarter was the lowest during the last 5 years. The percentage of young unemployed and long-term jobless people is decreasing as well. The number of long-term jobless people has decreased by two times in a year<sup>969</sup>.

There are many factors contributing to the current trends. However, one of the most important factors which influence a low level of unemployment is a big emigration from Lithuania: according to the statistics, the majority of emigrants go to other countries to work<sup>970</sup> and the majority of emigrants were jobless before leaving Lithuania (6 out of 10 emigrants did not have a job before emigrating)<sup>971</sup>.

It is counted that about 447 thousands of people have emigrated from Lithuania since 1990 and 87 thousands have immigrated to Lithuania (the total Lithuanian population now is 3,4 millions). During the first year of Lithuania's membership in the EU the amount

of emigrants has grown by 1,4 times – 32,5 thousands of people left Lithuania. The biggest flow of emigrants was observed in 2005 – 48,1 thousands of people emigrated<sup>972</sup>. Mostly young people emigrate. In 2006 one fifth of emigrants were aged 25–29, people aged 20–24 composed 15 percent and people aged 30–34 – 12 percent of emigrants<sup>973</sup>. Luckily, according to the Department of Statistics, there were two times fewer emigrants in 2006 than in 2005<sup>974</sup>. Another positive trend observed is that recently, more Lithuanians tend to return to Lithuania. Still Lithuania occupies the first place in the EU according to the number of emigrants counted for 1000 inhabitants<sup>975</sup>.

Therefore emigration is a bigger problem in Lithuania than unemployment and today government and society are more concerned about this issue. As Lithuanian Foreign Affairs Minister Petras Vaitiekūnas said “the decline of the number of inhabitants and the extent of migration is a big concern for Lithuania because it means a decline in Lithuanian intellectual potential, the loss of investment to human capital, the lack of workforce in certain sectors. Besides, according to the Prime Minister Gediminas Kirkilas, we are talking not only about the ‘brain and workforce drain’, there is a threat to the decline of Lithuanian culture and language, the problems of social polarization emerge”<sup>976</sup>.

To solve this problem different initiatives are taken both by governmental and non-governmental actors. The main initiative taken to fight emigration and to make Lithuanians return to Lithuania is an adopted strategy on regulating the economic migration (although according to Lithuanian President Valdas Adamkus, the means to fight emigration should

available at:  
<http://www.delfi.lv/archive/index.php?id=18476412> (last access: 05.09.2007).

<sup>969</sup> Department of Statistics next to the Lithuanian Government, available at: <http://www.stat.gov.lt/lt/> (last access: 20.08.2007).

<sup>970</sup> Department of Statistics next to the Lithuanian Government, available at: <http://www.stat.gov.lt/lt/> (last access: 20.08.2007).

<sup>971</sup> Emigracija iš Lietuvos mažėja (Emigration from Lithuania is declining), Magazine “Verslo savaitė”, June 29, 2007, available at:  
<http://www.verslosavaite.lt/content/view/793/32/> (last access: 20.08.2007).

<sup>972</sup> Emigracija iš Lietuvos mažėja (Emigration from Lithuania is declining), Magazine “Verslo savaitė”, June 29, 2007, available at:  
<http://www.verslosavaite.lt/content/view/793/32/> (last access: 20.08.2007).

<sup>973</sup> Emigracija iš Lietuvos mažėja (Emigration from Lithuania is declining), Magazine “Verslo savaitė”, June 29, 2007, available at:  
<http://www.verslosavaite.lt/content/view/793/32/> (last access: 20.08.2007).

<sup>974</sup> Department of Statistics next to the Lithuanian Government, available at: <http://www.stat.gov.lt/lt/> (last access: 20.08.2007).

<sup>975</sup> Presentation of Lithuanian Foreign Affairs Minister Petras Vaitiekūnas made during the conference of the Baltic Assembly “The development of human resources in the context of labour force migration”, May 18, 2007.

<sup>976</sup> 20 Presentation of Lithuanian Foreign Affairs Minister Petras Vaitiekūnas made during the conference of the Baltic Assembly “The development of human resources in the context of labour force migration”, May 18, 2007.



have been implemented earlier). The goal of this strategy is to achieve that while growing fast Lithuania would not come across a lack of the labour force and thus would avoid the negative consequences of migration. The strategy foresees that Lithuania will take action to improve the accessibility and quality of the information about the migration problems and possibilities to return, will regulate the migration of workforce and will set the means for the integration of immigrants to Lithuanian society and labour market.<sup>977</sup>

## Luxembourg

In Luxembourg economic growth is back in 2006 and 2007!<sup>978</sup> Luxembourg economy showed 6,2% growth in 2006. In 2006 figures look much better than the year before when serious cuts in the social network had to be decided. In 2005 the growth was “only” 4 %. Of course this growth is largely due to the positive general economic development in Europe. Never since the introduction of the Euro have the unemployment figures been so low in the Euro zone. This positive evolution should not be overestimated according to Prime Minister Juncker<sup>979</sup>. The American economy does not quiet as well as the European does. Juncker continues to affirm that the positive evolution is not harmed by a very strong Euro. Export oriented economies, like Luxembourg’s do depend on favourable exchange rates, a high dollar penalizes them but one should not forget the positive effect a high evaluated Euro has on exploding petrol prizes.

Political columnists argue that the Luxembourg economy minister Jeannot Krecké voluntarily underestimated the growth. In fact he relied on the figures of the neighbouring countries that were even less optimistic. His predecessor and now the opposition’s economy “shadow minister”, Henry Grethen, overestimated the growth at his time in office. He had to acknowledge a negative evolution, which could be explained by some troubles on the Luxembourg finance markets. Conclusion: as Luxembourg’s economy is very dependent on foreign evolution it is very hard to predict economic key figures for this country.

<sup>977</sup> Presentation of Lithuanian Foreign Affairs Minister Petras Vaitiekūnas made during the conference of the Baltic Assembly “The development of human resources in the context of labour force migration”, May 18, 2007.

<sup>978</sup> STATEC 18.07.2007. Poursuite de la croissance.

<sup>979</sup> J.C.JUNCKER Discours sur l’état de la nation 09.05.2007.

It is a secret to nobody that this positive evolution is largely tributary to the very high performance of the financial services sector, representing alone a third of the Luxembourg economical potential, whereas industry not to speak about agriculture do experience much tougher times.

Can a growing economy be looked upon as an economy in crisis? Some industrial sectors in trouble have made progress but their evolution is yet not positive. The non-steel industry is growing too slowly compared to steel industry or to the finance sector. This unequal growth is a problem to the Luxembourg economy. The government has to be very cautious not to stress the weaker sectors. Medium seized businesses should be helped by a rollback of bureaucracy. The SNCI, the state owned credit and investment bank, must continue to help the start-ups to enter business. Business and industry leaders regret the ever-growing number of regulations imposed by European commission’s directives as they are confronted with the improving performance of their competitors in a globalized economy.

In spite of a growing economy unemployment figures in Luxembourg do not decrease: in 2005: 4.5%, 2006: 4.8% and the prevision for 2007 is 4,6%<sup>980</sup>. More new jobs are created than there are people looking for a job on the Luxembourg labour market. Isn’t this a contradiction? The new jobs are mostly taken by highly qualified low-cost cross-border commuters coming from the neighbouring regions (Belgian Wallonia, French Lorraine, German Saarland and Rhineland-Palatinate). Since a few years the professionally active population in Luxembourg is predominantly of foreign origin (foreign residents plus foreign commuters)<sup>981</sup>. Luxembourg citizens are

<sup>980</sup> STATEC 1985-2006 COMPTES NATIONAUX OBSERVES 2007-2009 PREVISION MAY 2007.

<sup>981</sup> Statnews n°38/2007 18-7-2007

Figures of wage earners in the Grand-Duchy of Luxembourg on March 31st 2007

Status	Total number of wage earners	Cross border commuters
Blue-collar workers	133.162	60.310 (45%)
White-collar employees	153.205	71.904 (47%)
Civil servants	24.763	371 (1.5%)
total	311.130	1320.585 (42.6%)

These statistics do not distinguish between foreigners living in Luxembourg and national residents.

In 2007 41,6% of the total Luxembourg population was of foreign origin . In 1991 “only” 29.1 % of the resident



largely predominant in the public sector (civil servants). The required knowledge of the three national languages (French, German and Luxembourgish) excludes practically most foreigners from public service employment. Unemployment is very high among the poorly qualified foreign residents especially from working class population origin (Portugal Cape Verde). They do have to face very high housing prices and have to rely on the functioning, state sponsored social security system to survive.

## Malta

While Malta is experiencing a major flux in its job market with numerous manufacturing jobs being lost due to other countries, a number of other jobs are being created in new sectors, especially those related to the IT sector.<sup>982</sup>

In fact earlier this year TECOM Investments of Dubai agreed to invest approximately 400 million euros to create a SMART City IT hub in Malta which is expected to generate more than 5000 new jobs in the coming five years. Lufthansa Technik are also expanding their operations in Malta and are expected to add another 500 plus jobs to the operation they already have.

The Government of Malta has thus been making the claim that employment structural reform is an inevitable by product of the globalisation process we are all experiencing and that EU membership is helping us to attract new jobs in different sector. The Opposition Labour Party and civil societal organisations are however concerned about the extent to which those losing their jobs will be able to adapt to the changing employment market and are calling for a more concerted effort to assist those that fall victim to the changing market, especially when it comes to job retraining.

population were foreign nationals. (Le Luxembourg en chiffres. STATEC 2007).

<sup>982</sup> General information about Maltese politics: Government of Malta, official homepage available at: <http://www.gov.mt/index.asp?l=2> (last access: 03.09.2007); Office of the Prime Minister, official homepage available at: <http://www.gov.mt/frame.asp?l=2&url=http://www.opm.gov.mt/> (last access: 03.09.2007); Maltese Parliament, official homepage available at: <http://www.parliament.gov.mt/> (last access: 03.09.2007); general news on Maltese politics available at: <http://www.timesofmalta.com/core/index.php> (last access: 03.09.2007) and [http://www.aboutmalta.com/GOVERNMENT\\_and\\_POLITICAL/POLITICAL\\_PARTIES/](http://www.aboutmalta.com/GOVERNMENT_and_POLITICAL/POLITICAL_PARTIES/) (last access: 03.09.2007).

## Netherlands

Over the last few years, the Dutch labour market shows a positive development, as the growth of the number of jobs is increasing. The number of open vacancies slightly decreased in the first quarter of 2007, and unemployment has not been this low in 25 years. Despite the increasing tension on the Dutch labour market, in the first quarter of 2007, wages have increased less than in 2006. In April 2007, unemployment in the Netherlands was the lowest in the Euro-area: 3.3%<sup>983</sup>, and in March 2007, the lowest unemployment rate for under-twenty-five-year-olds in the EU was observed in the Netherlands: 6.5%.<sup>984</sup>

Nevertheless the Dutch government observes that without a flourishing economy, a favourable investment climate and healthy competitive position, there will not be enough jobs.<sup>985</sup> It is moreover concerned about people that are more or less permanently on the fringes of society (long-term unemployed; low educated youth, etc) and the impacts of the ageing society on the welfare state. Objectives include to increase labour participation from 70% to 80%, to cut early school leaving in half by 2012, to stimulate entrepreneurship, to further enable immigration by well-educated people, and to reduce administrative burden by 25%.<sup>986</sup> A concrete set of policies was discussed at a so-called "participation summit" in which the government met with municipalities, employer organisations and labour unions. A sensitive issue proved the liberalisation of dismissal protection legislation. As social partners could not reach an agreement on this issue, the government put forward a proposal<sup>987</sup>, which at the time of writing is still subject to further discussion in

<sup>983</sup> Cf.

[http://epp.eurostat.ec.europa.eu/pls/portal/docs/PAGE/PG\\_P\\_PRD\\_CAT\\_PREREL/PGE\\_CAT\\_PREREL\\_YEAR\\_2007/PGE\\_CAT\\_PREREL\\_YEAR\\_2007\\_MONTH\\_06/3-01062007-EN-CP.PDF](http://epp.eurostat.ec.europa.eu/pls/portal/docs/PAGE/PG_P_PRD_CAT_PREREL/PGE_CAT_PREREL_YEAR_2007/PGE_CAT_PREREL_YEAR_2007_MONTH_06/3-01062007-EN-CP.PDF) (last access: 13.08.2007).

<sup>984</sup> Cf.

<http://www.europa.eu/rapid/pressReleasesAction.do?reference=STAT/07/59&format=HTML&aged=0&language=EN&guiLanguage=en> (last access: 13.08.2007).

<sup>985</sup> Coalition Agreement between the parliamentary parties of the Christian Democratic Alliance (CDA), Labour Party (PvdA) and Christion Union (CU), 7 February 2007.

<sup>986</sup> Policy programme on the implementation of the Coalition Agreement, available at: <http://www.samenwerkenaannederland.nl/samenleving/belidsprogramma> (last access: 13.08.2007).

<sup>987</sup> See for further details the website of the Ministry of Social Affairs and Employment: [http://home.szw.nl/actueel/dsp\\_persbericht.cfm?jaar=2007&doc\\_id=10775&link\\_id=122460](http://home.szw.nl/actueel/dsp_persbericht.cfm?jaar=2007&doc_id=10775&link_id=122460) (last access: 13.08.2007).

parliament. Coalition partner Christian Democratic Alliance (CDA) seems most in favour of more liberalisation, but the other coalition partners, the Labour Party (PvdA) and Christian Union (CU), have large difficulties with taking a decision without prior approval by the social partners.

Participation is furthermore likely to increase when women would work more hours as in the Netherlands they typically work half-time. A recently introduced measure to increase their participation in the labour market has been to oblige primary schools to offer day-care after school hours. Other priorities in social policy are the transformation of 40 social problematic neighbourhoods into 'great-neighbourhoods'<sup>988</sup> and strengthening investments in education, research and innovation infrastructures. In comparison to other EU member states the Netherlands is relatively well-positioned with regard to its pension system, in which the current generation makes savings for their own future income and not as in other countries for elder generations. An ongoing debate on income policy is whether the current income tax reduction of mortgage rent is to be continued. The current government postponed a decision on this highly sensitive issue to the next period. Finally, labour migration, including from the new EU member states, is a sensitive issue. Initially a quota system was used, but as of May 1st 2007, Dutch employers no longer have to apply for work permits for workers from Poland, Slovakia, Hungary, the Czech Republic, Slovenia, Estonia, Latvia and Lithuania. For Romania and Bulgaria restrictions still apply.

For the period 2007-2013 the Netherlands has been earmarked 830 million euro from the European Social Fund (ESF) to support projects to increase labour participation and improve education levels of employees. Strict adherence to the criteria is likely to be secured when funding projects, as the Netherlands, in the past has had to pay back large amounts of wrongly spend money from the ESF.

<sup>988</sup> Term used in the government pamphlet: "krachtwijken", available at: <http://www.samenwerkenaannederland.nl/uploads/nr/de/nrdeA6szKEozpWOT4PG6fQ/Beleidsnota-pijler-sociale-samenhang.pdf> (last access: 13.08.2007).

## Poland

### *Facts and figures on labour market and unemployment*<sup>989</sup>

According to the results of the Labour Force Survey<sup>990</sup> (LFS), in the 4<sup>th</sup> quarter of 2006, the economically active population (i.e. working people + unemployed, persons above the age of 15) comprised 16,987 thousand persons. Comparing this figure with the same period in 2005, the decrease by 296 thousand persons was noted. The number of working people (14,911 thousand) increased by 521 thousand persons and the unemployment figure (2,076 thousand) decreased by 817 thousand persons.

The employment rate for the population aged 15 and over in the 4<sup>th</sup> quarter of 2006 was 47.5% and increased by 1.6 percentage point as compared with the same period in 2005. In the 4<sup>th</sup> quarter of 2006, the rate of employment, calculated as the share of working people in the total working-age population (18-64 years for men and 18-59 for women), was 60.8% and increased by 2.4 percentage point as compared with the 4<sup>th</sup> quarter of 2005.

The economic activity ratio was 54.1% and decreased by 1.1 percentage point as compared with the same period previous year.

As at the end of December 2006, the number of unemployed persons registered at labour offices was 2,309.4 thousand. Compared with the figure as at the end of 2005, unemployment decreased by 463.6 thousand persons (16.7%).

The rate of unemployment was 14.9% and lower by 2.7 percentage point compared with the end of 2005.

One of the most important characteristics of Polish Labour market is seasonality. Traditionally, increased registrations in labour offices start in the period from November till January. Both, in 2003 and 2004, the number of unemployed was dropping from March on. That was caused by the start of seasonal work in the construction and agricultural sectors,

<sup>989</sup> Source: Report Situation on the Labour Market in Poland prepared by Ministry of Labour and Social Policy, available at: [www.psz.praca.gov.pl](http://www.psz.praca.gov.pl), (last access: 14.08.2007).

<sup>990</sup> Central Statistical Office, Warsaw, 2007., after the Report Situation on the Labour Market in Poland prepared by Ministry of Labour and Social Policy, available at: [www.psz.praca.gov.pl](http://www.psz.praca.gov.pl) (last access: 14.08.2007).

and the beginning of the tourist season. In 2005 and 2006, the number of unemployed was dropping from February although the decline amounted only 0.4 thousand persons in 2005 and 0.8 thousand persons in 2006.

Regional development disproportion has also a great influence on the situation within labour market. Such differences occur due to uneven socio-economic development of the regions, their geographical locations and the advancement of restructuring and privatisation processes in the national economy. This situation is illustrated by the rate of unemployment. As at the end of December 2006, the difference in unemployment rates, i.e. difference between the lowest and highest figures in particular voivodships, was 12.3 percentage points (malopolskie voivodship – 11.4%, warmińsko – mazurskie voivodship – 23.7%).<sup>991</sup>

There is also some disproportion concerning the situation in towns and rural areas. The economic transformations noted over the recent years concern mainly residents of towns and cities where enterprises are predominantly located. The number of registered unemployed residing in towns and cities was 1,304.8 thousand people (56.5% of the total number). Compared with the end 2005, the urban unemployment figure dropped by 18.1% while rural unemployment decreased by 14.9%.

In accordance with gender issue, women who constitute 56.5% of the total unemployment figure dominate registered unemployment. At the end of December 2006 under consideration, there were 130 women per 100 unemployed men.

#### *State of discourse on the issue concerning the labour market*

Taking into account the state of discourse on the issue concerning the labour market and welfare state, there are a few dominant topics:

- a) *Situation in labour market caused by emigration flow of Polish citizens to West European countries:* Due to EU regulations and decisions of Member States on opening the labour market for new Member States citizens, every year the average number of Poles leaving the country reaches the level of 600 thousand. Since Poland's

membership in the EU, the total number of Polish employees leaving the state is estimated at the level of 1,500 thousand persons<sup>992</sup>. Among other reasons, the most important is the low level of average salary in Poland (over 740 euro in April 2007).

- b) *Lack of workforce especially in construction sectors:* On the other hand, due to investment boom Poland experiences currently, there are many job opportunities in construction sectors. In June 2006 Polish government decided to simplify the procedures of employing the citizens of Ukraine, Belarus and Russian in non-agricultural sectors.<sup>993</sup> According to estimations of Polish Confederation of Private Employers in construction sectors there are at least 50 thousand job opportunities for specialists<sup>994</sup>. Polish Chamber of Commerce and Industry in Construction Sector assesses that in this sector there are 800 thousand job vacancies for construction workers.<sup>995</sup>
- c) *Trend of unemployment rate decrease:* Due to assessments of Polish Ministry of Labour and Social Policy, but also of the European Commission, the unemployment rate in Poland at the end of 2007 may drop to the level of 11%.<sup>996</sup> Such situation results from the rapid growth of Polish economy especially in production and investments. Additionally, it is also caused by the emigration flow of Polish citizens to West European countries. According to European Commission the unemployment rate in 2008 may decrease below 10%, that would be the best result after break-through period in 1989.<sup>997</sup>
- d) *Drawing new activities towards people requiring social assistance:* Marek Kuchciński – the leader of “Law and

<sup>992</sup> Gazeta Wyborcza, 28/05/2007, Job is waiting! – about situation in Polish labour market.

<sup>993</sup> Source: [http://www.wnp.pl/praca/26308\\_1\\_0\\_0.html](http://www.wnp.pl/praca/26308_1_0_0.html) (last access: 14.08.2007): Poland opens labour market.

<sup>994</sup> Gazeta Wyborcza, 28/05/2007, Job is waiting! – about situation in Polish labour market.

<sup>995</sup> Dziennik, 16/06/2007, Poland opens labour market on the East.

<sup>996</sup> Gazeta Wyborcza, 09/05/2007, Fewer unemployed poles emigrates to find a job.

<sup>997</sup> Gazeta Wyborcza, 07/05/2007 European Commission: Unemployment in Poland decreases below 10%.

<sup>991</sup> Cf. internet site of Ministry of Labour and Social Policy, available at: [www.mps.gov.pl](http://www.mps.gov.pl), (last access: 14.08.2007).

Justice" the largest political party in Polish parliament presented the bill on social policy regulation. Its main goals are to regulate and order the rules of conducting social policy, rationalise the utilisation of EU funds at the level of municipalities (LAU), improve the economic situation of families being tackled with structural unemployment. Among many new regulations the bill changes the situation of centres of social assistance within which health-care actions will be separated from financial support distribution. It also introduces new action called "social contracts" for people requiring social assistance who may receive financial support in return for taking up a job. According to Law and Justice, the bill facilitates social integration and decreases the area of structural unemployment. It also increases the flexibility in labour market and the role of non-governmental organisations in realisation of state's social policy.<sup>998</sup> The representatives of non-governmental institutions welcomed such proposition with satisfaction.

#### *Public discourse on the implementation of the Lisbon Strategy in Poland*

In February 2007 the London think-tank, Centre for European Reform (CER), published a ranking of the Member States of the EU-27 in the field of implementation of the Lisbon Strategy. According to this ranking, in 2006 Poland was in last position in this field among other countries of the EU. This means the relative worsening of the position of Poland as in the previous report of the CER (concerning the year 2005), Poland was in the last, but one place in the ranking in the field of competitiveness of European economies. To compare, in the CER report of the year 2003, Poland was among European leaders in the field of liberalization of energy market, reducing administrative burdens, supporting entrepreneurship, etc. In the recent report however, in as many as 5 for 13 criteria of the assessment of the Lisbon Strategy implementation Poland is regarded negatively.<sup>999</sup>

<sup>998</sup> Polska Agencja Prasowa (Polish Press Agency), 08/05/2007 Law and Justice facilitates social policy.

<sup>999</sup> The recent report of the CER indicated the necessity to carry out the structural economic reforms by the Polish government in the field of labour market as well as the necessity to increase R&D investments. According to the report, the low quality of the social and technical

As far as the reactions to the publication of the CER ranking are concerned, it seems that none of the government institution made any official statement on the merit. Specialists in the field of economics as well as representatives of Polish political life (for example professor Jan Kułakowski, a deputy of the oppositional Democratic Party-democrats.pl and a former negotiator of Polish membership in the EU), generally speaking, agreed with the critical remarks on the effective implementation of the Lisbon Strategy in Poland, which were presented in this report.

Experts of the Polish Confederation of Private Employers „Lewiatan” as well as the Confederation of Polish Employers criticized the current government for unsatisfactory results in the field of the implementation of the Lisbon Strategy<sup>1000</sup>.

There were, however, different opinions on this issue. The renowned analyst and principal economist of one of the main Polish commercial banks – BPH Bank, Ryszard Petru, noticed, that some statistical data used in the report were not up-to-date. Furthermore, according to his opinion, the report put to much emphasis on the formal and legal aspects, instead of taking into consideration a real functioning of the economy.

As far as positions of different actors of public life in Poland on the implementation of Lisbon Strategy are concerned, it appears that neither the President of Poland nor the Prime Minister were very active in the discourse in this field. Furthermore, Polish parties were not very active in the discourse on this issue. The opposition criticized the government for unsatisfactory results in this field. In particular, the Civic Platform expressed its negative opinion on the weak results of the implementation of the Lisbon Strategy by the current Polish government, in particular in the

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infrastructure, the administrative burdens in the field of entrepreneurship are the most important barriers of the Poland's development. Furthermore, relatively high level of structural unemployment (in particular among young people at the age of 15-24) results from the fact that Polish educational system is not adjusted to the requirements of labour market. It is worth noticing that Denmark, Sweden and Great Britain are the leaders of the recent „Lisbon” ranking. Source: Leszek Baj, „Polska może się już tylko poprawić”, „Gazeta Wyborcza” 27 February 2007, p. 27.  
<sup>1000</sup> Michał Kot, „Polska ostatnia we wdrażaniu Strategii Lizbońskiej”, comment of 26 February 2007. Source: <http://finanse.wp.pl>, (last access: 14.08.2007); „Nie-konkurencyjna polska gospodarka”, the statement of the Confederation of Polish Employers of 28 February 2007. Source: <http://www.kpp.org.pl>, (last access: 14.08.2007).



field reduction of unemployment, deregulation, supporting small and medium enterprises as well as free flow of people and services<sup>1001</sup>. The Left and Democrats (a political agreement of the following oppositional parties: the Democratic Left Alliance, the Labour Union, the Democratic Party-democrats.pl and the Social Democratic Party of Poland) were in favour of the implementation of the Lisbon Strategy, in particular in the field of science<sup>1002</sup>.

As far as positions of non-governmental organizations on the Lisbon Strategy are concerned, the Polish Confederation of Private Employers „Lewiatan” expressed their opinion on the report of the European Commission on the implementation of the National Reform Programme for 2005-2008 by Poland. „Lewiatan” agreed with the Commission that the main weaknesses of Polish economy were related to the key factors of the implementation of the Lisbon Strategy such as: low innovativeness, unsatisfactory use of the labour force, excessive budgetary expenses related to social transfers, low elasticity of the labour market, lack of major reform of public finance, weaknesses in the field of legislation<sup>1003</sup>. The Confederation criticised the current government for the lack of concrete declarations and actions aimed at improving this unfavourable situation.

As far as the activities of a renowned Polish think-tank, Gdańsk Institute for Market Economics, with the project „Polish Lisbon Strategy Forum” are concerned, in June 2007 the Institute, in cooperation with the Ministry of Economy, organised a conference devoted to the implementation of the Lisbon Strategy in regions<sup>1004</sup>. The aim of this conference was to discuss on the ways of strengthening the

economic growth and welfare by regionalization of development policies.

To conclude, in general, in the period January-June 2007, there was rather no public discourse on a big scale on the implementation of the Lisbon Strategy in Poland, apart from the positions on the recent CER „Lisbon” ranking, expressed by oppositional political parties, non-governmental organisations and think-tanks.

### *Public discourse on the absorption of the European Structural Funds in Poland*

It seems that in the first half-year of 2007 there was rather no public discourse on a big scale on the absorption of the European Structural Funds in Poland. The public concern was concentrated rather on other problems than EU structural funds’ absorption<sup>1005</sup>. However, one can distinguish the following main issues, that were, to some extent, subject to the public debate: 1) the current state of absorption of EU funds, 2) challenges related to the effective absorption of the structural funds in the years 2007-2013, 3) controversial articles in the act on principles of conducting development policy and 4) organization of the European Football Championships EURO 2012.

As far as the public debate on current state of absorption of EU funds is concerned, in general, the discourse on this issue was reflected in mass media by statistical data on the current state and the hitherto results of the implementation of the structural programmes<sup>1006</sup>, as well as information on

<sup>1001</sup> The position in this field was described in the foundations of its political programme, presented during the programme conference of this party which took place in May 2007: „Podstawy programu politycznego Platformy Obywatelskiej RP <<Polska Obywatelska>>”, Warsaw, May 2007, p. 24. Source: <http://www.platforma.org>, (last access: 14.08.2007).

<sup>1002</sup> „Democratic and Friendly Poland” - Programme Declaration of the Agreement „Left and Democrats”, 14 June 2007. Source: <http://www.sld.org.pl>, (last access: 14.08.2007).

<sup>1003</sup> „Uwagi PKPP Lewiatan do oceny realizacji przez Polskę Krajowego Programu Reform w roku 2006”, comment of 25 January 2007. Source: <http://www.pkpplewiatan.pl>, (last access: 14.08.2007).

<sup>1004</sup> The project „Polish Lisbon Strategy Forum” has been carried out since 2003 as a platform of open debate between different actors of Polish public life on how to effectively implement the Lisbon Strategy and, as a result, on how to make Polish economy more competitive. Source: <http://www.pfsl.pl>, (last access: 14.08.2007).

<sup>1005</sup> In particular, politicians of the governing coalition as well as oppositional parties dealt with such problems as: lustration law, current political conflicts between different political parties and within the governing coalition, Constitutional Treaty (issue of the system of voting in the Council of the European Union), crisis of the Polish healthcare system (protests of doctors and nurses) or the problem of building of a district in the Rospuda Valley.

<sup>1006</sup> Absorption of EU structural funds in Poland has an increasing tendency. According to the most recent data of the Ministry of Regional Development, from the beginning of the functioning of the EU structural programmes in 2004 till the end of May 2007, the applications evaluated positively in terms of formal criteria have constituted over 224 % of the total allocation of the European structural funds for Poland in the programming period 2004-2006. The contracts signed have amounted to almost 96 % of the allocation. Over 14,86 bln zlotys have already been spent. As a result, the payments/commitments ratio amounts to almost 46 %. Approximately 33 % of the allocation has already been refunded by the European Commission, information of 22 June 2007, Source: <http://www.mrr.gov.pl>, (last access: 14.08.2007).



successful EU-funded projects<sup>1007</sup>. Certainly, these information positively influenced the increase in awareness of the Polish society about the financial contribution of the European Union to the development of Polish regions.

As far as the position of the governmental side is concerned, in the opinions of politicians of the governing Law and Justice and the Prime Minister Jarosław Kaczyński himself, effective absorption of EU funds is one of the priorities of the government as well as one of the key criteria of assessment of the results of work of its ministers. In the interviews Kaczyński strongly emphasized the importance of good preparation of Poland for the effective absorption of EU funds, especially in terms of institutional system. In the opinion of the Prime Minister, his government is the first Polish government which has shown that EU funds can be effectively used. He indicated that the success of his government in the field of EU funds' spending is a great personal contribution of the minister of regional development – Grażyna Gęsicka who is regarded by Kaczyński as his most competent minister<sup>1008</sup>.

According to the position of the Ministry of Regional Development, self-governments manage to spend very efficiently the structural funds, especially in the field of infrastructure. On the other hand, EU funds allocated to trainings of the unemployed or professional reorientation of farmers are spent less efficiently in the regions. The reason for this situation is the fact that the so-called „hard

projects” are easier to carry out than the so-called „soft” ones<sup>1009</sup>.

In general, oppositional parties emphasised the positive impact of the EU funds on development of Polish economy. However, they expressed their negative opinion about achievements of the current government in the field of EU funds' spending. It seems that the Civic Platform was the most active party in the public discourse in this field. According to its political programme presented during the programme conference in May 2007, the current government does not effectively use development chances related to EU funds and high GDP growth. The Civic Platform accused the government for the lack of reform of public finance which impeded the effective absorption of EU funds<sup>1010</sup>.

The leaders of the Democratic Left Alliance emphasised the importance of knowledge and experience of specialists engaged in the process of EU funds' implementation (both at central, regional and local levels) on how effectively absorb and clear the EU financial aid. They emphasised a great contribution of the Democratic Left Alliance which governed in the years 2001-2005 to the fact that since 2004 Poland has been the beneficiary of EU structural funds. Moreover, they noticed that Poland should do its best not to waste EU funds<sup>1011</sup>.

It seems that the Self-Defence, the League of Polish Families, the Labour Union, the Social Democratic Party of Poland as well as the President of Poland, Lech Kaczyński were rather not active in the public discourse on the absorption of EU funds in the first six months of the year 2007.

As far as the public opinion on the absorption of EU funds in Poland is concerned, according to the survey, after three years of Polish

<sup>1007</sup> For example, there often appeared advertisements of the project „Support of the disabled on the open labour market”, which has been carried out by the State Fund of Rehabilitation of the Disabled. Within this project an information campaign in a huge variety of media, with the use of TV and radio spots and reports, training films, press announcements, cycles of seminars addressed mainly to the employers has been organised in the period March-July 2007. The aim of this campaign is to inform the employers about the available forms of support of employment of the disabled as well as to create or strengthen the positive image of the disabled as valuable employees. Source: <http://www.pelnosprawniwpracy.pl>, (last access: 14.08.2007).

<sup>1008</sup> On the contrary, minister of transport Jerzy Polaczek and minister of labour and social policy Anna Kalata were regarded by the Prime Minister as the worst in the field of EU funds' spending. Source: „Przegląd resortów ukazuje sukcesy w naprawianiu państwa”. Speech of the Prime Minister Jarosław Kaczyński summarizing the review of the activities of the ministries, which took place during the press conference on 15<sup>th</sup> February 2007, pp. 26-27.

<sup>1009</sup> „Jak Polska zmienia się dzięki ZPORR”, press release of 28 March 2007, Source: <http://www.fundusze-strukturalne.gov.pl>, (last access: 14.08.2007).

<sup>1010</sup> „Podstawy programu politycznego Platformy Obywatelskiej RP <<Polska Obywatelska>>”, Warsaw 2007, p. 51. Source: <http://www.platforma.org> (last access: 14.08.2007); „Uczyńmy Polskę krajem lepszych szans”, the extraordinary congress of the Polish Popular Party, 16 April 2007. Source: <http://www.psl.org.pl>, (last access: 14.08.2007).

<sup>1011</sup> Speeches of the Chairperson of the Democratic Left Alliance, Wojciech Olejniczak and the Vice-president of the European Parliament, Marek Siwiec during the National Council of the Democratic Left Alliance on 20<sup>th</sup> January 2007. Source: <http://www.sld.org.pl>, (last access: 14.08.2007).

membership in the European Union, 13% of Poles indicated EU funds as one of the most significant positive aspects of the accession of Poland to this organisation. Furthermore, only 1% of the respondents indicated the difficulties with the effective absorption of EU funds as a major negative aspect of Poland's membership in the EU<sup>1012</sup>.

Polish society rather negatively appreciated the effectiveness of EU funds. According to the public survey of February 2007, as many as 54% of respondents considered that Poland rather improperly or decidedly improperly used EU funds while 32% of them expressed rather positive or decidedly positive opinion in this field. The awareness of Polish society in the field of EU funds has an increasing tendency. 65% of respondents observed or heard during the last three years about investments or trainings which were carried out in their cities or communes with the use of European funds. 29% of them had no knowledge in this field. The majority of respondents (57%) considered infrastructure as the most important and urgent field of intervention of EU funds. The percentage of respondents who regarded other fields of interventions as the most urgent and significant were the following: trainings and education (39%), support of the sectors of economy which require investments such as agriculture or fishery (25%), new investments in enterprises (22%), environment protection (21%), research, technological and scientific development (17%).<sup>1013</sup>

As far as positions of non-governmental organisations on the absorption of EU funds are concerned, in the opinions of the Confederation of Polish Employers and self-governments, the system of granting and carrying out the projects co-financed by the EU structural funds in Poland is too complicated. Therefore, in order to increase the absorption of EU funds, there is a necessity to simplify procedures of the public procurement law as

well as to decrease the amount of annexes required to apply for EU funds<sup>1014</sup>.

According to the analysis of a renowned Polish think-tank, the Institute of Public Affairs, devoted to threats related to the corruption in the field of EU funds' absorption, the system of management of the regional programmes in Poland in the years 2004-2006 has not sufficiently prevented cases of administrative and political corruption, in particular in the field of tender procedures as well as procedures of selection EU-funded projects<sup>1015</sup>.

The issue which was to a large extent the subject of public discourse in the first six months of the year 2007 was certainly the act on principles of conducting development policy<sup>1016</sup>. This act gives the legal framework to carry out the operational programmes which will be co-financed by EU funds in the programming period 2007-2013. The public discourse in this field concentrated on the controversial article of this act which gave voivodes (representatives of Polish government in the regions) the power to veto the EU-funded projects chosen by the Managing Institutions of the Regional Operational Programmes (Marshall Offices) in case of the „testified irregularities” which could occur during the competition procedures. These procedures are aimed at choosing projects which could be co-financed by EU funds in the regions. The notion „testified irregularities” has not been, however, clearly defined in the act. The voivode's veto would result in suspension of the competition procedure and the necessity to convoke the consecutive meeting of the competition commission by voivodes.

Another controversial article of this act was the one which gave voivodes the power to bring into life the Monitoring Committees which had as its aim to monitor the process of EU funds'

<sup>1012</sup> „Ocena skutków przystąpienia Polski do UE po 3 latach członkostwa. Komunikat z badań”, CBOS, Warsaw, April 2007, pp. 9 and 11. The survey was carried out by the Public Opinion Research Center in the period 30 March-2 April 2007 on the representative spot check of 937 adult Poles. Source: <http://www.cbos.pl> (last access: 14.08.2007).

<sup>1013</sup> „Bilans członkostwa w Unii Europejskiej”, the survey conducted for „Gazeta Prawna” („Legal Daily”) and carried out by PBS DGA - one of the oldest Polish social research agencies, in the period 2-4 February 2007 on the representative sample of 1020 Poles at the age of 18 or more. Source: <http://www.pbsdga.pl> (last access: 14.08.2007).

<sup>1014</sup> „Coraz więcej funduszy”, the statement of the Confederation of Polish Employers of 15 March 2007. Source: <http://www.kpp.org.pl> (last access: 14.08.2007).

<sup>1015</sup> Tomasz Grzegorz Grosse „Jak ograniczać zagrożenia korupcyjne przy wykorzystaniu funduszy unijnych”, The Institute of Public Affairs, „Analyses & Opinions”, No 74, May 2007, pp. 5-6. Source: <http://www.isp.org.pl> (last access: 14.08.2007).

<sup>1016</sup> The act was passed by the Polish Parliament on 6<sup>th</sup> December 2006 and came into force on 26<sup>th</sup> December 2006. It establishes the legal framework of the ways of conducting policy in the field of social and economic development of Poland. In particular, this act defines the institutions conducting development policy, main instruments of the development policy and sources of financing interventions in the field of development policy in Poland.

spending by self-governmental authorities. In addition to this, there was also an article which gave the Ministry of Regional Development the power to decide which of the projects prepared by the Managing Institutions of the Regional Operational Programmes will be co-financed by EU funds.

The governmental side (the Law and Justice, the League of Polish Families and the Self-Defence) was in favour of the voivode' veto as it would prevent political corruption and pathologies in the field of EU funds' spending at regional level.

On the other hand, deputies of the oppositional parties (the Civic Platform, the Polish Popular Party and the Democratic Left Alliance) as well as some deputies of the Law and Justice and the League of Polish Families were against the veto. In their opinions, the controversial article would limit the power of self-governments and would be a serious barrier of an effective EU funds' spending as it could lead to conflicts at local level between self-governmental authorities and voivodes.<sup>1017</sup> The representatives of self-governments, experts of the National Economic Chamber and the Polish Confederation of Private Employers „Lewiatan” as well as part of media and of public opinion also opposed the veto.<sup>1018</sup>

According to the position of Danuta Huebner, EU commissioner in charge of regional policy, the controversial articles of the act should be specified as they were incompatible with the EU law, in particular with the so-called subsidiarity principle and with the idea of autonomy of self-governments. Moreover, the controversial articles made the responsibility of both self-governmental and voivodeship institutions for EU funds' spending unclear. In the opinion of the commissioner, the approval of the operational programmes 2007-2013 by the European Commission would be impossible as these articles were binding.

Finally, in response to a huge variety of protests of different groups, deputies of the

governing Law and Justice decided to remove the controversial articles from the act.<sup>1019</sup> The amendments were positively appraised by the European Commission as compatible with *acquis communautaire* and were passed by the lower chamber of Polish Parliament (Sejm) in June 2007.<sup>1020</sup>

In general, the public discourse on challenges related to the absorption of EU funds in the years 2007-2013 concentrated on the organisational and institutional problems that may potentially appear. In the opinion of the minister of regional development Grażyna Gęsicka, as well as experts of a renowned advisory services firm Ernst&Young Poland, the notable increase in administrative capacities (highly qualified officials who are experienced in the field of EU funds and will be engaged in the management and implementation of the EU regional policy) is the prerequisite of the effective absorption of the EU funds by Poland in the coming years<sup>1021</sup>. Otherwise, there can appear delays in the EU funds' spending. According to the position of minister Gęsicka, officials who deal with EU-funded projects should be well-paid. Therefore, in order to prevent the high rotation of officials within the public administration sector and the „escape” of underpaid officials to private consulting firms which offer relatively better wage conditions, there is a necessity to unify the levels of wages in this sector. In addition to this, minister Gęsicka regarded the necessity to improve the effectiveness of the functioning of Polish public administration<sup>1022</sup>.

As far as positions of political parties on the challenges related to the new financial perspective are concerned, the Civic Platform criticised the government for the fact that the instruments and a scale of public intervention with the use of EU funds in the years 2007-2013 are not adjusted to the differentiated socio-economic situation of Polish regions.

<sup>1019</sup> In particular, the voivode' veto was replaced by the system of legal supervision of the voivode over self-governmental institutions which has already existed in the law on the voivodeship' self-government since 1998.

<sup>1020</sup> Maciej Kuźmich, „Rząd nie chce już weta ws. unijnych inwestycji”, „Gazeta Wyborcza”, 22 March 2007.

<sup>1021</sup> According to the forecasts of the Ministry of Regional Development, approximately 4300 officials have to be employed in order to ensure an effective management system of EU funds spending in the programming period 2007-2013.

<sup>1022</sup> Krzysztof Bień, Mariusz Gawrychowski, „Unijne pieniądze dla firm”, interview with the minister of regional development - Grażyna Gęsicka, „Gazeta Prawna” no 77, 19 April 2007. Source: <http://www.gazetaprawna.pl> (last access: 14.08.2007).

<sup>1017</sup> „Postawie opozycji chcą zmian w ustawie o zasadach prowadzenia polityki rozwoju”, Polish Agency Europap Service, 13 February 2007, Source: <http://euro.pap.com.pl>, (last access: 14.08.2007).

<sup>1018</sup> In January 2007, one of the leading Polish dailies „Gazeta Wyborcza” („Electoral Daily”) managed to collect almost 30 000 signatures of its readers as a sign of a civic protest against the veto, within the action „Our self-governments, our money”.

Furthermore, the Civic Platform, as just as the Democratic Party-democrats.pl and the Polish Popular Party, criticized the fact that a large part of programmes funded by EU structural funds in the coming years will be implemented at central, instead of regional level. According to the position of the Civic Platform, Poland should invest EU funds not only in the field of technical and social infrastructure but simultaneously in the field of innovation, education and other so-called „pro-Lisbon goals”. The Platform declared to do their best in order to contribute to the effective absorption of EU funds in the coming years. It is worth mentioning that this party declared to organize as soon as possible a public debate on principal challenges in the field of development of Poland till the year 2020, with special regard to the absorption of EU funds in the period 2007-2013<sup>1023</sup>.

It seems that social consultations of the documents regulating different aspects of the implementation of the structural funds in the programming period 2007-2013 which took place in the first half of the year 2007 can, to some extent, be treated as a public debate on the absorption of EU funds because these consultations usually took the form of conferences which were organized in different regions of Poland. A wide range of partners including representatives of self-governments, entrepreneurs, non-governmental organizations, high schools, research centres, trade unions, deputies, media, independent experts etc., could present their critical remarks on the consulted documents<sup>1024</sup>.

As far as the public debate on the organization of the European Football Championships EURO 2012 with the use of EU funds is concerned, this event was, in general, regarded by political parties as a great challenge for the country and a chance of modernisation of the Polish economy, in

particular in the field of infrastructure. The Law and Justice, the Left Democratic Alliance and the Civic Platform were in favour of the suprapolitical agreement in the field of the quick preparation of legal framework related to EURO 2012. In the opinions of politicians of the governing coalition, Poland will certainly manage to organize this event<sup>1025</sup>. The Prime Minister declared that a special governmental agency would finance the building of sport infrastructure related to the Championships. The idea of creation of this agency was regarded by the Civic Platform as the way of political fight conducted by the Law and Justice. In the last self-governmental elections the Platform gained power in the majority of big Polish cities. Therefore, according to the position of the Platform, the Law and Justice wants to control EU funds that would co-finance the organization of the Championships<sup>1026</sup>.

In general, oppositional parties were sceptical whether the current government would manage to prepare Poland for this event on time in terms of EU funds' spending, legislation, etc. In particular, the Civic Platform, the Democratic Left Alliance and the Polish Popular Party criticised the indecisiveness of the government in this field. According to the position of the Polish Chamber of Tourism, accommodation infrastructure in Poland is not at all adjusted to requirements related to the organisation of the Championships<sup>1027</sup>. In the opinion of the Union of Polish Metropolises, in order to effectively spend EU funds for the purpose of EURO 2012, there is a need of amendments in 26 acts of law and regulations (simplification of public procurement, public-private partnership, spatial planning and construction laws, etc.)<sup>1028</sup>.

In the opinion of specialists of the building sector as well as oppositional parties, plans of the current government concerning the building

<sup>1023</sup> „Podstawy programu politycznego Platformy Obywatelskiej RP <<Polska Obywatelska>>”, Warsaw 2007, pp. 51 and 53. Source: <http://www.platforma.org>; „Uczyńmy Polskę krajem lepszych szans”, the extraordinary congress of the Polish Popular Party, 16 April 2007. Source: <http://www.psl.org.pl> (last access: 14.08.2007).

<sup>1024</sup> In particular, one can distinguish consultations of the following documents: big and key projects which will be carried out within some of the operational programmes, projects of the detailed descriptions of the priorities of the operational programmes as well as guidelines of the Ministry of Regional Development regulating general aspects of the implementation of the structural funds in the years 2007-2013. The consultations of some of these documents are still under way.

<sup>1025</sup> In May 2007 the Ministry of Regional Development elaborated „The outline of the strategy of the use of the structural funds and the Cohesion Fund in order to efficiently carry out EURO 2012”. According to the position of the government, investments related to EURO 2012 will be a priority of EU funds' spending in the period 2007-2013. In particular, almost 1000 kilometres of motorways need to be built and almost 4000 kilometres of national roads must be modernised in order to ensure an efficiency of the Championships.

<sup>1026</sup> Michał Krzymowski, „PiS i PO walczą o Euro 2012”, „Wprost” no 23/2007, p. 9.

<sup>1027</sup> Radosław Gruca, Anna Monkos, „Czy Polska może stracić EURO 2012?”, „Dziennik”, 24 May 2007. Source: <http://www.dziennik.pl> (last access: 14.08.2007).

<sup>1028</sup> Source: <http://www1.e2012.org/pl>, (last access: 14.08.2007), information of 19 June 2007.



of the transport infrastructure with the use of EU funds for the purpose of EURO 2012 can be difficult to carry out due to several reasons. Firstly, increasing prices of the construction materials lead to higher costs of investments related to higher prices of building services. Secondly, there is a danger of lack of highly qualified employees due to their emigration to other countries which offer better wage condition. This may lead to the increase in wages of employees<sup>1029</sup>. Thirdly, due to the inflow of structural funds, the appreciation of the Polish currency takes place. As a result, the available amount of EU funds which will co-finance infrastructural projects will be practically lower.

According to the opinion of the Ministry of Regional Development, there are three alternative solutions of this problem: finding other sources of financing infrastructural projects (for example private capital), reduction of the amount of EU funds allocated to the projects which have already been planned, or resignation from some of the projects<sup>1030</sup>.

As far as Polish public opinion on EURO 2012 is concerned, according to the survey of June 2007, as many as 60 % of respondents were afraid of the lack of sufficient amount of funds which are needed to carry out all necessary investments<sup>1031</sup>.

The issue related to some extent to EU funds' absorption was also the discourse on the decision of the European Commission, concerning the National Plan of the Distribution of Allowances for the years 2008-2012<sup>1032</sup>. Generally speaking, comments were negative.

<sup>1029</sup> Agnieszka Stefańska, Andrzej Krakowiak, „Drogi drogi Euro 2012”, „Rzeczpospolita” no 135 („Ekonomia i rynek”), 12 June 2007. Source:

<http://www.rzeczpospolita.pl> (last access: 14.08.2007).

<sup>1030</sup> Maciej Kuźmich, „Eurokoldra coraz krótsza”, „Gazeta Wyborcza”, 20 June 2007, p. 22.

<sup>1031</sup> „EURO 2012 – nadzieje i obawy. Komunikat z badań”, CBOS, Warsaw, June 2007, p. 5. The survey was carried out by the Public Opinion Research Center in the period 11-14 May 2007 on the representative spot check of 946 adult Poles. Source: <http://www.cbos.pl> (last access: 14.08.2007).

<sup>1032</sup> On 26<sup>th</sup> March 2007 the European Commission decided to allocate for Poland on average 208,5 mln tons a year of allowances to the emission of carbon dioxide for the period 2008-2012 which was 26,7 % lower than the amount previously postulated by Poland (284,6 mln tons). The decision of the Commission was based on the not-up-to-date statistical data as it assumed that economic growth rate in Poland amounted to less than 5 % (such a growth rate was typical for the year 2005 and is evidently lower than GDP growth in 2007). Source: Anna Bytniewska, „Ograniczenia CO2 wykończą polskie firmy”, „Puls biznesu”, 7 May 2007.

According to the position of the Ministry of the Environment, the opinions of the Forum of Trade Economic Organisations (CO2 Forum), as well as Business Centre Club, the decision of the Commission will have a negative impact on the effective absorption of the European structural funds and the Cohesion Fund by Polish enterprises of the industry sector in the years 2007-2013. These firms will have to finance the purchase of additional authorizations to the emission of carbon dioxide, instead of financing projects with the use of EU funds. For these reasons, in May 2007 the Polish government decided to appeal the decision of the Commission to the European Court of Justice<sup>1033</sup>.

To conclude, in the first six months of the year 2007 the public discourse on the absorption of the structural funds in Poland concentrated on the current problems related to EU funds' spending, legislation, challenges related to the programming period 2007-2013, the final shape of key ministerial documents concerning the new financial perspective as well as EURO 2012. In general, the government and the governing coalition emphasized their achievements in these fields, while the oppositional parties and non-governmental organizations presented their critical remarks.

## Portugal

Unemployment in the last few decades was systematically lower in Portugal than the EU average. After 1998 this started to change, with a prolonged period of slow economic growth and a major crisis of public finances eventually leading to rising unemployment. Still, in 2006, with an unemployment rate of 7.7%, Portugal was close to the EU average of 7.9%, but moving in the opposite direction and expected to reach 8.4% during the current year. The structural crisis of the economy, as well as of public finances, was crucial in empowering the reformist agenda of the current Socialist government. The debate

<sup>1033</sup> Source: <http://www.forumco2.pl> (last access: 14.08.2007); <http://www.mos.gov.pl> (last access: 14.08.2007). There appeared, however, different opinions on this issue. For example, the expert of the Institute of Environmental Protection, professor Maciej Sadowski regarded the fact that the government was against the decision of the European Commission as a political action aimed at gaining support of Polish enterprises in the field of the possibilities of EU funds' absorption. Source: Anna Piotrowska, „Wszyscy zmniejszają emisję dwutlenku węgla, tylko nie my”, „Dziennik”, 19 June 2007, p. 25.



about these matters is, therefore, very topical in Portugal, and also deeply Europeanised. Arguments about what to do in terms of these themes are dominated by competing European models as well as by references to the Lisbon Agenda.

### *The Current Crisis*

The argument is often made by economic experts that Portugal sacrificed much needed but very painful economic reforms for the sake of social stability and a certain vision of the welfare state. This led during the Portuguese economic boom of the 1990s, partly sustained by EU funds, to strong job creation in the public sector. Others see this as inevitable and even eminently justifiable due to the expansion of healthcare and pre-school education and the huge investment in much needed infrastructures, such as a national highway system and housing. The problem was that this went too far for too long, becoming unsustainable. Especially in view of the fact that the export-driven Portuguese private sector was still too reliant on cheap labour in traditional sectors, like shoes and textiles, often in sub-contracts with little added value. This became very clear with the growing difficulties experienced due to increased competition for markets and investments from Eastern European and Eastern Asia, as a result of EU enlargement and the WTO-led global lowering of tariffs. The drop in economic activity and therefore in tax revenue made even worse the government budget deficit crisis, largely due to the increased fixed labour costs incurred during the expansion of the public sector in the 1990s.<sup>1034</sup>

The need for a reformist agenda promoting a basic change of economic paradigm, with profound implications both in the behaviour of workers and investors, in the public and in the private sector, has received widespread support from influential voices among the ranks of leading economists and labour experts from the centre-right and the centre-left. The controversy is on how, exactly, to go about it. It has naturally been particularly acute between the main political parties, workers unions and employers associations. Those parties further to the left of the ruling Socialists – the Left Bloc and the Communist Party – and opinion-makers close to them have accused the government of betraying the left by undermining the social conquests of the

“Revolution of the Carnations” of 1974, of not being true Socialists.<sup>1035</sup> Those parties to the right – the main opposition party PSD and the smaller CDS/Popular Party – accused the Socialist government of not going deep enough in these reforms. Namely they have favoured privatisation of retirement funds. Some commentators went further and argued for privatising most core functions of the welfare state, but did not seem to have found much echo, even on the right.<sup>1036</sup> There was, after all, already some protest by organised labour regarding the more modest governmental reforms. A recent general strike, on 30 May 2007, organised by the pro-Communist national workers union CGTP, was the first of its kind against a left-wing government. And even if it did have a limited impact – official numbers, naturally contested by CGTP, were of 13% of strikers in the public sector and as little as 5% of strikers in the private sector – it was a symbolic turning point.<sup>1037</sup>

### *Reforming the Welfare State and Promoting Sustainable Job-Creating Growth*

Most reforms included in the Socialist Party Electoral Manifesto for the 2005 elections have gone through despite some controversy and public protest. This is largely explained by the fact that the Socialist Party alone controls the absolute majority of seats in the Parliament, benefiting from a major electoral victory. This electoral landslide was partly due to the growing feeling that some painful reforms were necessary, but also resulted from serious internal disputes in the main right-wing party – PSD – whose government was dismissed by the President of the Republic amid major personality clashes. Also important is the fact that the current government can count on some measure of support from President Cavaco Silva, at least in normal circumstances. Although the President of the Republic, a professor of public finance, comes from the centre-right, he was himself a former reformist Prime Minister and was elected to the Presidency on a platform of promoting political stability and working with the government in advancing a reformist agenda.

<sup>1035</sup> Baptista Bastos, ‘O “socialismo” contra o Estado Social’, *Jornal de Negócios* in [http://www.jornaldenegocios.pt/default.asp?Session=&SqlPage=Content\\_Opiniao&CpContentId=29844](http://www.jornaldenegocios.pt/default.asp?Session=&SqlPage=Content_Opiniao&CpContentId=29844) (14.08.2007).

<sup>1036</sup> Miguel Castro Coelho, ‘Um novo contrato social’ in <http://diarioeconomico.sapo.pt/edicao/diarioeconomico/opinion/columnistas/pt/desarrollo/1009729.html> (14.08.2007).

<sup>1037</sup> ‘Adesão à greve foi de 13,77% no sector público’, *Sol* (30.05.2007).

<sup>1034</sup> Teodora Cardoso, ‘O Emprego e a Política’, *Jornal de Negócios* (22.05.2007).

These reforms are justified from the point of view of the Portuguese Socialist Party in terms of a new European-wide left-wing “Third Way”. The Socialist government believes it is making the welfare state viable in Portugal in this new era of increased globalisation by promoting growing efficiency of public services, structural reform of the economy with new more capital-intensive investment, as well as improving human capital through better educational standards, more opportunities for continuous learning, and further funding for research and development in order to increase the employability of Portuguese workers in this evermore knowledge-based economy.<sup>1038</sup>

So far the most significant governmental reform has been in the retirement system. Retirement age is being extended. Mechanisms have been introduced to automatically correct retirement payments in accordance with sustainability factors related to economic and demographic factors – like economic growth and life expectancy. Also a more direct link has been established between the amount paid into the welfare system and payments received, different retirement regimes have been homogenised in this context. Still even experts who supported these reforms are arguing that they might not be enough, and in particular taxation of retirement payments and an increase in the rate of contributions may become necessary.<sup>1039</sup>

There has also been a growing interest for the so-called flexisecurity model of proactive management of the labour market in the Netherlands and Denmark. However, there are those who doubt this could be applied in a different and more rigid economic context like the Portuguese. In fact, the government has already introduced reforms conducive to greater flexibility within the civil service – and a more meritocratic and less automatic promotion system – allowing the transfer of personnel from one service to the other and even their eventual laying-off. But this or even more flexible labour rules in the private market still do not affect the fundamental dichotomy of a labour market where those with a long-term contract have job stability, at least in the public sector or in big and solid private company, while those outside, particularly younger

workers, have very uncertain employment prospects.<sup>1040</sup>

This debate has gained further attention because of the divergence, a novelty in Portugal, between growth and job creation – probably because of the still relatively high labour cost in Portugal relative to productivity.<sup>1041</sup> The economy shows signs of still limited recovery. It is now predicted to grow at a healthier 1,8% in 2007 and 2,2% in 2008 – much closer to the Euro-land average, and the highest since 2000. The public deficit is also under control, being predicted to be between 3,4% and 2.9% this year for the first time since 2001. Yet, as mentioned, unemployment is still predicted to continue to grow. The government's electoral promise to create 150.000 jobs by the end of its mandate (in 2009) now seems, probably, overly optimistic.<sup>1042</sup>

Confronted with growing social unrest the government has tried to dampen tensions by insisting it is not going to impose any model from abroad. Instead, what is needed is more negotiation between unions and employers, with governmental mediation, in order to achieve an agreement on how to improve job creation and sustainability of new jobs by increasing flexibility within a given company so has to make labour more responsive to the fluctuations of globalised and highly competitive markets.<sup>1043</sup>

Are these reforms enough? Are they good enough? This is naturally a very long-term reformist process and it will take time to gauge its true impact. The short term costs, however, are visible. If the current reversal of economic trends is not sustained and reflected in job creation, or at least in the stabilisation of the unemployment rate, it is not difficult to predict that the Socialist government and its reformist agenda will be facing growing troubles, even from within the Socialist Party itself. It is difficult, however, at present, to see any clear political alternatives emerging, or some of the

<sup>1038</sup> Vieira da Silva [Labour and Welfare Minister], ‘É preciso reforçar componente da formação’, *Público*, (07.07.2007).

<sup>1039</sup> ‘Salvar as Pensões’, *Expresso* (13.07.2007).

<sup>1040</sup> Teodora Cardoso, ‘A Flexisegurança’, (05.12.2006).

<sup>1041</sup> Glória Rebelo, ‘Desemprego e verdades (in)convenientes’ in [http://www.jornaldenegocios.pt/default.asp?Session=&SqlPage=Content\\_Opiniao&CpContentId=297035](http://www.jornaldenegocios.pt/default.asp?Session=&SqlPage=Content_Opiniao&CpContentId=297035) (14.08.2007).

<sup>1042</sup> João Silvestre, ‘Portugal a Convergir até 2020’, *Expresso* (13.07.2007).

<sup>1043</sup> Vieira da Silva [Labour and Welfare Minister] ‘A tripla sustentabilidade do modelo social’ in [http://diarioeconomico.sapo.pt/edicao/diarioeconomico/edicao\\_imprensa/politica/pt/desarrollo/1012421.html](http://diarioeconomico.sapo.pt/edicao/diarioeconomico/edicao_imprensa/politica/pt/desarrollo/1012421.html) (14.08.2007).

most crucial reforms being reversed, by any future right-wing government, unless continued hardship will eventually favour more populist leaders.

Clearly, moreover, the future of Portuguese welfare state and economy are dependent on wider European and world trends. This is in fact well-reflected in the nature of the debate.

### *A Europeanised Debate*

Public discourse, regarding economics in general and in particular employment policies, at the level of the government, political parties, labour unions, employers associations and experts is dominated by references to what has been done or not done in other parts of Europe. Now some resistance has, in fact, emerged to at least the most simplistic form taken by this argument. What is needed, most experts and opinion-makers agree, is to look at the whole model in a given country and try to figure out why and how it is working, not just pick a few things and transplant them to a different context. Intelligent adaptation, not simple imitation, is what is needed.<sup>1044</sup>

There is a strong awareness in all quarters that Portugal probably cannot do it alone. Any signs that the EU will be focused more, and more effectively, on the promotion of improved competitiveness of European companies and their ability to create high value jobs will be seen as very positive in Portugal.

The current Portuguese government has been advocating for years its wide-ranging reformist agenda as aimed at creating better quality jobs as explicitly in line with the EU Lisbon Agenda and the European Employment Strategy.<sup>1045</sup> The national coordinator for the Lisbon Agenda has been active in this respect. This is to be done primarily by promoting technology-intensive investments, improving educational standards, offering more professionally-oriented courses along one's professional career. A goal heavily promoted by the government under the heading of the "New Opportunities" program. The argument of the

need to converge with the most developed countries in the EU is often evoked.<sup>1046</sup>

The previous Portuguese Presidency of the EU, in 2000, also under a Socialist government was, of course, responsible for the formulation of the original Lisbon Agenda. The current government is very committed to improving Portuguese performance – poor, at least in relative terms, so far – and also to contribute to the revision of Lisbon Agenda due to take place under the Slovenian Presidency, not least by focusing it more on employment and securing more EU involvement. The Portuguese Prime Minister made clear that the Lisbon Strategy 'will again be at the center of our concerns'. Sócrates wants improved 'ways to coordinate employment policies [at the EU level], so that we can improve the ability to create lasting jobs in the present context of global competition'. He made clear that the priority had to be to 'qualify human resources, reconcile work and family life, fight poverty' but this had to include serious in-depth discussion of the controversial question of 'flexisecurity', namely in terms of providing 'integrated balanced solutions, that both translate generic shared aims agreed at the EU level and the distinct social realities in different member States'.<sup>1047</sup>

It may seem ironical, and the irony is not lost in internal debates, that Portugal was so active within the EU in promoting this Lisbon Agenda of competitiveness and growth based on increased R&D, when it has had such poor indicators in all these areas relative to, in particular, other Euro-land countries, with which it shares the same broad macro-economic policy. But the original rationale for formulating the Lisbon Agenda of reform was precisely the acute perception by Portuguese decision-makers that Portugal would be one of the countries most in need of EU support in promoting change in these areas.

### **Romania**

The Romanian labour market is currently going through a euphoric stage. The unemployment rate (not seasonally adjusted, according to national definition) reached a 15-year low in

<sup>1044</sup> See *Prós e Contras* [on Labour Market and Welfare Reform], RTP TV Station (28.05.2007). Present were the Labour and Welfare Minister, the main leaders of the Labour Unions, Employers Associations and a number of experts.

<sup>1045</sup> European Commission *Working Together for Growth and Jobs. Integrated Guidelines for Growth and Jobs (2005-2008)*. (Luxembourg : Office for Official Publication of the European Communities, 2005).

<sup>1046</sup> See official site of the government in [http://www.portugal.gov.pt/Portal/PT/Governos/Governos\\_Constitucionais/GC17/Ministerios/MTSS/Comunicacao/Programas\\_e\\_Dossiers/20050921\\_MTSS\\_Prog\\_Novas\\_Oportunidades.htm](http://www.portugal.gov.pt/Portal/PT/Governos/Governos_Constitucionais/GC17/Ministerios/MTSS/Comunicacao/Programas_e_Dossiers/20050921_MTSS_Prog_Novas_Oportunidades.htm) (14.08.2007).

<sup>1047</sup> 'Sócrates quer novo ciclo para a «Agenda de Lisboa»', *Sol* (27.06. 2007).

June, at just 4%. The latest data available according to the International Labour Organisation's (ILO) definition pertains to end-2006 and amounted to 7.2%. If, quantitatively, these are respectable performances, from a qualitative point of view there are reasons for concern. Thus, if one uses the ILO definitions, over half of the recorded unemployed had been out of a job for one year or more, and the rate of unemployment among young people is in the neighbourhood of 20%! In its National Reform Programme for the implementation of the Lisbon Strategy, currently still in draft form, the Government is announcing the intention to put in place a specific programme aiming at promoting the employment of youth.

The employment rate, although on an ascending path, is still several percentage points below the EU-25 average (latest figure available is for 2005: 57.7% versus 63.8%) and, obviously, far below the 70% Lisbon Strategy target. Is to be noted, however, that the female employment rate is progressing at a faster pace than overall, hence the gap relative to the relevant Lisbon target (60%) is below 8 percentage points.

At the same time, real wage growth continues unabated at double-digit levels for the fifth year in a row. The latest figure, for end-May 2007, points to a 17% real term increase relative to one year before.

This strong performance does not come without some significant drawbacks, however. There is, thus, on the one hand, an erosion of cost competitiveness coming from increased labour costs, which – combined with the strong appreciation of the national currency over the last three years – results in a widening trade deficit. On the other hand, physical shortage of labour is becoming more apparent in some sectors, particularly in constructions. According to the Chairman of one of Romania's (many) employers' federations, Florin Pogonaru, there were already cases in 2007 of construction firms going bankrupt as a result.

These two rather contradictory general trends are being "arbitrated" by a very significant peculiarity of Romania relative to most other Member States: the very high number of migrant workers abroad. The number of Romanian citizens working in other countries (and, particularly, in Spain and Italy) is estimated by most sources to exceed the number of 2 million, that is, about 10% of the country's entire population! This migration

used to exert a stabilizing influence until recently. It mitigated the potentially devastating effect of a dramatic decrease in the number of local employees: almost a halving, during the post-communist transition period, from 9 million, to 4.7 million persons. And remittances helped prop up the national currency at a time when the country's international ratings were still modest.

Now, however, this large pool of workers unavailable locally is contributing to labour shortage and the sizeable flow of remittances (estimated at an annual level of EUR 5 billion – about 5% of GDP!) helps pushing up the exchange rate of the national currency to levels of doubtful sustainability.

Since the beginning of the year, the Prime Minister repeatedly made statements to the effect of the desirability of "repatriation" of large numbers of Romanian working abroad. Ideas were floated about the design of special programmes meant to entice these emigrants back, but the solutions aired in this respect (and, in particular, that of differentiated taxation) lacked realism, hence their apparent quite abandonment.

Having said this, there is an important lever for relaxing somewhat the pressures felt on the labour market, and this has to do with the large potential for reducing the "tax wedge". From this point of view, Romania imposes the highest burden on its employers among all Central and Eastern European countries, bar Hungary. This, moreover, occurs at a point in time when several reductions of social contributions have already been carried out since 2003, moving their percentage to just 47% of the gross wage (as compared to 52.5% four years ago). The current government has already announced the slashing of another six percentage points of payroll taxes next year, but the subsequent decision (reached very recently – June 2007) to the effect of substantially increasing the level of pensions may change this plan.

The situation of migration seems to be stabilizing, if one lends credibility to the views expressed by the President of the National Forecasting Commission, who considers that *net* migration has leveled off this year. This can clearly not be the result of an inflow of immigrant workers (the number of work permits delivered to foreigners is currently less than 10,000), but rather of an equalization of the outflow and inflow of Romanian workers.

According to Mr. Florin Pogonaru, the adjustments for the cost of living differential (and, presumably, for other shortcomings that expatriation entails) mean that there is a threshold equivalent to 40% of a wage that can be earned abroad, beyond which Romanians would prefer to stay home. I.e., a EUR 1500 monthly wage abroad is considered as equivalent to a EUR 600 monthly wage in Romania. This benefit equalization is already seen as occurring in the upper segments of the workforce.

The existence of these tensions on the labour market helps explain the stance taken by Romania as concerns the issue of free movement of persons within the Community. Although only 11 of the other 26 EU Member States have decided to lift any restrictions to the access of Romanian citizens on their labour market, the Romanian government has decided in May 2007 to waive its right to reciprocal measures vis-à-vis the other Member States and to approve the unlimited access of any EU national to Romania's labour market. The measure was generally welcomed in Romania, although its impact on the local market cannot be too significant: EU nationals working in Romania currently account for only 0.04% of the local workforce. The only dissenting opinion was voiced by one of the main three trade union confederations (Blocul National Sindical – BNS), whose objections however did not touch on the substance of the decision (“we do not expect an invasion of European workers”), but rather on its politics: “It is about a principle. We do not consider fair to humbly accept any terms imposed by some European countries and do not want Romania to be treated as a second-rank country”.

A far more significant impact on the local labour market would be exerted by measures relaxing the access of third country nationals (Asians, first and foremost), but so far there was no serious initiative to this effect, probably because the internalization by the Romanian society of the concept of large-scale immigration is still at its infancy stage.

The situation described above would normally call for additional flexibility on the labour market. Romania, however, has made options in its social policy that go rather in the opposite direction.

For instance, it is among the 20 Member States who have instituted a legal minimum wage. While some are quick to point that, in

terms of purchasing power, Romania's is the lowest among all EU member countries, the fact remains that it had been very steeply rising over the last period (25%, in nominal terms, over the past two years) and, since the beginning of 2007, it is “shadowed” by a far higher minimum wage, applicable to non-government workers, rendered *de facto* mandatory by the Romanian labour legislation. More specifically, a minimum monthly wage of RON 440 (13% over the statutory minimum wage) was “negotiated” as part of the nationwide “collective labour contract”, the provisions of which are binding even on the employers who did not take part in its negotiation and did not endorse it! Moreover, the collective labour contract also imposes higher minimum wages for better-skilled employees, going to as much as 880 RON (about EUR 280) for employees holding a University degree.

The same alignment towards the upper level of the social legislation is apparent from the analysis of the Romanian Labour Code. Enacted in 2003, in the wake of a strong protest movement by trade unions, the Code went far beyond the Community *acquis* on several points. Ensuing, *inter alia* at the behest of the World Bank and the IMF, were two rounds of relaxation of those provisions (June 2005 and September 2006, respectively). Among the excessive provisions slashed on these occasions were those that were stricter than the *acquis* as regards: the definition of collective dismissals; the degree of flexibility in the computation of the weekly number of allowable working time; the need to provide justification for awarding part-time labour contracts even for the first-time such contracts; the obligation of the employers to provide “continuously” (i.e., each year) training to their employees. Other provisions more demanding than the EU-wide standards, such as the requirement to accompany any collective dismissal by a “social plan” *agreed* with the trade unions, are still in place.

### *Pensions*

The Romanian public pension system suffers from such big drawbacks that it is currently both extremely parsimonious towards its beneficiaries and unsustainable. Concretely, the replacement rate (the average monthly pension relative to the average monthly wage) is of only 36% (down from 44% in 2000), whereas the number of retired persons is inferior to that of the contributors to the State Social Insurance Budget, the so far only



instrument of the public pensions system, exclusively based on the “pay as you go” (PAYG) principle.

As for most other European countries, demographics is an important explanatory factor for the strains to which the Romanian public pension system is being exposed. But the Romanian case is complicated by two additional factors: the large number of migrant workers abroad, who do not currently contribute to the public pension system; and the combination of low statutory retirement age and extensive exceptions granted from this already very liberal regime. As a result, in 2005, the number of retired persons was equivalent to 28% of the country's overall population, being 45% higher than the number of people over 60 years of age and even 19% higher than the number of people over 50 years of age! In other words, a large part of the population able to work is now burdening the pension system instead.

Additionally, the public pension system was forced to “absorb”, as beneficiaries, the old farmers that worked mainly in the co-operative system and who did not make any contribution whatsoever to the pension system during their active life. Indeed, over 1.3 million of the 1.5 million farmers currently on the payrolls of the National Pensions House had not contributed to the social security system in the past.

The long-term solution to these problems was seen in the introduction of a “Second Pillar” to the pension system, consisting of mandatory contributions managed privately, by dedicated pension funds. A first law to this effect had been passed already in 2000, only to be repealed within months by a newly-elected Parliament. More than five years ensued until a new version of this law was enacted, in the fall of 2006.

The implementation of this law entails some problems, the most important of which being that the establishment of the mandatory second pillar scheme implies that resources currently paid into the first pillar would be redirected to the second pillar. This means that, during the build-up phase of this second pillar, resources will be diverted from the PAYG system, possibly triggering difficulties in its capacity to honor the obligations towards its beneficiaries. The financing gap is estimated at 0.3% of GDP as of the launch of the scheme, rising to up to 1% of GDP annually in the first 5-10 years of existence, after which it will get

narrowed down and, ultimately, disappear. The law mentions the obligation of the State Budget to supply the funds required for smoothing out this transition, but very recent decisions concerning the generosity of the “first pillar” (see further below) may put undue pressure on the budget, to the point of rendering it vulnerable.

Apart from the financing gap, concerns have been voiced, on the occasion of a recent (early-July) meeting with the Prime Minister, by one trade union confederation in particular (“Cartel Alfa”), about several features of the regime, deemed unfair and potentially disadvantageous to the future pensioners:

- the lack of a reasonably set threshold of profitability (the law mentions that this threshold is equal to the average performance of all funds, minus 4 percentage points, meaning that the yield may also be negative);
- the high level of fund management fees allowed; and
- the risk that, because of a lower retirement age and higher life expectancy, women may end up with very low pensions, including relative to what they would have got had the PAYG system extended indefinitely.

While, on the face of it, the outlook of the “first pillar” seemed to have improved over the last years, very fresh developments have re-ignited the debates about its immediate prospects of sustainability.

At stake is the decision made by the minority Liberal Party (PNL) government, on 28 June, to the effect of substantially raising the level of pensions, by 43%, as from 1 January 2008. This would come on top of an interim projected increase of 5%, effective 1 September 2007. Given that the decision was preceded by pensioners' demonstrations, supported by the largest opposition party, Social Democratic Party (PSD), there is ample speculation in the press about a political trade-off to which PNL acquiesced simply in order to conserve power until the next elections. For its part, President Basescu, whose tense relations with both above-mentioned parties are notorious, seized the opportunity for looking wise and pondered, and refused to promulgate the law enshrining this decision until he will be presented with a substantiation of its financial coverage. This drama was still unfolding as of the time of writing.

It is true that the financial sources sketched by Economy and Finance Minister Vosgianian are not entirely convincing. They rely heavily on the assumption of the continuation of the current economic boom (6% real GDP growth expected for next year as well) and no mention is made to a "Plan B" entailing a reshuffling of the expenditure side of the budget (which President Basescu claims is unavoidable, thus compromising other destinations of public funds, such as health, education and the capacity to co-finance EU structural funds). The list of "compensatory" measures also includes populist ones, such as the uncapping of social security contributions (currently levied only on the part of a gross wage that does not exceed by more than a factor of 5 times the average wage), which exists as a counterpart to the capping of the benefits (the maximum pension paid may not exceed the average wage by more than 3 times).

## Slovakia

The Statistical Office of the Slovak Republic released in June 2007 its statistics on employment rate in the Slovak Republic. According to it, the employment rate increased by 3.1 % from the year 2006 to the year 2007 and thus it has maintained its tendency to rise. More than 21 000 new jobs were created in the Slovak economy by 31 March 2007 that is about 39 % more compared to the same period in 2006<sup>1048</sup>.

The unemployment rate has been on the decrease for almost two years in Slovakia. The actual unemployment rate in the first half of 2007 was about 11.5 %. However almost 73% off all registered unemployed persons are long term unemployed and 85% off them are low qualified workers.<sup>1049</sup>

The most heated debate in relation to employment issues and the welfare state was fueled by the amendment of Slovakia's Labour Code. The Ministry of Labour, Social Affairs and Family vested into the code its vision on flexicurity. In the drafting process of the new code, the ministry echoed the Presidency Conclusions from March 2007 on the importance of "good work" and its underlying

principles. The first version of the amended code brought up critical reactions by the opposition and representative organizations of employers. According to the opposition, the governmental proposal presented serious threat to flexibility of labour market and therefore it would decrease the rate of newly created job positions. "It [the Code] does not contribute to further decrease of the unemployment, nor it balance the regional disparities."<sup>1050</sup>

Also the OECD report called for prudent amendment of Labour Code. It noticed that if the legislation would significantly increase the cost of firing workers it could harm the market ability to react to economic shocks.

The main threats perceived by the opposition were indicated as:

- Lack of possibility for employee to negotiate flexible working hours and strict limitation of overtimes
- Worsening of hiring the apprentices by creating extra financial burden for potential employers<sup>1051</sup>
- Weakening of employers' council status

According to the opposition politician Július Brocka (Christian Democratic Movement – KDH) it was worthless to introduce new regulations in labour relations. "In the regions with full employment new investments improve the employee status even in other companies more than some unlucky Labour Code." (SME, 15. 5. 2007).

On 28 June, the parliament approved the governmental proposal of Labour Code. Members of the parliament adopted only those amendments to the proposal made by coalition parliamentarians. Despite this fact the governmental proposal that reached the parliamentary floor after couple months of media and expert criticism was significantly different from its original version. Its main political critics, the former Prime Minister Dzurinda's party SDKÚ observed that the approved version of Labour Code would worsen the labour market but it would not cause any serious harm. According to Dzurinda, it is symptomatic of the current government that it deals with issues that are working well and not with the problematic

<sup>1048</sup> For more details (in Slovak) see: <http://portal.statistics.sk/showdoc.do?docid=183> (last access: 26.09.2007).

<sup>1049</sup> Statistical Office of the Slovak Republic, available at: <http://portal.statistics.sk/showdoc.do?docid=184> (last access: 26.09.2007).

<sup>1050</sup> Klara Sarkozy, SMK (SME, 15. 5. 2007).

<sup>1051</sup> Potential employer who would employ apprentice who's training was paid by other company have to paid the cost of his/her training regardless of the usefulness of such training in his/her new job position.

ones. "They succeeded in messing the flat tax but not to such an extent that it would not work. Approving of amended Labour Code seems to me the same," he said. (SITA, 28.6. 2007) Hence, Slovakia does have a new Labor Code but it is not fundamentally different from its predecessor.

The European Commission in its assessment report of the National Reform Program (National Action Plan on Lisbon Strategy) highlighted the improvement of business environment, the increase of employment and the progress in university education reform as the main strengths of its implementation. However, it identified as absent a strategy in R&D innovation and education as the weakness of the program implementation. According to the Commission, attention has to be paid also to the reduction of long term unemployment and to the integration of marginalized groups as well as to the improvement of life-long education. Also the latest OECD report on Slovakia<sup>1052</sup> states that the country has achieved a rapid growth of employment followed by a decrease of unemployment rate but the long term unemployment (especially of low qualified workers) still remains the main problem.

The new government of SMER, SNS and HZDS took both reports into account. Prime Minister Robert Fico has strongly criticized the previous Dzurinda-led coalition government for overlooking the R&D as well as education. For them, the amount of public expenditures allocated for those fields was the best evidence of governmental ignorance. Prime Minister Fico has stressed that the state budget for R&D has increased in 2007 by 1.8 times compared to 2005 in absolute numbers. However, such statistics do not account for inflation. In the R&D and education field the current government took several legislative initiatives. The amendment of University Education Act was adopted by the parliament and signed by president in July 2007. The Ministry of Education prepared the document named Long-term Aim for State Research and Development Policy and the government has also adopted a concept on lower education reform and long life education act. However, the approved University Education Act does not address the main problems of university education in Slovakia that were identified by the European Commission as well as by the OECD – its quality and compatibility with

labour market requirements. All other legislative initiatives in the R&D field have the character of conceptions or aims so concrete action plans and implementation strategies have to be developed. According to the legislative plan of the Slovak government most of them are scheduled to be prepared by autumn 2007. In short, thus far the Fico-led coalition government has not significantly changed the workings and funding of education and research and development in Slovakia.

## Slovenia

There are frequent debates on the current and future trends in the domestic labour market in Slovenian political, academic and professional sphere. The discussions are mostly placed within the context of aging of population and continued negative-fertility-rate which has been present in Slovenia for about two decades, despite some data showing a very recent turn around of this negative trend.<sup>1053</sup> The studies focusing on unemployment, deal with this social-economic phenomena from different perspectives. We firstly present some general estimates of the state of Slovenian labour market. Later on we put special focus on unemployment trends as a variable of gender, age and regional dimension and present them in Tables 1, 2 and 3.<sup>1054</sup>

<sup>1053</sup> Slovenian fertility rate has been estimated as one of the lowest in Europe, which raised numerous concerns in light of smallness of the nations' population, which has fallen under 2 million (Radiotelevision Slovenia, thereon RTV SLO (29 September 2006) Rodnost med najnižjimi v Evropi [Fertility among the lowest in Europe], available at: [http://www.rtvlo.si/modload.php?&c\\_mod=rnews&op=sections&func=read&c\\_menu=1&c\\_id=121332](http://www.rtvlo.si/modload.php?&c_mod=rnews&op=sections&func=read&c_menu=1&c_id=121332) (9 July 2007). The negative trend is even more exacerbated by a growing number of elderly population, similar to the EU (RTVSLO (7 January 2007) Rast rodnosti je Slovenijo obšla, strmo naraščanje števila starejših [Fertility rate has avoided Slovenia, steep growth of the number of elderly population], available at: [http://www.rtvlo.si/modload.php?&c\\_mod=rnews&op=sections&func=read&c\\_menu=16&c\\_id=130428&tokens=rodnost](http://www.rtvlo.si/modload.php?&c_mod=rnews&op=sections&func=read&c_menu=16&c_id=130428&tokens=rodnost) (9 July 2007). However, a recent survey of the national statistical bureau shows that the negative fertility trend has stopped; see e. g. Statistical Bureau of the Republic of Slovenia (29 June 2007) Živorojeni otroci, Slovenija, 2006 [Live-born children, Slovenia, 2006], available at: [http://www.stat.si/novica\\_prikazi.aspx?id=994](http://www.stat.si/novica_prikazi.aspx?id=994) (12 July 2007).

<sup>1054</sup> Data for all the tables and their interpretation is taken from Kajzer, Alenka (2006) Trg dela in zaposlovanje [Labour market and employment]. In Jana S. Javornik (ed.) Socialni razgledi 2006 [Social Outlook 2006], pp. 86-91, Ljubljana: Institute for macroeconomic analysis and development, pp. 86-87, available at: <http://www.umar.gov.si/projekti/socr/SR2006.pdf> (10 July 2007).

<sup>1052</sup> OECD Economic Surveys, Slovak Republic, Volume 2007/7, April 2007.

### General trends

- An extremely low activity of 55-64 year-olds. This is due to premature retirement, transition effects and education structure.
- Too high unemployment of young people; due to discrepancies between the demand for and supply of work.
- On average, there is over-exploitation of the institute of student work – sometimes this work is done by non-students, students' are not employed and do not pay social insurance.
- There is surplus demand for unqualified work, increase of working permits quotas for workers of this profile.
- General lack of technical vocations of secondary and high education.
- The labour market is non sufficiently flexible, more than 80 percent of newly employed only get definite-time employment contracts.

**Table 1: Unemployment rate in Slovenia, according to gender, 1999-2005 (in %)**

	Men (2)	Women (3)	(3)–(2)	SUM
1999	7,3	7,9	0,6	7,6
2000	6,8	7,3	0,5	7
2001	5,9	7	1,1	6,4
2002	5,9	6,8	1,1	6,4
2003	6,4	7,1	0,7	6,7
2004	5,5	6,4	0,9	6,3
2005	6,1	7,1	1	6,5

Source: Statistical Bureau of the Republic of Slovenia and Institute for macroeconomic analysis and development.<sup>1055</sup>

**Table 2: Unemployment rate in Slovenia, according to age groups, 1999-2005 (in %)**

	15–24	25–49	50–64	SUM
1999	18,1	6,3	5,6	7,6
2000	16,8	5,7	6,2	7
2001	18,1	5,1	4,8	6,4
2002	16,7	5,4	4,3	6,4
2003	17,4	5,9	4,3	6,7
2004	16,3	6,8	4,3	6,3
2005	16	5,9	4,4	6,5
Difference 2005–1999 in % points	-2,1	-0,4	-1,2	-1,1

Source: Statistical Bureau of the Republic of Slovenia and Institute for macroeconomic analysis and development.<sup>1056</sup>

Unemployment rate has declined for a 1.1 percentage point and has reached 6,5% in 2005, which is lower than the EU-average (8.5% in 2005). Despite the decline, a persistent problem is long-term unemployment; share of people in this category has even grown from 1999 to 2005.

Unemployment rates by age groups show decline of unemployment in all groups; the biggest decline is visible in 2 most problematic age groups: 15-24 and 50-64. However, some in the latter group are statistically taken out of the data (virtually this improves data in a sense of lower unemployment rate) because they do not seek work actively – this being one of the main criteria to be considered unemployed. Slovenia is one of the EU member states with the lowest rate of labour activity of elderly people. Despite the decline of unemployment the younger population is still persistently problematic in two ways: acquiring first work and remaining unemployed in the long-term.

From 2000 till 2005 most regions show decrease of unemployment rate. Regions with the lowest unemployment are Central Slovenia, Coastal-the Karst and Gorizia region (all central and western Slovenia). Regions with the highest unemployment rate are two regions situated in the eastern part of the country – Mura region and Drava region, the third is a highly secondary sector industrialised upper Sava region. Differences among regions have also declined; in 2000 the difference between the most and the least successful was 1:3.1, but in 2005 it was 1:2.6.

A recent study conducted by a national Bureau for macroeconomic analysis and development shows that the labour market in the first quarter of 2007, similarly to some previous years, is reacting positively to a trend of high economic growth, since there has been a relatively high increase of employment. Employment has gone up by 3.3 % compared to the same period in 2006. Comparing the methodology of national accounts and methodology of surveys (Labour force survey), the study also recognises a process of formalisation of jobs, meaning that diverse informal forms of work are being transformed into formal ones.<sup>1057</sup>

<sup>1057</sup> UMAR [Institute for macroeconomic analysis and development] (2007) Ekonomski izzivi 2007, Konjunktura gibanja [Economic challenges 2007, Conjunction movements], Labour market, pp. 11-17, here: p. 11, June 30, available at (9 July 2007).

<sup>1055</sup> In: ibid., p. 86.

<sup>1056</sup> In: ibid., p. 86.

**Table 3: Unemployment rate in Slovenia, by regions, 2000-2005 (in %)**

	2000	2001	2002	2003	2004	2005
SLOVENIA	11,8	11,2	11,3	10,9	10,3	10,2
Central Slovenia	8,8	8,0	7,7	7,5	7,5	7,6
Coastal-the Karst	8,8	8,7	8,3	8,0	7,9	7,5
Upper Carniola	9,7	8,7	8,2	8,0	7,6	7,3
Gorizia region	5,9	5,6	6,1	6,3	6,7	6,5
Savinja region	13,1	13,1	13,6	13,1	12,5	12,7
South-eastern Slovenia	10,4	9,6	9,7	8,4	8,2	8,8
Mura region	16,7	16,3	17,7	17,6	16,8	17,1
Inner Carniola-the Karst	10,4	9,4	8,8	8,6	8,1	7,9
Drava region	18,1	17,4	17,1	15,8	14,2	13,5
Carinthia	9,9	9,9	11,3	12,2	11,4	10,6
Lower Sava region	13,4	13,9	14,1	14,6	12,7	11,5
Upper Sava region	14,9	14,3	14,8	15,6	14,4	13,8

Source: Statistical Bureau of the Republic of Slovenia and Institute for macroeconomic analysis and development.<sup>1058</sup>

**Table 4: Different categories of active workers, growth in %**

	Inter-quarterly growth rates				Inter-yearly
	Q2-06	Q3-06	Q4-06	Q1-07	Q1-07/Q1-06
Active workers by inquiry	2,4	0,5	-1,8	0,2	1,3
Formal active workers	1,1	0,4	0,9	0,9	3,3
Of these: Foreigners with permits for definite time	8,6	0,4	-1,7	6,5	13,8
Residents (estimation)	0,9	0,4	1,0	0,7	3,0
Informal active workers (estimation)	10,4	1,2	-15,1	-2,4	-6,0
Active workers by national accounts	1,0	1,2	0,1	0,1	2,4

Source: UMAR 2007<sup>1059</sup>

<sup>1058</sup> In: *ibid.*, p. 87.

<sup>1059</sup> *Ibid.*, p. 12.



At the same time, one observes a fast decline in unemployment, which appears to be a consequence of this year's administrative decrease by removing from the list of registered unemployed those persons that are not actively seeking job. In 2007 one notices even more extreme seasonal phenomena of decline of registered unemployment. The number of employed people is growing more than in previous years, which consequently means a faster decrease of unemployment compared to the last 15-year trend. Average number of registered unemployed and average registered unemployment rate in the first quarter of 2007 (77.285 equals 8.4 %) were lower by 17.4 % equals 1.9 percent point compared to 2006. The number of registered unemployed was reduced mainly due to lower influx of domestic workers who remain jobless.<sup>1060</sup>

The number of employed is still growing in the construction and business services sectors. Since the last year growth was also evident the number of employed in manufacturing. However, results of a research on business trends, conducted by a Statistical Bureau of Republic of Slovenia show that firms are unable to meet the growing needs for employment. Increasingly restricting factor for employment is the lack of qualified workers; and also a perception of a general shortage of workers is growing. This is confirmed by statistical data on more paid overtime (extra hours work). The largest difficulties for acquiring qualified workers appear in the following sectors: construction, manufacturing of metal and machinery, there is also a lack of mechanics, and engineers, electro technicians, and workers in medicine and hotel trade.<sup>1061</sup>

Firms solve the described problems by employing foreigners. In 2007 the number of working permits for foreigners has been growing; in the first quarter of the year there has been 54.424 an increase of 23.2 % compared to the same period of 2006, until the end of May the number has gone up already to 60.051. In this context, one has noticed a growing activity of labour employment agencies, which also shows an increasing need for a more flexible forms of employment.<sup>1062</sup>

In June 2007, the National parliament has endorsed modifications and amendments to

the Law on employment and work for foreigners, which are to shorten and simplify the procedures for acquiring work and employing especially foreign workers for professions missing or deficient on the Slovenian labour market.<sup>1063</sup> Here it is important to notice that the term 'foreign' means workers outside the EU member states. The figures of the latter are quite high; as the quota was raised from 18.500 to 24.000, since the yearly 2007 quota has been used in 90 % in May already.<sup>1064</sup>

There have been attempts in 2004 to invite workers from the new EU member states – concretely from Slovakia, however as argued by a representative of Slovenian Chamber of Commerce Mr. Borut Gržinič, the problems occurred since Slovenian employers have not been satisfied with them. These workers still mostly find jobs in construction, but as claimed by Mr. Gržinič, in recent years, they have to be more and more skilled; unqualified workers are not needed any more. He estimates that the most skilled workers from the new EU member states have gone to work to the old EU member states. This is why in Slovenia the high number of traditional influx of workers from ex-Yugoslav countries is again taking place.<sup>1065</sup> The recent figures from the already mentioned agencies, mediating between these workers and interested employers, show that foreign workers mostly come from Bosnia and Herzegovina, but also from Bulgaria.<sup>1066</sup>

Foreign workers, up to the authors' knowledge, the media coverage and general perception however, have up to now not been perceived negatively in the society, nor as a threat to the social welfare state.

The authors conclude that one of the main problems of Slovenian labour market is its insufficient flexibility, which up to now has not been properly addressed by the government,

<sup>1063</sup> Ibid., pp. 13-14.

<sup>1064</sup> Daily newspaper Finance (9 July 2007) Tuji delavci – prihranek za gradbince [Foreign workers – a saving for constructors], available at: <http://www.finance.si/index.php?MOD=show&id=186092> (10 July 2007).

<sup>1065</sup> Daily newspaper Finance (8 July 2007) Gradbenikov je čedalje več, a le kvalificiranih [There is more and more construction workers, but qualified], available at: <http://www.finance.si/index.php?MOD=show&id=186093> (10 July 2007).

<sup>1066</sup> Vuković, Vesna (2007) bosnaci in Bolgari so trenutno najbolj zaželeni tuji delavci [Bosnians and Bulgarians are currently the 'most wanted' workers], daily newspaper Finance, 10 July, available at: <http://www.finance.si/index.php?MOD=show&id=186225> (10 July 2007).

<sup>1060</sup> Ibid., p. 12.

<sup>1061</sup> Ibid., pp. 12-13.

<sup>1062</sup> Ibid., pp. 13-14.

especially in the context of possible long-term effects. This raises numerous concerns and debates on the future consequences the structure of the labour market may have in light of smallness of Slovenian population and market.

One of the recently conducted studies of the influence of demographic expectations on the future economic growth rates conducted by Anže Burger<sup>1067</sup> points out that despite these processes, causing the inflexibility in the labour market, the trade unions' understanding of the need of social reforms (e. g. the institutionalisation of the division of profit among the employed and the pension system reform) remains inappropriate. The author claims that the public sector is too vast, that the risks on the side of capital are not taken into account and that the state-inspection bureaus and labour courts are functioning inadequately. There is a need to reschedule retirement age especially for women (which currently stands at 55 for women with 36 years of work, whereas at 58 for men with 40 years of work) and to rebalance the recent pension reform which has up to now achieved only an alignment of pensions with wage growth instead of alignment with only the price index. The author concludes that after 2050 when the effects of pension and labour reforms would decline, the only measure remaining at disposal are demographic instruments of enlarging the number of active labour population either by increased fertility or by intensive immigration influx. In the long term, the inevitable aging of Slovenian population will cause the gross national income to be even more dependant on the technological progress and growth of human capital.

## Spain

Spain's economy has been performing extremely well over the last decade. This is due to a lasting consensus among the two main political parties, trade union and business associations on the need to keep sound macroeconomic policies. As a result, the economy is growing and the budget is in surplus. Agreements between government, business and unions on labour market reform, pensions, welfare, health and education have been recurrent. Due to Spain's economic

growth, Spanish unemployment has fallen dramatically over the past decade and is now below 8%, which means that Spain is no longer the European country with the highest unemployment rate. Public opinion is therefore not greatly concerned about job creation. However, some sectors are being seriously hit by delocalisation and foreign competition, namely textiles, consumer electronic goods and automobiles.

There is little public debate about the impact of trade liberalisation and globalisation on wages and employment. The debate focuses more on immigration issues and the need to promote R & D to increase productivity, which remains a significant problem. The government has been very active on these fronts: it carried out a massive regularisation of 'illegal' workers and has put forward initiatives to foster research and provide incentives to Spanish scientists abroad to return home.<sup>1068</sup>

## Sweden

The Swedish economy is currently performing relatively well, and the government along with external analysts (Moody's, to take one example) paint the coming years in quite bright colours. The unemployment rate is decreasing markedly, and the growth in investment remains at a high level.<sup>1069</sup> The change of government in the fall of 2006 has implied a number of reforms in the direction of lower taxes but also increasing individual responsibilities (and options), but the overall aim is still to keep the general welfare system intact.<sup>1070</sup>

The government attaches considerable importance to continued progress (strict guidelines and less bureaucracy) within the Lisbon strategy and to the upcoming revision of the common market – in a speech earlier

<sup>1067</sup> Burger, Anže (2006) Projekcije gospodarske rasti Slovenije do 2050 [Projections of Slovenian economic growth until 2050], Working paper, Ljubljana: University of Ljubljana, Faculty of Social Sciences.

<sup>1068</sup> For an overview of Spain's basic economic indicators relative to the EU, see: "20 Years of Spain membership to the EU (1986-2006)", published by Elcano Royal Institute for International Affairs, available at: [http://www.uned.es/dcpa/Profesores/126JlgnacioTorreblanca/126Publicaciones/20\\_years\\_Spain\\_membership.pdf](http://www.uned.es/dcpa/Profesores/126JlgnacioTorreblanca/126Publicaciones/20_years_Spain_membership.pdf) (last access: 20.08.2007).

<sup>1069</sup> "Fortsatt stark svensktillväxt", *Dagens Nyheter*, August 2 2007, available at: <http://www.dn.se> (last access: 11.09.2007); "Toppbetyg för svensk ekonomi", *Svenska Dagbladet*, August 7 2007, available at: <http://www.svd.se> (last access: 11.09.2007); "Kärva besked från finansministern", *Svenska Dagbladet*, August 24 2007, available at: <http://www.svd.se> (last access: 11.09.2007).

<sup>1070</sup> "Borg: Begränsat utrymme för reformer", *Dagens Nyheter*, July 12 2007, available at: <http://www.dn.se> (last access: 11.09.2007).

this year EU minister Malmström underscored that from a Swedish perspective the issues of European competitiveness and continued welfare systems are intimately connected.<sup>1071</sup>

## Turkey

In terms of the future of the Turkish welfare state, successive governments attempt to launch social security reform since the mid-1990s. Characterized by some typical features of the South European welfare regime, the Turkish social protection regime remains highly fragmented, displaying an internal polarization with peaks of generosity (especially in pensions) for privileged strata of the population (mainly civil servants) coexisting with gaps in protection. As a result of patchy and some underdeveloped programs, social expenditures remain well below the figures for the EU average. Despite low level of spending towards welfare goals, facing fiscal imbalances, governments that came to power from the mid-1990s intended, at least in rhetoric, to reform social security. In domestic public debates social security programs were typically indicted as the main culprit for the severe financial problems with references to 'crises', 'bankruptcies', 'black holes' and 'unsustainable structures'. Endless references were made to the impossibility of publicly financing the social security system. In the context of tackling the budgetary imbalances international organizations such as the OECD, the IMF and the World Bank have underlined that 'reform of social security had taken on an urgency' and all called on successive Turkish government to overhaul the 'ailing' system. After rounds of discussions and delays and some reforms, mainly in 1999, two pieces of social security legislation were introduced in 2005 as part of the stand-by agreement signed with the IMF: the Social Security Administrative Reform and the Social Insurance and Health Reform. The Social Security Administrative Reform law would unify the three social security institutions, the Retirement Chest for civil servants, the Social Insurance Institution for workers, and Bağ-Kur for the self-employed, under a single roof. This would improve the ability of the administration to monitor the number of beneficiaries and its accounts, and

to provide better services. The Social Insurance and Health Reform law aimed at unifying the three pension systems under a single, more fiscally sustainable pension formula.

While the Minister of Labour and Social Security openly declared that the reform would bring Turkey closer to the European Social Model<sup>1072</sup>, many argued that it would, in fact, widen the gap between the Turkish and European models of social protection through further weakening the already-weak Turkish welfare state. In effect, the reform package was the target for severe criticism from labour unions, professional organizations, opposition parties, some members of the academic community, and other civil society organizations. Although forces of opposition to the reform were generally not as strong in comparison as those in Western Europe and elsewhere, the reform was postponed through legal intervention. The President vetoed 15 articles of the bill, sending them back to Parliament to be re-debated. Arguing that raising the retirement age to 65 for both males and females was "not fair, reasonable, or appropriate" in a country with an average life expectancy of 66 years he underlined that the laws should be in line with an understanding of a social welfare state. The governing party managed to pass the bill in its original form. Yet in the meantime, the main opposition party, CHP (Republican People's Party) demanded the constitutional review of the legislation and brought it before the Constitutional Court. In December 2006, the Court repealed part of the package in favour of the acquired rights of civil servants. Faced with a protracted standoff, the government announced that the implementation of the bill was postponed to 2008.

Turkey has been having rather high unemployment rates for decades hovering around 10 percent. Despite the economic recovery following the 2001-2002 financial crisis which is reflected in an average economic growth rate exceeding 6 percent per year, the problem of unemployment continuously captures the political, public and policy-practitioner agenda. In fact, according to all recent public opinion surveys conducted before the parliamentary elections of July 22, unemployment continues to be the most important electoral issue for the voters. The problem is even more manifest when one

<sup>1071</sup> The Swedish government's work program for the EU, fall 2007, pp- 3-5, available at: <http://www.regeringen.se> (last access: 11.09.2007); "Den svenska regeringens EU-politik", speech by EU Minister Cecilia Malmström, March 29 2007, available at: <http://www.regeringen.se> (last access: 11.09.2007).

<sup>1072</sup> *Referans*, 23 February 2005.

considers the fact that unemployment arises against a backdrop of very low labour force participation rates. According to the latest monthly report from TURKSTAT<sup>1073</sup> (April, 2007), only 48 percent of the Turkish workforce participated in the labour force. While the figure hovers around 71 percent for men, it remained at around 25 percent for women<sup>1074</sup>. These constitute the lowest participation rates among members of the OECD. The official unemployment rate in April 2007 was recorded at 9.8 percent, although this represented a decline from 11.4 percent in February. This makes Turkey one of the two OECD countries with the highest rates of unemployment, together with Poland<sup>1075</sup>.

It is even less surprising why unemployment constitutes the leading electoral issue in the pre-election public opinion polls when one considers the actual hardship faced by even those who are employed: The TURKSTAT survey revealed that almost half of the employed persons (47 percent) are not covered under any social security scheme. This means that almost half of the working population is employed in the informal economy, with the ratio of men and women being 40 percent and 61 percent respectively. According to the Global Competition Report published by World Economic Forum, while the share of informal economy is around 20 percent in developed economies, the weight of informal economy in Turkey is 36 percent, that is, one third of the total economy. This informality affects permanent employment growth and the quality of the labour force, damages the quality of the financial system, and prevents sufficient investment in infrastructure, education and health. Although the current government in office had declared that it would take measures to increase coverage through formalization of previously informal work, much still needs to be done on this front.

The elections of July 22 set the scene for the current debate on unemployment and the labour market, which constitute a key focus of the major political parties' electoral

programmes. The four political parties with the highest likelihood of entering the Parliament in the coming elections suggest a wide range of measures, targets and resources in their economic programmes to tackle the problem of unemployment and improve the labour market conditions. The AKP (Justice and Development Party), which currently holds the government, avoids binding itself by quantifiable targets and identifies the main targets for the year 2013 as 'further reducing' unemployment and providing an institutional dimension to the social state. The party also focuses on fighting against informal economy by removing the factors causing it; facilitating the transition from agriculture to city centres by the development of the services sector in the fields like tourism, education, health and finance; and creating a more flexible labour market through the promotion of part-time work. Education is a focal point in all these reforms particularly in terms of targeting the younger population: the party sets the targets of providing 50 percent pre-school education by 2013 and 80 percent by 2023; and 100 percent primary school education and 90 percent secondary education by 2013. It aims to gradually increase compulsory education to 12 years by 2023, and increase the credits and scholarships for students in the coming period.

The main opposition party, CHP (Republican People's Party), sets the main targets of high and continuous growth, participation of large sections of society to the production process, a fairer distribution of the increasing income, making Turkey a global economic power, and reaching the welfare levels of the EU. The party aims to achieve more than 6 percent growth and less than 7 percent unemployment, through 1.5 million jobs to be created each year. CHP also promises to take efficient measures to fight against the informal economy; to provide sustainable growth through a mid-term development strategy; and to reduce unemployment through a technology-based and open industrialisation project. In the education field, the party aims to abolish the university entrance exam; to increase compulsory education to 10 years; to establish credits for students (amounting to monthly YTL 250-375, EUR 140-210); and to give scholarships to 1 million students per year.

The centre-right Democratic Party (DP) aims to create 5 million new jobs through the establishment of 1 million new SMEs. Its main economic targets include 8 percent annual

<sup>1073</sup> TURKSTAT, available at: [www.turkstat.gov.tr](http://www.turkstat.gov.tr) (last access: 07.08.2007).

<sup>1074</sup> Turkey is one of the countries with the lowest rate of female employment among the 30 OECD countries, which is, indeed, declining. The main reasons behind the decline in female employment and labour force participation are the decline in the share of agriculture in the economy and migration from rural to urban areas (*Radikal*, 25 May 2007).

<sup>1075</sup> *Radikal*, 14 June 2007.



growth and less than 6 percent unemployment. The party defines unemployment as the biggest problem faced by Turkey, and proposes labour-intensive investments rather than capital intensive ones to fight against this. It also focuses on the informal economy through a tax reform to reduce the tax and social security burden on employment. The party especially encourages specific projects to create employment and export and to remove the regional development differences.

The main nationalist party, MHP (Nationalist Movement Party) plans social support projects including an additional monthly YTL 200 (EUR 115) to unemployed heads of family, YTL 230 (EUR 130) to teachers as development payment, and an additional salary for pensioners each autumn as winter aid. The main aims of the party include establishing a qualified workforce through a strategy to increase qualified employment rather than minimum-wage employment; increasing social transfers to the poor; establishing employment-friendly and sustainable growth; reducing unemployment and poverty; achieving a fair distribution of income; and reducing the dependence of the economy on external resources. The targets of MHP include an average annual growth of 7 percent and the creation of 700.000 new jobs annually. The party sees human capital as one of the most important elements of the Turkish economy, as the employable population is to be increasing for the next two decades, and aims to increase the compulsory education period to 12 years, to remove the university entrance exams, and to develop human capital in new technologies.

It is important to acknowledge that there will be a crucial economic agenda in Turkey after the elections, independent of the result. While it was possible until now to sideline the problem of unemployment in the face of strategies to overcome the economic crisis, unemployment policies will gain utmost significance after the elections.

Matters related to unemployment frequently make it to the headlines. Despite varying in detail and scope, in every newspaper, one comes across some coverage on labour market and employment issues. Interestingly, however, the media in general does not cover other related issues such as social exclusion and poverty in any detail which makes it rather difficult to follow the developments on this front. Despite such apathy from the media, Turkey's accession process has been central

in making issues of social exclusion and poverty more visible through encouraging compilation of comparable data especially with the launching of a new publication in 2004, the *Joint Inclusion Memorandum for Turkey*, by the Ministry of Labour and Social Security.

## United Kingdom

Unemployment remains low in the United Kingdom and as such is not a matter of general political or media debate.<sup>1076</sup> However, it is a matter of significant political salience in the context of immigration, mainly from 'new' member states of the European Union. Certain sectors of society (although probably a minority of British electors) feel profoundly threatened by the 'limitless' welcome extended to Polish plumbers and their fellow European workers who will work at rates very low by British standards. The decision by Mr Blair not to extend freedom of work in the United Kingdom to Romanian and Bulgarian workers immediately upon their countries' accession to the Union was seen by some commentators as a submission by the British government to a certain 'tabloid agenda' which has used the free movement of labour throughout the Union as a weapon in its war against the European Union and its policies.

Although economic migrants and asylum-seekers have not been a subject of sustained debate in the United Kingdom over the last few months. Mr Brown's recent announced intention to establish a "unified border force" – something the Opposition was keen to point out it had originally suggested – is undoubtedly intended to calm concerns about 'unchecked' immigration, and also an acknowledgement of the potential that this issue has to cause political problems in the future. This new initiative, however, was not merely economic in its nature. An immediate trigger for this reform

<sup>1076</sup> General information about British politics: 10 Downing Street, available at: <http://www.number-10.gov.uk/output/Page1.asp> (last access: 03.09.2007); Directgov, the official website of the UK government, available at: <http://www.direct.gov.uk/en/index.htm> (last access: 03.09.2007); Foreign and Commonwealth Office, available at: <http://www.fco.gov.uk/servlet/Front?pagename=OpenMarket/Xcelerate/ShowPage&c=Page&cid=1007029390554> (last access: 03.09.2007); Parliament of the United Kingdom, official website available at: <http://www.parliament.uk/> (last access: 03.09.2007); general news about British politics available for example at: <http://www.keele.ac.uk/depts/por/ukbase.htm> (last access: 03.09.2007), <http://www.bbc.co.uk/> (last access: 03.09.2007) and <http://www.guardian.co.uk/> (last access: 03.09.2007).



was the revelation that the failed Tube and bus bombers of 21<sup>st</sup> July 2005 were, in preparation for their attack, allowed to travel to and from Pakistan carrying suspicious materials, despite being under surveillance by police.

# 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?**

## Austria

During the time observed, the BAWAG bank scandal and its aftershocks remained quite present in public awareness.

Other topics with high saliency are the discussions on and around the acquisition of the Eurofighters. A parliamentary commission assigned with the inquiry of the secret purchase treaty and secondary business connected with this treaty gained high saliency.

Another issue of high saliency remains to be Turkey and its possible accession to the European Union. As Austria can be counted among the opponents of a future Turkish membership, the media has given high salience to the political turbulences in Turkey, which led to the early elections in July 22. However, it has to be mentioned that in contrast to previous occasions, the government has remained rather reserved in this issue.

## Bulgaria

For the period January-June 2007 four issues which influenced Bulgarian political and social life can be pointed out.

First of all, one of the main Bulgarian foreign policy goals during the first semester of 2007 was related to the trial in Libya against seven Bulgarian citizens – five nurses and one doctor, and one Palestinian doctor who was granted Bulgarian citizenship. The desire of the whole Bulgarian society was to bring this case to a successful end leading to the liberation of the seven medics from prison and their safe arrival in Sofia. Bulgarian diplomatic strategies during the last two years aimed to achieve the internationalization of the efforts to free the medics, including by placing this issue on the agenda of all EU institutions – the European Commission, the European Parliament and successive EU presidencies (the German presidency in the period reported here).

The second issue of high domestic importance that could be mentioned, are the first Bulgarian elections for European Parliament (EP), which took place in May 2007. These elections had an explicitly domestic political character. The main political discourse during the electoral campaign was focused on domestic scandals

about high level corruption and criminality. As a result, EU-related topics were almost excluded from party competition and the turnout results were expectedly low (29% on average nation-wide). The winner in these elections was the newly established party “Citizens for a European Development of Bulgaria” (GERB) with 22% (420 000 voters), sending 5 MEPs to the EP. Four other Bulgarian parties sent their representatives to the EP: Bulgarian Socialist Party (BSP) with 21% (415 000) and 5 MEPs, Movement for Rights and Freedoms (DPS) with 20% (393 000 voters) – 4 MEPs, “Ataka” party with 14% (275 000) – 3 MEPs and National Movement Simeon Second (NDSV) with 6% (121 voters) – 1 MEP<sup>1077</sup>.

The third issue that received significant domestic media coverage was the implementation of the EU NATURA 2000 Programme. In this respect Bulgarian ecological organisations “invested” huge efforts in positioning “green” issues on top of the Bulgarian political agenda, but Bulgarian citizens and government are not very sensitive “targets” on ecological issues yet.

Fourth comes the issue of deepening relations between Bulgaria and Russia particularly regarding the Bulgarian and the EU energy security dimension.<sup>1078</sup>

## Croatia

1. The fight against corruption is currently the focus of attention, as four of the higher ranked officials of the Croatian Privatisation Fund (including three vice-presidents and one head of the unit) and three other outside associates, were arrested in June as result of the action called “Maestro” led by the State Prosecution Office. This is the first time that such high government officials from CPF were arrested since the start of the privatisation process, although quite serious allegations have been made in the past coming from various sides (trade unions, media, State Auditing Office<sup>1079</sup> etc). The investigation was

<sup>1077</sup> Official EP results are available at:

<http://www.cikep2007.org/>; accessed on: 24.07.2007.

<sup>1078</sup> For this and the previous issue, see also the section of this report dedicated to climate change and energy.

<sup>1079</sup> See the Auditing Report on Privatization Process in Croatia, 2003-2006, State Auditing Office, available at: <http://www.revizija.hr/> (last access: 08.08.2007).

strongly supported by the Government including Prime Minister Sanader and the President Mesic. However, the reactions coming from the major opposition political parties (SDP and HNS) were not that flattering and they asked for political responsibility of the government too, as some of the Ministers were sitting in the Supervisory Board of the CPF and in the opposition's opinion, there is a moral quest for them to step down.<sup>1080</sup> HNS and SDP initiated the Parliamentary discussion in June 2007 and voting on the trust in Government, but did not succeed to get the Government to step down on this issue. It is important to mention that the issue of corruption was singled out as the most important problem of administrative reform in the last EC Progress Reports on Croatia which is slowing down the accession process.<sup>1081</sup> The Action Maestro was therefore well received by the European Commission's Directorate General for Enlargement.<sup>1082</sup> The business community in Croatia also considers this issue the most important barrier for entrepreneurship and market competition development.<sup>1083</sup> The same is also felt by the general population.<sup>1084</sup> Another important source of corruption is over-regulation and the Government project of regulatory guillotine HITROREZ has after 9 months produced its first important results in proposing to abandon about 420 redundant regulations and simplify another 371 to reduce opportunities for corruption in the public administration.<sup>1085</sup>

## 2. Croatia is in front of Parliamentary elections which are expected to be

called by November 2007. The pre-election campaign is heating up and it occupies most of the domestic media space. This year, as opposed to past campaigns, the economic programs of political parties are the focus of attention of expert and media analyses. The rivalry of political parties is now tested on the field of economics and general wellbeing of citizens, while the political issues that have heavily dominated previous elections campaigns are now much less the focus, as most of the political issues are already sorted out. Most of the leading political parties starting first with SDP and HNS (March and May), and most recently HDZ (end of June) have already come out with main outlines of their economic programs.<sup>1086</sup> Opinion polls are closely following the change in the support of the voters and most recent one (June 2007) made by the Agency PULS shows significant increase of popularity of SDP over the HDZ.<sup>1087</sup> According to the last poll, SDP leads with 30% of the potential votes, while HDZ is second with 23%. Similar results could be noted already from April 2007, when the other polls, such as the one of the IRI<sup>1088</sup> have for the first time shown the primacy of SDP in the opinion polls (22.4% over 21.7% to HDZ) and marked the change in the support to offered political programs.<sup>1089</sup>

<sup>1086</sup> The main features of the SDP economic program were presented already in March 2007 by Dr. Ljubo Jurcic and Zeljka Antunovic and it is accessible at SDP web site: <http://gospodarstvo.sdp.hr/>. See also an interview with Dr. Ljubo Jurcic, the author of the Program at Poslovni dnevnik, 15 March 2007.

The economic program of HNS was presented on 18 May 2007 at the party Convention by Radomis Cacic and is accessible at

[http://www.hns.hr/modules/gospodarski\\_program/GOSPODARSKI\\_PROGRAM.pdf](http://www.hns.hr/modules/gospodarski_program/GOSPODARSKI_PROGRAM.pdf) (last access: 08.08.2007). The main features of HDZ economic program were presented at the party convention at the end of June. See the Interview with Martina Dalic, lead HDZ economist in Jutarnji list, 7 June 2007, p 30-31.

<sup>1087</sup> Jutarnji list, 30 June 2007, p 9.

<sup>1088</sup> US International Republican Institute (IRI), Croatia, April 2007, available at: [www.iri.org/europe/croatia.asp](http://www.iri.org/europe/croatia.asp) (last access: 08.08.2007).

<sup>1089</sup> The most recent opinion poll (3 September) made by the political weekly Nacional on representative sample, shows even stronger primacy of SDP which is presently supported by 42% of interviewed, while the HDZ has 28% of potential supporters. (Nacional, No. 616, 3 September 2007) available at: <http://www.nacional.hr/articles/view/37562/http://www.nacional.hr/articles/view/37562/> (last access 10.09.07).

<sup>1080</sup> The statement of Dr. Vesna Pusic, leader of HNS (Croatian Peoples' Party) as quoted in daily Vjesnik, 18 June 2007, p. 3.

<sup>1081</sup> Croatia Progress Report, EC, 8th November 2006.

<sup>1082</sup> See the statement of Mr. Christian Daniellson, Director of EC Directorate General for Enlargement in interview "Action Maestro is a good sign", published in daily Jutarnji list, 17 July 2007, p. 33.

<sup>1083</sup> National Competitiveness Council, Annual Report on Competitiveness of Croatia 2006, June 2007.

<sup>1084</sup> According to opinion poll done by Agency Puls, about 37% of the interviewed citizens consider corruption as an important impediment to economic development, as quoted at [www.buisness.hr](http://www.buisness.hr), on 29 June 2007.

<sup>1085</sup> For more details see [www.hitrorez.hr](http://www.hitrorez.hr) (last access: 07.08.2007).

3. Advancement of the Croatian negotiations with the EU remains high on the domestic policy agenda. In the last days of the German presidency (end of June 2007) Croatia has opened negotiations for the next six Chapters of the *acquis*, and presently there are ten opened and two provisionally closed Chapters so far (out of 33). There was a sort of stalemate in the accession negotiations, due to the fact that the EU was completely absorbed with finding solutions to the constitutional crisis, which put negotiations with Croatia second in line. The Croatian media, politicians and experts therefore welcomed the opening of the next six Chapters<sup>1090</sup> and consider it as a major breakthrough. Croatian general public and politicians have also high expectancy from the Portuguese presidency with respect to further advancement of the negotiations in the next six months and media reports and analyses are hoping that the accession negotiations on all chapters will be completed by the year 2009. However, the fulfilment of additional benchmarks determined by the EC for opening and also closing negotiations may slow down the prospects of reaching this ambitious goal.<sup>1091</sup>

## Cyprus

There are two main topics currently debated in Cyprus: the country's current accession to the Economic and Monetary Union (EMU) and the settlement of the conflict over the trade regulation with the Turkish Cypriot community.

This will be the final semester for the preparatory work ahead of the accession to the EMU in January 2008. The Minister of Finance, the Central Bank Governor and various officials seem optimistic given the progress achieved (the Cyprus pound is already pegged to the euro). The euro awareness campaign is proceeding smoothly and will now be intensified. The Code of Fair Pricing, urging

businesses not to profit from the changeover, and the establishment of Euro-Observatories are some of the main measures to guarantee the smooth transition to the new currency.

On the issue of the trade regulation with the Turkish Cypriot community, currently we are at a stalemate, which the Portuguese Presidency will be called upon to solve. President Papadopoulos, in an interview to the Athens News Agency in June, highlighted that Turkey wishes to upgrade the status of the non-government controlled areas, through "the so-called EU direct trade regulation". He stressed that the Turkish side has misinterpreted the EU regulation, which actually does not refer to direct trade but to measures aimed at promoting the financial integration and reunification of the island.

## Czech Republic

In relation to the European policy the most frequently discussed topic among scholars and the political elite is the upcoming Czech EU presidency in the first half of 2009. The topic is already the focus for seminars and round table discussions and occasionally, concerns about the planning of such an event reaches broader news coverage.

The foreign policy related issue that is mainly discussed at the moment is the establishing of a US missile interceptor radar base in the Czech Republic. The issue divides the Czech parliament. In the governing coalition mainly the Civic Democrats are strongly in favour, whereas the Social Democrats are opposed and would prefer a referendum on the issue. Also the governing coalition faces some internal opposition on the issue mainly from parts of the Greens. In the public discourse the radar issue is often related to the issue of an obligatory visa for Czech citizens visiting the US. On the visa issue the Czech Republic has occasionally criticised the EU for a lack of coordination. In relation to the radar base the June visit of the American President, George Bush, to Prague should also be mentioned. His visit and of course also the controversial statements made by Russian President Putin have served to generate additional attention to the issue of the radar base.

Concerning other topics from Europe frequently covered in the Czech public discourse, we should also mention Blair and Chirac leaving office and speculations

<sup>1090</sup> "Accession Negotiations: A big Step at the End of German Presidency", Jutarnji list (Croatian daily), 3 July 2007, p.35.

<sup>1091</sup> For the current progress and determined benchmarks for each Chapter of negotiations see web site of the Croatian negotiation team, available at: [www.eu-pregovori.hr](http://www.eu-pregovori.hr) (last access: 08.08.2007).



concerning what changes Brown and Sarkozy will bring for the future of Europe. The tensions between the Polish and German governments have also received increased attention in the Czech Republic; especially since the government has decided to advocate the Polish proposal on a reformed voting system in the new treaty.

## Denmark

As mentioned in the answer to question 4, a new liberal party, the new alliance, was formed in Denmark in May. Its founders are two MEP's – Gitte Seeberg (former conservative) and Anders Samuelsen (former social liberal) – and MP Naser Khader (former social liberal), who is the party leader. The formation of the new party received widespread attention in the media and immediately gained support from the public (according to opinion polls, up to 17% would vote for the new party in a general election).<sup>1092</sup> New alliance has not yet presented its party programme, but a few policy statements have been made. Amongst these is the party's support for Turkish EU-membership, the abolition of the Danish opt-outs and lower taxes.<sup>1093</sup> It can be expected that the party will be strongly supportive of the EU. New alliance has been welcomed from all sides in the Danish parliament. It is hoped that the party will bring new energy and perspectives to the EU debate.<sup>1094</sup>

The new alliance is expected to draw a considerable part of its electorate from the social liberals, whose support according to opinions polls has dropped considerably. Marianne Jelved, for 17 years the leader of the social liberal party, resigned in June. The party has elected Margrethe Vestager as its new leader, alongside a rearrangement of the party leadership. It is yet unclear whether these developments in Danish politics strengthen the left or the right wing in parliament. The social democrats interpret the changes as opening new doors in Danish politics.<sup>1095</sup>

The past half year also witnessed the first trial in Denmark of people accused of terrorist activity. Three people have been sentenced to,

respectively, 7 years, 4 months and probation of a year. A fourth suspect was found not guilty.<sup>1096</sup> The trial is considered groundbreaking not only in that it is the first of its kind, but also as it was the first to employ the use of character witnesses. The conviction of one suspect on the grounds of encouraging terrorism has been particularly controversial and has been viewed by parts of the media as a restriction of the freedom of speech.<sup>1097</sup>

The torturing and subsequent killing of an Iraqi interpreter formerly employed by the Danish army in Iraq has caused a stir in the media and opposition parties in parliament and even caused tensions between the two parties in government.<sup>1098</sup> The affair has been kept from the public and the government since December 2006 by bureaucrats in the Ministry of Foreign Affairs. It marks the culmination of the debate over whether to grant asylum to 20 Iraqi interpreters that have followed from the decision to withdraw Danish troops from Iraq. The government is from many sides considered to have handled the matter in a confused and unprofessional way and been fiercely criticised by both its supporter, the Danish people's party, and by the opposition.<sup>1099</sup> A government enquiry is now being launched into the matter, which has attracted further criticism from the opposition, calling for an independent enquiry.<sup>1100</sup>

In December 2006 and March this year, young activists from 'Ungdomshuset' (Youth House) rioted against the local authorities, when it was decided to sell their occupied house to a Christian organisation. When the house was cleared by the police, and subsequent demolished, in March, Copenhagen witnessed large-scale street fighting between the police and activists, burning cars and other kinds of vandalism. 650 people were arrested during the riots in March.<sup>1101</sup>

<sup>1096</sup> Peter Ernstved Rasmussen, Kristoffer Pinholdt and Morten Vestergaard, 'Historisk dag i landsretten', Jyllands-Posten, 16 February 2007.

<sup>1097</sup> Peter Keiding, 'Terrordom: Terror-dom begrænser ytringsfriheden', Information, 13 April 2007.

<sup>1098</sup> Arne Harids and Hans Mortensen, 'Sidste helikopter fra Basra', Weekendavisen, 22 June 2007.

<sup>1099</sup> Kristian Klarskov and Anders Langballe, 'Dansk Folkeparti i frontalangreb på Fogh', Jyllands-Posten, 22 June 2007.

<sup>1100</sup> Kristoffer Pinholdt, 'SF kræver uafhængig undersøgelse i tolkesagen', Jyllands-Posten, 20 June 2007.

<sup>1101</sup> Available at: [www.pol.dk](http://www.pol.dk) (last access: 08.08.2007), tema ungdomshuset.

<sup>1092</sup> MegaFon/TV2 nyhederne, politisk indeks 10/5 2007, available at: [www.megaFon.dk](http://www.megaFon.dk) (last access: 08.08.2007).

<sup>1093</sup> "Ny Alliance vil have Tyrkiet med i EU", Politiken, 23 May 2007.

<sup>1094</sup> "Debat: Khader & CO. 2: Nyt parti – ny energi til EU-debat", Politiken, 9 May 2007.

<sup>1095</sup> Christine Cordsen, 'Thorning: Nye døre er åbnet i dansk politik', Politiken, 15 June 2007.

## Estonia

The most significant event since the last issue of the EU-Watch is the “Bronze Soldier” affair of April-May 2007 that escalated into the most serious domestic and international crisis Estonia has experienced since the restoration of independence. At the core of the controversy was the interpretation of history (“occupation” versus “liberation” of Estonia by Soviet troops). Violence broke out after the Estonian government began preparations for the relocation of a Soviet-era monument from central Tallinn to a military cemetery. Two nights of rioting by mostly Russian-speaking youth involved rampant looting of shops and buildings in central Tallinn, resulting in massive damage to property. One man (a Russian citizen) was stabbed to death, 156 were injured (including some two dozen police officers), and some 1000 people detained. The removal of the monument was followed by a wave of hostile actions from Russia, including a siege of the Estonian embassy in Moscow, physical attacks on the embassy personnel, including the ambassador; a massive propaganda and disinformation campaign in the Russian and international media; and hidden economic sanctions (redirecting transit shipments and suspending investments and orders).

A particularly noteworthy aspect of the crisis was the massive three-week cyber-attack on Estonia’s IT-infrastructure, including key government, industry, media and other websites. The highly professional and well-coordinated attacks, involving, at peak times, one million computers worldwide trying to paralyze lines of communication by swamping Estonian mission-critical servers (e.g. in telephone exchange) with information packages. According to experts, the amount of cyber traffic from outside Estonia targeting governmental institutions was, at peak moments, 400 times greater than the normal rate.<sup>1102</sup> Many specialists claim that the scale and sophistication of the attacks exceeded the skills of individual activists or even organised crime and required the co-operation of a state and a large telecoms firm. The list of IP addresses where the attacks originated include computers in the Russian presidential administration.

Even though Estonia survived reasonably well, attacks triggered governments and military experts around the world to reconsider the importance of network security to modern military doctrine. NATO experts arrived in Tallinn to examine the case. The real and averted damage caused by the hackers demonstrated that attacks on cyber-infrastructure should be taken as seriously as conventional attacks aimed at traditional infrastructures.<sup>1103</sup> On June 14, 2007, the defence ministers of NATO countries held a meeting in Brussels, issuing a joint communiqué promising immediate action in this area. In the wake of the events, Estonia has suggested that the Cyber Defence Centre in Tallinn, established a few years ago, should be turned into an international NATO competence centre for cyber defence. This proposal was discussed during Estonian President’s recent visit to the United States; President Bush expressed his support to the idea.

The Bronze Soldier crisis has major implications for interethnic relations and minority policies of Estonia. The events were widely seen as demonstrating the failings of the strategy of societal integration Estonia has pursued since independence. While progress has been made in terms of turning stateless individuals into Estonian citizens and improving knowledge of the Estonian language among local Russians, attention has now shifted to reforming Russian-language schools in Estonia. The content and quality of history and civic education classes in these schools, combined with the influence of (Kremlin-controlled) Russian-language media, it is believed, has much to do with the views of history and politics held by the local Russians. According to a sociological study from 2005, over a half of Estonia’s Russians believe that Estonia joined the Soviet Union voluntarily; only 7% think that the country was occupied by the Soviet Union.<sup>1104</sup>

## Finland

The points of emphasis of this current issue of EU-25/27 Watch have captured exceptionally well the most salient issue areas under debate

<sup>1102</sup> “Celebrating 85 years of friendship.” Address by Foreign Minister Urmas Paet at the Heritage Foundation, Washington DC. June 14, 2007, available at: [www.vm.ee](http://www.vm.ee) (last access: 13.08.2007).

<sup>1103</sup> Ibid.

<sup>1104</sup> Eesti Päevaleht, “Venelaste arvates astus Eesti 1940. aastal vabatahtlikult NSVLi,” May 21, 2007, available at: [www.epl.ee](http://www.epl.ee) (last access: 13.08.2007).

and discourse in Finland. Some further additions can nevertheless be made.

As has been noted in previous chapters a new Finnish government was installed in March. The new Foreign Minister Ilkka Kanerva (National Coalition) has been very active in international diplomacy already. In June he was invited to the White House for a meeting with his US colleague, Condoleezza Rice. Many Finnish media reported the visit as a warming up in Finnish transatlantic relations. This is interesting, as officially Finno-US relations are amicable. However, there has been a general perception in Finland that relations with the US could and should be better. Finnish criticism, albeit careful, of the war in Iraq – expressed by the previous Foreign Minister Erkki Tuomioja (Social Democratic Party) and President Tarja Halonen – is perceived to have caused some damage to Finland's image in the White House.<sup>1105</sup> Mr Kanerva's visit can be seen as a part of the official new government agenda in foreign policy. The new agenda puts more emphasis on the importance of *bilateral* relations in foreign policy. Traditionally Finland has stressed collective action, mainly through the EU.<sup>1106</sup>

The activism of the new Foreign Minister and government was also apparent in the Estonian "bronze soldier" incident in April. Finland swiftly and clearly gave its support to Estonia in the diplomatic row between Estonia – Finland's close neighbour and kinsfolk nation – and Russia following the relocation of a Second World War Russian monument in Tallinn. Foreign Minister Kanerva was also in contact with EU President Germany calling for action and solidarity from the Union towards Estonia.<sup>1107</sup> The strong Finnish backing for Estonia has its roots in the special brotherly relationships between the two countries. The sympathies of most ordinary Finns were clearly on the Estonian side. It may also have been important for Finland – a staunch supporter of the ESDP – to attempt to demonstrate that the

EU does show support to its members in genuine foreign political turmoil.

## France

A strong Euro is a principal concern of the French government in European affairs and is perhaps the first area of disagreement between Merkel and Sarkozy. Mr. Sarkozy is concerned that a strong Euro is penalizing French exports. Indeed, French industries are less competitive than German industries. The French trade balance is negative and French exports rely mainly on military and aviation industries. The French president wants to implement a European economic governance which would take growth and unemployment, and not just inflation, into account in the Euro policy of the European Central Bank<sup>1108</sup>. During the presidential election, neither Ségolène Royal nor Nicolas Sarkozy much criticized the actual ECB's independence.

The French government has reaffirmed its intention to reduce the public debt, but without conviction. Indeed, the "paquet fiscal", a massive tax reduction program, is in contradiction with its former preoccupation<sup>1109</sup>.

The Airbus case has also been taken seriously by the French president.

Another priority<sup>1110</sup> of the French government is to reform French institutions. There is a debate on the opportunity of the Sixth Republic. Although it does not appear to be the intention of the government<sup>1111</sup>, a proportional voting system for the legislative elections, the reform of the nomination system and the legal status of the political majority and opposition should be the main provisions of the constitutional law planned for January 2008. However, the French president is clearly against the interdiction of political mandate accumulation. Another main political issue is the budget balance, particularly the social security system deficit which is worse than was expected<sup>1112</sup>. As a result, the government has

<sup>1105</sup> Iltä-Sanomat, Article, 11.6.2007, available at: <http://www.iltasanomat.fi/uitiset/ulkomaat/uitinen.asp?id=1383551> (last access: 13.08.2007).

<sup>1106</sup> Valtioneuvosto, Government, Hallitusohjelma, Government Programme, 19.4.2007, p.3, available at: <http://www.valtioneuvosto.fi/hallitus/hallitusohjelma/pdf/hallitusohjelma-painoversio-040507.pdf> (last access: 13.08.2007).

<sup>1107</sup> Helsingin Sanomat, Article, 29.4.2007, available at: <http://www.hs.fi/ulkomaat/artikkeli/Kanerva+menisi+Viron+suhteen+pidemm%C3%A4lle+kuin+Vanhanen/1135226908131> (last access: 13.08.2007).

<sup>1108</sup> François Fillon the French Prime minister, in Italy, says again these critics against the ECB. Le Figaro, 14 July 2007.

<sup>1109</sup> Le Monde, 17 July 2007.

<sup>1110</sup> See the government priorities on the official Prime minister website, available at: <http://www.premier-ministre.gouv.fr/chantiers/> (last access: 08.08.2007).

<sup>1111</sup> The UMP, the presidential majority party is a neo-gaullist party. De Gaulle was the founder of the Fifth Republic in 1958.

<sup>1112</sup> Le Monde, 6 July 2007.

planned to eliminate a large number of state employees. A minimum public services convention should be planned this summer for September 2007. Salvaging and nurturing French research is an important issue as well. In conclusion, after many years of stagnation or even decline – at least inform the perspective of the French people –, a great desire for change has risen. Each presidential candidate based his/her political program on the “rupture” (radical change). The new French president seems to be embodying this will for change through a pragmatic policy, a government that includes left-wing politicians, the renewal of politics in the form of young and new political personalities, and respect for the opposition (Mr. Sarkozy granted the presidency of the National Assembly’s financial commission to a personality belonging to the opposition).

## Germany

The questionnaire already covers most of the highly salient topics in German public debate.

In addition, there is continuous debate in the media and also among citizens on domestic issues such as: adequate resources and policies for day care and other facilities for children, new laws to combat terrorism and organised crime (online search in private homes, role of the Army (Bundeswehr) in internal security and home affairs etc.), problems of integration of the Turkish minority (requirements such as knowledge of German language), in the context of a new immigration law, political and mental adaptation to a pluri-religious society (highlighted by questions posed by the building of new and huge mosques in German cities while Christian churches are closed down), as well as the political and spiritual challenges of Islam etc.

Moreover, media discuss political frictions inside the grand coalition and implications for the next general elections and respective tactical and other movements of key party players. Both major catch all parties, the Christian democrats and the Social democrats, are going to adopt modernised party programmes in the second half of 2007.<sup>1113</sup>

<sup>1113</sup> Cf. for draft versions CDU: Grundsätze für Deutschland. Entwurf des neuen Grundsatzprogramms. Antrag des Bundesvorstandes der CDU Deutschlands an den 21. Parteitag am 3./4. Dezember 2007 in Hannover, available at: <http://www.grundsatzprogramm.cdu.de/doc/070701-leitantrag-cdu-grundsatzprogramm-navigierbar.pdf> (last access: 30.07.2007); SPD: Soziale Demokratie im 21.

However respective debates rarely go beyond party circles and capture the interest of a wider public. Also the voter potential and political profile of the new party “The Left”, a fusion between the successor party to the SED (GDR), the postcommunist PDS and the WASG, a new party formed by West German communists and dissenters from the SPD around Mr Lafontaine, gain attention with a view to shifts in the German party system<sup>1114</sup>, the general elections of 2009 and as test cases for elections at Länder level in 2008<sup>1115</sup>.

## Hungary

In the first half of this year Hungary continued to struggle with severe macroeconomic and social problems. Over the past few years the two main indicators of public finances – budget balance and public debts – have had a worsening trend, diverging from and not converging to the Maastricht criteria. By the end of 2006 the budget deficit grew to 9.2% while public debts increased to 66% of GDP (from 3.4% and 52.2% respectively in 2001). In the corrected version of the Convergence Plan submitted to Brussels in September 2006 (Hungary had to revise the data provided due to criticism by the European Commission over their credibility) the government pledged to cut back the public budget deficit to 3.2% by 2009. This necessarily entails very severe restrictive measures introduced by the government since last autumn. These measures include substantial price and tax increases on the income side, and drastically shrinking public services on the expenditure side.

All these measures are in sharp contrast with the socialist-liberal governing coalition’s electoral programme reassuring the electorate

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Jahrhundert. „Bremer Entwurf“ für ein neues Grundsatzprogramm der Sozialdemokratischen Partei Deutschlands. Januar 2007, available at: [http://www.programmdebatte.spd.de/servlet/PB/show/1700699/bremer\\_entwurf\\_navigierbar.pdf](http://www.programmdebatte.spd.de/servlet/PB/show/1700699/bremer_entwurf_navigierbar.pdf) (last access: 30.07.2007).

<sup>1114</sup> Cf. for the academic debate Tim Spier/Felix Butzlaff/Matthias Micus/Franz Walter (Hrsg.), Die Linkspartei, Wiesbaden 2007; Franz Walter: Links tut sich was, in: *metall* 7-8/2007, S. 18 f.; Oskar Niedermayer: “Die Veränderungen des deutschen Parteiensystems”, in: *Parteien und Bewegungen. Die Linke im Aufbruch* / Hrsg. M. Brie; C. Hildebrandt. Berlin: Karl Dietz Verlag, 2006, S. 101-110; Oskar Niedermayer: “Die Wählerschaft der Linkspartei.PDS 2005: sozialstruktureller Wandel bei gleich bleibender politischer Positionierung”, *Zeitschrift für Parlamentsfragen*, 37, 2006, S. 523-538.

<sup>1115</sup> Elections will be held in: Hessen: 27. Januar 2008, Niedersachsen 27. Januar 2008, Hamburg 24. Februar 2008, Bayern: 28. September 2008.



over the healthy state of public finances and projecting even tax cuts. After having won the elections in spring 2006 nevertheless, according to a voice tape smuggled out and presented to the public in September 2006, the Prime Minister Ferenc Gyurcsány admitted to have lied to the voters about the state of the country (governed by the same coalition since 2002) and also admitted the lack of a real programme and the recourse to “hundreds of accounting tricks” to veil the ever worsening economic situation. Therefore there seems to be a legitimacy crisis in Hungary, given the fact that those political leaders are introducing extremely severe restrictive measures whose credibility, responsibility and accountability can be questioned.

The restrictive measures in Hungary can be summarised in a nutshell as follows. On the revenue side there have been gradual price increases of major goods and services (communal and industrial energy supply, public transport, fuel, food and pharmaceuticals) coupled with increased taxes and the emergence of new taxes (e.g. on real estate planned from 2008/09 onwards) as well as new fees (e.g. upon visiting doctors and staying in hospitals). In addition there is also privatisation going on, mainly by selling a range of state owned real estate and some national companies. On the expenditure side: there are massive layoffs in the public sector as e.g. schools, posts, hospitals are being shut down or merged and the enterprises operating public transports are being slimmed down. A further sign of the “self-restriction” of state competences is the planned introduction of a multi-pillar privatised health insurance system instead of the presently operating centralised public one.

As the economy is slowing down and inflation as well as unemployment are increasing, the average standard of living in Hungary is generally worsening. All these political, economic and social trends are provoking social resistance and unrest – ever since autumn 2006 there have been hundreds of demonstrations against the government’s activities. As a response to social discontent, the greatest oppositional political force (FIDESZ Hungarian Civic Alliance together with the Christian Democratic People’s Party) is organising a referendum on six major issues concerning obligatory fees in public universities and colleges, fees on using public health services (including both consultation and daily fees upon staying in public

hospitals), the prohibition of selling medicaments outside pharmacies, privatisation of public hospitals, as well as the way of selling agricultural lands (by giving privileged rights to farmers). A further referendum on the introduction of the multi-pillar privatised health insurance system has been initiated by private persons too. The complex referendum may take place sometime in the first half of 2008. In the meantime the national electoral committee received three “counter questions” too, picking up three questions submitted by the mentioned oppositional party-coalition, but formulating them in the reversed sense, rendering the whole issue rather complicated, even absurd. Political scientists therefore predict a hot autumn in Hungary heated by harsh political debates resembling even electoral campaigns.

In Hungary nobody questions the necessity of public budget reform, as the country is on the one hand interested in a balanced and sustainable fiscal situation, and on the other hand would like to introduce the euro in the next decade (currently there is no target year set). But the process of nominal convergence should be run by a more credible political leadership, should be preceded by wider professional consultations and should be accompanied by a deeper political and social consent than now.

## Ireland

Innovation, integration, retention of Ireland’s 13 MEPs.<sup>1116</sup>

## Italy

Current issues and discourse in Italy include:

- Middle East: great attention has been paid on the open letter sent by the 10 Foreign Ministers of the EU’s Mediterranean states, which gathered together on the 6<sup>th</sup> of July in Portoroz (Slovenia) for their annual informal

<sup>1116</sup> General information about Irish politics: Government of Ireland website, available at: <http://www.irlgov.ie/> (last access: 03.09.2007); Department of Foreign Affairs website, available at: <http://www.dfa.ie/home/index.aspx> (last access: 03.09.2007), Houses of the Oireachtas website, available at: <http://www.oireachtas.ie/ViewDoc.asp?fn=/home.asp> (last access: 03.09.2007); general news on Irish politics available at: <http://www.politicsinireland.com/> (last access: 03.09.2007) and <http://www.irishnews.com/> (last access: 03.09.2007).



meeting, to the newly elected special envoy of the Quartet, Tony Blair

- Death penalty moratorium
- Future status of Kosovo/settlement of Kosovo issue
- Scandal involving the Italian secret services
- Terrorism menaces in the national territory
- Reform of the judiciary system
- Reform of the voting system/electoral law

## Latvia

### 1. Corruption

Were the gratuities, especially in cash, that Latvia's newly elected president, Valdis Zatlers, received while he was a practicing surgeon doctor taxable or tax-free? The question applies also to other doctors. Many, including doctors, argue that such unofficial payments are bribes especially when they are paid before the doctor performs a service and that they should be forbidden. Others remind that all taxpayers are expected to declare and pay taxes on their income, whether from salaries or gifts, and that the laws should apply equally to members of all professions.

### 2. Declining public confidence in the government and the parliament

As clearly shown by the a largely symbolic public-initiated referendum where people had to vote on amendments, which had subsequently been revoked, to a law concerning state security, as well as the election by the parliament of Valdis Zatlers (a political unknown nominated by the party of Prime Minister Kalvītis) as Latvia's president, there is a widespread perception that both the government and the parliament are out of touch with the electorate and are unresponsive to the wishes of the people.

### 3. Inflation

Despite many timely warnings by Latvian and foreign economists that inflation is rising too fast and that Latvia's economy could overheat, the government of Prime Minister Kalvītis initiated only in spring 2007 measures to try to bring these processes under control. Although it is too soon to tell if the government's anti-inflation plan is working, the people are, nonetheless, afraid of an economic recession.

## Lithuania

One of the issues which have been highly salient for the last year is the use of the structural support received from the EU structural funds and Cohesion fund. Lately the European Commission member from Lithuania (former Lithuanian Finance Minister) Dalia Grybauskaitė criticized Lithuania because of the slow use of the EU financial support for the years 2004-2006. She claimed that Lithuania might be forced to return a part of the unused EU financial support. "I do not have good news, the use of the EU financial support is slowing down. Lithuania was leading in 2004, in 2005 it was in the middle, and in 2006 it is in the end according to the amount of the EU financial support used. Lithuania is doing worse every year", she said<sup>1117</sup>. State auditor Rasa Budbergytė also claims that there is a risk not to use all the EU financial support. According to her, "in this case the projects should be finished by financing them from the money of Lithuanian taxpayers"<sup>1118</sup>. This criticism by Dalia Grybauskaitė was taken very seriously by the politicians and society and had an important impact.

According to the data of the Finance Ministry, Lithuania has already used 40 percent of the EU structural support and the use of the support has especially speeded up during the last months<sup>1119</sup>. Some changes made in the administration of this support (for example, the simplification of the project administration rules, the appointment of the coordinator in the Government Chancellery which additionally has to supervise the implementation of the projects in the problematic fields) introduced after the mentioned criticism contributed to this speed up of the use of the structural support. The administration system of the EU structural

<sup>1117</sup> D. Grybauskaitė: Lietuvai gali tekti grąžinti dalį ES paramos (D. Grybauskaitė: Lithuania might be forced to return a part of the EU support), News agency Baltic News Service, available at: <http://www.euro.lt/lt/naujienos/apie-lietuvos-naryste-europos-sajungoje/naujienos/180/?print=1> (last access: 20.08.2007).

<sup>1118</sup> Seime svarstytas ES paramos įsisavinimas (The use of the EU support was discussed in the Seimas), Lithuanian Government press release, May 25, 2007, available at: <http://www.euro.lt/lt/naujienos/apie-lietuvos-naryste-europos-sajungoje/naujienos/668/> (last access: 20.08.2007).

<sup>1119</sup> Finansų ministerija: spartėja ES struktūrinės paramos įsisavinimas (Ministry of Finance: the use of the EU structural support is speeding up), Ministry of Finance press release, June 7, 2007, available at: <http://www.esparama.lt/lt/naujienos/?id=181> (last access: 20.08.2007).

support will be further improved<sup>1120</sup>. Lithuanian Prime Minister Gediminas Kirkilas says he is sure that all EU structural support for Lithuania will be used<sup>1121</sup>. The analysts of one of the most important banks of Lithuania (SEB Vilnius bank) also say that Lithuania has possibilities to use all EU structural support<sup>1122</sup>.

Another salient issue is Lithuania's integration into Schengen area. As Lithuanian Foreign Affairs Vice-Minister Jaroslav Neverovič says "Lithuanian integration to the EU is not completed yet. Lithuania's preparation to join the Schengen area remains a Lithuania's priority for 2007"<sup>1123</sup>. Practical works necessary for the integration are being done and at the moment, contrary to last year, the politicians and journalists do not raise fears that Lithuania might not finish all the necessary works and thus might not be able to join the Schengen area by the planned date. According to the Minister of Interior Raimondas Šukys, the preparation to join the SISone4all information system following the set timetable is smooth and for the moment there are neither political and nor technical reasons, which would stop Lithuania from joining the Schengen area at the end of the year<sup>1124</sup>.

## Luxembourg

In Luxembourg two topics were highly salient in the first semester of 2007: the single status for blue- and white-collar employees and the

possible change of the national flag. They were not covered by the questionnaire for obvious reasons: they do not have any direct relation with European policies.

The topic of the first semester of 2007 in Luxembourg economic and social policy were the discussions and negotiations concerning introduction of a new single status for all private sector wage earners. The historical evolution explains the different social status of employees and workers. Since the late 19<sup>th</sup> century white-collar workers have better working conditions, higher wages as blue-collar workers. In the fifties and the sixties the legal status and the pays were more and more unified. Even some employees could be paid less, say at the level of the social minimum salary, whereas a highly qualified worker would be very highly paid. The different statuses of the salaried should mean more costs to the employer. In this sense some big companies have already unified the social status of their staff.<sup>1125</sup> Small businessmen or craftsmen however especially in the construction department fear soaring costs after unifying the status of their wage earners. In fact the big difference remaining between the two categories is way to pay the sickness benefit. As the conditions are more favourable for employees as for workers, employers of small business fear a sharp rise of the absentee rate<sup>1126</sup>.

The trade unions of Christian-social and socialist denomination strongly favour introducing the single status<sup>1127</sup>. It's a paramount goal of a century old fight to implement equal rights and obligations for all workers white- or blue-collar.

The government has other interests: they have to do with the simplification of the legislative process. In Luxembourg the different professions elect representatives in specific chambers, e.g. chamber of commerce, chamber of agriculture, chamber of civil servants, chamber of the employees of the private sector, workers .... Before a law can be approved by the parliament all these bodies have to write an precise evaluation of the specific legislative project in the pipe. Reducing the number of chambers would

<sup>1120</sup> Finansų ministerija: spartėja ES struktūrinės paramos įsisavinimas (Ministry of Finance: the use of the EU structural support is speeding up), Ministry of Finance press release, June 7, 2007, available at: <http://www.esparama.lt/lt/naujienos/?id=181> (last access: 20.08.2007).

<sup>1121</sup> G.Kirkilas: ES paramos įsisavinimas - ne socialistinis lenktyniavimas (G. Kirkilas: the use of the EU support is not a socialist racing), News agency Baltic News Service, available at: <http://www.euro.lt/lt/naujienos/apie-lietuvos-naryste-europos-sajungoje/naujienos/286/> (last access: 20.08.2007).

<sup>1122</sup> SEB Vilniaus bankas: Lietuva turi galimybių įsisavinti ES lėšas (SEB Vilnius bank: Lithuania has possibilities to use all EU support), News agency Baltic News Service, June 11, 2007, available at: <http://www.euro.lt/lt/naujienos/apie-lietuvos-naryste-europos-sajungoje/naujienos/832/> (last access: 20.08.2007).

<sup>1123</sup> A speech by Foreign Affairs Vice-Minister Jaroslav Neverovič delivered in the Seimas plenary sitting dedicated at commemorating the 50<sup>th</sup> anniversary of Rome treaty, March 29, 2007.

<sup>1124</sup> Lietuva ir Lenkija dirbs kartu ne tik dėl Šengeno plėtros (Lithuania and Poland will work together not only in the field of Schengen enlargement), News agency ELTA, June 7, 2007, available at: <http://www.euro.lt/lt/naujienos/apie-lietuvos-naryste-europos-sajungoje/naujienos/778/> (last access: 20.08.2007).

<sup>1125</sup> Henri Werner Dupont, Luxembourg Public Relations Manager, Statement.

<sup>1126</sup> FEDIL – [Luxembourg's Employers organisation] 04.07.2007. Statut unique: accorder une priorité à la lutte contre l'absentéisme abusif.

<sup>1127</sup> Mitteilung der OGBL EXEKUTIVE 10.06.2007. LCGB – Zentralvorstand. Einheitsstatut. 10.07.2007.

considerably speed up the legislative process but it would also make lobbying much more difficult since the newly unified chambers are confronted with contradictory positions within themselves.

Unifying the blue-collar and white-collar rights and obligations was the political goal agreed upon in the tripartite negotiations between government, trade unions and employers organisations<sup>1128</sup>. Employers only accepted the deal if it would enhance no extra costs. The trade unions close to Christian-social party and the Socialist workers party<sup>1129</sup>, both members of the present coalition government, strongly support the political goal of this deal. But especially the chamber of handicrafts and the chamber of commerce are very sceptical if the goal could be reached without a rise of costs<sup>1130</sup>. As already mentioned above, the big difference between status of blue- and white-collar workers is the payment of sickness benefit. An unpaid day of sick leave is strictly refused by the trade unions. Employers regret a very high absentee rate among female cross-border commuters and call for a better international medical inspection. Up to now the free flow of men and services across Europe's borders does not allow Luxembourg medical inspectors to do their job in France for example. As nearly half of the Luxembourg wage earners are cross-border commuters a serious medical inspection is impossible under the present rules<sup>1131</sup>. The government heard the arguments of both sides: Prime Minister Juncker has been trying for months to find a compromise together with his fellow ministers of public health and social security. So far he has not succeeded. He agrees with the employers' association that competitiveness of Luxembourg's companies must not be harmed in any way but is politically bound to the paramount goal of a single status. That is his dilemma! It seems that the government is now ready to assume its responsibility by imposing its views even if all parties cannot agree on a compromise<sup>1132</sup>. This would however mean a serious blow to the paramount principle of consensualism, the keystone of the so-called

"Luxembourg model". The Liberal party (opposition) is very critical towards the government project and supports the chamber of commerce and chamber of handicrafts' position.<sup>1133</sup> The populist opposition party ADR wants a single status for all employees no matter whether they belong to the public or private sector.<sup>1134</sup>

The possible change of the national flag was another theme on the top of the agenda in Luxembourg the last semester. Most political observers agree that it is far less important, but did not interest fewer people. On the contrary! The question was if Luxembourg was going to change nothing less than its national flag. The chairman of the Christian-social party group in the parliament, former Interior Minister Michel Wolter, proposed to replace the traditional tricolour red-white-light blue national flag by a representation showing the coat of arms of Luxembourg namely the red lion on blue and white stripes background<sup>1135</sup>. He had not his party's agreement for this personal initiative but he said that he gave way to a general feeling coming from the civil society.

In fact the Luxembourg national flag and the Dutch look very much alike. Confusions are frequent, especially abroad, since the only difference between the two flags is the different type of blue colour. The Luxembourg army, the commercial navy and aviation have already adopted the "Red lion flag" to exclude confusions with their Dutch counterparts. Historical reasons explain the existence of this similarity. Dutch kings ruled the Grand-duchy of Luxembourg in a personal union during the 19<sup>th</sup> century. Protagonists of the flag change want to give Luxembourg a more specific, a more visible identity.

In December 2006 a public opinion campaign was launched by a non partisan committee to support Wolters's legislative initiative. Petitions on the internet had great success especially among young people. Opinion polls showed that a majority of Luxembourg residents (51%), foreigners and nationals altogether would approve a changing of the flag<sup>1136</sup>. But in the parliament there is no majority for a change

<sup>1128</sup> LW 05.07.2007 FEDIL – mehr als nur Industrie. „Zeitung vom letzebuerger Vollek“ 04.07.2007 Was sagen die Gewerkschaften zu den neuen Vorschlägen?

<sup>1129</sup> LSAP [i.e. Luxembourg Socialist workers party] 04.04.2007 Einheitsstatut.

<sup>1130</sup> Fédération des Artisans [i.e. Federation of craftsmen] Kostenneutralität des Einheitsstatuts: Regierung steht im Wort.

<sup>1131</sup> Cf. Statnews n°38/2007 18-7-2007.

<sup>1132</sup> „Tageblatt“ 12.07.2007. Projekt wird Ende des Monats deponiert.

<sup>1133</sup> „Journal“ 16.02.2007. Die unerklärlich Feindseligkeit der Regierung gegenüber dem Privatsektor.

<sup>1134</sup> ADR Pressemitteilung: Die ADR ist nicht prinzipiell gegen das geplante Einheitsstatut...

<sup>1135</sup> Proposition de loi portant modification de la loi du 23 juin 1972 sur les emblèmes nationaux, telle qu'elle a été modifiée Dépôt Michel Wolter.

<sup>1136</sup> 51% fir de „Roude Léiw“, available at: [www.wort.lu](http://www.wort.lu) (last access: 07.08.2007).

neither does it exist in the coalition government. After a long period of hesitation Prime Minister Juncker finally rebuffed his fellow party leader's personal proposal with the argument that as no "revolutionary event" occurred recently there was no need to change the flag of the country<sup>1137</sup>.

The liberal political observer André Bauler is astonished about birth of this flag debate because generally Luxembourg people are not very excited to show their flag on national holidays as the Scandinavians or the Americans do. In his eyes this is not a mere discussion on flag colours. Bauler<sup>1138</sup> as well as other political observers ask the following questions: doesn't this debate show us that there is a growing feeling in Luxembourg of people wanting to identify them themselves with very specific national symbols? Isn't it curious that residents of foreign origin strongly approve the change of the flag? They seem to identify themselves with the guest country's even more nationalistic symbols.

This debate does not mean that Luxembourg people have changed their views on European integration. Recent Eurobarometer figures confirm that still an overwhelming majority (74%) of Luxembourgers approve their country's European Union membership. But they strongly oppose a further extension of the EU (68%).<sup>1139</sup>

## Malta

The main issue that is dominating the discourse in Malta is the introduction of the Euro in January 2008.<sup>1140</sup> While the

<sup>1137</sup> Available at:

[www.gouvernement.lu/salle\\_presse/conseils\\_de\\_gouvernement/2007/07/06cons](http://www.gouvernement.lu/salle_presse/conseils_de_gouvernement/2007/07/06cons) (last access: 07.08.2007). The national heraldic commission, an independent expert group, suggested this answer to the prime minister.

<sup>1138</sup> RTL – carte blanche – 22.06.2007. Wéi fändelbegeeschtert sin d'Letzebuerger wierklech?

<sup>1139</sup> Eurobaromètre 67.2. L'opinion publique dans l'Union Européenne. Rapport national: Luxembourg, Printemps 2007.

<sup>1140</sup> General information about Maltese politics: Government of Malta, official homepage available at:

<http://www.gov.mt/index.asp?l=2> (last access: 03.09.2007); Office of the Prime Minister, official homepage available at: <http://www.gov.mt/frame.asp?l=2&url=http://www.opm.gov.mt/> (last access: 03.09.2007); Maltese Parliament, official homepage available at: <http://www.parliament.gov.mt/> (last access: 03.09.2007); general news on Maltese politics available at: <http://www.timesofmalta.com/core/index.php> (last access: 03.09.2007) and [http://www.aboutmalta.com/GOVERNMENT and POLITICS/POLITICAL PARTIES/](http://www.aboutmalta.com/GOVERNMENT_and POLITICS/POLITICAL PARTIES/) (last access: 03.09.2007).

Government and main Opposition Labour party are committed to its introduction there is rampant debate about the impact this will have on the Maltese economy, especially in the short term and especially when it comes to the issue of inflation.

The other main issue is that of the EU showing more solidarity when it comes to the issue of helping Malta cope with the regular inflow of illegal migrants. A high profile foreign policy lobbying campaign on this issue has started to pay dividends but Malta has so far not succeeded in obtaining coherent support from either FRONTEX or respective EU member states to help manage this major human security challenge. Expectations for the Portuguese EU Presidency to provide more direct support in this issue are very high, and Malta welcomes the commitment to hold an international Migration conference during the Portuguese Presidency towards the end of 2007.

## Netherlands

Whereas in the past the Dutch population used to be highly supportive of European integration, the negative referendum outcome in 2005 clearly illustrated this no longer can be taken for granted. Increasingly advantages and disadvantages of EU membership are being subjected to public debate.

Several studies were published on the reasons why Dutch people decided to vote "no" to the Constitutional Treaty.<sup>1141</sup> Reasons were many and included opposition to the Euro, enlargement and a general feeling not to be in control over the European project. The "travelling circus" between Brussels and Strasbourg of the European Parliament became a prominent signal of money being wasted by the European Union and was condemned widely by Dutch citizens signing the petition advocating to have just one seat for the EP.<sup>1142</sup> The Dutch Scientific Council of government policy (WRR) in a recent report

<sup>1141</sup> E.g. Rediscovering Europe in the Netherlands, Report no. 78 by the Dutch Scientific Council for Government Policy, June 2007; Van Renselaar, C. and Bom, G. "Quo vadis Europa? Europa: integratie versus nationale identiteit", De Nederlandsche Bank, Amsterdam, november 2006; Eindrapport Nederland in Europa, available at: [http://www.nederlandineuropa.nl/documenten/Algemeen/NEDERLANDINEUROPA\\_rapport\\_samenvatting.pdf](http://www.nederlandineuropa.nl/documenten/Algemeen/NEDERLANDINEUROPA_rapport_samenvatting.pdf) (last access: 13.08.2007).

<sup>1142</sup> Available at: <http://www.oneseat.eu/> (last access: 13.08.2007).



suggests to strengthen the primacy of the Dutch Prime Minister over European affairs, stronger prioritisation of European themes and politicization through more attention by the political parties (in the elections of November 2006 European integration has not been a key issue). It advocates in favour of holding “a referendum” on important European issues in which citizens are asked to give their preference on a range of alternative policy options in order to enhance the democratic legitimacy of the European project.

Several initiatives have been set up to improve the image of the EU among the general public and to increase knowledge on the process of European integration and the functioning of the EU institutions, including websites, more attention for the EU in educational programmes, etc.

## Poland

### *The EU policy towards Russia*

Except the energy issue described above the other dimensions of the EU-Russia relations attract the attention of both Polish government and Polish public opinion too. The Samara EU-Russia summit has been perceived as the first step in the new EU Russian policy based on solidarity of the EU member states. Media stressed that the Russian embargo had been not imposed on Polish meat but on the European meat produced in Poland and that according to *acquis communautaire* it is not Polish government competence still the European Commission one to deal with Russia on that problem. Russian propaganda and internet hacker attacks on Estonia and rather weak reaction of the EU to that event partly reduced the positive impact of Samara solidarity demonstration. Polish veto for Partnership and Cooperation Agreement with Russia has been perceived as a success of Poland in breaking down the Russian policy of differentiation between the “old” and the “new” EU member states. Many experts stress however the fact that solidarity showed by the EU with Poland in Samara summit was more a result of political changes in the three big old EU member states (where the former friends of Putin – Schröder, Chirac and Berlusconi had been replaced in their posts by Merkel, Sarkozy and Prodi) than the outcome of the systemic strength of the EU. More coherent policy of the EU towards Russia based on reality and not on illusions is strongly desired in

Poland. Baltic States, Czech Republic and Romania support for such a vision of that policy is perceived as the most probable one while the German position seems to be crucial for an effective EU eastern policy. One of the most important and recently debated issues in Poland was the question of the new partnership and cooperation agreement with Russia and the general question of cooperation between the EU and Russia. Poland received with satisfaction the Union's solidarity with Poland in her dispute with Russia over meat exports and Russian embargo imposed on Polish meat products in November 2005. The Union's position was positively assessed<sup>1143</sup>.

### *Debate over the placement in Poland of the anti-missile shield*

It seems that the forthcoming months may see the revival of the debate over the placement in Poland of the anti-missile shield (around the planned visit of the President of Poland to the US – July 2007). The stance of the political parties towards the shield cannot be assessed yet in a clear cut manner as the parties themselves suggest that too little is known about the conditions of cooperation with the US and the details of the American proposal<sup>1144</sup>.

The coalition parties expressed moderate support for the initiative, although they suggest that more definite positions could be taken only after the proposal is more concrete, yet all the parties declare the need to deep debate over the issue.

The Self-Defence has proposed a nation-wide referendum and stresses that decisions should be taken after consultations with NATO and the EU. Moreover Poland, before taking the decision should be clearly convinced that the shield will actually contribute to increase of Poland's security.

The largest opposition party, Civic Platform, would like the US to convince Poland that the shield will really serve the purpose of increasing Poland's security and not only support the American interest. The party has appealed to the government to provide more

<sup>1143</sup> Source: Polish Press Agency 22 May 2007, available at: [www.pap.com.pl](http://www.pap.com.pl) (last access: 14.08.2007).

<sup>1144</sup> Sources: Polish Press Agency, 4 February 2007, available at: [www.pap.com.pl](http://www.pap.com.pl) (last access: 14.08.2007), [www.wiadomosci.polska.pl](http://www.wiadomosci.polska.pl) (last access: 14.08.2007), 13 February 2007, [www.dziennik.pl](http://www.dziennik.pl) (last access: 14.08.2007).



information to the public and decided to set up a group monitoring the progress of works on the shield.

According to Left Democratic Alliance, the problem of the shield is much more than of military nature, it constitutes rather the strategic choice of Poland, concerning all citizens together with all security and foreign policy consequences and as such requires provision of information for the society. The Left Democratic Alliance MEP, suggested even that the shield might lead to instituting a new iron curtain and that Poland should search for a compromise with Russia rather than cause a potential for conflict<sup>1145</sup>.

The President of the Polish Peasant Party, stressed that before any declaration is made, Poland should take into consideration the question if such a project fits within European policy<sup>1146</sup>.

As for the public support for the proposal the newest results show support of 28% (yes and rather yes), 55% against (against and rather against) and the 17% of answers "hard to tell". With the key phase of the negotiations closing, a fall in public support for the project, in comparison with the surveys of June 2006 (for – 35%, 11% – undecided, 53% – against) and especially when compared to the results of December 2005 (50% for, 18% – undecided and 32% against)<sup>1147</sup>.

#### *German citizens' claims for compensation for the property lost in the territories gained by Poland after World War II*

German government does not support the property claims of the German citizens against Poland, still Berlin refuses to accept material responsibility for compensations. As a result a dozen of trials have been started this year before Polish courts of justice and some have been ended with sentences favourable for former German owners. The present Polish inhabitants are to be ejected from the houses they lived in for dozens of years. The problem

of property ownership potentially concerns 12-13 millions of the Poles who live on the territories gained from Germany in 1945. Any continuation of the compensation claims and any successful restoration of German citizens' ownership will lead unavoidably to the heaviest possible consequences in Polish-German relations. No Polish government can accept such a practice and politically survive. Putting aside historical debate about responsibility for war sufferings which cannot be discussed in this short text, Polish public opinion cannot understand why Polish government could accept material responsibility for Polish citizens claims for compensation for property lost by Poles in the territories incorporated into the USSR after World War II and far more rich German government cannot do the same for German citizens. All political forces in Poland and Polish public opinion are sure that German approach to property issue if adopted by Poland towards Ukraine, Belarus and Lithuania would ruin Polish relations with Eastern neighbours and therefore is surprised by the position of German government, and considers it unrealistic and dangerous.

## Portugal

Of the issues most in evidence in Portuguese public debate with an impact on the immediate future of the EU a few stand out: migration policy, and in the field of external relations, the Mediterranean, Brazil and Africa. These are, not surprisingly and reflecting those domestic concerns, among the top priorities of the Portuguese Presidency as underlined by the Portuguese Prime Minister in the speech officially presenting in Parliament the programme of the Portuguese Presidency of the EU.

The Mediterranean, Brazil and Africa are regions of the world with which Portugal has had a traditionally strong connection, recently reinforced by investments and enhanced trade relations. They are also areas where the Portuguese elite and even the wider public believes the country has a particular expertise to offer to the EU. Reinforcing relations with those regions, together with summits with other BRICs (the four BRIC countries are Brazil, Russia, India and China), are believed by Portuguese experts and officials to be essential in terms of creating stable positive relations and deepening the influence of the European model of multilateral governance in a world becoming increasingly multipolar. This

<sup>1145</sup> Andrzej Szejna, the President of Polish Socialist Delegation in the EP, speaking at the EP plenary session, source: [www.sld.org.pl](http://www.sld.org.pl) (last access: 14.08.2007).

<sup>1146</sup> Source: Polish Press Agency, 4 February 2007, available at: [www.pap.com.pl](http://www.pap.com.pl) (last access: 14.08.2007).

<sup>1147</sup> Public Opinion Research Center, Poles on Anti-Missile Shield, Research Communiqué, Warsaw, February 2007, BS/28/2007, available at: [www.cbos.pl](http://www.cbos.pl) (last access: 14.08.2007).

means, in the Portuguese official view, but with strong support in published opinion, that engaging them in regular meetings – as will be the case in an yearly basis, now, with Brazil – and reaching agreements in multiple areas with these emerging powers, improving the standing and institutional content of these relationships, will contribute to a better world order. The British attempt to focus all the attention regarding the EU-Africa summit on Mugabe – as unpopular as the latter is in Portugal – is seen by some, in particular Portuguese officials, as just missing the wider picture in an ill-advised obsession that grants him much coveted attention and a much welcomed opportunity to shift the blame from internal difficulties, thus helping to create a sort of African Fidel Castro.<sup>1148</sup>

Some experts and NGOs have pointed out that this is indeed a golden opportunity to give more visibility to Africa, criticise some of its leaders and be criticised by them not entirely without reason sometimes, but above all focus on a wider and less imbalanced and more future-oriented common Euro-African agenda, including, hopefully, a larger role for civil society.<sup>1149</sup>

Migration is a theme that has long been present in Portuguese public discourse due to the large number of Portuguese emigrants. In the last few decades, however, Portugal has experienced strong immigration for the first time – initially coming from its former African colonies, and more recently from Brazil and Eastern European countries. A number of policies and initiatives have been implemented, with strong involvement of NGOs and civil society in general, to try to facilitate integration and provide basic-care to migrants. A number of them – particularly those designed to provide all relevant information and assistance to emigrants in one single simplified public service; or to proactively provide healthcare and education to migrants; or to subsidise and facilitate the process to have their educational and professional degrees recognised – seem like potential positive contributions for a common EU policy on migration. Moreover, the mishandling of migration potentially will have major negative implications for relations with Africa, the

Mediterranean and indeed Brazil as countries of origin of large numbers of emigrants living in the EU.

Africa, the Mediterranean and Brazil, from the Portuguese point of view, should be a priority for the EU also for other and more global reasons as we saw. But it matters greatly how close they are to Portugal both geographically and historically. Portugal has a traditional connection and a strong presence – both in terms of people and investments – in these regions. Portuguese diplomacy and commentators also like to believe they have in this respect a particular expertise to offer to the EU.<sup>1150</sup>

It is very much in a Mediterranean framework that Portugal sees the Turkish question. Portugal has traditionally been favourable to enlargement, both in terms of the elite and public opinion, despite the fact that we will tend to loose funds and market-share and foreign investment to poorer new members. This is seen as a moral, normative obligation – not to deny to others who are developing and democratising the same opportunities Portugal had by integrating the EU – and has remained relatively constant in terms of preferences expressed by Portuguese public opinion, even in these times of economic crisis.<sup>1151</sup> This, plus the importance of good relations with neighbouring Muslim countries and concerns with integration of Muslim migrants and citizens in Europe, is present in the Portuguese determination not to derail accession negotiations with Turkey. A concern recently reaffirmed by the Portuguese Secretary of State for European Affairs.<sup>1152</sup>

## Romania

The first relevant topic from a European perspective, succeeding to get an impressive media coverage in the first half of 2007, has been undoubtedly the suspension of the Romanian President by the Parliament and consequently the impeachment referendum

<sup>1148</sup> João G. Cravinho [Secretary of State for Cooperation interviewed by Armando Rafael], 'Cimeira com África é um serviço à Europa', *Diário de Notícias* (02.07.2007).

<sup>1149</sup> Sofia Branco, 'Diálogo Europa-África ganharia com sociedades civis mais autónomas e influentes', *Público*, (06.07.2007).

<sup>1150</sup> José Sócrates [Portuguese Prime-Minister], 'Apresentação do Programa da Presidência Portuguesa da UE' (11.07.07) in [http://www.portugal.gov.pt/Portal/PT/Primeiro\\_Ministro/Intervencoes/20070711\\_PM\\_Int\\_PPUE\\_PE.htm](http://www.portugal.gov.pt/Portal/PT/Primeiro_Ministro/Intervencoes/20070711_PM_Int_PPUE_PE.htm) (14.08.2007).

<sup>1151</sup> *Eurobarómetro. Relatório Nacional Portugal*. Vol.67 (Spring 2007), p. 29.

<sup>1152</sup> 'Portugal defends Turkey EU bid', BBC News (28.06.2007) in <http://news.bbc.co.uk/2/hi/europe/6250802.stm> (14.08.2007).

faced by him in May 2007.<sup>1153</sup> The picture of the Romanian political crisis had echoes not only at a national level, but also at a European one. The chronic political instability raised concerns regarding the Romanian Government capacity to meet the objectives of the reform and generated an obsession concerning the perspective of a negative European Commission report about the developments of the reforms in the judicial area and fight against corruption. The safeguard clause "threat" has been also a recurrent issue tackled by the journalists.

The less efficient and dull performance of a reshuffled Government has brought about the warnings of the EU officials regarding the pressing need to make progress on the path of the reforms.<sup>1154</sup>

The European Commission's Report regarding Romania's progress on accompanying measures following Accession issued on June 27 has also drawn the attention of mass media and public opinion. Before the date of the report, the articles focused on the imminent conclusions of the document were centred around the speculations came up for discussions by the Romanian and foreign press regarding a possible negative impact generated by the domestic political tensions on the performance of the Romanian administration after the accession. Among the governmental high level dismissals, that of the former Justice Minister, Monica Macovei, whose activity seemed to be appreciated by the European Commission officials has mostly invoked as a main reason of Brussels concerns regarding the slowing down of the reforms in the justice and fights against corruption fields.

The report cleared up the fears concerning the safeguarding clauses, limiting the circle of comments to some post-report issues. The Presidential and Governmental press releases

have stood out the precise, objective and balanced content of the Commission document, reiterating the "determination of the Romanian authorities to keep on implementing the endorsed measures in order to solve the pending issues mentioned in the report".<sup>1155</sup>

Even after the publication of the official document, the chain of speculations continued around a supposed attempt of the current Justice Minister, Chiuariu, to convince the European Commission before the issuing of the document to rephrase certain rather positive paragraphs of the report. The allegations regarding this initiative have been perceived as an unprecedented political gesture of sabotage undertaken by a Romanian Minister against its own country. However, the Justice Minister Chiuariu has denied these speculations.

The general state of confusion led also to the decision of the Government to postpone the elections for the European Parliament, which will be probably held in November 2007. More recently, occasional debates regarding the European elections, political coalitions' scenarios and the possible configurations of the lists are taking place.

During this period, a draft of the Romania's Post-Accession Strategy has been prepared under the coordination of the Romanian Government and with the active participation of the academic area, political sphere, social partners and civil society. The document will be soon brought into public debate.

## Slovakia

Slovakia's public discourse on EU related themes centers around two themes these days. The first has to do with the successful full-fledged integration into the European Union. Hence, the goals of joining the Schengen area at the end of 2007 and the eurozone in 2009 as well as the aim to lift transition periods on the free movement of persons as soon as possible. The second theme of public discourse relates to the quality of Slovakia's participation in the European Union, namely, to the country's ability to send and to use the best people in Brussels. In connection with this it is worth mentioning that in early July 2007 The Slovak Governance

<sup>1153</sup> In this referendum, a clear majority has voted against the impeachment of the President.

<sup>1154</sup> European Commission president Jose Manuel Barroso called for the crisis to "be solved by the Romanian institutions in full respect of the democratic and constitutional principles as soon as possible", adding: "Romania knows it must go on with the reforms needed, namely the judicial reform and fight against corruption that were a commitment of Romania when it joined the European Union.", [www.euractiv.com](http://www.euractiv.com). Also, in a press statement issued after the referendum, the president Jose Manuel Barroso added, "I hope that this outcome will help Romania to move forward with the reforms that are needed, especially in the areas of judicial reform and the fight against corruption."

<sup>1155</sup> Romanian Government's press release, June 27, 2007.

Institute (SGI) published a study examining the voice of Slovakia in Brussels.<sup>1156</sup> The analysis pointed to three crucial shortcomings in Slovakia's representation vis-à-vis the EU institutions. First, Slovakia is relatively weak at filling mid-management posts in the European Commission, only the Czech Republic and Poland are lagging behind Slovakia. Second, only a limited number of young persons use the opportunity for internships in EU institutions, which limits the long-term development of quality human resources. Third, in comparison to other EU member states, Slovakia's private sector does not have a sufficient institutional basis built at the EU level.

## Slovenia

Slovenian political/public space is currently highly saturated by an affair over leaking of intelligence information, the other permanent issues are the relationship between the President of the Republic and the Government (the Prime Minister) and general tensions between opposition and the government, as well as the ongoing preparations for the Slovenian presidency over the Council of the EU in the first half of 2008. The important upcoming events include elections for the President of the Republic scheduled in Autumn and the presidency over the Council of the EU beginning in January 2008.

The affair with the intelligence agency (SOVA) went beyond Slovenian internal politics and quickly touched upon sensitive Slovenian – Croatian relations. The leaked information, namely, concerns the alleged agreement between Croatian Prime Minister Ivo Sanader and then Slovenian opposition leader Janez Janša on causing incidents at Slovenian – Croatian border prior to Slovenian parliamentary elections in Autumn 2005. The parliamentary commission is prosecuting the affair.

The relationship between the Government and the President of the Republic deteriorated over the President's budget for the conduct of his representational functions in the Autumn 2006 (see EU-25/27 Watch Number 4) and culminated this summer on the occasion of Slovenia's celebration of its independence day, where the President decided not to attend the

celebration due to the his disagreements with the current regime (former President of the Republic, Mr. Milan Kučan joined him in his protest).

General tensions between the Government and the opposition, the latter accusing the Government of running a regime close to a totalitarianism are most present in discourses on media freedom and the question of ownership (the para-state companies buying off shares of media houses and changing the editorial boards and policies).

Preparations for the presidency over the Council of the EU are a constant theme in relation to European affairs, with occasional mentioning of the priorities, singling out of Western Balkans policy as the number one priority and praising the procedural and human resources steps made to assure the smooth conduct of the business during the first half of 2008.

Concerning the presidential elections scheduled for Autumn, the nominations of the candidates have mostly been made in the last weeks of June and in the beginning of July. So far Mr. Lojze Peterle, MEP from centre-right political party Nova Slovenija (New Slovenia), also former member of the Presidium of the European Convention, is the most eminent candidate of the political right, whereas the centre and the left are split among candidates Mr. Mitja Gaspari, former governor of the Bank of Slovenia, who lead the Slovenia's transition to Euro, and Dr. Danilo Türk, professor of international law at the University of Ljubljana and former Assistant Secretary-General of the UN, also Slovenian Ambassador to the UN.

## Spain

Mr. Sarkozy's victory in France is one of the events which is drawing more attention when it comes to Spain's EU policy. Though the assessment of Sarkozy's leadership role is generally positive, two issues are raising particular concern. One is his proposed idea of a "Mediterranean Union" which is seen, first, as dangerously short-circuiting Spain's long established attempts to have and shape an overall EU policy for the Mediterranean and, second, as a potential field of confrontation between the two countries in what has to do with Turkey's membership to the EU, which Spain supports as a part of Mr. Zapatero's proposal for an Alliance for the Civilizations.

<sup>1156</sup> Available at: <http://www.euractiv.sk/verejna-sprava/clanok/oslabeny-hlas-slovenska-v-bruseli> (last access: 26.09.2007).



The second issue is Mr. Sarkozy's views on European economic policies, especially when it comes to the Stability and Growth Pact. While Spain is in favour of improving economic governance in the Euro-area, its view is that this should be made compatible with the preservation of the consensus on public deficits and the independence of the ECB.

The second issue which is calling Spaniards' attention has to do with the safety of Spanish peacekeeping troops deployed in both Lebanon and Afghanistan. Terrorist activity directly target at Spanish troops has caused several fatalities over the last months thus raising public opinion concern. As a result, opinion polls show decreasing support for these operations, especially Afghanistan.<sup>1157</sup>

## Sweden

One of the most recent developments on the Swedish political scene concerns the resignation in early September of then Defence Minister Mikael Odenberg, as a reaction to new budgetary priorities of the coalition government to the effect that considerably less money will be spent on defence in the years to come. Irrespective of the resignation as such, this development highlights a changed approach to Swedish military defence and may, among other things, lead to concrete attempts at working closer together with other countries in defence matters.

## Turkey

As the year 2007 began, the question of how to deal with the PKK presence in northern Iraq seemed to be the most salient issue that occupied the public attention in Turkey. Since 2004, terrorist activities of the PKK that claimed lives have been accelerating, putting the AKP government under serious pressure to take some solid action against the problem. With the U.S. initiative in September 2006, the start of talks among the U.S., Turkey, and the Iraqi government at the level of "special envoys for countering terrorism" had been realized as a response to this pressing necessity. However, after it became evident in due

process that it was a low probability that this type of cooperation would give immediate and ultimate results, the option of conducting a cross-border operation to the PKK installations in northern Iraq became an issue that is more intensively debated in public, and one that the government could not easily afford to publicly dismiss, especially when the general elections of July 22<sup>nd</sup>, 2007 were so close at hand. Consequently, as a part of its election propaganda, the government expresses daily that this option is on the table, but still cannot prevent itself from becoming the target of the opposition's accusation that its political dependency to the U.S. puts Turkey's struggle against the PKK under frailty. On the other hand, the image that the U.S. disallows Turkey to do what is presented as in her best interest causes – by consuming all the attention – aspects of the problem that need evaluation outside the scope of security concerns to go without much discussion.

Apart from this seemingly insolvable problem, it can be claimed that the second quarter of the year 2007 witnessed events of historical importance for Turkish politics. In mid-October 2006, the government had announced that the general elections would be held at its regular time on November 4<sup>th</sup>, 2007; however, this date became void due to the failure of the Parliament to elect the next president of the Republic whose term of office was to end in mid-May 2007. The AKP government, to be more precise, PM Erdoğan, calculated that it could get its candidate, Abdullah Gül, the current Minister of Foreign Affairs, elected without seeking the consent of the opposition. The calculation was based on a particular reading of the relevant articles of the Constitution that the AKP's candidate could be elected as the new President of the republic in the third round of voting by its majority in the Parliament. However, there was an already running debate among the constitutional lawyers about the necessary quorum for the presidential vote. The opposition party, CHP, resorted to the Constitutional Court on procedural grounds that the quorum of two-thirds of MPs was not present at the first round of voting which it has boycotted. The Court accepted the opposition's interpretation of the relevant constitutional article, thus ruled the vote invalid. This decision initiated a series of moves which not only brought forward the general elections from November to July, but also led the AKP to seek alternative ways in which it could get its candidate elected. The government reacted to the Court's decision by

<sup>1157</sup> 49% is in favour of withdrawing Spanish troops from Afghanistan, whereas 46% is in favour of staying. See Elcano's 15<sup>th</sup> Quarterly Public Opinion Survey (issued June 2007) available at: [www.realinstitutoelcano.org](http://www.realinstitutoelcano.org) (last access: 20.08.2007).



proposing a constitutional amendment, which requires the President to be directly elected by the people instead of the Parliament. However, the incumbent President – whose term of office has been extended until his successor gets elected in accordance with the Constitution – used his constitutional authority and called for a referendum rather than approving it. Hence, a referendum is due for mid-October to decide whether this amendment will be instrumental in fundamentally altering the political system in the country according to which the president has always been elected by the parliament since the foundation of the republic.

Yet, one has to contextualize this protracted politico-legal stalemate, as it was taking place in the midst of a rather unprecedented set of events which has been unfolding outside the court rooms and the parliament. Just two days before the start of the presidential election process, hundreds of thousands of people met in Ankara in a peaceful rally responding to the call of several civil society organizations so as to express their adherence to the secular republic. People expressed their discontent against the AKP government in general; more specific, however, was the perception that the election of a leading member of AKP such as the PM Erdoğan or Foreign Minister Gül as the president would pose a threat to the secular order of the Republic; hence the slogan of the protest “Claim Your Republic” (*Cumhuriyetine Sahip Çık*). Hundreds of thousands rallied in six other major cities which would be subsequently dubbed as the Republic demonstrations throughout April and May as they echoed the current President’s statement made in April that, “since the foundation of the Republic, the political regime in Turkey has never been exposed to the level of danger that faces the country currently”<sup>1158</sup> (BBC Turkish).

But this rather hectic period also highlighted once again an almost characteristic feature of the Turkish politics, that is, the role of the Turkish military as the defender of the secular republic. It has not refrained from expressing its discontent about both the rising number of casualties due to PKK’s actions in urban as well as rural areas and the possible election of someone whose adherence to the secular principles would be doubted. Yet, the particular ways in which the Turkish general staff expressed its opinion naturally attracted the

attention of media and politicians and raised eyebrows in Turkey as well as in Europe.

It was the outcome of July 22 general elections, according to which the AKP got 46,6% of the votes, that decided the matters decisively in favour of the AKP. This election result was phenomenal for Turkish politics, because since the 1954 elections, no party could have achieved to stay in power while at the same time raising its votes. The AKP had achieved this by raising its vote by more than 33% since the last election. The AKP could, now, claim that the election results showed the AKP got the people’s support behind it and everyone must comply with these results. The centre-left *Republican People’s Party* (CHP) and the extreme-right *Nationalist Action Party* (MHP) were the other two parties that beat the infamous 10% election threshold by getting 20,9% and 14,3% of the votes, respectively. The MHP immediately announced that it would participate in the presidential vote and nominate its own presidential candidate, thus eliminating the probability of the process to fail once again, because of insufficient quorum. The CHP announced that there would not be a change in its position, that is, it would boycott the vote, unless the President was elected as a result of consensus among the parties in the Parliament. The AKP, however, disagreed. The PM Erdoğan said that it would not be just to oversee the election results, which he chose to interpret as the nation’s unambiguous support for the Foreign Minister Gül to become the next president. On 28 August, the Parliament elected Abdullah Gül as the President on the third round of the voting in which simple majority was sought, bringing the three months long stalemate to an end.

The July 22 election results won the AKP more than three-fifths of the seats in the Parliament, i.e. 340 out of 550 seats, which became more important after Gül was elected as President. This is a number sufficient enough for the AKP to send constitutional amendments to the President in order to be ratified by means of a referendum, but short of two-thirds of the total number of seats that enables the President to ratify them without the need for a referendum. Depending on this majority, the AKP now plans to prepare a new “civil” constitution that is going to replace the 1982 Constitution prepared by the military after the 1980 coup.

Another significant outcome of the July 22 elections was the entrance of 20 candidates of the Kurdish-nationalist *Democratic Society*

<sup>1158</sup> Available at: [http://www.bbc.co.uk/turkish/europe/story/2007/04/070413\\_turkey\\_president.shtml](http://www.bbc.co.uk/turkish/europe/story/2007/04/070413_turkey_president.shtml) (last access: 07.08.2007).

*Party* (DTP) into the Parliament who had participated to the elections as “independents” in order to avoid the election threshold. The DTP deputies formed a parliamentary group and became the fourth largest party that is represented in the Parliament. Ahmet Türk, the chairman of the DTP, announces his party's objective as one of contributing to the development of peace and democracy in the country; however, the consistency of this objective with the rejection of the party to renounce the PKK as a terrorist organization still remains to be tested, since the latter policy undoubtedly makes the DTP an easy prey, open to the hostility of other political parties as well as that of the military establishment.

## United Kingdom

Domestic political discourse over the summer of this year has had, as its underlying theme, the long-anticipated handover of the Prime Ministership from Tony Blair to Gordon Brown.<sup>1159</sup> In the event, Mr Brown's first few weeks in office have been well received, almost universally. This ‘honeymoon period’ has been characterised by Mr Brown's largely successful attempts to define his premiership as distinct from Mr Blair's. A number of proposed reforms, the announcement of which have often been timed to coincide with, and therefore diminish the impact of, Mr Cameron's strong performances in the House of Commons opposite Mr Brown, have been designed to realign the Labour Government away from some of the more unpopular aspects of Mr Blair's premiership.

Mr Brown has proposed a programme of constitutional reform to empower parliament in the formulation of foreign policy (something conspicuously absent in the lead-up to the invasion of Iraq) and to move away from Mr Blair's infamous ‘sofa style of government’, in

which policy was dictated primarily by Mr Blair and close, unelected advisers as opposed to the Cabinet as a whole. There has been a clear, though slight, shift in emphasis away from the particularly close relationship with the United States that Mr Blair made a priority during his premiership.

Labour has regained the initiative in opinion polls, extending to ten percentage points (YouGov, 14 August) its advantage over the Conservative Party, whose leader, Mr Cameron, is coming under increasing pressure to respond among growing disquiet within his party. The pressure on Mr Cameron is such that he has given recent signs of strengthening his anti-European rhetoric, calling for a referendum on the new “Reform Treaty”. Continuity between Mr Blair and Mr Brown has been evident at least in their both resisting calls for a referendum on the new Reform Treaty. Political pressure on Mr Brown to hold such a referendum will no doubt grow as the Treaty is agreed, and ratification is carried out. However current poll results suggest that Mr Brown would double his parliamentary majority were a General Election held now. As a result, there is speculation that spring 2008 may see Mr Brown attempting to obtain his own electoral mandate by an early General Election.

Events have played into the hands of Mr Brown. The attempted terror attacks in the first week of his premiership, rather than putting the Prime Minister under pressure, highlighted Mr Brown's strengths – his resolution and seriousness – as well as his good judgement in promoting to Home Secretary Jacqui Smith, who received praise for her handling of the situation. Mr Brown has a bigger job on his hands in relation to the serious floods which have caused great damage in large parts of England, and dominated the news agenda.

<sup>1159</sup> General information about British politics:

10 Downing Street, available at: <http://www.number-10.gov.uk/output/Page1.asp> (last access: 03.09.2007); Directgov, the official website of the UK government, available at: <http://www.direct.gov.uk/en/index.htm> (last access: 03.09.2007); Foreign and Commonwealth Office, available at: <http://www.fco.gov.uk/servlet/Front?pagename=OpenMarket/Xcelerate/ShowPage&c=Page&cid=1007029390554> (last access: 03.09.2007); Parliament of the United Kingdom, official website available at: <http://www.parliament.uk/> (last access: 03.09.2007); general news about British politics available for example at: <http://www.keele.ac.uk/depts/por/ukbase.htm> (last access: 03.09.2007), <http://www.bbc.co.uk/> (last access: 03.09.2007) and <http://www.guardian.co.uk/> (last access: 03.09.2007).



## Presentation of EU-CONSENT

# WIDER EUROPE, DEEPER INTEGRATION?

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EU-CONSENT is a network of excellence for joint research and teaching which stretches across Europe.

EU-CONSENT explicitly addresses questions related to the **mutually reinforcing effects of EU deepening and widening** by analysing the integration process to date and developing visions and scenarios for the future of the European Union. The thematic focal points of the network are organised in four thematic "Work Packages":

1. **Theories and Sets of Expectations** (responsible: B. Laffan/W. Wessels)
2. **Institutions and Political Actors** (responsible: E. Best)
3. **Democracy, Legitimacy and Identities** (responsible: M. Karasinska-Fendler)
4. **Economic and Social Policies for an Expanding Europe** (responsible: I. Begg)
5. **Political and Security Aspects of the EU's External Relations** (responsible: G. Bonvicini)

The network involves 52 institutional partners, including 27 universities, approximately 200 researchers and 80 young researchers from 22 EU member states and three candidate countries. The project started working in June 2005 and is scheduled until May 2009.

The results of the network's activities will be incorporated in the following **special EU-CONSENT products**:

- **EU-25/27 Watch**, an analysis of national debates on EU matters in all 27 member states as well as two candidate countries (responsible: B. Lippert).
- **WEB-CONSENT**, the project's website at [www.eu-consent.net](http://www.eu-consent.net), containing all relevant information and announcements (responsible: M. Cricorian).
- **EDEIOS Online School**, presenting a core curriculum of conventional and virtual study units on EU deepening and widening (responsible: A. Faber).
- **a PhD Centre of Excellence**, consisting of integrating activities for young researchers such as six summer/winter PhD schools (responsible: A. Agh).
- **an E-Library**, containing resources and papers available online as well as literature lists for all thematic focal points of the project (responsible: A. Faber/M. Cricorian).

